

BK F 551 PG 738

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

Corrective and Restated
MASTER DEED FOR
1 CHALMERS STREET
HORIZONTAL PROPERTY REGIME
Effective as of May 30, 2003 **

ARTICLE I
Identification

****This supercedes and replaces the provisions of the Master Deed for 1 Chalmers Street Horizontal Property Regime recorded in Book K-451, Page 875, Charleston County RMC Office**

- 1.1 Name of Regime. The name of the horizontal property regime created and established by this Master Deed pursuant to Section 27-31-10 et seq. of the Code of Laws of South Carolina, as amended (Horizontal Property Act) is 1 Chalmers Street Horizontal Property Regime (the "Regime"). The Regime consists of the Land described in Section 2.1, the Buildings described in Section 2.2, the Units described in Section 2.3, the general common elements described in Section 2.5, and the limited common elements described in Section 2.6.
- 1.2 Identification of Owner. Properties of Historic Charleston, LLC was or is the fee simple owner of the real estate herein described and is referred to herein as "Declarant".
- 1.3 Exhibits. Attached to this Master Deed are by-laws, floor plans, plat, and commercial and residential provisions which are marked as exhibits and which are to be regarded as integral parts of this Master Deed.
- 1.4 Council of Co-Owners. The Council of Co-Owners (the "Council" or the "Association") consists of all persons who own Units in the Regime. The Council is charged with maintaining and repairing the general and limited common elements in the Regime and with the administration of the Regime's affairs. The Council shall be governed by this Master Deed and the By-Laws marked as Exhibit "B", attached hereto and made a part hereof.

ARTICLE II
Description

- 2.1(a) Description of Land. The Land which is hereby being submitted to the Regime created and established by this Master Deed is described as follows:

All that certain parcel of land, together with the buildings and improvements thereon, situate, lying and being at the southwest corner of State and Chalmers Streets in the City of Charleston, County of Charleston, State of South Carolina measuring and containing on State Street, thirty-eight feet seven inches (38'7") by the same on the West or back line and on Chalmers Street from East to West sixty (60') feet by the same on the South side, more or less.

TMS No: 458-09-03-021

- 2.2 Description of Building. The building which forms a part of the Regime created and established by this Master Deed has such size and location as is shown on the plat and plot plan marked as Exhibit "A".
- 2.3 General Description of Units. The Units are those portions of the Regime designated for separate ownership, and have such location, dimensions and area as are shown on the floor plans marked Exhibit "C". The vertical boundaries of the Units are the unfinished inner surfaces of the perimeter walls as shown on the floor plans and the horizontal boundaries are the unfinished inner surfaces of the ceilings and floors. Any limited or general common elements located within the boundaries are not part of the Unit. Subject to the preceding sentence, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tile, wallpaper, paint, finished flooring and any other material constituting part of the finished surfaces thereof are part of the Unit.
- 2.4 Number, Designation, and Location of Units. The number, designation, and location of each Unit within the Building is shown on the floor plans attached hereto as Exhibit "C".
- 2.5 Description of General Common Elements. The general common elements consist of the Land described in Section 2.1, the roof, foundation, stairways, elevator equipment, elevator, entrances and exits, yards, garbage enclosures, outside lighting, hallways, hall storage closets, storm drainage, water and sanitary sewer lines and equipment. Insofar as possible, the general common elements are shown graphically and described in detail in words and figures on the floor plans attached hereto as Exhibit "C".
If any chute, flue, duct, wire, conduit, load-bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving more than one Unit or the general common elements is a part of the general common elements.
- 2.6 Description of Limited Common Elements. Any attic, shutters, awnings, window boxes, doorsteps, stoops, porches, compressors, and all entry doors and exterior windows and exterior walls, and surfaces of exterior walls, and other fixtures designated to serve one or more but less than all Units, are limited common elements allocated exclusively to such Unit or Units. The elevator, the phone in elevator, and all elevator equipment shall be limited common elements allocated exclusively to Units A, B, C, and D.

If any chute, flue, duct, wire, conduit, load-bearing wall, 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 floor plans.

