

STATE OF SOUTH CAROLINA )  
 COUNTY OF CHARLESTON )

MASTER DEED OF  
 WENTWORTH PLACE EAST  
 HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, this Master Deed is made on the date hereinafter set forth by Battery Carriage House Development Company, A South Carolina General Partnership, hereinafter called the Developer, with its principal office and place of business at 7168 Cross County Road, Charleston, South Carolina 29418.

WITNESSETH:

WHEREAS, Developer is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Charleston, State of South Carolina, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter referred to as "The Property");

WHEREAS, Developer now desires further to submit The Property to the provisions of the Horizontal Property Act of South Carolina, Title 27, Chapter 31, of the South Carolina Code of Laws, 1976, (hereinafter referred to as "The Act"), hereby creating a regime known as the Wentworth Place East Horizontal Property Regime (herein sometimes called "The Regime" or the "Condominium"); and

WHEREAS, Developer desires to publish a plan for the individual ownership of the several apartments of the Property together with an undivided ownership interest in the general common elements and limited common elements of the Property as defined herein and in the Act; and

WHEREAS, Developer desires to convey the Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Developer does hereby submit the Property to the provisions of the "Horizontal Property Act of South Carolina," Title 27, Chapter 31, South Carolina Code of Laws, 1976, and hereby publishes its plan to the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Developer hereby specifies that this Master Deed and the declarations shall constitute covenants, conditions, reservations and restrictions which shall run with the Property and shall bind and inure to the benefit of the Developer, its successors and assigns and all subsequent owners of any interest in the Property, their grantee, successors, heirs, executors, administrators, legatees and/or assigns.

## ARTICLE I

DEFINITIONS

As used in this Master Deed and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

A. Apartment means as defined in the Act. The floor plan and dimensions of each are as shown in the Exhibits hereto.

B. Assessment means a share of the funds required for the payment of common expenses or capital improvements or expenses which from time to time are assessed to some or all of the Co-Owners.

C. Board of Directors means the Board of Directors or other body in charge of the Council of Co-Owners.

D. Building means as defined in the Act.

E. By-Laws means the By-Laws of the Council of Co-Owners of the Regime as they exist from time to time.

F. Common Elements means and includes all of the Property excluding the Apartments and specifically includes both the general common elements and limited common elements.

G. Common Expenses means and includes:

(1) All expenses incident to the administration, maintenance, repair and replacement of the Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(2) Expenses determined by the Council of Co-Owners to be common expenses;

(3) Expenses in this Master Deed and/or its Exhibits denominated as common expenses; and

(4) Any other expenses declared by the Act to be common expenses.

H. Common Surplus means the excess of all receipts of the Council of Co-Owners over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

I. Condominium Ownership means as defined in the Act.

J. Condominium Unit or Unit means an individual apartment as defined herein and as described in the Exhibits hereto together with an undivided share of the common elements, vote, common surplus and liability for common expenses and other

assessments appurtenant thereto.

K. Co-Owner means as defined in the Act, and specifically owning an Apartment in the Regime.

L. Council of Co-Owners means as defined in the act and specifically the Council of Co-Owners of the Regime.

M. Developer means Battery Carriage House Development Company, A South Carolina General Partnership, its heirs, successors and assigns.

N. Documents means this Master Deed and all Exhibits annexed hereto as they may be amended from time to time.

O. Exhibits means the Exhibits to this Master Deed.

P. General Common Elements means as defined in the Act.

Q. Horizontal Property Act or Act means and refers to The Horizontal Property Act of The State of South Carolina, Title 27, Chapter 31, South Carolina Code of Laws, 1976.

R. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, the Developer, its parent, any other subsidiary of its parent or a lender generally recognized in the community as an institutional type lender, having a lien on the Property or an part or parts thereof.

S. Limited Common Elements means as defined in the Act.

T. Long Term Lease means those certain leases and agreements which are or shall be added by amendment to the Exhibits to this Master Deed and to which the Council of Co-Owners and each and every Co-Owner is bound.

U. Majority of the Co-Owners means as defined in the Act.

V. Master Deed means this Master Deed establishing and recording the Property of the Regime.

W. Occupant means any person or persons in resident in an Apartment.

X. Person means as defined in the Act.

Y. Property means and includes the Property as exists and as shown as contained within the Regime as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights of way and rights of

use as described herein and/or in the Exhibits and/or of record.

