

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED

SANDPIPER POINTE HORIZONTAL PROPERTY REGIME (B)

This Master Deed is made, published and declared by A.V.E. CONSTRUCTION COMPANY, INC., a South Carolina Corporation (hereinafter referred to as "Declarant"), with its principal office and place of business in Charleston County, South Carolina this 1st day of June, 1986.

ARTICLE I

SUBMISSION AND CREATION

Section 1. General. The purpose of this Master Deed is to establish pursuant to the Horizontal Property Act of the State of South Carolina a multi-phased horizontal property regime to be known as Sandpiper Pointe Horizontal Property Regime (B) (hereinafter referred to as "Regime" and/or "Sandpiper Pointe"). The Land and improvements to be submitted to the provisions of the Horizontal Property Regime Act and to the terms of this Master Deed are described in their totality herein. Declarant, by filing of record this Master Deed publishes and declares that the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of the Horizontal Property Act of the State of South Carolina and in accordance with the covenants, restrictions, encumbrances and obligations set forth in this Master Deed,

all of which shall be deemed to be covenants and obligations running with the Land.

Section 2. Phased Development. The Declarant intends to develop the Property hereafter described as a Two (2) Phased Condominium Regime. The maximum number of Units in each of the two (2) phases shall be ten (10) Units in Phase I and eleven (11) Units in Phase II for a total of twenty-one (21) Units, all as identified and described herein. Construction for Phase I consisting of two (2) Buildings, being Numbers 1 and 2 commenced on or about April 1, 1985 with the estimated time for completion of Phase I being October 1, 1986.

At the option of the Declarant, construction of Phase II, consisting of an additional eleven (11) Units, to be located in proposed Buildings Numbers 3 and 4 shall commence no later than July, 1986, with the estimated time for completion of Phase II being December 1, 1986. The location of proposed Buildings Numbers 3 and 4 (Phase II) is shown on Exhibit "C" attached to this Master Deed and shall be deemed "convertible space", i.e., that portion of the Property upon which additional Units or Common Elements, or both, may be created, at Declarant's option.

The Declarant hereby reserves the right, in its sole discretion, to elect to develop or not to develop and to submit or not to submit to Condominium Ownership Phase II and to convert or not to convert the above referenced convertible space; b) to maintain sales offices, for the purpose of selling the Units,

management offices, signs, advertising the Units or models and c) to use easements through the Common Elements for the purpose of making improvements to the Units and Common Elements. Any Common Elements associated with or constructed solely with Phase II will not substantially increase the proportionate amount of the Common Expense payable by the Unit Owners and are considered of a minor, incidental nature. A chart showing the percentage of interest in the Common Elements of each Unit Owner at each Phase of development, if the Declarant herein submitting the Property to Condominium Ownership elects to proceed with Phase II of development, is attached hereto as Exhibit "B". The Declarant herein is in no manner required to submit or annex the additional Buildings in Phase II to this Horizontal Property Regime, and is not bound by any references herein until and unless an amendment is filed as provided herein. The locations of the Buildings in Phase II will be approximately as shown on Exhibit "C" attached hereto.

Section 3. Rights and Obligations. Declarant hereby acknowledges its obligation to submit herewith the within described Phase I Property to Condominium Ownership and hereby reserves its right to elect to proceed with part or all of Phases II as required and/or permitted herein. The Unit Owners of Phase I and any additional Phases dedicated to the Regime by Declarant as provided herein shall have the full legal rights and obligations as allowed or required by South Carolina law. The Condominium

Unit Owners, by purchasing and accepting a Unit of the Property, hereby acknowledge that further Phase construction and dedication by Declarant shall diminish the percentage of ownership in the common property as described and provided for in chart Exhibit "B" attached hereto and in other applicable portions of this Master Deed. The Declarant shall add the additional Phase to the provisions hereof by filing of record an appropriate document signed by the Declarant and referencing this Master Deed with plot plan showing the location of the Buildings and floor plans of the Buildings showing the dimensions, area, and location of each Unit contained therein and showing the location and nature of the General and Limited Common Elements and an identifying number to each Building and each Unit and each Unit's percentage interest in the Regime. Upon the proper recordation thereof, the added Phase or Phases shall become an integral portion hereof as provided by the laws of this state and by this document.

