

THIS MASTER DEED AND ALL CONDOMINIUM DOCUMENTS ARE SUBJECT TO
BINDING ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM
ARBITRATION ACT, S.C. CODE ANN. SECTION 15-48-10 ET.SEQ.

MASTER DEED

OF

PAVILION WATCH HORIZONTAL PROPERTY REGIME

Folly Beach, South Carolina

Developer:

Center Street Holdings, LLC
and
Pavilion Development Corporation

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PAVILION WATCH HORIZONTAL PROPERTY REGIME MASTER DEED
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described in Exhibit "A" and Article II shall be subject to the provisions set forth in this Master Deed, which provisions shall inure to the benefit of and be binding upon the Declarants, their successors and assigns, and upon the Unit Owners and their heirs, successors and assigns, respectively.

ARTICLE II

Section 1. Definitions. Those definitions contained in Section 27-31-20 of the Act, as defined herein, are incorporated in this Master Deed unless it is clear from the context that a definition in the Act is contradictory to the following definitions, in which event the following definition shall apply except where the definition of the Act is mandatory.

(a) "Act" means the Horizontal Property Act, Section 27-31-20, et seq., of the 1976 Code of Laws of South Carolina, as amended from time to time. References to specific sections of the Act contained herein refer to the sections as designated at the time of recordation of this Master Deed.

(b) "Apartment" means a "Unit", as defined herein.

(c) "Association" means Pavilion Watch Owners Association, Inc., the South Carolina not-for-profit corporation whose members consist of all the persons, corporations, limited liability companies, partnerships, associations, trusts, or other legal entities, or any combination thereof, which own a Unit.

(d) "Board of Directors" means the Board of Directors of the Association.

(e) "Building" means a structure or structures, containing in the aggregate two or more Units, comprising a part of the Property.

(f) "Co-Owner" or "Owner" or "Unit Owner" means a Person which owns a Unit.

(g) "Common Area" or "Common Elements" means "General Common Elements" as defined in the Act and more specifically defined in Article III, Section 4 of this Master Deed. It includes all of the Property and improvements thereon other than the Units.

(h) "Common Expense" means all liabilities or expenditures made or incurred by or on behalf of the Association, as more specifically defined in Article VI, Section 1 of this Master Deed.

(i) "Common Charge" means those monetary charges levied against the Unit owners to pay for the Common Expenses.

(j) "Common Interest" means the percentage of undivided interest in the Common Area appertaining to each Unit, as expressed in the Master Deed. Any specified percentage of the Common Interest means such percentage of the undivided interests in the aggregate.

(k) "Condominium" or "condominium ownership" means the form of ownership intended by the Master Deed, that is, ownership by Owners of individual Units, with a common right to share the Common Area.

(l) "Declarants" mean Center Street Holdings, LLC, and Pavilion Development Corporation, their successors and assigns. Declarants may assign their rights as Declarants upon a written assignment signed by the Declarants and the assignee and duly recorded in the R.M.C. Office for Charleston County, South Carolina. Conveyance of a deed to a Unit or the existence of a mortgage on a Unit or the Property shall not be deemed to make the grantee of such deed or mortgage a "Declarant".

(m) "Elevation" means the drawing(s) showing the external vertical characteristics of a Building or improvements on the Property, or the vertical location of Units in such improvements, which drawing(s) are attached hereto and by this reference made a part hereof. (See Exhibit "E".)

(n) "Floor Plan" means the plans for the Building(s) which show the dimensions, area and location of each Unit therein, which plans are attached hereto and by this reference made a part hereof. (See Exhibits "C" and "D".)

(o) "Joint Owner" means a Person which owns a Unit with any other entity and the combination of which constitutes a Unit Owner. Where a Person is a Joint Owner of a Unit, the Association may establish such rules and procedures as it deems appropriate to govern which Joint Owner or Owners has the right to act on behalf of the Unit Owner for the Unit.