Z. To Record means as defined in the Act.

## ARTICLE II

### WENTWORTH PLACE EAST HORIZONTAL PROEPRTY REGIME

#### COUNCIL OF CO-OWNERS

1. **Responsibility for Administration:** The administration of the Regime and the maintenance repair, replacement and operation of the common elements as herein provided, the enforcement of all rules, regulations, by-laws, and those acts required of the Council of Co-Owners by the Master Deed, and/or by the Act shall be the responsibility of the Council of Co-Owners. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed and the By-Laws of the Council of Co-Owners.

2. **Agreements:** The Council of Co-Owners through its Board of Directors shall be and hereby is authorized to enter into such agreements and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner buying, acquiring or holding an interest in any unit thereby agrees to be bound by the terms and conditions of all such agreements entered into or to be entered into by the Board of Directors on behalf of the Council of Co-Owners. A copy of all such documents shall be made available at the office of the Council of Co-Owners for review by each Co-Owner.

3. **Voting Rights:** For each unit owned, one person (who shall be the Co-Owner if only one person owns the unit) shall be designated and known (and is hereinafter referred to) as the "Voting Member". If a unit is owned by more than one person the Co-Owners of said unit shall designate one of them as the Voting Member or in the case of a corporate Co-Owner, an office or employee thereof shall be the Voting Member. In any case the designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Council of Co-Owners. The vote (which is the total vote appurtenant to that Apartment) of each Voting Member shall not be divisible.

The number of votes hereby assigned to each apartment within the Regime shall remain the same and shall be as herein set forth. The vote assigned to each apartment has been determined by dividing the total number of units into the project as a whole.

Each Voting Member shall be entitled to cast his vote at any meeting of the Council of Co-Owners. He shall be entitled to attend such meeting or meetings in person to vote or to cast his vote by proxy, if allowed, as is provided in the By-Laws of the Council of Co-Owners.

### ARTICLE III

#### PROPERTY RIGHTS

1. Identification of Units: The Regime consists essentially of apartments in a building, other improvements and certain lands as the same are described in the Exhibits attached hereto. For the purposes of identification, all apartments in the buildings located in the Horizontal Property Regime are identified by number and letter and are delineated and described in the Exhibits hereto which are made a part of this Master Deed. No Apartment bears the same identifying number and letter combination as does any other Apartment. The aforesaid identifying number and letter combination is also the identifying number as to the unit (comprising both the apartment and the undivided share of the common elements, vote, common surplus and obligation for common expenses and other assessments appurtenant thereto). The Exhibits hereto which are incorporated herein contain a survey of the land, a graphic description of the improvements showing where the building is located and the location of the apartments within, and together with this Master Deed, can identify the location, dimensions and size of the common elements and of each apartment.

The aforesaid building and apartments therein and other improvements are constructed substantially in accordance with such plot plans, descriptions and surveys.

2. Each of the Co-Owners shall own together with his apartment an undivided interest in the common elements and such undivided interest is stated as a percentage of ownership in the said common elements as is set forth in the Exhibits attached hereto and made a part hereof.

Fee title to each unit shall include both the apartment and the above respective undivided interest in the common elements, said undivided interest of the common elements to be deemed to be conveyed or encumbered as part of each respective unit. Any attempt to separate the fee title to an apartment from the undivided interest in the common elements shall be null and void.

3. Use of Common Elements: The Council of Co-Owners and Co-Owners thereof, the Developer, the successors and assigns of each, and all parties who own or

may own an interest in and to the common elements and any of them shall have no right to bring any action whatsoever for partition or division of the real property which constitutes the common elements. Initial Rules and Regulations governing the use of the Property shall be promulgated by the Developer and/or the Board of Directors, which may be amended by the Board of Directors in the manner herein provided. Such Rules and Regulations shall be posted in conspicuous places upon the common elements. Each Co-Owner by his purchase of a unit and acceptance of delivery of such conveyance shall be bound by all such Rules and Regulations and all Rules and Regulations pursuant to the Long Term Lease, and further shall be solely responsible for obedience by the Co-Owner, his family, guests and all occupants of his apartment. Should a Co-Owner fail to pay an assessment as required under the terms of this Master Deed for the period of time as specified herein and the same becomes delinquent, the Council of Co-Owners may deny the Co-Owner and/or any occupant(s) of that Co-Owner's apartment occupancy to that apartment, and/or the use and enjoyment of the common elements until such time as all assessments are paid. The Council of Co-Owners shall have the right in its sole discretion to suspend any Co-Owner and/or occupant of that Co-Owner's apartment from the use of the common elements for a period not to exceed thirty (30) days for any infraction of promulgated Rules and Regulations pertaining to the common elements. Should such rights of the use and/or occupancy be suspended, there shall be no reduction in the assessments due and payable by the Co-Owner.

