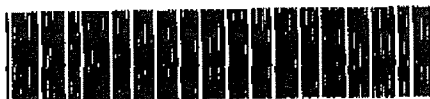


Berkeley County
Cynthia B. Forte
Register of Deeds
Moncks Corner 294616120

00017283 Vol: 6596 Pg: 174



53 2007 00017283

Instrument Number: 2007-00017283

As

Recorded On: May 25, 2007

Masters Deed

Parties: NEW TRADITIONS CUSTOM HOME BUILDERS INC

To

ISLAND PARK CONDOMINIUM HORIZONTAL PROPE

Billable Pages: 109

Recorded By: HINCHEY MURRAY & PAGLIARINI

Num Of Pages: 114

Comment:

**** Examined and Charged as Follows: ****

Masters Deed 119.00

Recording Charge: 119.00

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May 25, 2007

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BERKELEY COUNTY SC
JANET B. JURSKO
AUDITOR BERKELEY COUNTY SC

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HINCHEY MURRAY & PAGLIARINI

895 ISLAND PARK DR

SUITE 203

DANIEL ISLAND SC 29492-7992



Cynthia B. Forte

Cynthia B Forte - Register of Deeds

MASTER DEED
OF
ISLAND PARK CONDOMINIUM
HORIZONTAL PROPERTY REGIME

Berkeley County
City of Charleston, South Carolina

UPON RECORDING RETURN TO:
Constance P. Haywood, Esq.
Epstein Becker & Green, P.C.
945 East Paces Ferry Road, Suite 2700
Atlanta, Georgia 30326
(404) 923-9000
www.ebglaw.com

MASTER DEED
OF
ISLAND PARK CONDOMINIUM
HORIZONTAL PROPERTY REGIME
TABLE OF CONTENTS

| | | |
|------------|---------------------------------------|---|
| ARTICLE I. | DEFINITIONS | 1 |
| 1.1 | "Act" | 1 |
| 1.2 | "Additional Property" | 1 |
| 1.3 | "Area of Common Responsibility" | 2 |
| 1.4 | "Articles of Incorporation" | 2 |
| 1.5 | "Assigned Value" | 2 |
| 1.6 | "Association" | 2 |
| 1.7 | "Board of Directors" or "Board" | 2 |
| 1.8 | "Buildings" | 2 |
| 1.9 | "By-Laws" | 2 |
| 1.10 | "Club" | 2 |
| 1.11 | "Club Facilities" | 2 |
| 1.12 | "Common Elements" | 2 |
| 1.13 | "Common Expense(s)" | 2 |
| 1.14 | "Community-Wide Standard" | 2 |
| 1.15 | "Condominium" | 3 |
| 1.16 | "Condominium Instruments" | 3 |
| 1.17 | "Daniel Island" | 3 |
| 1.18 | "Declarant" | 3 |
| 1.19 | "Development Period" | 3 |
| 1.20 | "Eligible Mortgagees" | 3 |
| 1.21 | "Garage Bays" | 3 |
| 1.22 | "Limited Common Elements" | 3 |
| 1.23 | "Majority" | 3 |
| 1.24 | "Master Association" | 3 |
| 1.25 | "Master Declaration" | 3 |
| 1.26 | "Master Documents" | 4 |
| 1.27 | "Member" | 4 |
| 1.28 | "Mortgage" | 4 |
| 1.29 | "Mortgagee" | 4 |
| 1.30 | "Occupant" | 4 |
| 1.31 | "Owner" or "Unit Owner" | 4 |
| 1.32 | "Parking Plan" | 4 |
| 1.33 | "Parking Spaces" | 4 |
| 1.34 | "Person" | 4 |
| 1.35 | "Plans" | 4 |

| | | |
|-------------------------------------------------------------------|----------------------------------------------------------------------|----|
| 1.36 | "Plat" | 4 |
| 1.37 | "Private Amenity" | 4 |
| 1.38 | "Unit" | 4 |
| ARTICLE II. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS | | 5 |
| ARTICLE III. UNITS AND BOUNDARIES | | 5 |
| 3.1 | Horizontal (Upper and Lower) Boundaries | 5 |
| 3.2 | Perimetrical (Vertical) Boundaries | 6 |
| 3.3 | Additional Information to Interpret Unit Boundaries | 6 |
| ARTICLE IV. COMMON ELEMENTS | | 7 |
| 4.1 | Ownership of Common Elements | 7 |
| 4.2 | No Division of Common Elements | 7 |
| 4.3 | Reservation by Declarant | 7 |
| 4.4 | Identification of Certain Common Elements | 7 |
| ARTICLE V. LIMITED COMMON ELEMENTS | | 8 |
| 5.1 | Designation | 8 |
| 5.2 | Parking Spaces | 9 |
| 5.3 | Garage Bays | 9 |
| 5.4 | Assignment and Reassignment | 9 |
| 5.5 | Right to Relocate Certain Equipment Serving a Unit | 10 |
| ARTICLE VI. ASSOCIATION MEMBERSHIP AND ALLOCATIONS | | 10 |
| 6.1 | Membership | 10 |
| 6.2 | Votes | 10 |
| 6.3 | Allocation of Liability for Common Expenses | 10 |
| 6.4 | Master Association | 11 |
| 6.5 | Unit and Property Values | 11 |
| ARTICLE VII. ASSOCIATION RIGHTS AND RESTRICTIONS | | 11 |
| 7.1 | Right of Entry | 11 |
| 7.2 | Rules and Regulations | 12 |
| 7.3 | Right of Enforcement | 12 |
| 7.4 | Permits, Licenses, Easements, Etc. | 13 |
| 7.5 | Rights of Maintenance | 14 |
| 7.6 | Property Rights | 14 |
| 7.7 | Casualty Loss | 14 |
| 7.8 | Governmental Entities | 14 |
| 7.9 | Common Elements | 14 |
| 7.10 | Master Association Representation | 15 |
| 7.11 | Cooperation with the Master Association and Other Associations | 15 |
| 7.12 | Powers of the Master Association Relating to the Association | 15 |
| ARTICLE VIII. ASSESSMENTS | | 15 |
| 8.1 | Purpose of Assessment | 15 |

| | | |
|--------------------------------------------|--------------------------------------------------------------------|----|
| 8.2 | Creation of the Lien and Personal Obligation for Assessments | 16 |
| 8.3 | Delinquent Assessments | 16 |
| 8.4 | Computation of Operating Budget and Assessment | 18 |
| 8.5 | Special Assessments | 18 |
| 8.6 | Specific Assessments | 18 |
| 8.7 | Capital Reserve Budget and Contribution | 19 |
| 8.8 | Statement of Account | 19 |
| 8.9 | Capitalization of Association | 19 |
| 8.10 | Transfer Fee | 19 |
| 8.11 | Surplus Funds and Common Profits | 19 |
| 8.12 | Commencement of Assessment | 20 |
| 8.13 | Failure to Assess | 20 |
| 8.14 | Master Association Assessments | 20 |
| ARTICLE IX. INSURANCE | | 20 |
| 9.1 | Insurance | 20 |
| ARTICLE X. REPAIR AND RECONSTRUCTION | | 24 |
| 10.1 | Cost Estimates | 24 |
| 10.2 | Source and Allocation of Proceeds | 24 |
| 10.3 | Plans and Specifications | 24 |
| 10.4 | Encroachments | 24 |
| 10.5 | Construction Fund | 25 |
| ARTICLE XI. ARCHITECTURAL CONTROL | | 25 |
| 11.1 | Architectural Standards | 25 |
| 11.2 | Alteration and Storage within Units | 26 |
| 11.3 | Condition of Approval | 26 |
| 11.4 | Limitation of Liability | 26 |
| 11.5 | No Waiver of Future Approvals | 26 |
| 11.6 | Enforcement | 26 |
| 11.7 | Master Documents | 27 |
| ARTICLE XII. USE RESTRICTIONS | | 27 |
| 12.1 | Residential Use | 28 |
| 12.2 | Outbuildings | 28 |
| 12.3 | Use of Common Elements | 28 |
| 12.4 | Use of Limited Common Elements | 29 |
| 12.5 | Prohibition of Damage, Nuisance and Noise | 29 |
| 12.6 | Firearms and Fireworks | 29 |
| 12.7 | Animals and Pets | 30 |
| 12.8 | Parking | 30 |
| 12.9 | Abandoned Personal Property | 31 |
| 12.10 | Heating of Units in Colder Months | 32 |
| 12.11 | Signs | 33 |
| 12.12 | Rubbish, Trash, and Garbage | 33 |
| 12.13 | Impairment of Units and Easements | 33 |

| | | |
|---------------------------------------------------|----------------------------------------------------|----|
| 12.14 | Unsightly or Unkempt Conditions..... | 33 |
| 12.15 | Window Treatment..... | 33 |
| 12.16 | Antennas and Satellite Equipment..... | 33 |
| 12.17 | Sales..... | 34 |
| 12.18 | Elevators..... | 34 |
| 12.19 | Grilling..... | 34 |
| 12.20 | Replacing Carpet with Tile or Hardwood Floors..... | 34 |
| 12.21 | Decks, Balconies and Terraces..... | 34 |
| 12.22 | Number of Occupants..... | 35 |
| 12.23 | Private Amenities..... | 35 |
| 12.24 | Timesharing..... | 35 |
| ARTICLE XIII. LEASING AND OCCUPANCY OF UNITS..... | | 35 |
| 13.1 | General..... | 35 |
| 13.2 | Definitions..... | 36 |
| 13.3 | Leasing Cap..... | 36 |
| 13.4 | Undue Hardship..... | 36 |
| 13.5 | Lease Terms..... | 37 |
| 13.6 | Applicability..... | 39 |
| ARTICLE XIV. SALE OF UNITS..... | | 39 |
| ARTICLE XV. MAINTENANCE RESPONSIBILITY..... | | 39 |
| 15.1 | By the Owner..... | 39 |
| 15.2 | By the Association..... | 40 |
| 15.3 | Failure to Maintain..... | 41 |
| 15.4 | Maintenance Standards and Interpretation..... | 42 |
| 15.5 | Measures Related to Insurance Coverage..... | 42 |
| 15.6 | Mold, Mildew, and Water Intrusion..... | 42 |
| ARTICLE XVI. PARTY WALLS..... | | 43 |
| 16.1 | General Rules of Law to Apply..... | 43 |
| 16.2 | Sharing of Repair and Maintenance..... | 43 |
| 16.3 | Damage and Destruction..... | 43 |
| 16.4 | Right to Contribution Runs With Land..... | 43 |
| ARTICLE XVII. EMINENT DOMAIN..... | | 43 |
| ARTICLE XVIII. RIGHTS OF ELIGIBLE MORTGAGEES..... | | 44 |
| 18.1 | Mortgagee Notice..... | 44 |
| 18.2 | Amendments to Documents..... | 44 |
| 18.3 | Actions Requiring Consent..... | 45 |
| 18.4 | Liability of Mortgagees..... | 45 |
| 18.5 | Financial Statements..... | 45 |
| 18.6 | Additional Mortgagee Rights..... | 45 |
| 18.7 | Notice to Association..... | 46 |
| 18.8 | Failure of Mortgagee to Respond..... | 46 |

| | | |
|------------------------------------------------------------|------------------------------------------------------------|----|
| 18.9 | Construction of Article | 46 |
| ARTICLE XIX. DECLARANT RIGHTS..... | | 46 |
| 19.1 | Right to Appoint and Remove Directors | 46 |
| 19.2 | Number and Terms of Directors Appointed by Declarant | 46 |
| 19.3 | Sale and Leasing of Units | 47 |
| 19.4 | Construction and Sale Period | 47 |
| 19.5 | Transfer or Assignment | 47 |
| ARTICLE XX. EASEMENTS..... | | 47 |
| 20.1 | Use and Enjoyment..... | 47 |
| 20.2 | Utilities | 48 |
| 20.3 | Pest Control | 48 |
| 20.4 | Declarant Easements..... | 48 |
| 20.5 | Easement in Favor of the Master Association | 48 |
| ARTICLE XXI. GENERAL PROVISIONS | | 49 |
| 21.1 | Security | 49 |
| 21.2 | Implied Rights | 49 |
| 21.3 | Amendment | 49 |
| 21.4 | Use of the "Island Park Condominium" Name and Logo | 50 |
| 21.5 | Compliance | 51 |
| 21.6 | Severability | 51 |
| 21.7 | Captions | 51 |
| 21.8 | Notices | 51 |
| 21.9 | Perpetuities | 51 |
| 21.10 | Indemnification..... | 51 |
| 21.11 | Submerged Land Notice | 52 |
| 21.12 | Storage Spaces..... | 52 |
| 21.13 | Fair Housing Amendments Act. | 52 |
| 21.14 | Disclosures..... | 52 |
| 21.15 | Litigation by Association..... | 53 |
| 21.16 | Right of Action | 53 |
| ARTICLE XXII. EXPANSION OF THE CONDOMINIUM | | 54 |
| 22.1 | Expansion | 54 |
| 22.2 | Ongoing Construction..... | 55 |
| ARTICLE XXIII. PRIVATE AMENITIES AND CLUB MEMBERSHIP | | 55 |
| 23.1 | General..... | 55 |
| 23.2 | Club Membership and Other Club Matters | 55 |
| 23.3 | Conveyance of Private Amenities | 55 |
| 23.4 | View Impairment..... | 56 |
| 23.5 | Use Restrictions..... | 56 |
| 23.6 | Limitation on Amendments | 56 |

TABLE OF EXHIBITS

| | |
|-----------------------------------------------------------------------------|---|
| Legal Description | A |
| Plot Plan (As-built Survey) and Surveyor's Certificate | B |
| Elevations, Floor Plans and Architect's Certificate..... | C |
| Schedule of Unit Values, Percentage Interests and Weighted Votes | D |
| Articles of Incorporation of Island Park Condominium Association, Inc. | E |
| By-Laws of Island Park Condominium Association, Inc. | F |
| Assignment of Garage Bays and Storage Spaces | G |
| Additional Property | H |

**MASTER DEED OF
ISLAND PARK CONDOMINIUM
HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED is made by NEW TRADITIONS CUSTOM HOME BUILDERS, INC., a South Carolina corporation ("Declarant"), located at 109 River Landing Drive, Suite 200, Charleston, South Carolina 29492.

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of that certain tract or parcel of land lying and being in Berkeley County, South Carolina, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property");

WHEREAS, Declarant is in the process of planning or constructing certain improvements on the Property as shown on the Plat and the Plans attached hereto as Exhibit "B" and Exhibit "C" attached hereto and by this reference made a part hereof;

WHEREAS, Declarant has duly incorporated Island Park Condominium Association, Inc. as a nonprofit mutual benefit membership corporation under the laws of the State of South Carolina; and

WHEREAS, Declarant desires to create a horizontal property regime pursuant to the provisions of the South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Section 27-31-10, *et seq.*, as amended (the "Act"), as the same is in effect on the date hereof and the terms and conditions hereinafter set out.

NOW, THEREFORE, Declarant does hereby submit the Property and all improvements located thereon, together with all easements, rights and appurtenances belonging thereto, to the provisions of the Act and hereby creates thereon a horizontal property regime (commonly referred to as "condominium ownership") to be known as Island Park Condominium Horizontal Property Regime (the "Condominium"), subject to the terms, conditions and restrictions set forth herein.

ARTICLE I. DEFINITIONS

The terms used in this Master Deed, the By-Laws and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Act or the South Carolina Nonprofit Corporation Act. Certain capitalized terms used in this Master Deed, the By-Laws and the Articles of Incorporation shall be defined as follows:

1.1 "Act": The South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Sections 27-31-10, *et seq.*, as amended.

1.2 "Additional Property": All of that certain real property which is more particularly described on Exhibit "H", which is attached hereto and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Master Deed in accordance with Article 22.