Section 4. Reservations. Declarant hereby reserves unto itself, its successors and assigns, the following options to be exercised at its sole discretion, within the time limits set forth in Section 2 above, to-wit:

(a) To develop or not to develop and to submit or not to submit to Condominium Ownership any, all, or portions of Phase II.

(b) To change or modify this document and its exhibits, subsequent contingent documents and their exhibits relative to the design, construction, type, order, number, value,

and proportionate interest of subsequent Phases, Buildings, or Condominiums, provided however, all Buildings and Units erected in subsequent Phases will be of comparable quality of construction and principal materials employed in construction of the Buildings and Units now in the Regime and will be compatible with but not necessarily identical with the Buildings and Units now in the Regime in terms of architectural style and size.

ARTICLE II

THE CONDOMINIUM PROPERTY

Section 1. Property. The term "Property" means and includes the Land described in Exhibit "F" and all improvements and structures now existing or subsequently placed in future Phases on the Land and all easements, rights, and appurtenances belonging thereto.

Section 2. The Land. The Land owned in fee simple by Declarant and hereby being submitted to Phase I of the Regime is described in Exhibit "F" annexed hereto. The Land owned in fee simple by Declarant which may be developed as Phases II and is described herein in Exhibit "F". No additional lands shall be annexed to the Regime by the Declarant in conjunction with this phased development. Access to the land is by Sandpiper Drive which connects to Highway 17 By-Pass.

Section 3. Building on the Land. It is planned that there will be four (4) wood frame buildings on the Land upon the

completion of Phases I through II, inclusive. All of the Buildings are or are planned to be two (2) stories.

It is planned that three (3) of the Buildings will contain five (5) single-family residential Units each and that one (1) of the Buildings will contain six (6) single-family residential Units each.

Of the three (3) Buildings planned to contain five (5) Units each, all three (3) Buildings will each contain five (5) two floor, townhouse type Units.

Of the one (1) Building planned to contain six (6) Units each, this one (1) Building will contain six (6) two floor, townhouse type Units.

Phase I consists of Building Numbers 1, and 2.

The location of Phase I Buildings and other improvements is shown on Exhibit "C" attached hereto and made a part and parcel hereof. The planned location, within reasonable construction tolerances of all Phase II Buildings and other improvements to be constructed is shown on Exhibit "C" attached hereto and made a part and parcel hereof. Should any Phase II Buildings or other improvements be located other than a shown on Exhibit "C", Declarant reserves the right to amend said exhibit.

Phase I Building's exteriors are as shown, with reasonable construction tolerances, on the model elevations, Exhibit "E" attached hereto and made a part and parcel hereof.

Exhibit "B" indicates a breakdown of the Units contained in Phase I Building, together with its designated Unit

number. The first digit of each number indicates the Building number as shown on Exhibit "C". The last digit of each number indicates its location within the Building, with numbers 1 through 5 being the townhouse design Units for the Units contained in five (5) Unit Buildings and numbers 1 through 6 being the townhouse design Units for the Units contained in six (6) Unit Buildings. Exhibit "B" also indicates a breakdown of the Units planned throughout subsequent Phases together with planned Building location number.

The Declarant does hereby, by duly executing this Master Deed, submit the Land, more particularly described in Exhibit "F", together with its Buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto, to the provisions of the Horizontal Property Act of South Carolina, and does hereby create with respect to the Property a Horizontal Property Regime in two (2) Phases that shall be known as Sandpiper Pointe Horizontal Property Regime (B) to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina.

Section 4. Units. There are ten (10) Units in Phase I. It is planned that upon completion of Phase II there will be twenty-one (21) Units contained in the Buildings, all of which are to be used for residential purposes only. The Units are all capable of individual utilization on account of having their own

exits to the Common Elements of the Property, and they will be sold to one or more Owners, each Owner's obtaining a particular and exclusive property right thereto and also an undivided interest in the General and Limited Common Elements of the Property, as hereinafter listed in Article 3, Sections 1 and 2, necessary for their adequate use and enjoyment.