Any person actually occupying an apartment may use the general common elements and those limited common elements reserved for the use of that apartment during the time said occupant is actually in resident in the apartment. Guests and invitees of an occupant of an apartment and/or the Co-Owner of the apartment himself (if there is another occupant at that time) may only be permitted to use the common elements including facilities under the Long Term Lease if at all, with the express permission of the Council of Co-Owners and subject to such terms and conditions as the Council of Co-Owners may determine at its sole discretion, including the payment of additional compensation therefore, it being understood and agreed that said common elements are primarily designed for the use and enjoyment of the occupants of the apartments and the use by others may be required to be limited or not permitted at all during certain times of day and/or certain weeks or months of a year and the Council of Co-Owners shall determine the foregoing in its sole discretion including the manner and

method in which the common elements are to be used and under what circumstances.

4. Limited Common Elements: Those areas which are or will be reserved for the use of occupant(s) of certain apartment(s) to the exclusion of others are and/or or shall be designated as limited common elements. Any expense for maintenance, repair or replacement relating to limited common elements shall be treated as, and paid for as, part of the common expense unless otherwise specifically provided in this Master Deed and the Exhibits hereto. Parking spaces are located within the common element parking area shown and designated in the Exhibits. No parking spaces shall be assigned to any particular apartment or apartments nor shall they be numbered unless mutually agreed to by all Co-Owners and their institutional Mortgagees of record.

5. Common Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements) necessitated by the negligence or misuse by any occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

(b) All other costs of maintenance, repair, replacement, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) shall be, unless the Board of Directors otherwise decides, Common Expenses.

6. Development Plan:

(a) Developer has initially included within the Condominium certain property and improvements including a Building containing Nine apartments numbered 1A, 1B, 1C, 2A, 2B, 3A, 3B, 4A, and 4B; the same being shown and designated in the Exhibits attached hereto. Each apartment shall have an equal value with regard to the Property as a whole; there is appurtenant to each said apartment and an equal undivided percentage share of ownership interest in the Common Elements as described in the Exhibits.

ARTICLE IV

ARCHITECTURAL CONTROL

To preserve the original architectural appearance of the Condominium, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any Building and/or Common Element and all such additions as are herein specified shall be architecturally compatible with existing

structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and so long as Developer, or its successors or assigns, owns one or more units in the Condominium, the Developer or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Developer to approve or disapprove such plans and specifications within sixty days after their being submitted in writing shall constitute approval.

#### ARTICLE V

##### EXPENSES AND COMMON SURPLUS

The common expenses of the Condominium and the monetary obligations of the Co-Owners under any agreements entered into by the Council of Co-Owners shall be shared by the Co-Owners equally.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to this interest in the Common Elements.

#### ARTICLE VI

##### AMENDMENT OF THE MASTER DEED

This Master Deed may be amended at the regular or any special meeting of the Council of Co-Owners of the Condominium, called and convened in accordance with the By-Laws, upon the affirmative vote of two-thirds of all the Voting Members of the Council of Co-Owners; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effects a termination of the Condominium without the written agreement of all of the Co-Owners in the Condominium and all Institutional Mortgagees holding mortgages of record upon the Condominium or any portion thereof, as provided in The Act.



All amendments hereto shall be recorded and certified as required by The Act. No amendment(s) shall change any Apartment, any Unit or the proportionate share of the Common Expenses or Common Surplus attributable to each Unit, nor the voting rights of any Unit, unless all Co-owners of the Condominium and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Institutional Mortgagee or change the provision of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Developer, its successors and assigns, without written approval and consent of the Developer, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Developer reserves the right to alter the interior design and arrangement of all Apartments and to alter the boundaries between Apartments as long as the Developer owns all the Apartments so altered; however, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Developer shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed with a survey and plot plan attached reflecting such authorized alteration of apartments and said amendment need only be executed and acknowledged by the Developer and any holder of mortgage(s) encumbering the said altered Apartments. Such survey shall be certified in the manner required by The Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Charleston County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, said time may be extended by virtue of delays caused by Acts of God, Acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Developer's control.