(p) "Limited Common Area" and/or "Limited Common Areas" means that Common Area which is specified in this Master Deed or the Exhibits thereto as being reserved for the use of a certain Unit or number of Units to the exclusion of the other Units. (See Article III, Section 4.)

(q) "Majority of Co-owners" or "Majority of Owners" means fifty one percent (51%) or more of the Common Interests, as calculated on the basic value of the Property as a whole, computed in accordance with the provisions of Section 27-31-60 of the Act, and as shown in Exhibit "G" to this Master Deed. "Value" as shown herein is set forth for the sole purpose of the Act and does not necessarily relate to current or future property value or sales price.

(r) "Master Deed" means this Master Deed.

(s) "Operation of the Property" means and includes the administration and operation of the Property and the maintenance, repair, and replacement of, and the making of any additions and improvements to the Common Area.

(t) "Plot Plan" means the plat(s) or survey(s) of the Property showing the horizontal location of any Building or other significant improvements on the Property, said Plot Plan being attached hereto, and by this reference made a part hereof. (See Exhibits "A" and "B".)

(u) "Person" means an individual, firm, corporation, limited liability company, partnership, association, trust or other legal entity.

(v) "Property" means the land, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, as described in Exhibit "A".

(w) "Regime" means the Pavilion Watch Horizontal Property Regime created by the recordation of this Master Deed, as set forth in Section 27-31-30 of the Act.

(x) "Unit" means an "Apartment" as that term is used in the Act, and includes one or more rooms occupying one or more floors or a part or parts thereof, designed or intended for independent use as a single family dwelling, as set forth on the Building Plans; provided, however, that the term excludes any elements excluded pursuant to Article III, Section 4 below.

(y) "To record" means to record in accordance with the provisions of the Act, Sections 30-5-30 through 30-5-200 and 30-7-10 through 30-9-80, or other applicable recording statutes.

ARTICLE III

Section 1. Submission of the Property to the Act. Declarants, as owners in fee simple of the Property, by recording this Master Deed, submit the Property to the provisions of the Act. In order to implement the horizontal property regime plan of ownership of the Property, Declarants covenant and agree to and hereby do subdivide the above described Property vertically and horizontally into the freehold estates referred to herein as Units.

Section 2. Building Plans.

(a) Documents Included in Building Plans. In accordance with Section 27-31-110 of the Act, attached hereto and made a part of this Master Deed are the following documents constituting the "Building Plans".

- (1) Plot Plan (Exhibits "A" and "B").
- (2) Unit Plans (Exhibit "C").
- (3) Building Floor Plans (Exhibit "D").
- (4) Elevations (Exhibit "E").
- (5) Unit Sizes and Designations (Exhibit "F").

(b) Information in Each Document. The Plot Plan shows the location of the Buildings and significant improvements in relation to the Land. The Unit Plans show Unit types, dimensions and the intended use of various spaces within the Unit. The Building Floor Plans show the location of the Units within the Buildings, the designation of each Unit, and the location of corridors, stairwells, elevators, storage areas and some of the areas which are intended as Common Area. The Elevations show the typical exterior dimensions of each type of end Unit and interior Unit. The Unit Sizes and Designations show the number of Units in each Building and the size and designation of each Unit. The Building Plans are certified by an engineer or architect licensed to practice in South Carolina.

Section 3. Allocation of Common Interests. The allocation of Common Interests among the Units is shown on Exhibit "G" incorporated herein by reference.

Section 4. Description of Pavilion Watch Horizontal Property Regime.

(a) General Description of Development Plan. The Pavilion Watch Horizontal Property Regime, upon completion of all Units and Common Area, will consist of the Property as described in Exhibit "A"; an uncovered parking area on the Property; Three (3)

Buildings, (Buildings 1, 2 and 3) on the Property containing parking on the ground level and thirty (30) dwelling units above the ground level, a gazebo, swimming pool and one(1) tennis court. In this Master Deed, the first residential floor above the ground level is referred to as the "first floor". It is anticipated that all improvements will be completed by December 31, 2003.