1.3 "Area of Common Responsibility": The Common Elements, together with any additional areas for which the Association has or assumes responsibility pursuant to the terms of this Master Deed, any cost sharing agreement or other applicable covenant, contract or agreement.

1.4 "Articles of Incorporation": The Articles of Incorporation of Island Park Condominium Association, Inc., filed with the Secretary of State of South Carolina, as the same may be amended. A copy of the Articles of Incorporation is attached to this Master Deed as Exhibit "E" and incorporated herein by this reference.

1.5 "Assigned Value": The value assigned to each Unit in accordance with Exhibit "D" attached hereto and by this reference made a part hereof, and utilized for the purpose of computing the percentage interest appurtenant to each Unit, which Assigned Value will not constitute the sales price of the Unit or be relied upon as a representation of the actual value of the Unit.

1.6 "Association": Island Park Condominium Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

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

1.8 "Buildings": The building structures and improvements erected on the Property.

1.9 "By-Laws": The By-Laws of Island Park Condominium Association, Inc., attached to this Master Deed as Exhibit "F" and incorporated herein by this reference.

1.10 "Club": The Daniel Island Club.

1.11 "Club Facilities": The golf course(s) and other facilities and amenities owned, operated and/or maintained by the Club.

1.12 "Common Elements": That portion of the property subject to this Master Deed which is not included within the boundaries of or deemed a portion of a Unit, as more particularly described in this Master Deed.

1.13 "Common Expense(s)": The expenses incurred or anticipated to be incurred by the Association for the general benefit of all Units, including, but not limited to, (a) those expenses incurred for maintaining, repairing, replacing and operating the Common Elements, including the Limited Common Elements; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Act or Condominium Instruments, or by the Board of the Association, including master utility expenses; and (d) reasonable reserves established for the payment of any of the foregoing.

1.14 "Community-Wide Standard": The standard of conduct, maintenance or other activity generally prevailing within the Condominium. Such standard may be more specifically determined by the Board.

1.15 "Condominium": All that property described in Exhibit "A" submitted to the provisions of the Act by this Master Deed, and such other property as may hereafter be submitted to the provisions of the Act by supplement or amendment to this Master Deed, together with all buildings and improvements thereon.

1.16 "Condominium Instruments": This Master Deed and all exhibits to this Master Deed, including the By-Laws, Articles of Incorporation, the Plat and Plans, together with any rules and regulations of the Association, all as may be supplemented or amended.

1.17 "Daniel Island": That certain mixed use commercial and residential community located in the City of Charleston in Berkeley County, South Carolina, and commonly known and referred to as Daniel Island.

1.18 "Declarant": New Traditions Custom Home Builders, Inc., a South Carolina corporation, as well as any successors or assigns of Declarant to whom or which Declarant expressly has transferred any or all of its rights as Declarant hereunder, all of which rights are assignable or may be apportioned on any reasonable basis.

1.19 "Development Period": That period of time extending from the date this Master Deed is filed for record in the Office of the Register of Deeds of Berkeley County, South Carolina to and until the latter of (i) such time as Declarant ceases to own any Unit of the Condominium for the purpose of marketing and sale to the public, or (ii) the expiration of Declarant's right to appoint a Majority of the directors of the Association.

1.20 "Eligible Mortgagees": Those holders of first lien Mortgages secured by Units in the Condominium which have requested notice of certain items as set forth in this Master Deed.

1.21 "Garage Bays": Those certain enclosed parking areas permanently assigned to and reserved as a Limited Common Element appurtenant to the Units as more particularly set forth on Exhibit "G" attached hereto and by this reference made a part hereof.

1.22 "Limited Common Elements": A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as more particularly set forth in this Master Deed.

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

1.24 "Master Association": Daniel Island Park Association, Inc., a South Carolina nonprofit mutual benefit corporation, its successors and assigns.

1.25 "Master Declaration": The Declaration of Covenants, Conditions and Restrictions for Daniel Island Park recorded January 26, 2000 at Deed Book 1838, Page 21, *et seq.*, in the Office of the Register of Deeds of Berkeley County, South Carolina, as may be supplemented and amended.

1.26 "Master Documents": The governing documents of the Master Association, including the Master Declaration, by-laws, articles of incorporation, design guidelines and rules and regulations, if any, of the Master Association, as each may be supplemented and amended.

1.27 "Member": A Person subject to membership in the Association pursuant to Section 6.1.

1.28 "Mortgage": Any mortgage, deed to secure debt, deed of trust or other transfer or conveyance for the purpose of securing the performance of an obligation.

1.29 "Mortgagee": The holder of any Mortgage.

1.30 "Occupant": Any person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is a tenant or the Owner of such property.

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

1.32 "Parking Plan": Those portions of the Plans that identify the specific reserved Garage Bays and Parking Spaces that are assigned to each Unit and which may also illustrate the remaining unreserved Parking Spaces that may be available to the Owners, their guests, invitees and other persons. The Parking Plan may be amended by Declarant, during the Development Period, and thereafter by the Association, in accordance with the terms of this Master Deed.

1.33 "Parking Spaces": Any parking space located on the Property, including, but not limited to, Garage Bays, as reconfigured in accordance with the provisions of Section 5.2 of this Master Deed.

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

1.35 "Plans": The floor plans and elevations relating to the Condominium attached to this Master Deed as Exhibit "C".

1.36 "Plat": The initial plat of survey relating to the Condominium attached to this Master Deed as Exhibit "B".

1.37 "Private Amenity": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within Daniel Island Park which are owned and operated, in whole or in part, by Persons other than the Association or the Master Association for recreational or other purposes, as further defined and designated in the Master Declaration. For example, the Club Facilities have been designated as a Private Amenity by Daniel Island Associates L.L.C., the Declarant under the Master Documents.

1.38 "Unit": That portion of the Condominium designated for separate ownership or occupancy pursuant to this Master Deed and the Plat and Plans of Condominium attached hereto, or any amendments or supplements hereto recorded in accordance with the terms hereof, together

with a percentage of undivided interest in the Common Elements assigned to the Unit by this Master Deed. A Unit constitutes an "apartment" as defined in the Act.

ARTICLE II. LOCATION, PROPERTY DESCRIPTION, PLATS AND PLANS

The Condominium subject to this Master Deed and the Act is located in Berkeley County, South Carolina, being more particularly described in Exhibit "A" and shown on the Plats and Plans. Declarant shall have the right to file additional plats and plans as necessary or appropriate to further describe the Condominium and Units, to correct any errors contained therein or to comply with the Act.

During the Development Period, Declarant reserves the right, but shall have no obligation, to make improvements and changes to all or part of the Common Elements and to any Units owned by Declarant (other than changes to the location of Unit boundaries except as expressly permitted herein), including, without limitation, addition and realignment of Parking Spaces, renovation, installation and changes to utility systems and facilities, rearrangement and installation of security and refuse facilities, work relating to building exteriors and extension of drives, utility lines and pipes located on the Condominium.

ARTICLE III. UNITS AND BOUNDARIES

Upon completion of initial construction, the Condominium will be divided into twelve (12) separate Units, the Limited Common Elements and the Common Elements. Each Unit consists of a dwelling. Each Unit, together with an undivided interest in the Common Elements, shall be conveyed as a separately designated and legally described freehold estate subject to the Act and the Condominium Instruments. The type, approximate size and location of each Unit is generally described and shown on the Plat and Plans. The square footage of each Unit is based upon the square footage as shown on the Plans and is provided for the purpose of aiding in the identification of each Unit and is not intended, and should not be construed, as a representation of the actual square footage of any Unit. Each Unit includes that part of the structure which lies within the following boundaries:

3.1 Horizontal (Upper and Lower) Boundaries. The horizontal boundaries of each Unit shall be as follows:

(a) If the Unit is on the top floor of the building, the upper horizontal boundary of each such Unit located in the Condominium is the centerline of the concrete slab or joists between the ceiling and the roof of the building. The lower horizontal boundary of each such Unit located in the Condominium is the centerline of the concrete slab or joists between the flooring of such Unit and the ceiling comprising the uppermost story of the Unit below it.

(b) If the Unit is on the bottom floor of the building, the upper horizontal boundary of each such Unit is the centerline of the concrete slab or joists between the ceiling of such Unit and the flooring of the Unit immediately above it. The lower horizontal boundary of each such Unit is the plane formed by the lower surface of the subfloor of such Unit, with the flooring and subfloor constituting part of the Unit.

(c) If the Unit is not on the top or bottom floors of the building, the upper horizontal boundary of each such Unit is the centerline of the concrete slab or joists between the ceiling of such Unit and the flooring of the Unit immediately above it. The lower horizontal boundary of each such Unit is the centerline of the concrete slab or joists between the flooring of such Unit and the ceiling of the Unit immediately below it.

3.2 Perimetrical (Vertical) Boundaries. The perimetrical or vertical boundaries of each Unit shall be the unfinished interior surfaces of the outermost walls of the Unit as delineated in the Plats and Plans.

3.3 Additional Information to Interpret Unit Boundaries

(a) All exterior doors and exterior windows located within each Unit and all lath, wallboard, plasterboard, plaster, paneling, molding, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of each Unit shall be deemed a part of such Unit; all other portions of the outside walls, floors or ceilings shall be deemed a part of the Common Elements. Except as otherwise provided herein, all space, interior partitions and other fixtures and improvements within the boundaries of a Unit shall be deemed a part of that Unit.

(b) Entry doors, exterior doors and exterior glass surfaces, including, but not limited to, windows and glass doors and the frames for such items; roof overhangs; and cantilevered bays serving the Unit shall be included within the boundaries of the Unit.

(c) All portions of heating and air conditioning systems serving a single Unit; including, but not limited to, the compressor and any pipes, wires, line, and ductwork serving such systems located within or without the Unit boundaries shall be a part of the Unit.

(d) All appliances and plumbing fixtures within a Unit shall be part of the Unit; provided however, to the extent that any chutes, flues, ducts, conduits, wires, lines, bearing walls, bearing columns or any other apparatus lies partially inside of the designated boundaries of the Unit, any portions thereof serving only that Unit shall be deemed a part of that Unit; all portions thereof serving more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements.

(e) In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral movement of the building in which the Unit was located and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

(f) The ownership of each Unit shall include, and there shall pass with each Unit as appurtenances thereto, whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association, and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Elements contributing

to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

ARTICLE IV. COMMON ELEMENTS

4.1 Ownership of Common Elements. The Common Elements consist of all portions of the Condominium not located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Unit Owners as tenants-in-common. Each Unit is allocated an equal undivided interest in the Common Elements, as set forth in Exhibit "D" attached hereto and incorporated herein by this reference.

Such percentages of undivided interest may be altered only by the consent of all Owners and Mortgagees expressed in a duly recorded amendment to this Master Deed, except in the case of expansion of the Condominium, as provided in Article 22 below, in which case the amendment may be approved and executed by Declarant without approval of the Owners or Mortgagees. The percentage of undivided interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from the Unit to which it appertains and such appurtenance shall be deemed to be conveyed or encumbered or to otherwise pass with the Unit whether or not expressly mentioned or described in a conveyance or other instrument describing the Unit.

4.2 No Division of Common Elements. The Common Elements shall remain undivided, and no Owner or any other Person shall have the right to bring any action for partition or division of the whole or any part thereof. Except as provided for Limited Common Elements or as otherwise provided herein, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners. Each Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from the Unit over those portions of the Condominium designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to such Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

4.3 Reservation by Declarant. So long as Declarant owns any Unit, Declarant hereby reserves for the benefit of Declarant, its successors and assigns a temporary, non-exclusive easement over, across and under the Common Elements for the maintenance of sales and leasing offices, signs and the reasonable use of the Common Elements for sales, leasing, marketing and construction purposes, including, without limitation, access, ingress and egress across, over and under the Common Elements for the purpose of further improving the Condominium and for purposes of marketing, leasing and sales.

4.4 Identification of Certain Common Elements. The Common Elements shall include, but shall not be limited to, the following:

- (a) the land on which any buildings are located, together with all of the other real property described on Exhibit "A";
- (b) the foundations, columns, girders, beams, supports, main walls and roofs;
- (c) all entrances, exits, vestibules, halls, corridors, lobbies, stairways and fire escapes, if any, not within any Unit and all fixtures and decorations in common areas;
- (d) any sprinkler systems, yards, shrubs, exterior lights, fire alarms, fire hoses, signs and storm drainage systems;
- (e) the exterior patios, deck areas, balconies, doors and windows;
- (f) all equipment, piping, conduits and the compartments for installations of central services such as power, light, telephone, television, sewer and the like;
- (g) all driveways, parking areas, curbs, gutters and all paved areas;
- (h) in general, all devices or installations existing for common use;
- (i) all other elements of the Condominium of common use or necessary to its existence, upkeep and safety;
- (j) garbage chutes and trash receptacles;
- (k) mechanical rooms;
- (l) elevators;
- (m) all areas designated as common areas on the Plat and Plans; and
- (n) those areas and things within the definition of "Common Elements" as set forth in the Act or in this Master Deed.

ARTICLE V. LIMITED COMMON ELEMENTS

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

- (a) any entry foyers, hallways, corridors, elevator lobbies and stairs serving more than one (1) Unit, but less than all Units, are assigned as Limited Common Element to the Unit or Units so served;
- (b) any screened/unscreened porch, deck, courtyard, patio, terrace or balcony serving a Unit, together with any fence, railing or other enclosure therefor that is attached to or serves a Unit is assigned as a Limited Common Element to the Unit so attached or so served;

(c) any shutters, awnings, window boxes and other apparatus designed to serve a single Unit are assigned as Limited Common Element appertaining to that Unit exclusively;

(d) certain Garage Bays and storage spaces are assigned to each Unit as Limited Common Element as designated in Exhibit "G";

(e) any portion of the Common Elements on which there is located any portion of the mechanical, electrical, air conditioning, or heating system exclusively serving a particular Unit or Units is assigned as a Limited Common Element to the Unit or Units so served;

(f) any utility meter(s) which serves only one (1) Unit is assigned as a Limited Common Element to the Unit so served; and

(g) each Unit is assigned one (1) mailbox which will be located in a central mailbox area of the Condominium.

5.2 Parking Spaces. Declarant may assign one (1) or more Parking Spaces to each Unit for the exclusive use of the Unit Owner(s), tenant(s) or Occupant(s) of that Unit, subject to the rules and regulations promulgated by the Association in accordance with the terms of this Master Deed. The Parking Plan shall serve as a record of the location of the Parking Spaces assigned and the Unit to which each Parking Space is assigned. Declarant, during the Development Period, and, thereafter, the Association, may revise and/or amend the Parking Plan and thereby change the location of the Parking Spaces assigned to any Unit. Except as otherwise provided herein, such amendment or revision shall require the consent of the Owner to which such Parking Space is and/or will be assigned. In addition, Declarant, during the Development Period, and thereafter the Association, (i) shall have the right to promulgate rules and regulations governing the use of the Parking Spaces, which rules and regulations, among other things, may restrict the size and or type of vehicle that may be parked in the Parking Space, and (ii) shall have the right to alter, modify and improve the Common Elements and thereby reconfigure, relocate, add or delete any Parking Spaces; provided, however, no such alteration, modification or improvement shall cause the Condominium or any Unit to no longer comply with applicable zoning ordinance.

5.3 Garage Bays. Subject to Section 21.13, each assigned Garage Bay shall remain a Limited Common Element appurtenant to the Unit to which it is assigned pursuant to the terms of this Master Deed.

5.4 Assignment and Reassignment. The Board of Directors, without a membership vote, is hereby authorized to assign and reassign Limited Common Elements and Common Elements not previously assigned. Notwithstanding anything herein to the contrary, the Board of Directors is not authorized to assign or reassign the Limited Common Elements without the consent of Declarant during the Development Period. Furthermore, during the Development Period, Declarant shall have the right to assign and reassign Limited Common Elements, on behalf of the Association.