ARTICLE III
Basic Value

- 3.1 Basic Value of Property. The total basic value of the property in the regime is ONE THOUSAND AND NO/100 (\$1000.00) Dollars. This basic value is fixed for the sole purpose of the Horizontal Property Act and is irrespective of actual value.
- 3.2 Basic Value of Units. The basic value of the Units are as follows:

<u>Unit/Space</u>	<u>Basic Value</u>
A	\$204.00
B	\$124.00
C	\$217.00
D	\$126.00
17 State	\$145.00
15 State	\$184.00

TOTAL BASIC VALUE: \$1,000.00

ARTICLE IV
Percentage Interest

- 4.1 Percentage Interest of Property. The percentage interest appertaining to the Units are as follows:

<u>Unit/Space</u>	<u>Percentage</u>
A	20.4%
B	12.4%
C	21.7%
D	12.6%
17 State	14.5%
15 State	18.4%

ARTICLE V
Unit Owner's Rights and Obligations

- 5.1 Use of Unit and Common Elements. Subject to this Master Deed and By-Laws, the Unit owner shall have an undivided ownership interest according to his percentage interest in the limited and general common elements; the exclusive right to use his Unit; the exclusive right with that of others, but not all, Unit owners to use the limited common elements allocated to such Unit owners; and the non-exclusive right with that of other Unit owners to use all general common elements in accordance with the purposes for which they are intended. These Units may be used for commercial or residential purposes. If used for commercial purposes, they shall be held and used subject to covenants, conditions, and restrictions set forth on Exhibit D, attached hereto and made a part hereof. If used for residential purposes, they shall be held and used subject to covenants, conditions, and restrictions set forth on Exhibit E, attached hereto and made a part hereof.
- 5.2 Compliance with Rules, Regulations, Enforcement. Each Unit owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Unit. Each Unit owner shall have a right of action against other Unit owners or the Council as the case may be, to enforce compliance by either of them with the By-laws, rules, regulations, covenants, conditions, and restrictions referenced above.
- 5.3 Common Expense Liability. The Unit owners are bound to contribute pro rata according to their percentage interest toward the expenses of administration of the property constituted into the regime and toward the expenses of maintenance and repair of the general common elements. Expenses for the maintenance and repair of limited common elements shall be assessed against those Units to which those elements have been allocated.
- 5.4 Voting Rights. In all matters on which the Council takes action pursuant to its By-laws, each Unit owner shall have a vote equal to his percentage interest.
- 5.5 Alteration of Units. A Unit owner:
- a. May make any improvements or alterations to his Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Regime.
 - b. May not change the appearance of the limited and general common elements or the exterior appearance of any Unit or any portion of the Regime and may not install any interior window dressing visible from the exterior unless such has a white or beige liner, without permission of the Council.
 - c. After acquiring an adjoining Unit, only with written approval of Declarant or the

Board of Directors, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a limited or general common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Regime. Removal of partitions or creation of apertures under this paragraph is not an alteration of the Unit's boundaries.

- d. May not engage in time sharing or other subdivision of a Unit in any manner.
 - e. May not place "For Sale" or "For Rent" signage on the Unit without the consent of the Board of Directors or Declarant.
- 5.6 Easement for Encroachment. To the extent that any Unit or general and limited common element encroaches on any other Unit or general and limited common element a valid easement for the encroachment exists. The easement does not relieve a Unit owner of liability in case of his wilful misconduct, nor relieve the Declarant or any contractor, subcontractor, or materialman of liability for failure to adhere to the plot plans and floor plans.
- 5.7 Easements Appurtenant to Unit Ownership. The Council shall have easements in common with all Unit owners. Each Unit owner shall have an appurtenant easement in common with all other Unit owners to use all pipes, wires, ducts, cables, conduits, utility lines, columns, supporting and sheltering structural members, and other like facilities located in any of the other Units or in the general or limited common elements and serving his Unit. Each Unit and the general or limited common elements shall be subject to an appurtenant easement in favor of other Unit owners to use the pipes, ducts, cables, wires, conduits, utility lines, sewer lines, and other facilities serving other Units or the general or limited common elements and located in each such Unit. In addition, each Unit shall be subject to and shall have such appurtenant easements of support and shelter from and over such other Units and the general or limited common elements as may be necessary for the quiet enjoyment of such Unit.