(b) Ownership in the Common Elements. Prorata share of Common Expenses, voting rights and values, and the percentages attributable to each Unit in the event of completion of Pavilion Watch Horizontal Property Regime are as shown in Exhibit "G".

(c) Building 1. Building 1 will contain six (6) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 1 will have two (2) units. The Units are lettered alphabetically in Building 1 from left to right, facing the Ocean Front elevation beginning with Unit 1-A on the first floor as shown in Exhibit "F". The Unit sizes and designations are also shown in Exhibit "F". Beneath Building 1 there are eleven (11) numbered parking spaces and six (6) numbered Owner's Lockers.

(d) Building 2. Building 2 will contain twelve (12) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 2 will have four (4) units. The Units are lettered alphabetically in Building 2 from left to right, facing the Ocean Front elevation beginning with Unit 2-A on the first floor as shown in Exhibit "F". The Unit sizes and designations are also shown in Exhibit "F". Beneath Building 2 there are twenty-two (22) numbered parking spaces and twelve (12) numbered Owner's Lockers.

(e) Building 3. Building 3 will contain twelve (12) dwelling units, with three (3) floors of dwelling units over ongrade parking. On each of the first, second and third floors, Building 3 will have four (4) units. The Units are lettered alphabetically in Building 3 from left to right, facing the Ocean Front elevation beginning with Unit 3-A on the first floor as shown in Exhibit "F". The Unit sizes and designations are also shown in Exhibit "F". Beneath Building 3 there are twenty-one (21) numbered parking spaces and twelve (12) numbered Owner's Lockers.

(f) Description of Parking Areas, Assigned Parking and Owner's Lockers. The Property contains the vehicle parking areas for the use of Unit Owners and for guest parking summarized in (a) above. The parking areas are subject to those rules and regulations promulgated by the Association. The numbered parking spaces located beneath the buildings may be reserved solely for the use of

the occupants of a particular Unit and may be assigned to a particular Unit (i) by the Declarant at the initial closing or so long as the Declarant maintains its Controlling Interest as defined in Article IV, Section 4 herein, or (ii) by the Board of Directors after the Declarant no longer maintains its Controlling Interest. Assigned parking spaces shall be Limited Common Elements restricted exclusively to the use of the Unit to which it is assigned. All unassigned and unnumbered parking spaces shall remain as a General Common Element; provided, however, the occupants of each Unit shall be entitled to the use of at least one (1) parking space and such additional parking spaces as may be determined by the Board of Directors.

There are thirty (30) Owner's Lockers which are numbered 1 through 30. Each Unit shall be assigned one (1) Owner's Locker which is identified by number. The Owner's Locker assigned to each Unit shall be a Limited Common Element reserved exclusively to the use of the Unit to which it is assigned. PAVILION WATCH OWNERS ASSOCIATION, INC. IS NOT RESPONSIBLE FOR LOST, STOLEN OR DAMAGED PROPERTY STORED IN THE OWNER'S LOCKERS. PROPERTY STORED IN THE OWNER'S LOCKERS IS NOT INSURED BY THE ASSOCIATION OR THE REGIME.

(g) Limits of Units. Unless otherwise expressly stated or otherwise shown in the Building Plans, the horizontal boundary of each Unit ends at the centerline of any non-structural element which separates two Units, at the exterior side of any non-structural element which separates a Unit from Common Area, and at the exterior of exterior doors, windows and glass walls and the frames thereof. Unless otherwise expressly stated or otherwise shown in the Building Plans, the upper vertical boundary of a Unit ends at the point at which a ceiling becomes a structural element supporting a space above the Unit (e.g. the Unit contains any suspended ceiling material or panel and any spackling application, paint or other application which is not an essential element of the structural component). Unless otherwise expressly stated or otherwise shown in the Building Plans, the lower vertical boundary of a Unit ends at the point at which the floor becomes a structural element supporting the Unit (e.g. the Unit contains the carpeting, tile, wood flooring, paint, matting, etc. on top of the structural element). A Unit shall not be deemed to include perimeter walls of the Building or interior or exterior load-bearing walls, columns or similar load-bearing elements; the structural elements of floors and ceilings which support the Unit or adjacent Units; pipes, wiring conduits, channels, ducts or other utility lines running through the boundaries of the Unit which are utilized for or serve more than one Unit; or Personal property and assets held and maintained for the joint use and enjoyment of all the Unit Owners. A Unit shall be deemed to include (i) all other walls, columns,