5.5 Right to Relocate Certain Equipment Serving a Unit. Notwithstanding any provision to the contrary herein, the Board, at the sole expense of the Association, shall have the right without need for a membership vote and without the consent of any affected Unit Owner, to relocate any portion of the air conditioning, heating, plumbing, ventilating, exhaust or electrical system serving a particular Unit, provided that after such relocation, the system serving the Unit functions at least as efficiently and at no greater cost to the Unit Owner as existed prior to the relocation.

ARTICLE VI. ASSOCIATION MEMBERSHIP AND ALLOCATIONS

6.1 Membership. All Owners, by virtue of their ownership of an interest in a Unit, excluding Persons holding such interest under a Mortgage, are Members of the Association and shall be entitled to vote on all matters upon which Members of the Association are entitled to vote pursuant to this Master Deed and the Act and in accordance with the By-Laws.

6.2 Votes. Subject to the provisions of the Condominium Instruments, each Owner shall be entitled to one (1) equally weighted vote for each Unit in which such Owner holds the interest required for membership, which vote shall be appurtenant to such Unit. In any situation where there is more than one (1) Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it. The membership rights of an Owner which is not a natural person may be exercised by an officer, director, Member, manager, partner or trustee of such Owner or by any individual designated by the Owner in a written instrument provided to the secretary of the Association.

6.3 Allocation of Liability for Common Expenses. Except as otherwise provided herein, each Unit is hereby allocated liability for Common Expenses apportioned in accordance with the percentage of undivided interest in the Common Elements appurtenant to the Unit, as shown on Exhibit "D".

(a) The Board of Directors shall have the power to specifically assess pursuant to this Section as the Board, in its discretion, deems appropriate. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the right to exercise authority under this Section in the future with respect to any expenses, including an expense for which the Board of Directors has not previously exercised its authority under this Section. For purposes of this Section, non-use or abandonment of Common Elements shall not constitute a benefit to less than all Units or a significant disproportionate benefit among all Units.

(b) Any Common Expenses benefiting less than all of the Units or significantly and disproportionately benefiting certain Units may be specifically assessed equitably among all of the Units which are benefited according to the benefit received.

(c) Any Common Expenses occasioned by the conduct of less than all of those entitled to occupy all of the Units or by the Occupants, licensees or invitees of any such Unit or Units may be specifically assessed against such Unit or Units.

(d) In the event that the Condominium is served by any common utility meter, the Board shall have the authority to install submeters and assess individual Units utility usage charges as specific assessments as provided herein. This shall include the right of the Board to add a charge for the cost of overhead for such submetering against individual Units and/or to install separate utility meters for the Units only when such non-use results in an identifiable, calculable reduction in cost to the Association.

6.4 Master Association. Each Owner, by acceptance of a deed to a Unit, acknowledges and agrees that pursuant to the Master Documents, all Owners shall be members of the Master Association and shall be subject to the Master Documents. Each Owner further acknowledges that, pursuant to the Master Documents, the Condominium has been, or may be, designated as a "Neighborhood" (as such term is defined in the Master Documents). If there are conflicts between the provisions of South Carolina law, the Master Documents, this Master Deed, the Articles of Incorporation and the By-Laws, then the provisions of South Carolina law, the Master Documents, this Master Deed, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

6.5 Unit and Property Values. The Schedule of Unit Values and Property Interests contained in Exhibit "D" shows the assigned value of each Unit as of the date of this Master Deed and the respective percentage of undivided interest in the Common Elements attributable to each Unit, as required by Section 27-31-60 of the Act. The value of the Condominium, for the sole purpose of Section 27-31-60 of the Act, is equal to the total value of all Units, which includes the value of the appurtenant percentage of undivided interests in the Common Elements and Limited Common Elements. The statutory values are not intended to coincide with fair market values and are used solely for the statutory purposes indicated in Section 27-31-60 of the Act.

ARTICLE VII. ASSOCIATION RIGHTS AND RESTRICTIONS

The Association shall have all of the rights set forth in this Article in addition to, and not in limitation of, all other rights it may have pursuant to South Carolina law and this Master Deed.

7.1 Right of Entry. The Association shall have the right to enter into Units and any Limited Common Elements assigned thereto for maintenance, emergency, security, or safety purposes, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit. For purposes of the Article, and without limiting the foregoing, a water or other utility leak, fire, strong or foul odor, obvious insect infestation or sound indicating that a person or animal might be injured or sick and require immediate medical attention shall be considered emergencies justifying immediate entry into a Unit and any Limited Common elements assigned thereto. No one exercising the rights granted herein shall be liable for trespass or damages by exercising such rights. The failure to exercise the rights herein shall not create any liability to any of the above-referenced parties as no duty by any of the above-referenced parties to enter any Unit exists.

7.2 Rules and Regulations. The Association shall have the right to make and to enforce reasonable rules and regulations governing the use of the Condominium, including the Units, Limited Common Elements, and Common Elements; provided, however, during the Development Period, all such rules and regulations must first be approved by Declarant.

7.3 Right of Enforcement.

(a) The Board, or a committee established by the Board for such purpose, may impose sanctions for violation of the Condominium Instruments, after compliance with the notice and hearing procedures set forth in the By-Laws. Such sanctions may include, without limitation, the following:

(i) the imposition of monetary fines which shall constitute a lien upon the Unit of the violator. Any such fines shall be considered an assessment against the Unit and may be collected in the manner provided for collection of other assessments. In the event that any Occupant of a Unit violates the Condominium Instruments and a fine is imposed, the fine may first be assessed against the Occupant. If the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(ii) the suspension of any services provided by the Association to the Unit or the Unit Owner;

(iii) the suspension of an Owner's right to vote;

(iv) the suspension of any Person's right to use any recreational facilities within the Common Elements. Nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(v) the suspension of any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association; and

(vi) the assignment of rents to the Association which are otherwise due and payable to the Unit Owner, as set forth in Section 13.2.

(b) In pursuing any sanction or other action permitted by the Condominium Instruments and the Act, the Association may levy a specific assessment to cover all costs incurred in bringing a Unit into compliance with the terms of the Condominium Instruments, including, without limitation, attorneys' fees or other legal fees.

(c) In the event that any Occupant, invitee, tenant or guest of a Unit violates the Condominium Instruments, the Board, or a committee established by the Board for such purpose, may sanction such Occupant, invitee, tenant or guest, and/or the Owner of the Unit that the violator is occupying or visiting. If a fine is imposed, the fine may first be assessed against the Occupant; if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.

(d) In addition, the Board, or a committee established by the Board for such purpose, may elect to enforce any provision of the Condominium Instruments by exercising self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules and restrictions or the correction of any maintenance, construction or other violation of the Condominium Instruments) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a specific assessment to cover all costs incurred in bringing a Unit into compliance with the terms of the Condominium Instruments.

(e) Notwithstanding anything herein to the contrary, the Association may also elect to enforce any provisions of the Condominium Instruments by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

(f) All remedies set forth in this Master Deed and the By-Laws shall be cumulative of any remedies available at law or in equity. If the Association prevails in any action or remedy taken by the Association to enforce the provisions of the Condominium Instruments, the Association shall be entitled to recover all costs, including, without limitation, attorneys' fees and other legal fees and court costs in the same manner as an action for collection of assessments.

(g) The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action and which is not justified based upon the particular circumstances. Any such determination shall not be construed as a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

(h) The Association, by contract or other agreement, may enforce county, city, state and federal laws and ordinances, if applicable, and permit local and other governments to enforce laws and ordinances on the Condominium for the benefit of the Association and its Members.

(i) The Association may enforce the provisions of the Master Documents on the Condominium for the benefit of the Master Association, the Association and their respective members.

7.4 Permits, Licenses, Easements, Etc. The Association, acting solely through the Board, shall have the right to grant permits, licenses, utility easements, and other easements (including drainage and storm water easements) over, through and under the Common Elements without a vote of the Owners; provided, however, during the Development Period, the Association may not take such action without the prior consent and approval of Declarant, and provided, further, that no such grant shall cause the Condominium or any Unit to fail to comply with applicable zoning and other ordinances or unreasonably interfere with or obstruct utility

service to, or drainage and support of any Unit or the Common Elements, or ingress or egress to and from any Unit or the remaining Common Elements.

7.5 Rights of Maintenance. The Association, acting solely through the Board, shall have the right to control, manage, operate, maintain, improve and replace all portions of the Condominium for which the Association is assigned maintenance responsibility under this Master Deed; provided, however, during the Development Period, the Association may not remove, modify or make new improvements to the Common Elements without the prior consent and approval of Declarant.

7.6 Property Rights. The Association shall have the right to acquire, hold and dispose of tangible and intangible personal property and real property; provided, however, during the Development Period, the Association may not acquire or dispose of real property without the consent and approval of Declarant, and provided, further, that no such disposal of real property shall cause the Condominium or any Unit to fail to comply with applicable zoning and other ordinances or unreasonably interfere with or obstruct utility service to, or drainage and support of any Unit or the Common Elements, or ingress or egress to and from any Unit or the remaining Common Elements.

7.7 Casualty Loss. The Association, acting solely through the Board, shall have the right to represent the Owners' interests in the event of damage or destruction to any portion of the Common Elements as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Act and this Master Deed.

7.8 Governmental Entities. The Association, acting solely through the Board, shall have the right to represent the Owners in dealing with governmental entities in matters related to their ownership of a Unit in the Condominium.

7.9 Common Elements. The Association, acting solely through the Board, or, during the Development Period, Declarant shall have the right to close temporarily any portion of the Common Elements, excluding the Limited Common Elements and any portions of the Common Elements which deny all access to any Units or Limited Common Elements, for emergency, security or safety purposes or for any such other reasonable purpose as determined in the sole discretion of the Board or Declarant, with no prior notice of such closing to the Owners, for a period not to exceed one (1) year.

Furthermore, the Association, acting solely through the Board, shall have the right to permanently close any portion of the Common Element(s), excluding the Limited Common Elements and any portions of the Common Elements which deny all access to any Units or Limited Common Elements, upon thirty (30) days prior written notice to all Owners. Any portion of the Common Elements which has been permanently closed may be reopened by the sole action of Declarant during the Development Period or by action of the Board or by a Majority vote of the Members.

Notwithstanding the above, any action to reopen a portion of the Common Elements which will require, in the sole discretion of the Board, the levying of a special assessment, shall be approved in the manner set forth in Section 8.5 prior to becoming effective and shall be

considered and approved in conjunction with such special assessment. The Association may not close any portion of the Common Elements over or upon which Declarant has an easement.

7.10 Master Association Representation. The Board shall have the exclusive right to represent the Members of the Association in meetings of the Master Association. The foregoing includes the right of the Association, acting through its Board, to cast or withhold votes otherwise assigned to Unit Owners. By accepting the ownership of a Unit, each Owner grants the Board a power of attorney for this limited purpose.

7.11 Cooperation with the Master Association and Other Associations. The Association may contract or cooperate with the Master Association or any other property, homeowners or condominium associations or entities within Daniel Island as convenient or necessary to provide services and privileges and to fairly allocate costs among the parties utilizing such services and privileges which may be administered by the Association or such other organizations, for the benefit of Owners, Occupants and their guests, tenants and invitees. The costs associated with such efforts by the Association (to the extent not chargeable to other organizations) shall be a Common Expense, if for the benefit of all Owners, or shall be a specific assessment, if for the benefit of one or more, but less than all, Owners (as determined in the sole discretion of the Board).

7.12 Powers of the Master Association Relating to the Association. The Master Association shall have the authority to veto any action taken or contemplated to be taken by the Association which the board of directors of the Master Association reasonably determines to be adverse to the interests of the Master Association or its Members or inconsistent with the Community-Wide Standard of the Master Association. The Master Association shall also have the authority to require specific action to be taken by the Association in connection with its obligations and responsibilities hereunder, under the Master Documents or under any other covenants or instruments affecting the Condominium. Without limiting the generality of the foregoing, the Master Association may require that a proposed budget include certain items and that expenditures be made thereof and may veto or cancel any contract providing for maintenance, repair or replacement of any portion of the Condominium.

The Master Association shall give the Association written notice of any action required to be taken by the Association pursuant to this Section. Such action shall be taken within the time frame set forth in such written notice. If the Association fails to comply with the requirements set forth in the notice, the Master Association shall have the right to effect such action on behalf of the Association and shall assess Owners for their pro rata share of any expenses incurred in connection with the foregoing in the manner provided in the Master Declaration. Such assessments may be collected as a special assessment thereunder and shall be subject to all lien rights provided for therein.

ARTICLE VIII. ASSESSMENTS

8.1 Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety,

welfare, common benefit and enjoyment of the Owners and Occupants of Units in the Condominium as may be more specifically authorized by the Board of Directors.

8.2 Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided. All such assessments, together with late charges, interest, costs and attorneys' fees, and if the Board of Directors so elects, rents, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall have priority as provided in the Act and shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments and other levies which by law would be superior, (b) the lien or charge of any Mortgage of record made in good faith and for value and (c) the lien of the Master Association for delinquent assessments and other charges due under the Master Documents. Such lien may be enforced by suit, judgment and foreclosure in the same manner as Mortgages are foreclosed under South Carolina law.

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due and may be collected in the same manner as other debts or liens are collected under South Carolina law. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt such Owner from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Elements, the Association's failure to perform its obligations required under this Master Deed or inconvenience or discomfort arising from the Association's performance of its duties.

Each Owner acknowledges that the assessments and other charges provided for herein are in addition to, and not in lieu of, the assessments and other charges provided for in the Master Documents. Unless otherwise directed by the Master Association, the Association shall be responsible for collecting from Owners and paying to the Master Association such assessments and other charges due to the Master Association at the time and place directed by the Master Association.

8.3 Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default. Accordingly, the remedies available to the Board include, without limitation, the following:

(a) If any monthly installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of ten dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board of Directors shall accrue from the due date.

(b) If partial payment of assessments and related charges is made, the amount received shall be applied in the following order and no restrictive language on any check, draft or related correspondence shall be effective to change the order of application:

(i) respectively, to any unpaid late charges, interest charges and specific assessments (including, but not limited to, fines) in the order of their coming due;

(ii) to costs of collection, including attorneys';

(iii) to any unpaid installments of the annual assessment or special assessments in the order of their coming due; and

(iv) if the Board of Directors so elects, to the fair rental value of the Unit during the pendency of suit and prior to satisfaction of any judgment which remains unpaid. The fair rental value of the Units, for the purpose of this Article, shall be as established by the Board of Directors.

(c) If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board of Directors may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board of Directors may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.

(d) If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become due and payable, the Association may take any one or all of the following actions, in addition to other remedies permitted by this Master Deed:

(i) institute suit to collect all amounts due pursuant to the provisions of this Master Deed, the By-Laws the Act and South Carolina law;

(ii) suspend the Owner's and/or Occupant's right to use the Common Elements; provided, however, the Board of Directors may not limit ingress or egress to or from the Unit; and

(iii) suspend any utility services, the cost of which are a Common Expense of the Association, including, but not limited to, water, electricity, heat, air conditioning, gas and cable television, to that Unit until such time as the delinquent assessments and all costs permitted pursuant to this Article are paid in full. Any costs incurred by the Association in discontinuing and/or reconnecting any utility service, including attorneys' fees and other legal fees, shall be an assessment against the Unit and shall be collected as provided herein for the collection of assessments.

(c) The exercise by the Board of one of the remedies set forth in this Article shall not preclude the Board from exercising other forms of remedies, as the remedies set forth above are cumulative.

8.4 Computation of Operating Budget and Assessment. It shall be the duty of the Board to prepare an annual budget covering the estimated costs of operating the Condominium during the coming year. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each Member at least thirty (30) days prior to the beginning of the Association's fiscal year. The budget and the assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of at least a Majority of the total eligible voting power of the Association and, during the Development Period, Declarant; provided, however, if a quorum is not obtained at such meeting, the budget shall become effective even though a vote to disapprove the budget could not be called at the meeting.