The Phase I Condominium Units and all other improvements constructed on the Condominium Property are set forth in detail in Exhibits "C", "D" and "E" in such a manner that there can be determined therefrom the identification, location, dimensions, floor plan and size of each Unit, as well as the Common Elements and Limited Common Elements (e.g., screened porches, open porches, patios, decks, balconies, courtyards, etc.) appurtenant thereto.

Section 4.1. Unit Boundaries. Each condominium encompasses and includes the space of that portion of a building designated as being a separate dwelling Unit on Exhibits "D" and "E" floor plans and is bounded as follows:

(a) Upper and Lower (horizontal) Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the vertical (perimetric) boundaries:

(1) Upper Boundary: The horizontal plane of the bottom surface of the concrete ceiling slab for the first floor Units and for the second floor Flats and for the upper

floor and Townhouse style Unit, the unfinished upper surface of the plasterboard.

(2) Lower Boundary: The horizontal plane of the top surface of the undecorated concrete floor slab.

(b) Vertical (perimetric) Boundaries: The vertical boundaries of the Unit shall be the vertical plane which includes the outermost surface of the plasterboard of all walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.

A Unit consequently and further includes the following:

1. All windows and door glass and all window and door screens.
2. All exterior doors except for their finished exterior surface.
3. All interior doors and all interior non-load bearing walls.
4. All gypsum board.
5. All interior paint and finishes, whether applied to the floors, walls, ceiling, handrails, overhead beams, cabinets or other woodwork or trim.
6. All carpet and sheet vinyl and related underlay.
7. The fireplace and flue terminating at and excluding the chimney cap, and the stone or tile surrounding the hearth.
8. All built-in cabinets and shelves.
9. All interior lighting fixtures and the bulbs used in interior lighting fixtures.
10. All exhaust fans and their ducts.
11. The heating, ventilation and air conditioning system (including the condensing units located

on concrete slabs outside the unit) servicing the Unit exclusively.

12. All electric, telephone and television cable and other wiring and all other receptacles and breaker boxes contained in the floors, walls and ceiling bounding the Unit servicing the Unit exclusively.
13. All water, drain, sewer, wet pipes and all conduits for wiring serving the Unit exclusively.
14. The following appliances: oven/range with range hood, refrigerator/freezer, dishwasher, garbage disposal.
15. Hot water heater, dryer vent and outlet cap and plumbing fixtures, and washer/dryer connections.
16. Smoke detector.
17. That part of the attic over and including the plywood flooring (a) where the air handling equipment is located and (b) which can be used as storage space. This is limited to upstairs Units.

ARTICLE III

COMMON ELEMENTS

All portions of the Property not described as a Unit are Common Elements.

Section 1. General Common Elements. The General Common Elements include, without limitation, the following, if present, to-wit:

Section 1.1. The land upon which the Buildings, excluding the condominium Units, are situated; the paved parking areas; the walkways, trees and shrubs; the building areas under roof, except individual Units.

Section 1.2. The foundation under and the roofs covering the buildings, including shingles, felt, sheathing and flashing; the exterior siding, fascia and sheathing, load-bearing interior walls and partitions around and between Units.

Section 1.3. All improvements exclusive of the Condominium Units and Limited Common Elements erected or which may be erected in the future upon the Land described in Exhibit "F".

Section 1.4. Any portion of a utility system servicing more than one Unit (e.g., pipes, wires, conduits, ducts) is part of that Common Elements.

Section 1.5. All other elements of the Property rationally of common use or necessary to the existence, upkeep and safety of the property and all other portions or parts of the Property not designated in Article II, Section 4.1., as being included in a Unit.

Section 2. Limited Common Elements. The Limited Common Elements are those Common Elements which are appurtenant to and reserved for the use of a single Unit or group of Units to the exclusion of other Units as follows:

(a) All Porches and Balconies are Limited Common Elements as shown on the attached Exhibits "D" and "E" and are subject to such Rules and Regulations promulgated by the Board of

Directors as hereinafter described in this Master Deed and the Association By-Laws.

(b) Each Unit shall have two (2) assigned parking spaces in close proximity to the Unit's Building.

(c) The Board of Directors in its discretion shall have the power to assign and designate additional Common Elements as Limited Common Elements.