partitions floors and ceilings within its perimeter walls which are not load-bearing, including plaster, paint, wallpaper, or the like; (ii) carpeting, floor covering, window glass and window covering within the perimeter walls of the Unit; (iii) appliances, hardware, doors, heating and air conditioning components, built-in fixtures and similar elements which serve only the Unit; and (iv) pipes, wiring, conduits, channels, ducts, chases or other utility lines within the perimeter walls of the Unit which serve only the Unit.

(h) Common Area and Easements for Access to Common Area. The Common Area consists of the entire Property and every part thereof, other than the Units.

(i) Limited Common Area. The Limited Common Areas are generally shown on the Building Plans and include the covered privacy deck attached to each individual Unit, the numbered parking spaces assigned to a particular Unit by the Declarant or Board of Directors and the individual Owner's Lockers assigned to each particular Unit. The use of the Limited Common Area is restricted exclusively to the Unit to which such Limited Common Area is adjacent or assigned, unless otherwise expressly stated herein or otherwise shown on the Building Plans. Unless otherwise expressly stated herein, for all purposes other than use (e.g. approval of modifications, repair, insurance, and governance), the Limited Common Area is deemed to be a part of the Common Area. [See Article VI, Section 1.(c)].

(j) Disputes Regarding What is Common Area or Unit. If a dispute arises between Unit Owners or between a Unit Owner or Unit Owners and others as to what portion of the Property constitutes a Unit, Common Area or Limited Common Area, the Board of Directors of the Association shall have the authority to determine the proper designation of the disputed area, after such consultation with others as it may determine to be appropriate, provided that such determination shall be set forth in writing, shall be made in good faith, and shall not be clearly inconsistent with this Master Deed.

Section 5. Determining Common Interests. For purpose of determining the total Common Interests, the Common Interest of each Unit, and the percentages for purposes of voting on all matters requiring a vote by the Owners, the percentages as provided in Exhibit "G" shall govern from time to time.

Section 6. Easements Reserved. The Declarants reserve for themselves, their successors and assigns (i) non-exclusive easements through Units, Common Area and Limited Common Area as may reasonably be required for conduits, pipes, ducts, plumbing, wiring

and other facilities for furnishing utility services to the Common Area and to Units other than a Unit or Limited Common Area through which it passes; and, for lateral and subjacent support in every portion of a Unit which contributes to the support of the improvements; and (ii) easements in, over, across, under and upon the Property as may be required, in its sole discretion, to provide ingress and egress necessary and convenient for the construction and development of improvements on the Property, including all utility lines and facilities; and storage, staging, assembly, supervision, protection and construction during development or construction of the improvements. Declarants shall have a transferable, perpetual power and authority to grant and accept easements to and from any private entity or public authority, agency, public service district, public or private utility or other Person, upon, over, under and across the Common Area for constructing, installing, maintaining, repairing, inspecting, and replacing television antenna or television cable systems, data transmission systems, security and similar systems, landscaping, and all utility facilities and services, including, but not limited to, storm and sanitary sewer systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarants without notice to or consent by the Association. The rights of the Declarants to grant easements shall automatically be assigned to the Association upon conveyance by the Declarants of the last Unit in the Regime to another Person other than a mortgagee.