In the event that the membership disapproves the proposed budget or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year. In such case, the Board may propose a new budget at any time during the year at a special meeting of the Association. The proposed budget and assessment shall be delivered to the Members at least thirty (30) days prior to the proposed effective date thereof and at least seven (7) days prior to the special meeting. The approval procedure set forth above for budgets considered at annual meetings shall also apply to budgets considered at special meetings.

The Board may revise the budget and adjust annual assessments during the year, subject to the notice requirements and the right of the Members to reject the revised budget in accordance with the foregoing provisions.

8.5 Special Assessments. The Board of Directors may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners as, deemed appropriate in the Board's discretion. Notice of special assessments shall be sent to all Owners prior to becoming effective. Notwithstanding the foregoing, all special assessments shall require the consent of Declarant during the Development Period, prior to the special assessments becoming effective.

8.6 Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items or services not provided to all Units within the Condominium that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees or guests. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of this Master Deed, the Articles of Incorporation, the By-Laws and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing as set forth in the By-Laws.

8.7 Capital Reserve Budget and Contribution. The Board shall annually prepare a capital reserve budget which shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost of each asset. The Board shall set the required capital reserve contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital reserve budget, with respect to both amount and timing by equal annual assessments over the period of the budget. The capital reserve contribution required, if any, shall be established by the Board and included within the budget and assessment as provided in Section 8.4. A copy of the capital reserve budget shall be distributed to each Member in the same manner as the operating budget.

8.8 Statement of Account. Any Owner, Mortgagee or Person having executed a contract for the purchase of a Unit or a lender considering a loan to be secured by a Unit shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines or other charges against a Unit. The Association shall respond in writing within ten (10) business days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.

8.9 Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the annual general assessment. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. This amount shall be collected from the purchaser of the Unit at closing and disbursed to the Association in a separately designated account. The Association may not use these funds during the period that Declarant has the right to appoint the directors of the Association. Thereafter, the Association may use the funds to cover unforeseen expenditures, for capital reserve items, or to purchase any additional equipment or services. The working capital contribution set forth herein is in addition to the required capital reserve contribution set forth in Section 8.7.

8.10 Transfer Fee. Excluding the sale of any Unit from or to the Declarant, a transfer fee shall be collected from the purchaser of each Unit equal to one-half of one percent (0.5%) of the total sales price of such Unit, which transfer fee shall be paid to the Association. This amount shall be collected and disbursed to the Association at the closing of the purchase and sale of each Unit, except as provided above. Such funds may be used by Association in its sole discretion. In the event of non-payment of such transfer fee, the amount due shall bear interest and shall be collectible as an assessment as set forth in this Article. The Association may require the purchasing and/or selling Owner to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of deed or other such evidence.

8.11 Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board of Directors, (i) be distributed to the Owners, (ii) credited to the next assessment

chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit or (iii) added to the Association's reserve account.

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

8.13 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification or release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.14 Master Association Assessments. Each Owner acknowledges that the assessments and other charges provided for herein are in addition to, and not in lieu of, the assessments and other charges provided for in the Master Documents. Unless otherwise directed by the Master Association, the Association shall be responsible for collecting from Owners and paying to the Master Association such assessments and other charges due to the Master Association at the time and place directed by the Master Association. Notwithstanding the foregoing, at the option of the Board and with the written consent of the Master Association, the Board may direct that assessments provided for herein be paid at the same time and at the same place as the assessment for the Master Association.

ARTICLE IX. INSURANCE

9.1 Insurance. The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by law and as required herein. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners and the Mortgagees of Owners, if any. It shall be the duty of the Board of Directors periodically to conduct an insurance review to determine if the policy in force is adequate to meet the needs of the Association. Such responsibility may be performed by requested the Association's insurance agent to verify that insurance policies in existence meet the needs of the Association and satisfy the requirements of this Master Deed. Such insurance shall run to the benefit of the Association, the respective Unit Owners and their respective Mortgagees, as their interests may appear.

(a) To the extent reasonably available at reasonable cost, the Association's insurance policy shall cover the following types of property contained within a Unit, regardless of ownership:

(i) fixtures, improvements and alterations that are part of the building or structure and that are part of Declarant's standard improvements at the time of conveyance of the Unit to the first Owner; and

(ii) appliances, such as those used for refrigerating, ventilating, heating, cooking, dishwashing, laundering, security or housekeeping to the extent that such

appliances are part of the original interior finish of the Unit at the time of conveyance to the first Owner.

(b) If such insurance is not reasonably available, the Association's insurance policy may exclude improvements and betterments made by or on behalf of the individual Unit Owners and may also exclude the finished surfaces of perimeter and partition walls, floors and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering that are upgrades beyond the standard improvements existing at the time of conveyance of the Unit by Declarant to the first Owner; provided, however, floor covering does not mean unfinished hardwood or unfinished parquet flooring), but each Owner shall have the right to obtain additional coverage for such improvements, betterments or personal property at the Owner's expense.

(c) The Board of Directors shall utilize every reasonable effort to secure a master policy covering physical damage in an amount equal to full replacement costs of all standard improvements located within the Condominium that will provide the following:

(i) that the insurer waives its rights of subrogation of any claims against the Board of Directors, officers of the Association, the individual Owners, Occupants and their respective invitees and Occupants of the Unit;

(ii) that the master policy on the Condominium cannot be canceled, invalidated or suspended due to the conduct of any Unit Owner, director, officer or employee of the Association or the managing agent without a prior demand in writing delivered to the Association and to all Mortgagees of Units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(iii) that any "no other insurance" clause contained in the master policy shall expressly exclude individual Owners' policies from its operation;

(iv) that until the expiration of thirty (30) days after the insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors or any of their agents, employees, Occupants or invitees or canceled for nonpayment of premiums;

(v) that the master policy may not be canceled, substantially modified or subjected to non-renewal without at least thirty (30) days prior notice in writing to the Board of Directors and all Mortgagees of Units;

(vi) a construction code endorsement;

(vii) an agreed value endorsement and an inflation guard endorsement;
and

(viii) that the deductible amount per occurrence shall not exceed such amount as determined by the Board.

(d) All policies of insurance shall be written with a company licensed to do business in the State of South Carolina and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the best rating available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

(e) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto.

(f) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Owner shall notify the Board of Directors of all structural improvements made by an Owner to his or her Unit. Any Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is canceled.

(g) In addition to the above-referenced required insurance, the Board shall obtain the following as a Common Expense:

(i) worker's compensation insurance if and to the extent necessary to meet the requirements of law;

(ii) public liability insurance;

(iii) officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than one million dollars (\$1,000,000.00) per occurrence (such insurance shall contain a cross liability endorsement);

(iv) fidelity bonds, if reasonably available, covering officers, directors, employees and other persons who administer or are responsible for the administration of Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board of Directors reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than three (3) months aggregate assessments, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms of expressions; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms:

1. the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which the funds are deposited sends copies of the bank statements directly to the Association;

2. the management company, if any, maintains separate records and bank accounts for each Association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or

3. two (2) members of the Board of Directors must sign any check written on the reserve account;

(v) flood insurance, to the extent that it is required by law or the Board determines it to be necessary; and

(vi) such other insurance as the Board of Directors may determine to be necessary.

(h) Insurance carried by the Association as a Common Expense shall not be required to include any portions of Units not depicted on the original Plats and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing contained herein gives any Owner or other party a priority over the rights of Mortgagees as to distribution of insurance proceeds.

(i) Every Unit Owner shall be obligated to obtain and maintain at all times casualty and liability insurance for the full replacement cost of all insurable improvements in the Owner's Unit, less a reasonable deductible, covering those portions of the Owner's Unit to the extent not insured by policies maintained by the Association. Upon request by the Board, the Unit Owner shall furnish a copy of such insurance policy or policies to the Association within (30) days from the date of such request. In the event that any such Unit Owner fails to obtain insurance or provide copies of the policy or policies as required by this Article, the Association may purchase such insurance on behalf of the Owner and assess the cost thereof to the Owner to be collected in the manner provided for collection of assessments under Article 8 hereof.

(j) In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding the foregoing, if an insurance policy provides that the deductible will apply separately to each Unit or each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to such Owner's Unit, if any. If any Owner or Owners fail to pay the deductible when required under this Article, then the Association may pay the deductible and assess the cost to the Owner or Owners pursuant to Article 8 of this Master Deed.

(k) Notwithstanding anything to the contrary herein, in the event of an insured loss under the Association's insurance policy for which the Association receives from the insurer payment for a loss sustained by an Owner that is delinquent in the payment of assessments owed to the Association pursuant to Article 8, then the Association may retain and apply such proceeds to the delinquency. Any amount remaining after application of the proceeds to any delinquency shall be paid by the Association to the affected Owner.

(l) Nothing contained herein shall give any Owner or other party a priority over any rights of Mortgagees as to distribution of insurance proceeds. Any insurance proceeds payable to the Owner of a Unit on which there is a Mortgagee endorsement shall be jointly disbursed to such Unit Owner and the Mortgagee. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee.

ARTICLE X. REPAIR AND RECONSTRUCTION

In the event of damage to or destruction of all or any part of the Condominium insured by the Association as a result of fire or other casualty, unless Unit Owners entitled to cast eighty percent (80%) of the eligible votes of all Unit Owners and Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Units subject to a Mortgage held by an Eligible Mortgagee appertain, vote not to proceed with the reconstruction and repair of the structure, the Board of Directors or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the damaged or destroyed structure.

10.1 Cost Estimates. Immediately after a fire or other casualty causing damage to the Condominium, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

10.2 Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board of Directors, or if at any time during the reconstruction and repair or upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owners in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, or if the Unit Owner's and Mortgagees vote not to proceed with reconstruction or repair as set forth herein, such funds shall be common funds of the Association to be used as directed by the Board of Directors.

10.3 Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original plans and specifications are approved by the Board of Directors. To the extent insurance proceeds are available, the Association may reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

10.4 Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the

Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

10.5 Construction Fund. The net proceeds of the insurance collected due to a casualty and the funds collected by the Association from assessments against Owners due to such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Article to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s) and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.

ARTICLE XI. ARCHITECTURAL CONTROL

11.1 Architectural Standards. In addition to those requirements set forth in the Master Documents and with the exception of Declarant and as provided herein, no Owner, Occupant or any other Person may make any encroachment onto the Common Elements or Limited Common Elements, make any exterior change, alteration or construction (including painting and landscaping) or erect, place or post any object, sign, antenna, playground equipment, light (except for reasonable seasonal decorative lights), storm door or window, artificial vegetation, exterior sculpture, fountain, flag, object or item on the exterior of the buildings, in any windows, on any Limited Common Elements or any other Common Elements, without first obtaining the written approval of the Board and, during the Development Period, Declarant.

The standard for approval by the Board of such improvements shall include, but not be limited to, aesthetic consideration, materials to be used, harmony with the external design of the existing buildings and the location in relation to surrounding structures and topography. Applications for approval of any such architectural modification shall be in writing and shall provide such information as the Board may reasonably require. The Board or its designated representative shall be the sole arbiter of such application and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction which is not in conformance with approved plans. The Board may publish written architectural standards for exterior and Common Elements alterations or additions, and any request in substantial compliance therewith shall be approved. The architectural standards or design guidelines are not the exclusive basis for decisions of the Board and compliance with such standards or guidelines does not guarantee approval of any application. To the extent there is a conflict between any architectural standards promulgated hereunder and any design guidelines promulgated pursuant to the Master Documents, the more restrictive architectural standards or design guidelines shall control. The Board may allow such encroachments on the Common Elements and Limited Common Elements as it deems acceptable.

In the event that the Board fails to approve or to disapprove such application within forty-five (45) days after the application and all information as the Board may reasonably require have been submitted, its approval will not be required and this Article will be deemed complied with; provided, however, even if the requirements of this Article are satisfied, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Condominium Instruments.

11.2 Alteration and Storage within Units. No Owner or Occupant may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits, wires or other apparatus for access to common utilities without prior written Board approval (including, but not limited to, installation of washers and dryers). No Owner or Occupant shall make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written approval of the Board. Such approval shall not be granted by the Board unless the Owner has presented to the Board a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Condominium. All building code requirements must be complied with and necessary permits and approvals secured for any modifications. Notwithstanding the foregoing, Declarant shall not be required to obtain any approvals under this Section.

11.3 Condition of Approval. As a condition of approval for a requested architectural change, modification, addition or alteration, an Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance of such change, modification, addition or alteration. In the discretion of the Board, an Owner may be required to verify such condition of approval by written instrument in recordable form acknowledged by such Owner.

11.4 Limitation of Liability. Review and approval of any application pursuant to this Article is made solely on the basis of aesthetic considerations. Neither Declarant, the Association nor the Board of Directors shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications or for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Association, the Board of Directors nor Members of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

11.5 No Waiver of Future Approvals. Each Owner acknowledges that the Members of the Board of Directors will change from time to time and that interpretation, application and enforcement of the architectural standards may accordingly vary. Each Owner further acknowledges that the Board may adopt different architectural standards for different parts of the Condominium. The approval by the Board of any proposals, plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Board of Directors shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatsoever which are subsequently or additionally submitted for approval or consent.

11.6 Enforcement. Any construction, alteration or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board of Directors, the Owners by or on behalf of whom any such violation is committed shall, at their own cost and expense, remove such construction, alteration or other work and shall restore the property to substantially the same condition as existed prior to the construction, alteration or other work. Should an Owner fail to remove and restore as required hereunder, the Board shall have the right to enter the property, remove the violation and restore the property to substantially the same

condition as existed prior to the construction, alteration or other work. All costs thereof, including attorneys' fees and other legal fees, may be assessed against the Unit and collected as an assessment pursuant to this Master Deed. In addition to the foregoing, the Board shall have the authority and standing to impose reasonable fines and to pursue all legal and equitable remedies available to enforce its decisions and the provisions of this Article. Any exterior change, alteration or construction (including landscaping) upon the Common Elements made by an Owner in violation of this Master Deed shall be at such Owner's sole risk and expense. The Board of Directors may require that the Owner remove the change, alteration or construction and restore the Common Element to its original condition or may require that the change, alteration or construction remain on the Common Elements without reimbursement to the Owner for any expense incurred in making the change, alteration or construction.

11.7 Master Documents. The architectural review requirements set forth herein are in addition to, and not in lieu of, those requirements set forth in the Master Documents. Whenever approval is required hereunder, the granting of such approval shall not obviate the need to also comply with the approval procedures set forth in the Master Documents. All proposed construction, modifications, alterations, and improvements shall be approved pursuant to this Master Deed before being submitted for approval pursuant to the Master Documents. In addition, the Master Association architectural review board shall have the authority to review and disapprove any decision of the Board which the Master Association determines, in its sole discretion, to be inconsistent with the Master Documents. Furthermore, to the extent there is a conflict between any architectural standard promulgated hereunder and any design guidelines promulgated pursuant to the Master Documents, the more restrictive architectural standards or design guidelines shall control.

ARTICLE XII. USE RESTRICTIONS

Each Owner of a Unit shall be responsible for ensuring that the Owner's family, invitees, guests, tenants and Occupants comply with all provisions of the Condominium Instruments and the rules and regulations of the Association. Further, each Owner and Occupant shall always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, invitees, guests, tenants or Occupants as a result of such Person's violation of the Condominium Instruments the Association may take action under this Master Deed against the Owner as if the Owner committed the violation in conjunction with the Owner's family, invitees, guests, tenants or Occupants. Use restrictions regarding the use of Units and the Common Elements are as follows and also as may be adopted by the Board of Directors in accordance with the terms hereof and as specified in the By-Laws. Notwithstanding anything herein to the contrary, the Board, in accordance with the terms hereof and as specified in the By-Laws, may adopt additional rules and regulations further restricting the use of the Units and the Common Elements. Additionally, the Units are subject to any and all use restrictions stated in the Master Declaration. Each Owner acknowledges that the use restrictions set forth herein are in addition to, and not in lieu of, the use restrictions set forth in the Master Documents. To the extent there is any conflict between any use restriction set forth herein and any use restriction set forth in the Master Documents, the more restrictive use restriction shall control.