ARTICLE IV

COMMON ELEMENTS: OWNERSHIP AND USE

Section 1. Each Unit Owner, either of the initial Phases or hereafter established Phases II inclusive, shall own as an appurtenance of his Unit the undivided interest in the Common Elements specified in Exhibit "B" as a percentage. The percentage interest set out therein represents the values of each Unit in proportion to the total value of the Property, as well as the proportionate representation for voting purposes in the meetings of the Association, as well as the proportionate share in the Profits and Common Expenses of the Common Elements. For the purpose of this interest and the Act the total value of the Property herein is One Million Five Hundred Forty Nine Thousand and 00/100 (\$1,549,000.00) Dollars for all Phases. The stated individual value of each Unit for the individual Phase is as listed on Exhibit "B". The stated individual values of each Unit indicated in Exhibit "B" shall not be deemed to establish or limit the price for which the Property or any Unit may be sold or exchanged and shall not prevent each Owner from

fixing a different circumstantial value to his Unit in all sorts of acts and contracts. This undivided interest in the Common Elements shall not be separate from the Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or designated in the deed or other instrument.

Section 2. No Partition. No Unit Owner shall have the right to bring action for partition or division, except as provided in Articles IX and X. The Common Elements shall remain undivided and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or described in the deed or other instrument.

Section 3. Awarding the Percentage of the Undivided Interest. The percentage of the undivided ownership interest in the Common Elements shall not be changed except with the unanimous consent of all the Owners expressed in Amendment to this Deed duly recorded.

Section 4. Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements for their intended purposes in common with all other Unit Owners. Each Unit Owner shall also have a non-exclusive easement appurtenant to his Unit for ingress and egress over the Common Elements to and from his Unit, which shall extend to the family members, guests, agents

and servants of the Unit Owner. All the rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the By-Laws of the Association, and all Rules and Regulations adopted by the Association pursuant to the By-Laws.

Section 5. Operation and Maintenance. The maintenance, repair, replacement, management, operation, and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expense. The Board may, however, delegate these duties to a management firm.

ARTICLE V

COMMON EXPENSES

Section 1. Each Unit Owner shall bear in proportion to his respective interest in the Common Elements set out in Exhibit "B" the following expenses:

Section 1.1. Those expenses of operating, maintaining, improving, repairing and replacing the Common Elements, provided however, that when such expenses are necessitated by (i) the failure of an Owner to perform the maintenance required by the By-Laws or by any lawful Regulation, (ii) the willful act, neglect, or abuse of an Owner or (iii) an uninsured loss, all of such losses shall be borne by the Owner.

Section 1.2. Expenses incurred in operating, maintaining, improving, repairing, insuring, replacing, etc., the amenities.

Section 1.3. Expenses incurred in providing public liability insurance and hazard insurance in accordance with the provisions of this Master Deed and the By-Laws.

Section 1.4. Expenses incurred in administering the affairs of the Association including salaries, wages, fees and any other compensation paid to a management firm for said purposes.

Section 1.5. Contributions to provide sufficient reserves to make such general reserves to operate the Condominium property and to administer the offices of the Association.

Section 1.6. Contributions to provide sufficient reserves to make such major repairs and replacements to the Common Elements as may be required from time to time.

Section 1.7. Contributions to provide for any other costs related to the operation of the Condominium property or administration of the offices of the Association which are declared by this Master Deed to be Common Elements and any valid charge against the Condominium property as a whole.

Section 2. Assessments. All assessments for Common Elements

shall be fixed by the Board and made payable at such time as the Board determines but not less frequently than quarterly.

Section 3. Liability of Unit Owner. The liability of each Owner for the Common Expenses shall be limited to the amount which he is assessed from time to time in accordance with the Act, this Master Deed and the By-Laws. No Unit Owner may exempt himself from liability for Common Expenses by waiving the use of enjoyment of the Common Elements or by abandoning his Unit.