ARTICLE VII

BY-LAWS

The operation of the Condominium shall be governed by the By-Laws of the Council of Co-Owners which are attached to this Master Deed as an Exhibit and made a part hereof.

No modification of, or amendment to, the By-Laws of the Council of Co-Owners shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein and in The Act, but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Developer without written approval of the Developer, its successors or assigns.

#### ARTICLE VIII

##### THE OPERATING ENTITY

The operating entity of the Condominium shall be the Council of Co-Owners. The Council of Co-Owners shall have all the powers and duties set forth in The Act as well as all the powers and duties granted to and imposed upon it by the Master Deed and the By-Laws of the Council of Co-Owners, and, in addition, all other powers and duties necessary to operate the Condominium, which shall be exercised through its Board of Directors; provided, however, that in the event of conflict the provisions of The Act shall control.

Every Co-Owner, whether he has acquired his Unit by purchase, gift, devise or other conveyance or transfer, by operation law or otherwise, shall be bound by this Master Deed, The Act, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Council of Co-Owners.

#### ARTICLE IX

##### ASSESSMENTS

The Council of Co-Owners, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Condominium and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Property, as are necessary to meet expenses and payments. The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Condominium and such other expenses as are provided herein, in The Act, or deemed

necessary and appropriate expenses of the Condominium. The procedure for the determination of sums necessary and Assessments upon Co-Owners and the method of collection of the same shall be as set forth in the By-Laws of the Council of Co-Owners, as provided herein and in the Exhibits hereto and in The Act.

A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessment by the Board of Directors of the Council of Co-Owners.

Assessments that are unpaid for over ten (10) days after due date shall bear interest at the maximum legal rate per annum from due date until paid, and at the sole discretion of the Board of Directors (and if not forbidden by law), a late charge not to exceed \$10.00 shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board; provided, however, that on or before December 1st of the preceding year the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided further that a notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty (30) days prior to the time of the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of each Assessment not paid when due as provided in The Act, which may be collected and/or the lien foreclosed upon as provided in The Act. Reasonable attorney's fees incurred by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Council of Co-Owners for taxes and payments on account of a superior mortgage lien (s) or encumbrance(s) which may be required to be advanced by the Council of Co-Owners to preserve and/or protect its lien shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in The Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of an Apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the

date of recording of such mortgage but prior to the acquisition of title by such acquirer, as is provided in The Act. Each Mortgagee of record shall be provided, if so requested, with the annual estimated budget of the Condominium and any financial statement of the Condominium and/or the Council of Co-Owners. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner, as provided in The Act.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

#### ARTICLE X

##### INSURANCE

The Board of Directors of the Council of Co-Owners shall obtain insurance upon the Property insuring it (including both common elements and all apartments) against all risks, as provided in The Act, all premiums of which shall be included as part of the Common Expenses.

Section 1. The Board, on behalf of the Council of Co-Owners, shall obtain extended insurance coverage upon the Property and improvements thereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.) in amount(s) sufficient to completely restore and replace the damage and/or destroyed elements in the event of loss. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Board shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund to provide insurance to cover the same. Such self-insurance fund shall be established through a licensed insurance agent or trust department of a federally insured bank or depository in such format and in such amount(s) as are acceptable to all Institutional Mortgagees of record, with whose advice and consent such shall be established. Such self-insurance fund shall have the same beneficiaries as the policies obtained (i.e. the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replenishment(s) thereto shall be funded by assessment of all of the Co-Owners by the Board, which shall be, when so assessed, an

item of Common Expense. Such funds so maintained, together with interest thereon (if any) may be expended only in the event of (1) a loss which such funds insure against, (2) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies), (3) the consent of all Co-Owners and their mortgagees or (4) upon termination of the Condominium. In the event of distribution of such funds for any of the latter three events, such funds so expended and/or distributed shall be considered as, owned as and distributed as Common Surplus.

Section 2. Institutional First Mortgagees owning and holding mortgages encumbering units in the Condominium having an unpaid dollar indebtedness of \$100,000 or more shall have the right to approve all such insurance policy or policies, the company or companies insuring upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles.