12.1 Residential Use. Units may be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office use shall be considered ancillary so long as (a) the existence or operation of the activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the activity conforms to all zoning requirements for the Condominium; (c) the activity does not involve regular visitation of the Unit by persons (including, but not limited to, clients, customers, employees, advisors, suppliers or independent contractors) coming onto the Condominium who do not reside in the Condominium or door-to-door solicitation of residents of the Condominium; (d) the activity does not increase traffic or include frequent deliveries within the Condominium other than deliveries by couriers, express mail carriers, parcel delivery services and other such delivery services; (e) the activity is consistent with the primarily residential character of the Condominium and does not constitute a nuisance, hazard or offensive use or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board; (f) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (g) there are no signs, advertisements or plaques of any type visible from the exterior of the Unit; and (h) the business activity does not result in a materially greater use of Common Element facilities or Association services.

The terms "business" and "trade," as used herein shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit or (c) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this Article. This Article shall not apply to any activity conducted by Declarant with respect to its development and sale of the Condominium or portions thereof, or its use of any Units which it owns within the Condominium.

12.2 Outbuildings. No structure of a temporary character, trailer, tent, shack, carport, garage, barn or other outbuilding shall be erected by any Owner or Occupant on any portion of the Condominium, other than by Declarant, at any time, either temporarily or permanently, without the prior written approval of the Board.

12.3 Use of Common Elements. There shall be no obstruction of the Common Elements nor shall anything be kept, parked or stored on or removed from any part of the Common Elements without the prior written consent of the Board, except as specifically provided herein. This prohibition shall not apply to Declarant.

With the prior written approval of the Board, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Elements for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Elements as provided herein shall assume, on behalf of himself/herself/themselves and his/her/their guests, Occupants and family all risks associated with the use of the Common Elements and all liability for any damage or injury to any person or thing as a result of such use.

The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

12.4 Use of Limited Common Elements. Use of the Limited Common Elements is exclusively restricted to the Owners of the Unit to which such Limited Common Elements are assigned and said Owner's family Members, guests, invitees and Occupants. The Limited Common Elements are reserved for exclusive use, but are a part of the Common Elements, and the restrictions applicable to the Common Elements shall also apply to the Limited Common Elements.

12.5 Prohibition of Damage, Nuisance and Noise. Unless otherwise permitted herein, nothing shall be done or kept on the Condominium or any part thereof which would increase the rate of insurance on the Condominium or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body or which would increase the Common Expenses, without the prior written consent of the Board.

Noxious, destructive or offensive activity shall not be carried on upon the Condominium. No Owner or Occupant of a Unit may use or allow the use of the Unit or any portion of the Condominium at any time, in any way or for any purpose which may endanger the health or unreasonably annoy or disturb or cause embarrassment, discomfort, or nuisance to other Owners or Occupants, or in such a way as to constitute, in the sole opinion of the Board of Directors, a nuisance; however, nothing herein shall be construed to affect the rights of an aggrieved Owner to proceed individually for relief from interference with the Owner's property or personal rights. Notwithstanding anything to the contrary herein, no Owner or Occupant may use or allow the use of the Unit, the Common Elements or the Limited Common Elements in any manner which creates noises between the hours of 11:00 p.m. and 7:30 a.m. which can be heard by persons in another Unit that will, in the sole discretion of the Board, interfere with the rights, comfort or convenience of the other Owners or Occupants.

No Owner shall do any work which, in the reasonable opinion of the Board or its designee, would jeopardize the soundness or safety of the Condominium or any structure created thereon, would reduce the value thereof or would impair any easement or other interest in real property thereto without in every such case the unanimous, prior written consent of all Members of the Association and their Mortgagees. No damage to or waste of the Common Elements or any part thereof or of the exterior of any building shall be permitted by any Owner, Occupants, tenants, invitees or guests of any Owner. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner, Occupants, tenants, invitees or guests of any Owner.

12.6 Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. For purposes of this Section, the term

"firearms" includes "BB" guns; pellet guns; other firearms of all types, regardless of size; and other dischargeable weapons.

12.7 Animals and Pets. No Owner or Occupant may keep, at any time, more than a total of two (2) (in any combination) dogs or cats. An Owner or Occupant may keep in the Unit a number of smaller, generally recognized household pets, such as fish or hamsters, subject to such rules and regulations as may be adopted by the Board of Directors. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Pets may not be left unattended outdoors or kept unattended outdoors, including, but not limited to, on any porch, deck, courtyard, patio, terrace or balcony. Dogs must be kept on a leash and under the physical control of a responsible person at all times while on the Common Elements. The owner of the pet or the person responsible for the pet must immediately remove any feces left upon the Common Elements by pets.

No pit bulldogs, rottweilers or other dogs determined in the sole discretion of the Board to be dangerous dogs may be brought onto or kept on the Condominium at any time by any Owner, Occupant or guest of an Owner or Occupant. Any pet which endangers the health or safety of any Owner or Occupant of any Unit or which creates a nuisance or unreasonable disturbance, as may be determined in the sole discretion of the Board of Directors, must be permanently removed from the Condominium upon seven (7) days written notice by the Board of Directors. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet from the Condominium. Any pet which, in the sole discretion of the Board, presents an immediate danger to the health, safety or property of any Member of the community may be removed by the Board without prior notice to the pet's owner.

In addition to other rules and regulations that the Board may adopt, the Board of Directors is specifically empowered with the right to adopt size and weight limits for household pets. Any pet which exceeds the size and weight limits set by the Board must be permanently removed from the Condominium upon seven (7) days written notice by the Board of Directors. If the Owner or Occupant fails to comply with such notice, the Board may remove the pet from the Condominium.

12.8 Parking. Pursuant to the Parking Plan, Units may have one or more Parking Spaces, including but not limited to Garage Bays, assigned as Limited Common Elements exclusively serving a particular Unit. Such Parking Spaces may be used only by the Owner or Occupants to whom the spaces are assigned and their guests and families. During the Development Period, Declarant may sell more Parking Spaces to a Unit Owner and may adopt rules regulating the use of unassigned Parking Spaces. Vehicles may only be parked in designated, lined Parking Spaces, Garage Bays or in other areas authorized in writing by Declarant during the Development Period and, thereafter, by the Board.

Disabled and stored vehicles are prohibited from being parked on the Condominium. For purposes hereof, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Condominium without being driven for fourteen (14) consecutive days or longer without prior written Board permission.

Boats, trailers, panel trucks, buses, trucks with a load capacity of one (1) ton or more, full-size vans (excluding mini-vans or utility vehicles used as passenger vehicles and receiving a "car" or "passenger vehicle" classification by the South Carolina Department of Motor Vehicles), recreational vehicles (RVs and motor homes), vehicles used primarily for commercial purposes and vehicles with commercial writings on their exteriors are also prohibited from being parked on the Condominium, except in areas designated by Declarant during the Development Period and, thereafter, by the Board, as parking areas for particular types of vehicles. Notwithstanding the foregoing, trucks, vans, commercial vehicles and vehicles with commercial writings on their exteriors shall be temporarily allowed on the Common Elements during normal business hours for the purpose of serving any Unit or the Common Elements, but no such vehicle shall remain on the Common Elements overnight or for any purpose except serving a Unit or the Common Elements without written consent of Declarant during the Development Period and, thereafter, the written consent of the Board.

If any vehicle is parked on any portion of the Condominium in violation of this Section or in violation of the Association's rules and regulations, Declarant, during the Development Period, and, thereafter, the Board, may place a notice on the vehicle specifying the nature of the violation and stating that after twenty-four (24) hours the vehicle may be towed. The notice shall include the name and telephone number of the person or entity which will perform the towing and the name and telephone number of a person to contact regarding the alleged violation. If, twenty-four (24) hours after such notice is placed on the vehicle, the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed in accordance with the notice, without further notice to the Owner or user of the vehicle.

If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner or Occupant's Unit, is obstructing the flow of traffic, is parked other than in a Parking Space, is parked in a space which has been assigned as a Limited Common Element exclusively serving another Unit or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be immediately towed. If a vehicle is towed in accordance with this Section, neither Declarant, the Association nor any officer or agent of either shall be liable to any Person for any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

Neither Declarant nor the Association shall be held liable for any loss or damage arising from theft, vandalism, malicious mischief or any loss or damage resulting from water or acid damage to any property placed or kept in any Parking Space in the Condominium. Each Owner or Occupant with use of a Parking Space who places or keeps a vehicle and/or any personal property in the vehicle or Parking Space does so at his or her own risk.

12.9 Abandoned Personal Property. Personal property, other than vehicles as provided for in this Article, shall not be kept or allowed to remain for more than twenty-four (24) hours upon any portion of the Common Elements, other than on Limited Common Elements, without the prior written permission of the Board.

If the Board or its designee, in its sole discretion, determines that property is kept, stored or allowed to remain on the Common Elements or Limited Common Elements in violation of

this Section, then the Board may remove and either discard or store the personal property in a location which the Board may determine. Prior to taking any such action, the Board shall place a notice on the personal property and on the front door of the Unit of the owner of such property, if known, specifying the nature of the violation and stating that after two (2) days the property may be removed and either discarded or stored. The notice shall include the name and telephone number of the person or entity which will remove the property and the name and telephone number of a person to contact regarding the alleged violation.

If two (2) days after such notice is placed on the personal property and/or the front door of the Unit, the violation continues or thereafter occurs again within six (6) months of such notice, the personal property may be removed in accordance with the original notice, without further notice to the owner or user of the personal property.

Notwithstanding anything to the contrary, the Board, in its discretion, may determine that an emergency situation exists and the personal property abandoned or stored in violation of this Section may, without prior notice to the owner or user of the personal property, be removed and either discarded or stored by the Board in a location which the Board may determine; provided, however, the Board shall give to the owner, if known, notice of the removal of the property and the location of the personal property within three (3) days after the personal property is removed.

If personal property is removed in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any Person for any claim of damage resulting from the removal activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to remove abandoned or improperly stored personal property, as set forth herein.

12.10 Heating of Units in Colder Months. In order to prevent breakage of water pipes during colder months of the year resulting in damage to any portion of the Condominium, increased Common Expenses and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the heat in an "on" position and at a minimum temperature setting of fifty-five degrees (55°) Fahrenheit (except during power failures or periods when heating equipment is broken) whenever the temperature is forecasted to or does reach thirty-two degrees (32°) Fahrenheit or below. In order to prevent the growth of mold and mildew during warmer months of the year resulting in damage to any portion of the Condominium, increased Common Expenses and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units shall be maintained with the air conditioning system in an "on" position and at a maximum temperature setting of eighty-five degrees (85°) Fahrenheit (except during power failures or periods when air conditioning equipment is broken) whenever the temperature is forecasted to or does reach ninety degrees (90°) Fahrenheit or above. Owners and Occupants shall take all steps possible on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the periods specified above when the heating equipment is not working properly, the Owner or Occupant shall immediately inform the Association of this failure of the equipment and of the time needed to repair the equipment. The Board of Directors may fine any Owner or Occupant and/or may cause the water service to the violator's Unit to be discontinued for violation of this Section, in addition to any other remedies of the Association. Any fine imposed

pursuant to this Section shall be deemed an assessment against the Unit and may be collected in the same manner as provided herein for collection of assessments.

12.11 Signs. Except as may be required by legal proceedings or local ordinance, no signs, advertising posters, billboards, canopy or awnings or any variation of the foregoing of any kind shall be erected, placed, or permitted to remain on the Condominium without the prior written consent of the Board. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association and to enact reasonable rules and regulations governing the general placement of signs on the Condominium.

Notwithstanding the restrictions contained in this Section, Declarant and the Declarant under the Master Declaration may approve and erect signs for the purpose of carrying on business related to the development, improvement and sale of Units in the Condominium and such signs shall not be subject to approval or regulation by the Association or the Board.

12.12 Rubbish, Trash, and Garbage. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except as provided herein. To the extent practical, all rubbish, trash and garbage shall be compacted and disposed of in closed plastic bags compatible with the Unit's trash compactor and placed in designated trash chutes. All other rubbish, trash and garbage shall be disposed of in closed plastic bags and placed in the receptacles designated by the Board of Directors. Owners and Occupants shall make reasonable efforts not to obstruct any trash chute.

12.13 Impairment of Units and Easements. An Owner shall perform no act or any work that will impair the structural soundness or integrity of another Unit, impair any easement or other interest in real property or do any act or allow any condition to exist which will adversely affect the other Units or their Owners or Occupants.

12.14 Unightly or Unkempt Conditions. The pursuit of hobbies or other activities which might tend to cause disorderly, unsightly or unkempt conditions shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture and other household items shall not be placed or stored outside the Unit.

12.15 Window Treatment. Unless otherwise approved in writing by the Board, all windows which are part of a Unit shall have window treatments and any portion thereof visible from outside the Unit shall be white or off-white in color.

12.16 Antennas and Satellite Equipment. No transmission antenna, except for customer-end antennas that receive and transmit fixed wireless signals, may be erected anywhere on the Condominium without written approval of the Board. No direct broadcast satellite ("DBS") antenna or multi-channel multi-point distribution service ("MMDS") larger than one meter (39.37") in diameter shall be placed, allowed or maintained upon any portion of the Condominium including, but not limited to, any Unit. DBS and MMDS antennas one (1) meter or less in diameter and television broadcast service antennas may be installed only in accordance with Federal Communications Commission ("FCC") rules and any requirements of the Board and the Association that are consistent with the rules of the FCC, as they may be amended from

time to time. Such items shall be installed in the least conspicuous location available on the Unit it is serving which permits reception of an acceptable signal. Subject to the Master Documents, the Association may designate a location for such items, and all devices shall be installed in the designated location unless an acceptable signal is not available. Except as otherwise provided by this Section, no antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Condominium, whether attached to a structure or otherwise; provided, however, that the Association shall have the right to erect, construct and maintain such devices.

In the event of a transfer of the Unit which includes a satellite dish or antenna, the grantee shall assume all responsibility for the satellite dish or antenna and shall comply with this Declaration, the By-Laws and the rules and regulations regarding satellite dishes and antennas including, but not limited to, those requirements relating to maintenance and removal of satellite dish or antenna.

12.17 Sales. Garage sales, yard sales, tag sales, flea markets or similar activities are prohibited, unless approved in writing by the Board.

12.18 Elevators. The Board shall have the right to promulgate rules and regulations regarding use of elevators.

12.19 Grilling. The use of outdoor grills in the Condominium is prohibited except for grills, if any, located in an amenity area that is a Common Element. This prohibition includes, without limitation, the use of a grill on Limited Common Element porches, decks, courtyards, patios, terraces, balconies or other Limited Common Elements as designated by the Board.

12.20 Replacing Carpet with Tile or Hardwood Floors. Other than Declarant, no Owner, Occupant or any other Person may replace carpeting with a tile, marble, vinyl or hardwood floor or other hard surfaced flooring material, on the interior of a Unit which is located above another Unit without first obtaining written approval of the Board. Approval of the Board shall be required, notwithstanding the fact that the proposed change or alteration may be entirely within a Unit. Among other factors, the Board may consider whether the change will cause noise to any Unit below which will exceed the average noise level in Units below Units with carpeted floors and whether the weight of such proposed flooring is appropriate and will cause problems to the structure or sub-flooring. The Owner applying for such approval shall provide the Board with information regarding these factors, as well as any other information requested by Declarant or the Board regarding the proposed flooring and its effect. In addition, any Owners installing hard surfaced floors in Units located above another Unit shall use insulation consisting of at least six (6) millimeters of noise absorbing polypropylene pad or its equivalent.