ARTICLE IV

Section 1. Administration of Regime by Association. In order to provide for the effective and efficient administration of the Regime by the Unit Owners, a nonprofit corporation known and designated as Pavilion Watch Owners Association, Inc. (the "Association") has been organized. The Association shall administer the operation and management of the Regime and undertake and perform all acts and duties incident thereto in accordance with the provisions of this Master Deed, the Articles of Incorporation and Bylaws of the Association, and the rules and regulations promulgated by the Association from time to time. A copy of the Bylaws are annexed hereto and made a part hereof as Exhibit "J".

Section 2. Membership and Voting

(a) Membership. The Owner of each Unit shall automatically be a member of the Association upon its acquisition of an ownership interest in title to any Unit. The Owner of a Unit shall have rights in the Association in the same proportion as its Common Interest. The membership of an Owner shall terminate

automatically upon conveyance of title to the Unit, regardless of the means by which such conveyance of title occurs. No Person holding any lien, mortgage or other encumbrance upon any Unit shall be entitled by virtue of such lien, mortgage or other encumbrance to membership in the Association or to any of the rights or privileges of such membership. In the administration or the operation and management of the Regime, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Units, Common Area, and Limited Common Area, as the Board of Directors of the Association may deem to be in the best interest of the Regime.

(b) Voting. The Owner of each Unit shall have the right to cast the number of votes attributable to the Common Interest of such Unit. Votes may be cast in Person or by proxy at all meetings of the Association. The holder of a proxy need not be an Owner.

Section 3. Association Governance: Board of Directors. The Board of Directors of the Association (the "Board of Directors") shall function in accordance with this Declaration and the Bylaws. The Bylaws may be amended, from time to time, only as provided herein. The Board of Directors shall constitute the final administrative authority of the Association, and, unless modified by a vote of owners owning a majority of the Common Interests, all decisions of the Board of Directors shall be binding upon the Association and the Owners; provided, however, that the Owners may not modify or invalidate any provision of this Master Deed or the Bylaws except by amending the applicable provision. Unless otherwise expressly stated by this Declaration or the Bylaws, all rights, titles, privileges, and obligations vested in or imposed upon the Association shall be held and performed by the Board of Directors.

Section 4. Selection of Board of Directors. Prior to Loss of the Controlling Interest (as defined below), the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, as determined by the Declarants from time-to-time. Said individuals need not be Owners of Units. Following Loss of the Controlling Interest by the Declarants, the Board of Directors shall consist of such number of individuals as may be selected in accordance with the Bylaws. "Loss of the Controlling Interest" shall occur at the earlier of (i) the conveyance by Declarants of ownership of three fourths (3/4ths) of all Units (other than conveyance to a mortgagee pursuant to the terms of a mortgage or in lieu of enforcement of the terms of a mortgage), (ii) three (3)

years after the first Unit is conveyed, or (iii) the date on which the Declarants notify the Unit Owners in writing that they are relinquishing the Controlling Interest.

Section 5. Rules and Regulations. The Board of Directors shall have the authority from time to time to adopt rules and regulations governing the use, administration and operation of the Property, subject to the terms of this Declaration and the Bylaws. The initial Rules and Regulations are set forth in Exhibit "H", attached hereto and incorporated herein by reference.

Section 6. Indemnification. The members of the Board of Directors, the officers of the Association as may be elected by the Board of Directors, and such other officers or employees of the Association or the Managing Agent of the Association as the Board of Directors shall specify by written resolution from time-to-time, shall not be liable to the owners or the Association for any mistake in judgment or acts or omissions unless such act or omission was made in bad faith or was the result of gross negligence. The Association shall indemnify and hold harmless such non-liable Persons against all liabilities to others arising out of any action or agreement made by such Persons on behalf of the Association unless such action or agreement was made in bad faith or with gross negligence.

Section 7. Working Capital. At the time that title is conveyed to an owner by the Declarants, the Owner shall contribute to a working capital reserve established by the Association a sum equal to at least two (2) months of the monthly regime. Such funds shall be used solely for initial operating and capital expenses of the Regime.