ARTICLE VI
Council's Rights and Obligations

- 6.1 Access to Units. The Council has the irrevocable right of access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of all general and limited common elements therein, or to make repairs necessary to prevent damage to the general or limited common elements or to another Unit. This right is to be exercised as specified by the By-laws.
- 6.2 Easements for Maintenance and Operation. The Council has the right to grant permits, licenses, and easements over the common areas for utilities, cable T.V., and other purposes reasonably necessary for the proper maintenance or operation of the Regime.

- 6.3 Administration of Units. The care, upkeep, and surveillance of the general and limited common elements of the Regime shall be administered by the Council according to its By-laws. The system of administration adopted by the By-laws may be modified at any time by the vote of the Unit owners representing two-thirds of all the percentage interests, but such modification shall not be operative until recorded in the RMC Office for Charleston County.
- 6.4 Enforcement of Agreements. The Council shall have a right of action against any Unit owner to enforce compliance with the By-laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Unit.
- 6.5 Assessments-Levy and Collection. The Board of the Council shall have the authority and duty to levy and enforce the collection of general and special assessments for common expenses. The Board shall provide for adequate remedies for failure to pay such assessments. Assessments against any Unit, with interest, costs and reasonable attorney's fees shall become a lien upon such Unit if not paid when due. Each assessment against a Unit shall be the personal obligation of the owner at the time the assessment falls due. Except as set forth herein, the purchaser of a Unit shall be jointly and severally liable with the seller for the amounts owing for assessments up to the time of conveyance, without prejudice to the purchaser's right to recover from the other party the amounts paid by him as such joint debtor. The Council shall provide and issue to any purchaser, upon his request, a statement of such amounts due by the seller and the purchaser's liability under this section shall be limited to the amount as set forth in the statement.

ARTICLE VII
Declarant's Rights and Obligations

- 7.1 The Declarant will not develop or add other phases to the Regime.
- 7.2 Declarant Owner of all Units Created. The Declarant shall be the owner of all Units hereby created.
- 7.3 Easement Reservation. The Declarant reserves an easement, including a construction easement, through all general and limited common elements as may be reasonably necessary for the purpose of constructing or reconstructing Units.
- 7.4 The Declarant shall have the sole right to amend this Master Deed and By-laws in any respect which does not materially effect the other Unit owners until such time as it has sold or conveyed all Units to third-party transferees.
- 7.5 The Declarant will not be required to pay assessments on the Units it owns until such time as it has sold 4 Units to third party transferees or January 2006, whichever first occurs.

ARTICLE VIII
Rights and Obligations of Mortgagees

- 8.1 Assessments. Unpaid assessments attributable to any Unit shall constitute a lien on such Unit prior to all other liens except (i) tax liens on the Unit in favor of any governmental assessing authority, and (ii) mortgage liens encumbering the Unit and duly recorded in the RMC Office for Charleston County. Any Mortgagee obtaining title to any Unit pursuant to the remedies provided in the Mortgage will not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by Mortgagee. Such unpaid assessments shall be deemed to be common expenses collectible from all of the Unit owners, including such acquirer, his heirs, successors and assigns. Any Mortgagee taking title by deed in lieu of foreclosure or by foreclosure shall be liable for the lien of all assessments made after the date of such foreclosure sale or date of deed in lieu of foreclosure.
- 8.2 Notices. In addition to any other notices required to be given by the Council to holders of first mortgage liens on Units, the following notices shall be provided to all such Mortgagees to which Council has written notice:
- a. Written notice of any default by an owner whose Unit is subject to a mortgage lien, of any obligation of such owner provided for in the Master Deed or the By-laws on which default is not cured within sixty (60) days after the same shall occur.
 - b. Written notice to Mortgagees of substantial damage or destruction to the buildings due to condemnation loss which affects the Regime, and written notice of damage or destruction of any Unit subject to a mortgage lien to such lien holder.
 - c. Written notice to Mortgagees of any taking or threatened taking of all or part of the land submitted to the Regime by any governmental authority pursuant to condemnation or the power of eminent domain, and written notice of any such taking or threatened taking of any Unit subject to a mortgage lien to such lien holder.
 - d. Written notice to Mortgagees of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Council.
 - e. Written notice to Mortgagees of any proposed action which would require the consent of a specified percentage of mortgage holders.