12.21 Decks, Balconies and Terraces. No objects, including, but not limited to, flags, banners, potted plants, grills, umbrellas, bicycles, laundry garments, beddings, towels, awnings, canopies, rugs, mops, appliances, indoor furniture and all other objects not expressly permitted in this Master Deed, may be located on a deck, balcony or terrace serving a Unit. Objects shall not be permitted to hang over or be attached to any exterior surface of a deck, balcony or terrace or to otherwise protrude outside of the vertical plane formed by the exterior surface of a deck,

balcony or terrace. Penetration of the horizontal and vertical surfaces of a deck, balcony or terrace is also prohibited. Enclosure of a deck, balcony or terrace is prohibited. For purposes of this Section, "enclosure" shall mean the permanent enclosure of a deck, balcony or terrace into the heated and cooled space within the boundaries of a Unit or any portion thereof. The Board shall have the right to require any Owner or Occupant to remove anything from a deck, balcony or terrace, including plants, furniture and decorations, which, in the sole discretion of the Board detracts from the appearance of the Condominium or the Building or constitutes an annoyance to other Unit Owners or the Declarant.

Notwithstanding the foregoing, patio tables and chairs constructed of materials approved by the Board may be placed on a deck, balcony or terrace. Furthermore, notwithstanding anything to the contrary stated herein, it shall be the sole responsibility of the Owner or Occupant of a Unit to remove all permitted objects from a deck, balcony or terrace during periods of high winds to prevent permitted objects from being blown from a deck, balcony or terrace and to refrain from engaging in any activity on a deck, balcony or terrace that may cause any object to fall from a deck, balcony or terrace.

12.22 Number of Occupants. The maximum number of Occupants in a Unit shall be limited to two (2) natural persons per bedroom. Upon written application, the Board may grant variances to this restriction if necessary to comply with provisions of the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601, *et seq.*, or any amendments thereto.

12.23 Private Amenities. Owners and Occupants, as well as their families, tenants, guests, invitees and pets, shall refrain from any actions which would distract from the playing qualities of any Private Amenities. Such prohibited activities shall include, but not limited to, burning materials where the smoke will cross the golf course property, maintenance of dogs or other pets which interfere with golf course play due to their loud barking or other actions, playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on the golf course property, picking up balls or similar interference with play. In addition, no Person shall, by virtue of this Master Deed, have any right to use any portion of any golf cart path system without the prior written approval of the owner of the Club Facilities. This covenant is for the benefit of the Club Facilities and the Club and persons playing golf on the Club Facilities and shall be enforceable by the Club.

12.24 Timesharing. No Unit may be used as a rooming house, hostel, hotel, or for timesharing. The term "timesharing" shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess all or any portion of a Unit rotates among various Persons on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time or which right to use, occupy or possess all or any portion of a Unit is otherwise shared among various Persons pursuant to a reservation system.

ARTICLE XIII. LEASING AND OCCUPANCY OF UNITS

13.1 General. In order to protect the equity of the individual Owners, to carry out the purpose for which the Condominium was formed by preserving the character of the

Condominium as a homogenous residential community of predominantly Owner-occupied homes and by preventing the Condominium from assuming the character of a renter-occupied apartment complex and to comply with the eligibility requirements for financing in the secondary mortgage market insofar as such criteria provide that the Units be substantially Owner-occupied, leasing of Units shall be governed by the restrictions imposed by this Article. The Board shall have the power to make and enforce reasonable rules and regulations and to levy fines in accordance with this Declaration and the By-Laws in order to enforce the provisions of this Article. Any transaction that does not comply with this Article shall be voidable at the option of the Board.

13.2 Definitions.

(a) "Open Leasing Status" shall authorize a Unit to be leased at any time. Each Unit in the Condominium shall have Open Leasing Status until the Unit is conveyed to any Person or entity other than Declarant, after which conveyance the Unit shall automatically be converted to Restricted Leasing Status. Open Leasing Status may also be conferred upon a Unit as provided below.

(b) "Restricted Leasing Status" shall subject a Unit to the restrictions on leasing contained below.

13.3 Leasing Cap. No Owner of a Unit in Restricted Leasing Status may lease his or her Unit if twenty-five percent (25%) or more of the Units in the Condominium are in Open Leasing Status, except as provided below for cases of undue hardship. Any Owner of a Unit in Restricted Leasing Status may apply in writing to the Board for conversion to Open Leasing Status in accordance with rules and regulations promulgated by the Board of Directors. Upon receipt of such written application, the Unit shall be placed at the end of a waiting list for conversion to Open Leasing Status. At such times as less than twenty-five percent (25%) of the Units are in Open Leasing Status, the Board shall notify the Owner of the Unit at the top of the waiting list of its conversion to Open Leasing Status, and such Owner shall have ninety (90) days within which to lease the Unit or it shall automatically revert to Restricted Leasing Status. Any Unit in Open Leasing Status shall automatically be converted to Restricted Leasing Status if the Unit is not subject to an approved lease for ninety (90) or more consecutive days.

13.4 Undue Hardship. Notwithstanding the above provisions, the Board of Directors shall be empowered to allow leasing of a Unit upon application in accordance with this Article to avoid undue hardship, including, but not limited to, (i) instances in which an Owner must relocate his or her residence outside the Charleston metropolitan area and cannot, within six (6) months from the date that the Unit was placed on the market, sell the Unit for a price no greater than the current appraised market value after having made reasonable efforts to do so; (ii) instances in which the Owner dies and the Unit is being administered by Owner's estate; and (iii) instances in which the Owner takes a leave of absence from his or her employment or temporarily relocates and intends to return to reside in the Unit, in which case the Owner must reapply every year for renewal of the hardship exception. Once an Owner has demonstrated that the inability to lease his or her Unit would result in undue hardship and upon receiving the requisite written approval of the Board, said Owner may lease his or her Unit for such duration as the Board reasonably determines is necessary to prevent undue hardship.

Any Owner who believes they must lease their Unit to avoid undue hardship shall submit a written application to the Board setting forth the circumstances necessitating the leasing and such other information as the Board may reasonably require. Leasing in the case of undue hardship shall be permitted only upon the Board's written approval of the Owner's application. When an application is approved, the Owner shall provide the Board with the name and phone number of the lessee and the Owner's address other than at the Condominium and other such information as the Board may reasonably require within ten (10) days after a lease has been signed by both parties.

13.5 Lease Terms. Such leasing of Units as is permitted shall be governed by the following:

(a) Units must be leased only in their entirety; no fraction or portion may be leased without prior written approval of the Board.

(b) All leases must be for an initial term of no less than one (1) year.

(c) All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form of lease which is deemed acceptable.

(d) There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors.

(e) Within seven (7) days after executing a lease agreement for the lease of a Unit, the Unit Owner shall provide the Board of Directors with a copy of the lease and the name of the lessee and all other people occupying the Unit and such other information about the lessee and all other people occupying the Unit as the Board may reasonably require. Notwithstanding anything in this Declaration to the contrary, failure to provide the above information to the Board within seven (7) days after executing a lease agreement for the lease of a Unit, may result in a fine against the Owner constituting a lien against the Unit for each day that the information is not provided to the Board.

(f) The Unit Owner must make available to the lessee copies of this Master Deed, the By-Laws and the rules and regulations.

(g) Any lease of a Unit shall be deemed to contain the following provisions, whether or not expressly stated therein, and each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

(i) Compliance with Condominium Instruments and Master Documents. Lessee agrees to abide by and comply with all provisions of the Master Deed, By-Laws and rules and regulations adopted pursuant thereto. Owner agrees to cause all Occupants of his or her Unit to comply with the Condominium Instruments or Master Documents and is responsible for all violations and losses caused by such Occupants, notwithstanding the fact that

such Occupants of the Unit are fully liable and may be sanctioned for any violation of the Condominium Instruments or Master Documents. In the event that the lessee or a Person living with the lessee violates the Condominium Instruments or Master Documents for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit. Any lessee charged with a violation of the Condominium Instruments or Master Documents is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

Any violation of the Condominium Instruments or Master Documents by the lessee, any Occupant or any Person living with the lessee is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with South Carolina law. The Owner of a Unit hereby delegates, assigns and appoints, as its attorney-in-fact, Island Park Condominium Association, Inc., acting through the Board, the power and authority to evict the lessee on behalf of and for the benefit of the Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including attorneys' fees and court costs, associated with the eviction shall be specifically assessed against the Unit and the Owner thereof, such costs hereby being deemed an expense which benefits the leased Unit and the Owner thereof.

(ii) Use of Common Elements. The Owner transfers and assigns to the lessee for the term of the lease any and all rights and privileges that the Owner has to use the Common Elements including, but not limited to, the use of any and all recreational facilities and other amenities.

(iii) Liability for Assessments. Lessee agrees to be personally obligated for the payment of all annual and special assessments and all other charges against the Owner which become due during the term of the lease and any other period of occupancy by the lessee or which become due as a consequence of lessee's activities including, but not limited to, activities which violate provisions of the Condominium Instruments or Master Documents. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

When a Unit Owner who is leasing his or her Unit fails to pay any annual or special assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Unit Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board, lessee shall pay to the Association all unpaid annual and special assessments and other charges, as lawfully determined and made payable during the term of the lease and any other period of occupancy by lessee; provided, however, lessee need not make such payments to the Association in excess of, or prior to, the due dates for monthly rental payments unpaid at the time of the Board's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board's request to pay assessments or other charges, lessee shall pay to the Association all late charges, fines, interest and costs of collection, including, but not limited to, reasonable attorneys' fees actually incurred, to the same extent lessee would be required to make such payments to the Association if lessee

were the Owner of the premises during the term of the lease and any other period of occupancy by lessee.

13.6 Applicability. This Article shall not apply to any leasing transaction entered into by Declarant, the Association or the holder of any Mortgage who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage.

ARTICLE XIV. SALE OF UNITS

A Unit Owner intending to make a transfer or sale of a Unit or any interest in a Unit shall give written notice to the Board of such intention within seven (7) days after execution of the transfer or sales documents. The Unit Owner shall furnish to the Board as part of the notice (i) the name and address of the intended grantee; and (ii) such other information as the Board may reasonably require. This Article shall not be construed to create a right of first refusal in the Association or in any third party.

Within seven (7) days after receiving title to a Unit, the purchaser of the Unit shall give written notice to the Board of his or her ownership of the Unit. Upon failure of an Owner to give the required notice within the seven-day time period provided herein, the Board may levy fines against the Unit and the Owner thereof and assess the Owner for all costs incurred by the Association in determining his or her identity.

ARTICLE XV. MAINTENANCE RESPONSIBILITY

15.1 By the Owner. Each Owner shall have the obligation to maintain and keep in good repair all portions of his or her Unit and any approved improvements made to the Limited Common Elements assigned to the Unit, except any portion of the Unit or any Limited Common Element which is expressly made the maintenance obligation of the Association as set forth in Section 15.2 below. This maintenance responsibility shall include, but not be limited to, all glass surfaces (excluding exterior cleaning); windows, window frames, casings and locks (including caulking of windows); all doors, doorways, door frames and hardware that are part of the entry system of the Unit (except for periodic painting or staining of the exterior surface of exterior doors and entry doors and door frames facing a hallway of the Condominium); all portions of the heating and air conditioning system, including the air conditioning compressor serving the Unit and the fan coil; and all pipes, lines, ducts, conduits, or other apparatus which serve only the Unit, whether located within or without a Unit's boundaries (including all gas, electricity, water, sewer or air conditioning pipes, lines, ducts, conduits or other apparatus serving only the Unit).

(a) Some Units may contain interior support beams which are load bearing beams. No Owner or Occupant shall jeopardize or impair the integrity of such beams.

(b) In addition, each Unit Owner or Occupant shall have the following responsibilities:

(i) to keep in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit including, without limitation, terraces, balconies and storage spaces;

(ii) to perform his or her responsibility in such manner so as not to unreasonably disturb other Persons in other Units;

(iii) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and

(iv) to pay for the cost of repairing, replacing or cleaning any item which is the responsibility of the Unit Owner or Occupant but which responsibility such Owner or Occupant fails or refuses to discharge (which the Association shall have the right, but not the obligation, to perform) or to pay for the cost of repairing, replacing or cleaning any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, Occupant, his or her family, invitees, tenants or guests, with the cost thereof to be added to and become part of the Unit Owner's next chargeable assessment.

15.2 By the Association.

(a) The Association shall maintain and keep in good repair as a Common Expense the Area of Common Responsibility, which includes the following:

(i) all Common Elements, including any Limited Common Elements (except as otherwise expressly provided for herein);

(ii) periodic cleaning and/or painting and/or staining of exterior surfaces of the Condominium building and of exterior doors and entry doors and door frames facing a hallway of the Condominium, as determined appropriate by the Board; and

(iii) periodic cleaning of exterior window surfaces, as determined appropriate by the Board.

(b) Subject to the maintenance responsibilities herein provided, the maintenance or repair performed on or to the Common Elements by an Owner or Occupants which is the responsibility of the Association hereunder (including, but not limited to landscaping of Common Elements) shall be performed at the sole expense of such Owner or Occupant, and the Owner or Occupant shall not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

(c) The Association shall not be liable for injury or damage to person or property caused by the elements, the Owner of any Unit or any other person or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner of any Unit or such Owner's Occupant, guest, invitee or family for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner, or any Owner's Occupant, guest, invitee or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Article where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments shall be claimed or allowed by reason of any alleged failure of the Association to

take some action or perform some function required to be taken or performed by the Association under this Master Deed or for inconvenience or discomfort arising from the action taken by the Association to comply with any law, ordinance or with any order or directive of any municipal or other governmental authority.

(d) The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. As levels of interior finish can vary, such repairs will be complete only to the extent of being "paint-ready." Components that may require repair or replacement, such as tile and trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board. Accessibility around personal belongings for workers to perform such repairs is the responsibility of the Unit Owner or Occupant. Removal, storage or other protective measures of personal items are also the responsibility of the Unit Owner or Occupant. If the removal, storage, or other protective measures are not taken by the Unit Owner or Occupant and damage occurs due to the repair process, neither the Association nor the Board will be liable for such damage. Upon completion of such repairs, the Association will perform cursory cleaning, but shall not be responsible for a detailed cleaning. The Board has sole discretion in defining what is reasonable for the level, quality and extent of the repair and subsequent cleaning. In performing its responsibilities hereunder, the Association shall have the authority to delegate to such Persons, firms or corporations of its choice such duties as are approved by the Board of Directors.

(e) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or the Master Association or (ii) such property is dedicated to any local, state or federal government or quasi-governmental entity; provided, however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

15.3 Failure to Maintain. If the Board of Directors determines that any Owner has failed or refused to properly discharge such Owner's obligation with regard to the maintenance, repair or replacement of items of which such Owner is responsible hereunder, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary by the Board of Directors. Unless the Board of Directors determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair cannot be completed within such time period, to commence replacement or repair within ten (10) days. If the Board of Directors determines that (i) an emergency exists or (ii) that an Owner has not complied with the demand given by the Association as herein provided, the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be an assessment and a lien against the Unit and shall be collected as provided herein for the collection of assessments.

If the Board determines that the need for maintenance, repair or replacement is in the Area of Common Responsibility and is caused through the willful or negligent act of an Owner or Occupant or their family, guests, lessee, or invitees, then the Association may assess the cost of any such maintenance, repair or replacement against the Owner or Occupant, which shall become a lien against the Unit and shall be collected as provided herein for the collection of assessments.

15.4 Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Master Deed may vary from one term of the Board of Directors to another. These variances shall not constitute a waiver by the Board of Directors of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board of Directors shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board of Directors. All maintenance of a Unit shall be in conformance with the Community-Wide Standard of the Association and the Master Association. No Owner shall perform any maintenance which may result in a change or alteration to the exterior of the Unit without the prior written approval of the Board of Directors as provided in Article 11 hereof.