Section 4. Lien Upon Unit. All assessments of the Association for the share of Common Expenses chargeable to any Unit which are unpaid after becoming due shall constitute a lien against such Unit prior and superior to all other liens except:

(i) liens for property taxes upon the Unit in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. The lien of such assessments may be foreclosed by the Board acting in behalf of the Association in the same manner as a mortgage upon real property. In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit during pendency of the foreclosure action, and a receiver may be appointed to collect the rentals during such period. The Board, in behalf of the Association, may bring suit for judgments against the Unit Owner in the amount of delinquent assessments. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due

for attorneys' fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorneys' fees and other costs of collection.

Section 5. Sales of Units. Upon the sale or conveyance of a Unit, all unpaid assessments against a Unit Owner for his pro-rata share of Common Expenses shall first be paid out of the sale price or by the purchaser or grantee in preference over any other assessments, charges, or liens, except the following:

Section 5.1. Lien for taxes and special assessments upon the Unit which are unpaid.

Section 5.2. Payments due under mortgages upon the Unit which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the mortgagee of a Unit acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Association upon the Unit so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid assessments accruing during such period shall be deemed Common Expenses

collectable from all Unit Owners, including such purchaser, his successors, heirs and assigns. The provisions of this Section, however, shall not release any Unit Owner from personal liability for unpaid assessments.

ARTICLE VI

SANDPIPER POINTE HORIZONTAL PROPERTY REGIME (B), INC.

Section 1. Formation. Each Condominium Unit Owner shall be a member of Sandpiper Pointe Horizontal Property Regime (B), Inc., an incorporated association. The Association shall be managed by a Board of Directors elected by and from the Condominium Unit Owners. Each Unit Owner shall be a member of the Association and shall have a vote in proportion to his respective interest in the Common Elements as set forth in Exhibit "B".

Section 2. By-Laws. The affairs of the Association and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the By-Laws, a copy of which is attached hereto as Exhibit "A". The By-Laws of the Association may be amended from time to time, but only in the manner expressly provided herein in the By-Laws and this Master Deed.

Section 3. Voting. On all matters relating to the Association or to the Condominium Property upon which a vote of the Condomin-

ium Unit Owners is taken, the Condominium Unit Owner shall vote in proportion to his respective interest in the Common Elements as set forth in Exhibit "B". Any motion shall carry if it receives the affirmative vote of a simple majority of Condominium Unit votes, unless a different majority is specified in this Master Deed or in the By-Laws. A simple majority of the Condominium Unit votes shall consist of fifty-one (51%) percent of the total interest in the Common Elements.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Association in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Condominium Unit Owners.

Section 5. Management Firm. The responsibility for administration of the Condominium property may be delegated by the Association to a professional management firm. By proper resolution of the Association, such a management firm may be authorized to assume any of the functions, duties, and powers assigned to the Board of Directors in the By-Laws or in this Master Deed unless otherwise limited in the Master Deed or the By-Laws.

ARTICLE VII

EASEMENTS, COVENANTS AND RESTRICTIONS

Section 1. Use of Property. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and may

use the Common Elements in accordance with the purpose for which they were intended without hindering or infringing upon the lawful rights of other Owners. The Board of Directors shall resolve any question regarding the intended use of the Common Elements.

Section 2. Future Easements. The Board of Directors may grant easements for the benefit of the Property and each Unit Owner by the acceptance of the deed to his Unit grants to the Board of Directors an irrevocable power of attorney to execute, deliver and record for and in the name of each Unit Owner, such instruments as may be necessary and proper to the granting of such easements.

Section 3. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur as a result of (i) the settling or shifting of the land or any improvements, (ii) the repair, alteration, construction or reconstruction of the Common Elements made by or with the consent of the Association, (iii) the repair or construction of a Unit following damage by fire or other casualty or, (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for its maintenance.

Section 4. Right of Access. The Association shall have the irrevocable right to be exercised by the Manager or the Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.

Section 5. Support. Each Unit and Common Element shall have an easement for lateral and subsequent support from every other Unit or Common Element.

Section 6. Owners: Ingress and Egress. Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all Common Elements subject to such reasonable Rules and Regulations as may be imposed by the Board of Directors. Each Unit is hereby burdened with and subjected to the easement for ingress and egress through all Common Elements for persons lawfully using or entitled to use the same.