Section 3. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in The Act; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property as is provided in The Act. In such event, the proceeds shall be divided as provided in The Act unless otherwise unanimously agreed upon by the Co-Owners and all mortgagees upon the Property or any portion thereof, of record. In the event of such pro-rata division, the Institutional Mortgagee of record shall have first claim upon such insurance proceeds delivered to the Co-Owner of the Unit upon which such Institutional Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

Section 4. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid as provided in The Act by all of the Co-Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Apartments so directly affected. Failure or refusal of payment by any of the Co-Owners so affected shall result in a lien upon his Unit in favor of the Council of Co-Owners in such amount and may be enforced in the manner provided for collection of unpaid Assessments herein and/or in The Act.

Section 5. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each Co-Owner and/or his mortgagee(s) from

insuring his apartment on his account and for the benefit of himself and/or his mortgagee(s).

Section 6. Reconstruction: Any repair and/or retoration must be substantially in accordance with the plans and specifications for the original Buildings and improvements or as the Buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

Section 7. Power of Compromise Claims: The Board of Directors is hereby irrevocably appointed agent for each Co-Owner for the purpose of compromising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefore upon the payment of claims.

Section 8. The Board of Directors on behalf of the Council shall maintain liability insurance coverage on the Condominium in an amount of not less than \$1,500,000.00 per occurrence, all premiums of which shall be included as part of the Common Expenses.

Section 9. Institutional Mortgagees' Right to Advance Premiums: Should the Council of Co-Owners fail to pay insurance premiums when due or should the Council of Co-Owners fail to comply with other insurance requirements required herein or by The Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Council of Co-Owners and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

Section 10. Other Insurance: The Board of Directors of Council of Co-Owners is authorized to purchase such additional insurance and for such additional purposes, including, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Condominium, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

Section 11. Authorized Companies: Any and all insurance coverage(s) obtained under Section 1 above by the Council of Co-Owners pursuant to this

Article must be obtained from an admitted insurance carrier(s) authorized to do business in the State of South Carolina by the South Carolina Department of Insurance, and having an Alfred M. Best Financial Rating of at least —A—, which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Developer, the Board of Directors, the Council of Co-Owners and Institutional Mortgagees shall not be responsible for the quality or financial responsibility of the insurance company(ies) provided same are so rated and are so licensed and approved to do business and provide such coverage in the State of South Carolina.

#### ARTICLE XI

##### USE AND OCCUPANCY

The Co-Owner of an Apartment shall occupy and use his Apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes, provided, however, nothing herein contained shall prevent any Co-Owner from leasing or renting his Apartment to third parties; provided, however, such Apartment shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed, its Exhibits and the Act and Rules and Regulations promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Council of Co-Owners or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upon his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Property. Notwithstanding the foregoing, nothing contained in this Master Deed shall be construed to permit the Developer or any successor in interest to the Developer from selling and/or conveying any unit under any plan for interval ownership or time sharing arrangement.

No Co-Owners shall permit or suffer anything to be done or kept in or about his Apartment or upon the Common Elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-Owner permit or commit any nuisance or illegal act in or about the Property.

No animals or pets of any kind shall be kept in any Apartment on any

Property of the Condominium except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Council of Co-Owners; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Apartments or upon the general or limited Common Elements; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside an Apartment; nor shall he cause awnings or storm shutters, screens, enclosures and the like to be affixed or attached to any Apartment, limited or general Common Elements; nor shall he place any furniture or equipment outside an Apartment except with the written consent of the Board of Directors of the Council of Co-Owners; and further, where approved, subject to the Rules and Regulations of the Board of Directors. No clothesline or similar device shall be allowed on any portion of the Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Co-Owners may not screen or enclose any exterior patio which abuts an Apartment where applicable nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or an Apartment or any part of the Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertaining thereto as may from time to time be promulgated by the Board of Directors of the Council of Co-Owners.

The Board of Directors may, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Developer, its successors and assigns, shall be allowed to maintain one (1) or more apartments as laundry and/or maintenance areas, management, sales and/or rental office(s); to display and place signs



upon the premises to aid in sales or rentals; and to engage in sale or rental activities.

## ARTICLE XII

### MAINTENANCE AND ALTERATIONS

A. The Board of Directors may enter into contracts with firm(s), person(s) or corporation(s), or may join with other horizontal property regimes and/or entities in contracting for the maintenance and/or repair of the Property and any properties belonging to the Condominium or to which it and its Co-Owners have access and/or the use of; may contract for or may join with other councils of co-owners in contracting for the maintenance and management of the Condominium; and may delegate to such contractor or manager all power and duties of the Council of Co-Owners and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the act to have approval of the Board of Directors and/or of the Council of Co-Owners.

B. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Co-Owners of the Condominium provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Co-Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Co-Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking into account the benefit to each and the relative value of each such Apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Co-Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total votes of the Co-Owners exclusively or substantially benefiting therefrom, and where said Co-Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Co-Owners for alterations or additions to the common elements of this Condominium is required, the approval of Institutional Mortgagees

whose mortgages encumber Units representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Units at said time shall also be required.

C. Each Co-Owner is hereby required:

1. To maintain in good condition and repair his Apartment, all interior surfaces and the entire interior of his Apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, where applicable: air conditioning and heating units, including condensers and all appurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the Apartment; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Condominium; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-Owner shall pay said bill for his Apartment individually. Electricity for the Apartments and all other purposes for the Condominium may be metered to the Condominium as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of said Apartment. Each Co-Owner shall maintain, care for and preserve those portions of the Limited Common Elements, if any, exclusively for his use or exclusively for his use together with certain other Co-Owners as provided in Article III, Section 5, hereof. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Apartment, the Co-Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

2. Not to make or cause to be made any structural addition or alteration to his Apartment or to the Common Elements or any part(s) thereof. Alterations within an Apartment may be made with prior written consent of the Board of Directors and any Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor

employed by such Co-Owner for such purpose. Said parties shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s) or Property caused by the Co-Owners's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

3. To allow the Board of Directors or its representative, agent or employee to enter into his Apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the Apartment and/or Common Elements; to determine in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine compliance with the provisions of this Master Deed and/or any By-Law or Rule or Regulation of the Council of Co-Owners.

4. To show no signs, advertisements or notices of any type on the Common Elements, Apartments or Building and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

D. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Council of Co-Owners, shall have the right to proceed with an action at law for damages or obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, the Board of Directors, on behalf of the Council of Co-Owners, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, The Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the Property to good condition and repair. Such assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter an Apartment at all reasonable times to do such work as it deems

necessary to enforce compliance with the provisions hereof.

E. The Board of Directors shall determine the exterior color scheme of all Buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Council of Co-Owners), and shall be responsible for the maintenance thereof. No Co-owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon or affix anything thereto without the written consent of the Board of Directors.

F. The Council of Co-Owners shall be responsible for the maintenance and repair and replacement of the Common Elements and all portions of the Property not required to be maintained and/or repaired and/or replaced by individual Co-Owners. Notwithstanding each Co-Owner's duty or maintenance, repair, replacement and other responsibilities to his Apartment, the Council of Co-Owners, through its Board of Directors, may enter into an agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Said agreements shall be on behalf of each of the Co-Owners and the monthly Assessment due from each Co-Owner for the Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said equipment maintenance or services. Each Co-Owner shall be deemed a party to such agreement with the same force and effect as though said Co-Owner has executed said agreement. It is understood and agreed that the Council of Co-Owners through its Board of Directors shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article IX of this Master Deed.

#### ARTICLE XIII

##### TERMINATION

This Condominium may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in The Act; provided, however, that unless otherwise required by law or in The Act, before the Condominium may be terminated, all Institutional Mortgagees of record of any Apartment or any other

part or any other part of the Property of the Condominium must agree in writing to accept such termination and to accept as security the undivided portion of the Property owned by the debtor(s) of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements (excluding, however, any real property and/or improvements constituting any Phase(s) reserved by the Developer under the development plan not yet committed to the Condominium). The ownership of each Co-Owner upon such termination as tenant in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

#### ARTICLE XIV

##### EASEMENTS

Each person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of an Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a Building or other improvement or an Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The Property submitted to a Horizontal Property Regime is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina, and governmental authority or agency, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drains which now exist. The Developer shall have the right to grant easements and designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to others, easements for access and for ingress across the paved portions and walkway portions of the Property as it may be composed from time to time for owners, occupants and users of other properties, facilities and horizontal property regimes within the Resort or in proximity thereto. When the Developer relinquishes such right, the Council of Co-Owners shall be

empowered to grant such easements but not to revoke any theretofore granted. While the Developer has the right to grant easements, the consent and approval of the Council of Co-Owners to the granting thereof shall not be required. No easement shall be granted by the Developer or the Council of Co-Owners if as a result thereof any Buildings or other improvement in the Condominium would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

Those easements of ingress and egress across the Property which are of record, are shown in the Exhibits or in the records of the Clerk of Court of Charleston County, South Carolina. The rights of all Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Council of Co-Owners, all present and future Co-Owners and occupants, the Developer and their respective successors, assigns, and designees are hereby granted an easement over, through and across and a license to use the paved areas of the Common Elements and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and license to use the same.