15.5 Measures Related to Insurance Coverage. The Board, upon resolution, shall have the authority to require all or any Unit Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Unit Owner which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include, but need not be limited to, requiring all Owners to turn off cut-off valves, which may now or hereafter be installed, during winter months for outside water spigots; requiring Owners to insulate pipes sufficiently or take other preventive measures to prevent freezing of water pipes; requiring Owners to install and maintain smoke detectors; requiring Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed five hundred dollars (\$500.00) per Unit in any twelve (12) month period. Any requirement imposed upon the Owners that would exceed five hundred dollars (\$500.00) per Unit in any twelve (12) month period shall require the approval by a Majority of the Members prior to becoming effective.

In addition to, and not in limitation of, any other rights the Association may have, if any Unit Owner does not comply with any reasonable requirement made by the Board pursuant to this Section, the Association, upon ten (10) days written notice (during which period the Unit Owner may perform the required act or work without further liability) may perform such required act or work at the Unit Owner's sole cost. Such cost shall be an assessment and a lien against the Unit as provided herein. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to this Section, including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

15.6 Mold, Mildew, and Water Intrusion. Mold and/or mildew may grow in any portion of the Condominium. The Association and each Owner shall make routine mold, mildew and water intrusion inspections of the portions of the Condominium for which they are

responsible to maintain pursuant to this Article and which are accessible without having to conduct invasive testing. Upon discovery of any mold, mildew or water intrusion, the responsible party shall, in a good and workmanlike manner, immediately repair the source of any water intrusion and remediate or replace any building materials that are affected. Remediation of mold and mildew shall be performed in accordance with industry-accepted methods in place at the time of such remediation. Notwithstanding anything to the contrary herein, Declarant shall have no obligation to perform any invasive testing or inspections, maintenance or repairs in accordance with this Section and shall not be held liable for any loss or damage caused by the failure of the Association or an Owner to perform their obligations hereunder.

ARTICLE XVI. PARTY WALLS

16.1 General Rules of Law to Apply. Each wall built as a part of the original construction of the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions shall apply thereto.

16.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions.

16.3 Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner or Owners who have benefited by the wall may restore it and the Association shall reimburse said Owner(s) for the cost incurred, without prejudice, to the Association's right to seek reimbursement from or withhold payment to the Owners or others under any rule of law or provision in this Master Deed regarding liability for negligent or willful acts or omissions.

16.4 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE XVII. EMINENT DOMAIN

In the event of a taking by eminent domain of any portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking at least seventy-five percent (75%) of the total Association vote shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available therefor. The provisions of Article 10 above, applicable to Common Elements improvement damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE XVIII. RIGHTS OF ELIGIBLE MORTGAGEES

18.1 Mortgagee Notice. Upon written request to the Association identifying the name and address of the holder and the Unit number or address of the affected Unit, any Eligible Mortgagee will be entitled to timely written notice of the following:

(a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a Mortgage held by such Eligible Mortgagee;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a Mortgage held by such Eligible Mortgagee which remains unsatisfied for a period of sixty (60) days and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgagee, as specified herein.

18.2 Amendments to Documents. In addition to all other requirements specified in this Master Deed for the amendment of any of the Condominium Instruments, the consent of a Majority of Eligible Mortgagees shall be required to materially amend any provisions of this Master Deed, the By-Laws or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern or regulate any of the following:

(a) voting;

(b) assessments (including any increase in the annual assessment by more than twenty-five percent (25%) of the assessment for the previous year), assessment liens or subordination of such liens;

(c) reductions in reserves for maintenance, repair and replacement of the Common Elements;

(d) responsibility for maintenance and repair of the Condominium;

(e) redefinition of Unit boundaries;

(f) insurance or fidelity bonds;

(g) leasing of Units;

(h) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer or otherwise convey his or her Unit;

(i) establishment of self-management by the Association where professional management has been required by an Eligible Mortgagee;

(j) repair or restoration of the Condominium (after damage or partial condemnation) in a manner other than as provided herein; or

(k) any provisions included in this Master Deed, the By-Laws or Articles of Incorporation which are for the express benefit of holders, guarantors or insurers of Mortgages on Units.

18.3 Actions Requiring Consent. In addition to all other requirements specified in this Master Deed for taking any of the actions listed below, the consent of a Majority of Eligible Mortgagees shall be required before any of the following actions are taken by the Association or its membership:

(a) by act or omission seek to abandon or terminate the Condominium;

(b) except as provided herein and in the Act for condemnation, substantial damage and destruction and annexation of additional property to the Condominium, change the pro rata interest or obligations of any individual Unit for the purpose of (1) levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards; or (2) determining the pro rata share of ownership of each Unit in the Common Elements;

(c) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements (the granting of easements or licenses, as authorized herein, shall not be deemed a transfer within the meaning of this clause); or

(d) use hazard insurance proceeds for losses to any portion of the Condominium (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such portion of the Condominium.

18.4 Liability of Mortgagees. Where the Mortgagee holding a Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be a Common Expense collectible from Owners of all Units, including such acquirer, its successors and assigns. Additionally, such acquirer shall be responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed.

18.5 Financial Statements. Pursuant to the terms of the By-Laws, any Eligible Mortgagee shall be entitled, upon written request, to receive within a reasonable time after request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Eligible Mortgagee so requesting.

18.6 Additional Mortgagee Rights. Notwithstanding anything to the contrary herein, the provisions of Articles 13 and 14 governing sales and leases shall not apply to impair the right of any Eligible Mortgagee to:

- Mortgage;
- (a) foreclose or take title to a Unit pursuant to remedies contained in its Mortgage;
 - (b) take a deed or assignment in lieu of foreclosure; or
 - (c) sell, lease or otherwise dispose of a Unit acquired by the Mortgagee.

18.7 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

18.8 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

18.9 Construction of Article. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Master Deed, the By-Laws or South Carolina law for any of the acts set out in this Article.

ARTICLE XIX. DECLARANT RIGHTS

19.1 Right to Appoint and Remove Directors. Declarant shall have the right to appoint and remove any Member or Members of the Board of Directors of the Association subject to such limitations as set forth below. Declarant's authority to appoint and remove Members of the Board of Directors of the Association shall expire on the first to occur of the following:

- (a) when one hundred percent (100%) of the Units in the Condominium have been transferred by Declarant to Unit Owners other than a Person or Persons constituting Declarant;
- (b) the expiration of twenty (20) years after the date upon which this Master Deed is recorded in the Register of Deeds Office for Berkeley County; or
- (c) the date on which Declarant voluntarily relinquishes such right by executing and recording an amendment to this Master Deed, which shall become effective as specified in such amendment.

Upon the expiration of Declarant's right to appoint the Members of the Board of Directors of the Association described above, the Members of the Board of Directors shall be elected by the membership of the Association in accordance with the Bylaws of the Association.

19.2 Number and Terms of Directors Appointed by Declarant. The Board of Directors of the Association shall be comprised initially of no more than three (3) directors, who shall be appointed, removed and/or reappointed by Declarant and whose terms shall expire at the time of expiration of the rights of Declarant as set forth above.

19.3 Sale and Leasing of Units. Notwithstanding anything to the contrary herein, Declarant shall have the right to sell or lease units and to erect and maintain signs to facilitate such sales or leases as Declarant, in its sole discretion, deems appropriate and shall not be required to comply with the provisions of this Master Deed regarding signs, sales and leases.

19.4 Construction and Sale Period. Notwithstanding any provisions in the Condominium Instruments and related documents, during the Development Period, it shall be expressly permissible for Declarant to maintain and carry on, upon such portion of the Condominium as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient or incidental to Declarant's development, construction and sales activities related to the Condominium, including, without limitation, the right of access, ingress or egress for vehicular and pedestrian traffic over, under, on or in the Condominium; the right to tie into any portion of the Condominium with streets, driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), install, lay, replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Condominium; the right to conduct sales and promotional activities in the Condominium; and the right to construct and operate business and or sales offices, signs, construction trailers and model Units. Declarant may use Units or offices owned or leased by Declarant as model Units and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property and damage shall be repaired by the Person causing the damage at its sole expense.

19.5 Transfer or Assignment. Any or all of the special rights and obligations of Declarant set forth in the Condominium Instruments may be transferred or assigned in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Master Deed or the Act. Upon any such transfer, Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Office of the Register of Deeds of Berkeley County, South Carolina.

ARTICLE XX. EASEMENTS

20.1 Use and Enjoyment. Each Unit Owner and Occupant shall have a right and easement of use and enjoyment in and to the Common Elements (including the right of access, ingress and egress to and from his or her Unit over those portions of the Condominium designated for such purposes) and such easement shall be appurtenant to and shall pass with the title to each Unit, subject to the rights of the Unit Owners to the exclusive use of the Limited Common Elements assigned to their respective Units and to the right of the Association to control the use and enjoyment of the Common Elements as provided by the terms of this Master Deed including, but not limited to, the right of the Association to suspend voting and use privileges as provided herein. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

20.2 Utilities. To the extent that the sprinkler system or any sprinkler room, electrical room, telephone equipment, telephone trunk line, utility line, pipe, wire or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, or shall only be accessible from another Unit, such other Unit, Units, or the Common Elements shall be burdened with an easement for the use, access, maintenance, repair and replacement of such sprinkler system, electrical room, telephone equipment, telephone trunk line, utility line, pipe, wire or conduit, such easement to be in favor of the Association and the Unit, Units or Common Elements served by the same. It shall be the obligation of the benefited Owner to maintain, replace and repair any pipe, line, conduit, duct or wire owned by such Owner, even if such pipe, line, conduit, duct or wire is located in the Unit of another Owner. In such circumstance, the benefited Owner shall repair all incidental damage to any Unit or the Common Elements resulting from performance of any such work. All Unit Owners hereby covenant and agree that there are varying degrees of finish, such repairs will be complete only to the extent of being "paint-ready". Components that may require repair or replacement, such as tile or trim, will be reinstated only to the extent that matching or similar materials are readily available at reasonable costs, as determined in the sole discretion of the Board.

20.3 Pest Control. The Association may, but shall not be obligated to, dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Each Unit Owner shall either provide a key to the Unit for purpose of such entry or have someone available at such times as are designated by the Board of Directors to allow entry into the Unit for this purpose. The Association shall not be liable for any illness, damage or injury caused by the dispensing of these chemicals for this purpose.

20.4 Declarant Easements. During the Development Period, Declarant and its duly authorized contractors, representatives, agents and employees shall have (i) an easement for the maintenance of signs, business and/or sales offices, promotional facilities and model Units on the Condominium, together with such other facilities as in the opinion of Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Units; and (ii) a transferable easement on, over, through, under and across the Common Elements and Limited Common Elements for the purpose of making improvements on the Condominium or any portion thereof, for the purpose of installing, replacing, repairing and maintaining all utilities serving the Condominium and for the purpose of doing all things reasonably necessary and proper in connection therewith. In addition, Declarant shall have an easement to conduct all activities and for exercising all rights set forth in Article 19 of this Master Deed. In exercising its easement rights provided herein, Declarant shall have the right to temporarily close any portion of the Common Elements (including Limited Common Elements).

20.5 Easement in Favor of the Master Association. Declarant reserves, creates, establishes, promulgates and declares a non-exclusive, perpetual, appurtenant easement over the Condominium for the Master Association, its duly authorized successors and assigns, including without limitation, successors-in-title, agents, representatives, employees, successors, assigns

and licensees, for the purpose of performing or satisfying the duties and obligations of the Master Association as set forth in the Master Documents.

ARTICLE XXI. GENERAL PROVISIONS

21.1 Security. The Association may, but shall not be required to, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, on behalf of such Owner and the Occupants, guests, licensees and invitees of the Unit acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security in and to the Condominium. It shall be the responsibility of each Owner to protect such Owner's persons and property and all responsibility to provide security shall solely lie with each Unit Owner. The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Condominium, or shall either of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measures cannot be compromised or circumvented, or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Unit that the Master Association, the Association, their respective boards of directors, officers and committees and Declarant are not insurers and that each Person using the Condominium assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

21.2 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Master Deed, the By-Laws, Articles of Incorporation, any use restriction or rule and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

21.3 Amendment.

(a) By Declarant. For so long as Declarant has the right to appoint and remove directors of the Association as provided in this Master Deed, Declarant may unilaterally amend this Master Deed for any purpose. Thereafter, Declarant may unilaterally amend this Master Deed at any time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; (iv) to enable any reputable private insurance company to insure Mortgage loans on the Units; or (v) to satisfy the requirements of any local, state or federal governmental agency. Any such amendment shall not adversely affect any material right of any Owner(s) hereunder without the written consent of the affected Owner(s). In addition, during the Development

Period, the Declarant may unilaterally amend this Master Deed for any other purpose, provided the amendment has no adverse affect upon any right of any Member. The failure of an amendment to apply uniformly to all Units shall not constitute a material adverse affect upon the rights of any owner. The foregoing amendments may be made without the joinder or approval of any Owner, Mortgagee or the Association.

(b) By Members. Except where a higher vote is required for action under any other provisions of this Master Deed or by the Act, in which case such higher vote shall be necessary to amend such provision, this Master Deed may be amended by the written consent of the Members of the Association holding sixty-seven percent (67%) of the total vote thereof, and the consent of Declarant during the Development Period. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. No amendment shall be effective until it has been certified by an officer of the Association, executed by Declarant with the same formalities as a deed, if the consent of Declarant is required, and recorded in the Office of the Register of Deeds of Berkeley County, South Carolina. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time. Notwithstanding anything herein to the contrary, no provision of this Master Deed granting, reserving, establishing or conferring any right or easement in favor of Declarant may be amended without the written consent of Declarant and no amendment to this Master Deed purporting to impose any obligation of Declarant or to clarify, expand, alter or modify any existing obligation of Declarant shall be effective without the written consent of Declarant.

(c) By the Board of Directors. The Board of Directors, without necessity of a vote from the Owners, may amend this Master Deed or the By-Laws to correct scrivener's errors and other mistakes of fact and/or to comply with any applicable state, city or federal law, and/or to bring the Condominium into compliance with applicable guidelines of the Federal National Mortgage Association ("Fannie Mae"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA"). During the Development Period, any such amendment shall require the consent of the Declarant.

(d) Master Association. Notwithstanding anything to the contrary herein, any amendment to this Master Deed that materially affects the Master Association, the Master Declaration or the rights or obligations of any Unit Owner or Occupant relating to the Master Association or the Master Declaration, including, but not limited to, the termination of the Condominium or the dissolution of the Association, must be approved in writing by the board of directors of the Master Association.

21.4 Use of the "Island Park Condominium" Name and Logo. No Person shall use the phrase "Island Park Condominium" or the logo for "Island Park Condominium" or any derivative in any printed or promotional material without Declarant's prior written consent; however, Owners may use the phrase "Island Park Condominium" in printed or promotional matter where such terms are used solely to specify that particular property is located within Island Park Condominium, and the Association and any other community association located in Island Park Condominium, and Declarant shall each be entitled to use the words "Island Park Condominium" in their names.

21.5 Compliance. Every Owner and Occupant of any Unit shall comply with this Master Deed, the By-Laws, rules of the Association and the Master Documents. Failure to comply shall be grounds for an action by the Association or, in a proper case, by any aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association herein.

21.6 Severability. Whenever possible, each provision of this Master Deed shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Master Deed to any Person or property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Master Deed are declared to be severable.

21.7 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

21.8 Notices. Notices provided for in this Master Deed or the Articles of Incorporation or By-Laws shall be in writing and shall be addressed to any Owner at the address of the Unit and to Declarant or the Association at the address of their respective registered agents in the State of South Carolina. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Notices addressed as above shall be deemed delivered three (3) business days after mailing by United States Registered or Certified Mail, postpaid, or upon delivery when delivered in person, including delivery by Federal Express or other reputable courier service.