Sections 8. Insurance.

(a) Type of Insurance. If such insurance is available at reasonable cost, the Board of Directors shall endeavor to obtain insurance coverage, in such amounts as it shall reasonably determine, for the Property, excepting Personal property of an owner located within the Unit owned by such Owner. The insurance shall, to the extent feasible, cover the insurable interests of the Association and the owners of Units, and any mortgagees of the Association and the Owners of Units. To the extent feasible at reasonable cost, such insurance coverage shall be obtained:

(i) against loss or damage by fire, flood, earthquake or other casualty covered by standard extended coverage policies. The insurance shall be for the full insurable value thereof (based upon current replacement cost);

(ii) against such risks as vandalism, theft and malicious mischief;

(iii) for comprehensive general public liability and, if applicable, automobile liability insurance for any vehicles owned or leased by the Association, covering loss or damages resulting from accident or occurrences on or about the Property or elsewhere;

(iv) for worker compensation or other mandatory insurance;

(v) for fidelity insurance covering any employees or officers of the Association or Managing Agent having access to any substantial funds of the Association;

(vi) for officers and directors, providing coverage against claims brought against the Board of Directors or officers of the Association acting in such capacity; and for

(vii) such other insurance as the Board of Directors shall determine to be reasonable and desirable from time-to-time.

(b) Other Insurance Criteria. All insurance premiums shall be a Common Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds or such insurance shall be payable to, the Association. The insurance coverage shall, if feasible, provide that:

(i) the interest of the Association shall not be invalidated by any act or neglect of any Owner or any officer or member of the Board of Directors of the Association;

(ii) the coverage shall not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to the Association;

(iii) subrogation shall be waived with respect to the Association and its Board of Directors, employees and agents, and Owners, members of their household and mortgagees; and

(iv) there shall be a cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner.

(c) Insurance Premiums. The Association shall collect and enforce the payment of a share of the premium for such insurance from each Unit Owner as a part of the Common Expenses; provided, however, where the insurer allocates the insurance premium(s) among the Units based on current insured values for the Units which differ from the allocation of Common Interests among the Unit Owners pursuant to this Declaration, then each Unit Owner shall pay that portion of the premium(s) as shall be determined by the insurer or the Board of Directors to be allocable to the Unit of the Unit Owner. No Unit Owner may elect not to pay its proportionate share of the insurance obtained by the Association for the Property and the Unit

(d) Insurance to Be Purchased Directly by Unit Owner. Each Unit Owner shall purchase liability insurance for accidents occurring in its own Unit and shall be responsible for purchasing insurance on all Personal property in the Unit; provided, however, that the Board of Directors, in its sole discretion, may assist the Unit Owners by obtaining information regarding Personal property insurance which may be available through the insurer(s) selected by the Board of Directors for insuring of the Property.

(e) Insurance Trustee. The Board of Directors may, at its discretion, retain any bank, trust company or South Carolina law firm to act as trustee, agent or depository (the "Insurance Trustee") on its behalf for the purpose of receiving or distributing any insurance proceeds. If no Insurance Trustee is retained, the powers of the Insurance Trustee set forth in this Section 8 shall be vested in the Board of Directors. The Insurance Trustee shall receive the proceeds from the casualty insurance policies held by it, and shall hold such proceeds in trust for the Association, Unit Owners, and any mortgagees, as applicable. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of the policies, nor for the failure to collect any insurance proceeds. The fees and reasonable expenses of the Insurance Trustee shall be a Common Expense. Unless otherwise waived by the Board of Directors, the Board of Directors or any Insurance Trustee appointed by the Board of Directors is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association.