ARTICLE IX
Eminent Domain

- 9.1 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 Council and common expense liability are automatically reallocated to the remaining Units in proportion to the respective interests, votes, and liabilities of those Units before the taking, and the Council 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.

- 9.2 Part of Unit Acquired. Except as provided in Subsection 9.1, 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 general and limited common element interest. Upon acquisition, (1) that Unit's limited and general common element percentage interest, votes in the Council, 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 proportion to the respective interest, votes, and liabilities of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced interests, votes, and liabilities.
- 9.3 Part of Common Elements Acquired. If a portion of the common elements is acquired by eminent domain, the award must be paid to the Council. The Council shall divide any portion of the award not used for any restoration or repair of the remaining limited and general common elements among the Unit owners in proportion to their respective limited and general common element percentage interests before the taking, but the portion of the award must be equally divided among the owners of the Unit to which a limited common element was allocated at the time of acquisition, or in any manner the Master Deed provides. Notwithstanding the foregoing, nothing in this Article IX shall be construed to affect in any way the rights of any Mortgagee holding a valid and subsisting security interest in all or any part of the subject Horizontal Property Regime to any awards generated by a condemnation or taking, pursuant to the power of eminent domain, as established by its respective mortgage or other agreement with the owner of the property encumbered by the security interest.

ARTICLE X

Amendments to Master Deed

- 10.1 General Amendments. Except as provided herein to the contrary, the Master Deed including the plats and plans and other exhibits may be amended only by vote in agreement of owners of Units representing at least sixty-seven (67%) percent of the percentage interests. No action to challenge the validity or an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded, provided, however, that no amendment shall have any material affect upon the rights of any bona fide Mortgagee

holding a valid and subsisting security interest in all or any part of the Regime, until the written consent of the Mortgagee to the amendment has been obtained.

- 10.2 Limitations. Except to the extent expressly permitted by this Master Deed, no amendment may increase the number of Units or change the boundaries of any Unit, or alter general or limited common elements, or change the percentage interest allocated to any Unit or the use to which a Unit is restricted, in the absence of the unanimous consent of the Unit owners.

Sections 10.1 and 10.2 are subject to the Declarant's rights as set forth in Section 7.4 herein.

ARTICLE XI

Insurance

The Board of Directors of the Council of Co-Owners shall be required to obtain and maintain, to the extent reasonably obtainable, in forms and amounts as hereinafter prescribed, the following insurance, without prejudice of the right of the Co-Owner to obtain additional individual insurance at his own expense:

- 11.1 Hazard Insurance. The Board of Directors of the Council shall insure the property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the property as determined by periodic appraisals of the property for insurance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every third year, or in the amount reasonably obtainable as it relates to the flood coverage. The Board shall also have the authority to insure against other hazards and risks as it may deem desirable for protection of the property. All hazard insurance shall cover the entire property, exclusive only of those items within the individual units as described in Section 11.6 of this Article XI. These requirements regarding insurance shall include the following:
- a. All hazard insurance policies obtained by the Board shall designate the Board as the named insured, as Insurance Trustee for the benefit of all Unit owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Master Deed, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of this Master Deed.
 - b. All hazard insurance policies obtained by the Board shall provide for the issuance of Certificates of Insurance to each Unit owner. Each certificate shall evidence the issuance of the master policy and shall indicate the amount of insurance covering the building within which the Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall also be issued to the mortgagee bearing a standard mortgagee

endorsement, if requested.