#### ARTICLE XV

##### CERTAIN RIGHTS OF DEVELOPER

1. Notwithstanding any other provisions herein, so long as the Developer continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Developer from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Developer after the construction on said Apartment has been completed and it is included in the Condominium.

a. The Developer shall have the right at anytime to sell, transfer, lease or re-let any Apartment(s) which the Developer continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Council of Co-Owners or any other Co-Owner being required.

b. During the period of time in which structures within a particular phase are under construction by the Developer and not completed, no dues shall be charged against the Developer as the Co-Owner of Apartments in that phase until both the

completion of said Apartments in that Phase and its inclusion in the Condominium and the dues shall be assessed against the Co-Owners (including the Developer) of those Apartments in that Phase which shall have been completed, proportionately, inter se.

c. Without limiting the foregoing, the Developer shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Developer owns at least one Apartment in any included Phase to amend the Master Deed to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages", as the same may be amended from time to time.

d. The Developer shall have the rights (i) to use or grant the use of a portion of the Common Elements for the purpose of aiding in the sale or rental of Apartments; (ii) to use portions of the Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Developer determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Property; (iv) to distribute audio and visual promotional materials upon the Common Elements; and (v) to use any Apartment which it owns as a sales and/or rental office, management office or laundry and maintenance facility.

e. In order to provide the Condominium with, among other things, adequate and uniform water service, sewage disposal service, utility services and television reception, the Developer reserves the exclusive right to contract for the provision of such services. The Developer, as agent for the Council of Co-Owners and the Co-Owners, has entered into or may enter into agreements, binding upon the Council of Co-Owners and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

f. The Developer reserves the right to enter into, on behalf of and as agent for the Council of Co-Owners and the Co-Owners, agreements with other Persons for the benefit of the Condominium, the Council of Co-Owners and the Co-Owners. The provisions of any such Agreement shall bind the Council of Co-Owners and the Co-Owners.

2. THE DEVELOPER SPECIFICALLY DISCLAIMS ANY INTENT TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE PROPERTY AS PRESENTLY CONSTITUTED, AND AS CONSTITUTED (INCLUDING

ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) ANY RULES AND REGULATIONS PROMULATED BY DEVELOPER OR ITS DESIGNEE OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE CONDOMINIUM, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO REPLY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DEVELOPER OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Condominium and Resort Facilities consisting of improvements have been or will be constructed substantially in accordance with the representations made in the exhibits. Such representations specify the full extent of the Developer's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Developer shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of waste within the Buildings or on any portion of the Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Developer and any Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, subcontractor, supplier or manufacturer shall be the obligation of the Council of Co-Owners and its members and the Developer shall bear no responsibility therefor.

#### ARTICLE XVI

##### PROVISIONS RESPECTING CONSTRUCTION LENDER

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Developer upon the Property as presently constituted or any subsequent phase to secure a loan with which to develop the improvements for the Property or that phase, such as would be commonly



classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage") the following provisions shall be a part of this Master Deed and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

1) Whenever the consent of the Developer is required under the Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2) In the event that the Developer shall violate any of its obligations as a Co-Owner, the Council of Co-Owners shall be required to give Construction Mortgagee written notice of such failure or violation, and the Council of Co-Owners shall be prohibited from instituting any suit or exercising any other remedy against the developer for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3) Construction Mortgagee shall be given written notice by the Council of Co-Owners of any meeting of the Co-Owners together with the agenda of such meeting.

4) No amendment shall be made to this Master Deed or to the By-Laws of the Council of Co-Owners, which would alter the rights of Construction Mortgagee or in any other way affect the security of Construction Mortgagee without its joinder and written consent to such amendment.

5) If Construction Mortgagee either assumes possession of any portion of the Property or Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Property at foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges, and exemptions granted to Developer by this Master Deed and/or by the By-Laws.

#### ARTICLE XVII

#### RIGHTS OF LENDERS

Notwithstanding any other provision hereof any mortgagee of record, (including, but not limited to, the Construction Mortgagee while such construction mortgage shall remain unsatisfied), shall:

- (i) Upon request, be permitted to inspect the books and records of the