Section 7. Utility Easements. Each Unit Owner shall have a non-exclusive easement appurtenant to his Unit for the use in common with other Unit Owners, of all pipes, wires, ducts, flues, cables, conduits, public utility lines, etc., and other Common

Elements located in any other Unit or within the Common Elements serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, flues, cables, conduits, public utility lines, etc., and other Common Elements serving the Units which are located in such Units.

Section 8. Public Utility Easements. The Condominium Property is subject to easements for access, ingress and egress and to utility easements for installation, operation and maintenance of electric and telephone distribution lines and for installation, operation and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for installation of utilities as such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements when duly authorized by a vote of the Association.

Section 9. Easement to Facilitate Sales. All Units and the Common Elements shall be subject to an easement in favor of the Declarant to facilitate sales and for the purpose of facilitating construction of the Units. Further the Declarant shall have the right to use any Unit as models, management offices or sales offices for so long as Declarant owns any Unit.

Section 10. Easements-Declarant's Right to Grant. The Declarant shall have the right until the Declarant has conveyed all Units in the Condominium to Unit Owners other than the Declarant, to grant, reserve or terminate easements and rights of way through, under, over and across the Property for construction purposes and for the installation and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities.

Section 11. Use Restrictions. The use of the Property shall be subject to the following restrictions:

1. All units shall be used for residential purposes only; provided, however, until such time as Declarant no longer owns any Unit, Declarant may use one or more Units as a "sales model." Subsequent to that time, no Unit shall be used by anyone, including the Owner, as a "sales model," "open house" or "sales office." This shall not, however, restrict any Owner or his agent from reasonable access to his Unit for the purpose of showing the Unit to prospective purchasers.
2. No Unit Owner shall create or permit excessive noise, smoke, or offensive odors, or any enjoyment of the Property by any other person entitled to the same. No person shall maintain on the Property and no Owner shall permit within his Unit any condition which is unreasonably hazardous to the life, health or property of any other person.
3. No residents of the Property shall post any advertisements or posters of any kind in or on the Property except as authorized by the Association.
4. The Hanging of garments, rugs, or similar objects from the windows, or any of the facades of the Property or on any of the Common Elements is prohibited.
5. The throwing of garbage or trash outside the disposal installation provided for such purposes in

the service areas is prohibited.

6. No persons shall make any additions to or perform any work upon the Common Elements or otherwise alter the Common Elements without the express authorization of the Board of Directors. No Owner shall alter or permit the alteration of the external appearance in any manner whatsoever of any portion of his Unit or of the Common Elements without the express approval of the Board of Directors.
7. No Owner shall maintain or permit large animals to be kept in his Unit and no animals whatsoever will be allowed on the Common Elements unless on a leash and accompanied by a person of discretion. The maximum number of pets per Unit shall be two (2).
8. No Owner shall place or permit to be placed any thing or object whatsoever on the Common Elements without prior permission of the Association. This prohibition includes but is not limited to potted plants and/or shrubs, flower beds, etc. The Common Elements shall also be kept clean of any other obstruction such as bicycles, tricycles, boxes, etc.
9. No outside radio or television antennas shall be placed or erected on the Common Elements without permission of the Board.
10. The use or keeping of motorcycles on the Property shall not be permitted without the expressed written consent of the Association's Board of Directors.
11. No boats, trailers, campers, mobile homes, school buses or commercial vehicles shall be permitted to be kept on the Property without the expressed written consent of the Association's Board of Directors. No vehicle of any kind or type shall be stored or parked in the street. No vehicle of any kind which is inoperable for a period in excess of twenty-four (24) hours shall be permitted on the Property.

Section 12. Amended and Additional Regulations and Restrictions.

The Board of Directors may adopt and amend from time to time

such reasonable Regulations and Restrictions governing the operation and use of the Property as it may deem necessary or desirable. It shall not be necessary to record Regulations, newly adopted or the amendment or repeal of existing Regulations, but no Owner shall be bound by any newly adopted amendment or repeal of any existing Regulations until a copy of the same has been delivered to him.