- c. If obtainable, all hazard insurance policies upon the property shall include provisions waiving:
1. Any rights of the insurer to subrogation against the Council, its agents and employees, and against the individual Co-Owners and their servants, agents, and guests; and
 2. Any rights of the insurer to contribution from hazard insurance purchased by the Unit owner upon the contents and furnishings of their Units.
- d. Each Mortgagee of which the Board has notice, as evidenced by a Certificate of Insurance having been requested and issued to said Mortgagee or as provided in Article X of the By-laws, shall be entitled to receive upon request a copy of each appraisal as called for in Section 11.1 above.
- e. Each hazard insurance policy shall contain a loss payee provision designating the interest of the various Mortgagees as to the Units within the Regime which are covered by the master policy. Such policies shall also provide, if possible, that they shall not be canceled without thirty (30) days prior written notice to all such Mortgagees of which the insurer has been given written notice.
- 11.2 Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable, but at least in the amount of \$1,000.00. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of one Unit owner to another Unit owner.
- 11.3 Worker's Compensation Insurance. The Board, as necessary, shall obtain Worker's Compensation Insurance to meet the requirements of law.
- 11.4 Premiums. All premiums upon insurance policies purchased by the Council shall be assessed as common expenses to be paid by the Unit owners through periodic assessment as herein provided.
- 11.5 Adjustment. Each Unit owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Council, subject to the rights of mortgagees of such Units.
- 11.6 Insurance by Unit Owners. Each Unit owner shall be responsible for obtaining, at his sole expense, insurance covering his property, including but not limited to personal property, floor coverings, wall coverings, decorations, light fixtures, internal partition walls (not including those separating two or more Units) internal doors, heating and cooling equipment

and duct work, plumbing fixtures, hot water heaters, appliances and furnishings within his own Unit and all additions and improvements made by him to the Unit. Moreover, each Unit owner shall be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving, to the extent possible:

a Any right of the insurer to subrogation claims against the Council and against individual Unit owners, as well as their agents, servants, employees, and guests; and

b. Any right of the insurer to contribution or pro ration because of the master hazard insurance policy.

- 11.7 Substitution of Insurance Trustee. The Board, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Charleston County, South Carolina. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

ARTICLE XII
Insurance Trust

In the event of casualty loss to the property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated herein, and for the benefit of the Council, the Unit owners and their respective Mortgagees in the following shares:

- 12.1 Insurance proceeds paid on account of loss or damage to the common elements only shall be held in the same proportions as the undivided interest in the common elements which are appurtenant to each of the Units.
- 12.2 Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored shall be held for the benefit of the Unit owners of the damaged Units and their respective mortgagees in proportion to the costs of repairing such damaged Unit,
- 12.3 Insurance proceeds paid when the property is not to be restored shall be held for the benefit of all Unit owners and/or their respective mortgagees, the share of each being equal to the undivided share or interest in common elements appurtenant to his Units.
- 12.4 In the event a Certificate of Insurance has been issued to a Unit owner bearing a mortgagee endorsement, the share of the Unit owner shall be held in trust for the Mortgagee and the Unit owner, as their interests may appear; provided, however, that no Mortgagee shall have

any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for insurance proceeds paid jointly to the Unit owners and their respective mortgagees pursuant to the provisions of this Master Deed; and then, only if the decision is not to rebuild. Any provision in any mortgage inconsistent with this Section is void.

- 12.5 In case of fire or any other disaster, the insurance proceeds must, except as provided in the following paragraph, be applied to reconstruct the building or other structures.

ARTICLE XIII
Reconstruction and Repair

- 13.1 Requirement. In the event of casualty loss or damage to a Unit or Units, the Board shall be responsible for applying the reconstruction proceeds of all casualty insurance to the repair or reconstruction of the property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory, and any portion of the Regime insured, damaged, or destroyed shall be required or replaced promptly by the Board unless:

1. The Regime is terminated.
2. Repair or replacement would be illegal under any state or local health or safety statute or ordinance; and
3. Reconstruction is not compulsory where it comprises the whole or more than two thirds of the property. In this case, and unless otherwise unanimously agreed upon by the Co-owners, the indemnity must be delivered pro rata to the Co-Owners entitled to it in accordance with a provision made in the By-laws or in accordance with a decision of three-fourths of the Co-Owners if there is no By-law provision.

Should it be proper to proceed with the reconstruction, the provisions for this eventuality made in the By-laws shall be observed, or, in lieu thereof, the decision of the Council of Co-Owners shall prevail.