(f) Rights of Mortgagees Regarding Reconstruction. No mortgagee shall have any right to participate in the determination

of whether property is to be rebuilt, nor shall any mortgagee have the right to require that the Insurance Trustee, the Board of Directors, or any Owner apply insurance proceeds to repayment of its loan except in accordance with the following provisions. If insurance proceeds are sufficient to pay for the cost of reconstruction and repair of all damaged portions of the Property, or if the insurance proceeds are insufficient but additional funds are committed by special assessment or any other manner within ninety (90) days after the costs of restoration and repair are determined, then no mortgagee shall have the right to require the application of insurance proceeds to the payment of its loan.

(g) Use of Insurance of Proceeds If Damage Only to Units. If a loss occurs only to any improvements within any Unit(s), without any loss to any improvements within the Common Area, the Insurance Trustee shall immediately pay all proceeds received because of such loss directly to the Owners of the Unit damaged, and their approved first mortgagees, if any, as their interest may appear, or to the first mortgagee only if required by any condominium rider to a mortgage, and it shall be the duty of these Owners to use such proceeds to effect necessary repair to the Unit. The Insurance Trustee may rely upon the written statement of the Association as to whether or not a loss has been incurred to the Units or Common Area or both.

(h) Use of Insurance Proceeds If Damage to Units and Common Area Is Less Than \$20,000. If a loss of \$20,000.00 or less occurs to improvements within one or more Units and to improvements within contiguous Common Area (including Limited Common Area), or to improvements within the Common Area alone, the Insurance Trustee shall pay the proceeds received as a result of such loss to the Association. Upon receipt of such proceeds, the Association will promptly contract for the necessary repairs to the improvements within the Common Area and within the damaged Units; provided however, that if the necessary repairs to the improvements with the damaged Units are repairs which can be accomplished without detrimentally affecting other Owners or the Common Area, then the Association may allow the Owner of the Unit to contract directly for the repair of the improvements, within the Unit. Unless the Board of Directors shall determine that the insurance proceeds are sufficient to repair all of the damage to the Common Area and within the Units, the proceeds shall be applied first to repair the improvements within the Common Area, and the balance of the funds shall be apportioned to repair improvements within the damaged Units, in proportion to the loss sustained to improvements within all the damaged Units, as estimated by the insurance carrier. In such event, the Owners of Units containing damaged improvements shall be subject to a special assessment and shall contribute to

the Association the remaining funds necessary to repair the improvements within their Units. If any Owner(s) of Units containing damaged improvements refuses to pay such assessment, then the majority of Owners of Units so damaged may proceed with the reconstruction at the expense of all Owners benefitted thereby.

(i) Use of Insurance Proceeds If Damage to Units and Common Area Is More Than \$20,000. If a loss of more than \$20,000.00 occurs to improvements within one or more Units and to improvements within contiguous Common Area (including Limited Common Area), or to improvements within the Common Area alone, the Insurance Trustee shall hold all insurance proceeds and any and all other funds paid as hereinafter provided in trust, and shall distribute the same as follows:

(i) The Board of Directors of the Association shall cause to be obtained detailed estimates and/or bids for the cost of rebuilding and reconstructing the damage and for the purpose of determining whether insurance proceeds are sufficient to pay for the same.

(ii) if the insurance proceeds are sufficient to rebuild and reconstruct all the damaged improvements within the Common Area and within the Units, or upon the collection of the necessary funds that are described in subparagraph (iii) of this paragraph, then:

(1) If the casualty loss necessitates reconstruction of more than two-thirds in value of the improvements on the Property, as determined by the Board of Directors, then the insurance proceeds shall be disbursed, prorata, in accordance with their respective Common Interests, to the Owners and their respective mortgagees, and in such proportions as the Board of Directors in its sole discretion may determine. This paragraph may be waived, altered or amended with the consent of such percentage of the Owners as are required to amend this Declaration.

(2) If the casualty loss necessitates reconstruction of two-thirds or less in value of the improvements on the Property, as determined by the Board of Directors, then the damaged improvements shall be completely repaired and restored.