Section 13. Enforcement. The Board of Directors shall enforce the terms of the Act, Master Deed and the By-Laws and the Regulations promulgated pursuant thereto by taking appropriate action to correct any violations. In addition to any other remedy to which the Association or any Owner may be entitled, the Board of Directors may impose against an Owner reasonable fines not to exceed a total of Twenty-Five (\$25.00) Dollars per day for any violation of the terms of the Act, the Master Deed, and the By-Laws or Regulations promulgated pursuant hereto. Such fines shall be collected by individual assessment for each day in which violation occurs or continues and each violation may be deemed a separate offense.

Section 14. Responsibility of Owners. The Owner shall be deemed responsible for conduct of his household or his tenants, agents, guests and pets. The responsibility of the Owner shall not relieve any member of his household or any of his tenants, agents or guests for any liability to the Association or to an Owner

for their own acts.

ARTICLE VIII

INSURANCE

Section 1. Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire, lightning, windstorm, hail, flood, and earthquake, in the amount equal to the maximum insurable replacement of value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against such other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property, exclusive only of the contents and furnishings of the individual Units.

Section 1.1. All hazard insurance policies obtained by the Board shall designate the Board as the loss payee and as the 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, or to its substitute as hereinafter provided in Section 6.

Section 1.2. All hazard insurance policies obtained by the Board shall provide for the issuances 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 respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

Section 1.3. If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving; (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Unit Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owners upon the contents and furnishings of their Units.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with such limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

Section 3. Workmen's Compensation Insurance. The Board, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.

Section 4. Premium. All premiums for insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

Section 5.1 Insurance by Unit Owner. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, decorations, and furnishings within his own Unit and the additions and improvements made by him to the Unit. 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 (i) any right of the insurer to subrogation to claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-rata because of the master hazard policy.

Section 6. 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 IX

RECONSTRUCTION AND REPAIR

Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements, unless otherwise unanimously agreed by the Owners. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds from insurance policies, shall be considered one fund and distributed pro-rata among all Units Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed, repairs shall be conducted in the following manner:

Section 1.1. Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Unit Owners holding seventy-five (75%) percent or more of the total interest in the Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Unit Owners whose Units are affected by the alterations unanimously consent.

Section 1.2. 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 professional fees and premiums for bonds as the Board deems necessary.

Section 1.3. If the insurance proceeds paid to the Board are insufficient to cover the costs of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose Units are directly affected by the damage in proportion to the damage done in their respective Units.

Section 1.4. The insurance proceeds received by the Board and any special assessments 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, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Assoc-

iation.

Section 2. Insurance Trust. In the event of a casualty loss to the Condominium 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 in this Article, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following manner:

Section 2.1. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interest in the Common Elements which are appurtenant to each of the Units.

Section 2.2. 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 Unit Owners of the damaged Units in proportion to the costs of repairing each damaged Unit.

Section 2.3. Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Owners, the share of each being equal to the undivided share in the Common Elements appurtenant to his Unit.

ARTICLE X

TERMINATION

Section 1. Casualty or Condemnation. If two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article IX.

Section 2. Voluntary Termination. This Horizontal Property Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record Owners of title to the Unit and the record Owners of mortgages upon the Units agree in writing to termination unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and mortgagees.

Section 3. Ownership After Termination. After termination of this Horizontal Property Regime, the Unit Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interests of the Unit Owners. The undivided share of each tenant in common shall be the same as his undivided interest in the Common Elements prior to termination. Any asset of the Associa-

tion, any funds held by the Board and any insurance proceeds shall also be the property of the tenants in common in the same undivided shares as their interests in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any tenant in common or any lienor, in which event the net proceeds from the judicial sale shall be divided among all tenants in common in proportion to their respective interests in the Common Elements and paid to each tenant in common and mortgagee.

ARTICLE XI

RIGHTS OF DECLARANT

Section 1. Rights and Powers. Declarant is the initial owner of each Unit and shall be entitled to exercise all rights appurtenant thereto until such time as Declarant has conveyed title to the Unit to another person. Until December 1, 1990 or sixty (60) days after conveyance of seventy-five (75%) percent of the Units to Owners other than Declarant, whichever shall first occur, Declarant shall be entitled to exercise, without the consent of the Owners, all powers granted to the Owners or to the Board of Directors by the Act, this Master Deed or the By-Laws, and any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved by Declarant. Declarant shall be entitled to withhold approval of