21.9 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Master Deed shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

21.10 Indemnification. To the fullest extent allowed by the South Carolina Nonprofit Corporation Act and applicable law, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee Member against any and all expenses, including, but not limited to, attorneys' fees and other legal fees, imposed upon or incurred by any officer, director or committee Member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee Member may be a party by reason of being or having been an officer, director or committee Member. The officers, directors and committee Members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee Members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee Member free and harmless against any and all liability to others on account of any such contract or

commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee Member, or former officer, director or committee Member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available in the opinion of the Board.

21.11 Submerged Land Notice. All activities on or over and all uses of submerged land or critical areas are subject to the jurisdiction of the South Carolina Department of Health and Environmental Control, including, but not limited to, the requirement that any activity or use must be authorized by the South Carolina Department of Health and Environmental Control. Any Owner is liable to the extent of his or her ownership for any damages to, any inappropriate or unauthorized uses of, and any duties or responsibilities concerning any submerged land, coastal waters or any other critical area.

21.12 Storage Spaces. Neither Declarant nor the Association shall be held liable for loss or damage to any property placed or kept in a storage space in the Condominium. Each Owner or Occupant with use of a storage space who places or keeps property in such storage space does so at the Owner or Occupant's own risk.

21.13 Fair Housing Amendments Act. The provisions of the Condominium Instruments shall be subordinate to the Fair Housing Amendments Act of 1988, 432 U.S.C. § 3601, *et seq.* (hereinafter referred to as "FHAA"), and shall be applied so as to comply with the FHAA. In the event that there is a conflict between or among the Condominium Instruments and the FHAA, the FHAA shall prevail. Notwithstanding anything to the contrary contained herein, in the event that any provision of this Declaration conflicts with the FHAA, the Board of Directors, without the consent of the Owners or of the Declarant, shall have the unilateral right to amend this Declaration for the purpose of bringing this Declaration into compliance with the FHAA. Furthermore, notwithstanding Article V hereof, the Board shall have the unilateral right to assign portions of the Common Elements as Limited Common Element to one (1) or more Owners or Occupants should such action be required in order to make a reasonable accommodation under the FHAA.

21.14 Disclosures. Each Owner and occupant of a Unit acknowledges the following:

- (a) the Project is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future;
- (b) the views from a Unit may change over time due to, among other things, additional development and the removal or addition of landscaping;
- (c) no representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future;
- (d) no representations are made regarding the schools that currently, or which may in the future, serve the Condominium;
- (e) since, in every neighborhood, there are conditions which different people may find objectionable, it is acknowledged that there may be conditions outside of the

Condominium which a Unit Owner or occupant may find objectionable and that it shall be the sole responsibility of the Unit Owners and occupants become acquainted with neighborhood conditions which could affect the Unit; and

(f) no representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one (1) Unit to another.

21.15 Litigation by Association. No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless the following conditions are satisfied:

(a) the decision to commence such action or proceeding shall be taken at an annual or special meeting of the Association;

(b) a budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose, and shall have been mailed or delivered to all Owners and posted at the principal office of the Association at least thirty (30) days prior to such meeting; and

(c) at such meeting, Owners representing an aggregate ownership interest of 75% or more of the Common Elements shall approve the decision to commence, and the proposed budget for, such action or proceeding, and shall concurrently approve the imposition of a special assessment to fund the costs of such action or proceeding in accordance with the approved budget. All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with this paragraph shall be funded by means of a special assessment, and in no event may the Association use reserve funds or contingency funds, reallocate previously budgeted operating funds, or incur any indebtedness in order to pay any costs and expenses incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Owner or particular Owners requiring the approval of the Owners in accordance with the foregoing, the Owner(s) against whom suit is being considered shall be exempted from the obligation to pay the special assessment(s) levied in order to pay the costs and expenses of such action or proceeding.

The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (a), (b) and (c). The procedural requirements set forth in this paragraph, however, shall not apply to (i) any action to collect or otherwise enforce assessments and any related fines, late charges, penalties, interest or costs and expenses or (ii) any action where the Declarant agrees to pay all of the legal fees.

This Section shall not be amended unless the amendment is approved by the requisite percentage of votes of Members of the Association, and pursuant to the same procedures, necessary to institute proceedings as provided above. In addition, such amendment shall require the approval of Declarant for so long as Declarant owns any portion of the Condominium.

21.16 Right of Action All Owners hereby acknowledge and agree that the Association shall not be entitled to institute any legal action against anyone on behalf of any or all of the Owners which is based on any alleged defect in any Unit or the Common Elements, or any

damage allegedly sustained by any Owner by reason thereof, but rather, that all such actions shall be instituted by the Person(s) owning such Units or served by such Common Elements or allegedly sustaining such damage. Notwithstanding the above, once Declarant no longer has the right to appoint and remove directors and officers, in accordance with the Condominium Instruments, the Association's Board of Directors may negotiate the resolution of any alleged defect(s) in the Common Elements and Area of Common Responsibility on behalf of the Owners and shall have the right and authority to settle and release on behalf of any and all of the Owners claims, causes of action, damages and suits involving the same. Any such settlement and release shall bind all Owners and their successors and assigns.

ARTICLE XXII. EXPANSION OF THE CONDOMINIUM

22.1 Expansion Declarant reserves the option to expand the Condominium by adding to the Condominium all or any part of the Additional Property on one or more occasions. Except as set forth herein, there are no limitations on this option. Except for zoning and other governmental requirements, there are no limitations as to the location of improvements on the Additional Property. The Additional Property may be added as a whole at one time or portions may be added at different times. There are no limitations fixing the boundaries of any portion of the Additional Property which may be submitted to this Master Deed and there are no limitations regulating the order in which portions of the Additional Property may be submitted to this Master Deed. This option shall expire seven (7) years from the date of recording of this Master Deed; provided, however, that a Majority of Owners may consent to the extension of this expansion option within one (1) year prior to the date upon which the option would have otherwise expired. The maximum number of Units that may be created on the Additional Property and added to the Condominium is twelve (12). No assurances are made that any improvements will be made on all or any of the Additional Property which may be submitted to this Master Deed. The Additional Property shall be subject to the use restrictions set forth herein when it is added to the Condominium. All improvements which may be built on all or any portion of the Additional Property will be consistent with the initial improvements built on the submitted property in structure type and quality of construction. All improvements to be located on each portion of the Additional Property which is being submitted to the Condominium shall be substantially complete prior to its submission to the Condominium. The nature and proposed use of any Common Elements which may be located on any portion of the Additional Property submitted to the Condominium generally will be the same as those Common Elements previously submitted to the Condominium. Declarant shall have the right to assign Limited Common Elements on the Additional Property in accordance with the provisions hereof. The undivided interests in the Common Elements and liability for Common Expenses are allocated among the Units on the submitted property on the basis of the square footage of each Unit in comparison to the square footage of all Units, and, upon the expansion of the Condominium to include any portion of the Additional Property, shall be reallocated among the Units on the submitted property and the Additional Property on the same basis. Each vote in the Association is equally weighted and, upon expansion of the Condominium to include any portion of the Additional Property, will continue to be equally weighted. Any expansion under this Article shall be effected by Declarant's executing and recording the amendments to this Master Deed, and the Plat and Plans required by the Act, at Declarant's sole expense. The Units thereby created and added shall be owned by Declarant until conveyed, but the Common Elements shall be owned by all of the Unit Owners.

Notwithstanding anything herein to the contrary, no property shall be made subject to this Master Deed unless, at the time it is made subject thereto, it is subject to or made subject to the Master Declaration.

22.2 Ongoing Construction. Each Owner acknowledges, understands and covenants to inform its lessees and all Occupants of its Unit that the Condominium and the areas adjacent to the Condominium are subject to further development and expansion, and therefore, there may be certain inconveniences during any period of construction, and Owner waives all claims with respect thereto. Owner agrees that if Owner or Owner's employees, lessees, invitees, guests, contractors or agents enter onto any area of construction, they do so at their own risk, and neither the Master Association, the declarant under the Master Association, Declarant, the Association, nor their respective contractors, agents or employees shall be liable for any damage, loss or injury to such persons.

ARTICLE XXIII. PRIVATE AMENITIES AND CLUB MEMBERSHIP

23.1 General. Private Amenities shall not be a portion of the Common Elements, and neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity, except as provided in Section 23.2 below. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. Subject to Section 23.2, the owners of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges and number of users; and to require the payment of a purchase price, membership contribution, initiation fee, membership deposit, dues, use charges and other charges for use privileges; and to change, eliminate or cease operation of any or all of the facilities; and to reserve use rights; and to terminate use rights altogether, subject to the terms of any written agreements and this Master Deed.

23.2 Club Membership and Other Club Matters. Every Owner, other than Declarant, shall have a "Social Club" membership in the Club and shall pay dues to the Club associated with such membership as set forth in Article 14 of the Master Declaration.

23.3 Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant, the Association, the Master Association, the declarant under the Master Declaration or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owners of the Private Amenities. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; (b) the establishment of, or conversion of the membership structure to, an "equity" club or similar arrangement whereby the members of the Private Amenity or an entity owned or controlled by its members become the owner(s) and/or operator(s) of the Private Amenity; or (c)

the conveyance of any Private Amenity to one (1) or more affiliates, shareholders, employees or independent contractors of the declarant under the Master Declaration. No consent of the Master Association, Association or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

23.4 View Impairment. Neither Declarant, the Association nor the owners of any Private Amenities guarantees or represents that any view over and across any Private Amenity from Units will be preserved without impairment. The owner of any Private Amenity shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Private Amenities from time to time. In addition, the owner of any Private Amenity which includes a golf course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, landscaping, bunkers, fairways and greens, improvements and barriers (both natural and artificial) from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view of a Private Amenity which the Unit may enjoy as of the date of the purchase of the Unit may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Private Amenity.

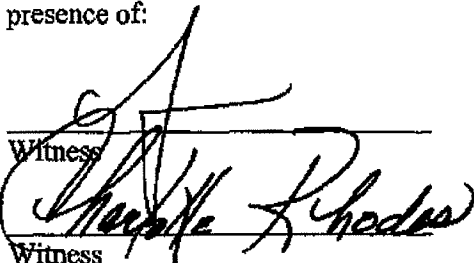
23.5 Use Restrictions. Upon request of the owner of any Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or Occupant violating such regulations, including but not limited to, the exercise of the Association's self-help rights for violation of sign and pet restrictions.

23.6 Limitation on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenities, no amendment to this Article and no amendment in derogation of any other provisions of this Declaration benefiting any Private Amenity, may be made without the written approval of the owner(s) of the affected Private Amenity.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Declarant has executed this Master Deed under seal, this
15th day of May, 2007.

Signed, sealed and delivered in the
 presence of:

Witness

 Witness

DECLARANT:

NEW TRADITIONS CUSTOM HOME
 BUILDERS, INC.,
 a South Carolina corporation

By: W. Stephen Barber
 W. Stephen Barber
 President

[CORPORATE SEAL]

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, Kay P. Fabrizio (Notary Public for the State of South Carolina), do
 hereby certify that New Traditions Custom Home Builders, Inc., a South Carolina corporation,
 by and through W. Stephen Barber, its President, personally appeared before me this day and
 acknowledged the due execution of the foregoing instrument as the act and deed of said
 company.

Witness my hand and official seal, this the 15th day of May, 2007.

Kay P. Fabrizio
 Notary Public

My Commission Expires: October 19, 2010

[Notary Seal]

CONSENT OF LENDER

SunTrust Mortgage, Inc., a Virginia corporation ("Lender"), beneficiary under a Deed to Secure Debt and Security Agreement dated May 17, 2006, and recorded on May 25, 2006 in the Office of the Register of Deeds of Berkeley County, South Carolina at Deed Book 5643, Page 321 and a Deed to Secure Debt and Security Agreement dated May 17, 2006 and recorded on May 25, 2006 in the Office of the Register of Deeds of Berkeley County, South Carolina at Deed Book 5643, Page 333 (the "Security Deed"), for itself and its successors and assigns, approves the foregoing Master Deed of Island Park Condominium Horizontal Property Regime (the "Master Deed"). Lender agrees and acknowledges that, upon recordation of the Master Deed, the restrictive covenants contained in the Master Deed will run with the land which serves as security for the debt evidenced by the Security Deed and further agrees that any foreclosure or enforcement of any other remedy available to Lender under the Security Deed will not render void or otherwise impair the validity of the Master Deed.

Executed this 17th day of May, 2007.

LENDER:

SUNTRUST BANKS, INC.
a Georgia corporation

By: [Signature]
Name: Lori W. Swan
Title: Bank Officer

[CORPORATE SEAL]

Signed, sealed and delivered
in the presence of:

[Signature]
Witness
[Signature]
Witness

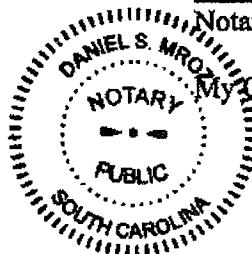
STATE OF SOUTH CAROLINA)
COUNTY OF Charleston)

ACKNOWLEDGMENT

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Lori Swan, the Bank Officer of SunTrust Bank, Inc., a Virginia corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 17th day of May, 2007.

[Signature]
Notary Public
My Commission Expires: October 9th, 2016



[NOTARY SEAL]

CONSENT OF LENDER

SunTrust Banks, Inc., a Georgia corporation ("Lender"), beneficiary under a Deed to Secure Debt and Security Agreement dated May 17, 2006, and recorded on May 25, 2006 in the Office of the Register of Deeds of Berkeley County, South Carolina at Deed Book 5643, Page 321 (the "Security Deed"), for itself and its successors and assigns, approves the foregoing Master Deed of Island Park Condominium Horizontal Property Regime (the "Master Deed"). Lender agrees and acknowledges that, upon recordation of the Master Deed, the restrictive covenants contained in the Master Deed will run with the land which serves as security for the debt evidenced by the Security Deed and further agrees that any foreclosure or enforcement of any other remedy available to Lender under the Security Deed will not render void or otherwise impair the validity of the Master Deed.

Executed this 17 day of May, 2007.

LENDER:

Signed, sealed and delivered
in the presence of:

Witness

Witness

SUNTRUST BANKS, INC.
a Georgia corporation

By:

Name:

Title:

Clay K. Hughes
FIRST VICE PRESIDENT

[CORPORATE SEAL]

STATE OF SOUTH CAROLINA)

COUNTY OF Charleston)

ACKNOWLEDGMENT

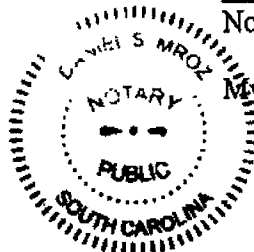
I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Clay K. Hughes, the First VP of SunTrust Mortgage, Inc., a Virginia corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 17th day of May, 2007.

Notary Public

My Commission Expires: October 9th, 2016

[NOTARY SEAL]



**CONSENT OF DANIEL ISLAND ASSOCIATES L.L.C. TO THE
MASTER DEED OF ISLAND PARK CONDOMINIUM
HORIZONTAL PROPERTY REGIME**

The undersigned Declarant under the Master Declaration does hereby consent to the adoption of the Master Deed of Island Park Condominium Horizontal Property Regime this 16 day of May, 2007

MASTER DECLARANT:

DANIEL ISLAND ASSOCIATES L.L.C.,
a Delaware limited liability company

By: [Signature] [SEAL]
Matthew R. Sloan
Executive Vice President

Signed, sealed and delivered
in the presence of:

[Signature]
Witness

[Signature]
Witness

STATE OF SOUTH CAROLINA)
COUNTY OF BERKELEY)

ACKNOWLEDGMENT

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Daniel Island Associates L.L.C. by Matthew R. Sloan, its executive vice president, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 16th day of May, 2007.

[Signature]
Notary Public for S.C.

My Commission Expires: 9/29/07

[NOTARY SEAL]