- 13.2 Proceeds Distribution. The cost of repair or replacement in excess of insurance proceeds and reserves is a general common expense. If the entire Regime is not repaired or replaced:

1. The insurance proceeds attributable to the damaged limited and general common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Regime;
2. The insurance proceeds attributable to the Units and limited common elements which are not rebuilt shall be distributed to the owners of those Units, the owners of the Units to which those limited common elements were assigned, and to any bona fide

Mortgagee holding valid and subsisting security interests encumbering any such Units and limited common elements, as their interest may appear;

3. The remainder of the proceeds shall be distributed to all the Unit owners in proportion to their percentage interest and to any bona fide Mortgagee holding valid and subsisting security interests in all or any part of the subject horizontal property regime, as their interest may appear.

13.3 Procedure. The Unit or Units damaged or destroyed shall be repaired in the following manner:

1. Any reconstruction or repair must follow substantially the original plans and specifications of the property as amended from time to time as provided in Article II hereof, unless the Unit owners holding seventy-five (75%) percent or more of the total interest in common elements and their Mortgagees, if any, vote to adopt different plans and specifications and all owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.
2. The Board shall promptly obtain estimates of the costs required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board deems necessary.
3. The insurance proceeds received by the Board and any special assessment collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit owners in proportion to their payments.

13.4 Reallocations After Negative Vote. If the Unit owners vote not to rebuild any Unit, that Unit's entire percentage interest is automatically reallocated upon the vote as if the Unit had been condemned, and the Board promptly shall prepare, execute, and record an amendment to this Master Deed reflecting the allocations.

ARTICLE XIV Miscellaneous

14.1 Captions. The captions contained in this Master Deed and By-laws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Master Deed and By-laws nor the intent of any provision thereof.

14.2 Gender. The use of the masculine gender shall be deemed to refer to the feminine and neuter gender and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context of the Master Deed and By-laws so require.

- 14.3 Waiver No provision contained in the Master Deed and By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 14.4 Invalidity. The invalidity of any provision of the Master Deed and By-laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Master Deed and By-laws shall continue in full force and effect.
- 14.5 Conflict The Master Deed and By-Laws are intended to comply with the requirements of all applicable laws. In the event of any conflict between the Master Deed and By-laws and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Master Deed and the By-laws, this Master Deed shall control.
- 14.6 Management Agreement. Any agreement for professional management of the condominium project, or any other contract providing for services to the Regime, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without a payment of a termination fee on ninety (90) days or less written notice.
- 14.7 Books and Records. The Council shall make available to Unit Owners and Mortgagees, current copies of the Master Deed, By-laws, other rules concerning the Regime, and the books, records, and financial statements of the Council. "Available" means available for inspection, upon request, during normal business hours or under reasonable circumstances.
- 14.8 Unit owners may lease their Unit for periods of not less than one (1) year; however, all lessees are bound by the provisions of this Master Deed and all Rules and Regulations of the Council. Leases are subject to the approval of the Council and the Council may require a portion of the security deposits paid to the Unit Owners to be paid to it to defray any damages to the common elements caused by the lessees.
Tenants will not be allowed to have pets unless specifically allowed by the Council.

ARTICLE XV

- 15.1 The provisions of this instrument supercede and replace the provisions of the Master Deed for 1 Chalmers Street Horizontal Property Regime dated May 30, 2003 and recorded June 3, 2003 in Book K451, page 875, Charleston County RMC Office.
- 15.2 This instrument has been executed in accordance with the Declarant's right to amend the Master Deed as set forth in Section 7.4 herein.

IN WITNESS WHEREOF, the undersigned hereto has set its hand and seal this 24th day of August, 2005.

WITNESSES:

Lydia Davis
Nichelle H. Hay

STATE OF SC)
COUNTY OF Charleston)

DECLARANT:

Properties of Historic Charleston, LLC

By: Deborah Rice-Marko
Deborah Rice-Marko
Managing Member

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 24th day of August, 2005 by Properties of Historic Charleston, LLC, by Deborah Rice-Marko, its Managing Member.

Lydia Davis
Notary Public for South Carolina
My commission expires: 4/24/13