(iii) If the insurance proceeds are not sufficient to repair or replace all the improvements within the Common Area and within the Units so that special assessments shall be required to complete repair or replacement, then:

(1) If the casualty loss necessitates reconstruction of more than two-thirds in value of the improvements on the Property, as determined by the Board of Directors, then the insurance proceeds shall be disbursed, prorata, in accordance with their respective Common Interests, to the Owners and their respective mortgagees, and in such proportions as the Board of Directors in its sole discretion may determine. This paragraph may be waived, altered or amended with the consent of such percentage of the Owners as are required to amend this Declaration.

(2) If the casualty loss necessitates reconstruction of two-thirds or less in value of the improvements on the Property, as determined by the Board of Director, then the Board of Directors shall meet and shall determine the amount of and terms of a special assessment against the Units and the owners thereof to obtain the necessary funds to repair the improvements. Such assessment need not be uniform as to all Units but may be in accordance with such factors as the Board of Directors of the Association shall consider to be fair and equitable under the circumstances, whereupon the Board of Directors of the Association, having determined the amount of such assessment, shall immediately levy such assessment setting forth the date of payment of the same, and the funds received shall be delivered to the trustee and disbursed as provided in the preceding paragraph. If any Owner or Owners of Units containing damaged improvements refuses or refuse to pay such assessments, then the majority of Owners of Units so damaged may proceed with reconstruction at the expense of all Owners benefitted thereby.

(j) Use of Excess Funds After Reconstruction. If funds remain in the hands of the Insurance Trustee after complete repair and reconstruction and after the Insurance Trustees fee and other fees or costs have been paid, such funds shall be distributed (i) first, to the Unit Owners who made contributions in proportion to their contributions, until all contributions (and such interest thereon, if any, as the Board of Directors determines is appropriate and reasonable) have been repaid, and (ii) second, to the Unit Owners in proportion to their Common Interests.

(k) Contract Administration During Reconstruction.

(i) The Insurance Trustee or Board of Directors as appropriate, shall endeavor to require all payees to deliver paid bills and waivers of mechanics liens and execute any affidavit required by law or by the Association, or any approved first mortgagee named on a mortgage endorsement. The Board of Directors shall negotiate and obtain one or more contractors willing to do the work on a fixed price basis, or some other reasonable terms under the circumstances, which said contractor shall post performance and payment bonds. The Insurance Trustee shall disburse the insurance proceeds and other funds held in trust in accordance with the proceed payments specified in the construction contract between the Association and the contractor.

(ii) Any repair, rebuilding, or reconstruction shall be substantially in accordance with the architectural plans and specifications for the original Building or as the Building was last constructed, or according to plans approved by the Board of Directors.

Section 9. Condemnation. If the Property or any part hereof shall be taken or condemned by any authority having a power of eminent domain, any compensation therefore shall be payable to such bank, trust company or law firm authorized to do business in South Carolina as the Board of Directors shall designate as Trustee for all Unit Owners and mortgagees affected thereby, according to the loss or damages to their respective Units, and, to the extent feasible shall be used promptly by the Board of Directors for restoring or replacing such improvements on the remaining Property. In so doing, the Board of Directors shall follow the concepts and procedures set forth in the preceding Section 8, as applicable. If the Board of Directors determines that such restoration or replacement is impractical, the Association shall, with the proceeds received from such condemnation or taking, remove all necessary remains of such improvements so taken or condemned,

restore the site thereof to good and orderly condition. and equitably distribute any remaining proceeds from such condemnation or taking to the Unit Owners or mortgagees affected thereby, according to the loss or damage to their respective Units.

ARTICLE V

Section 1. Notice of Sale or Lease. If an Owner sells, leases or otherwise conveys a Unit, the conveying or leasing Owner shall promptly furnish to the Association, in writing, the name and address of such purchaser, lessee, or transferee; if a lease, the term of the lease and the forwarding address of the conveying or leasing Owner; provided, however, the Board of Directors may elect to waive such requirement as to the short term rental of a Unit for less than fifteen (15) days if the Association is provided with a copy of the form of lease or rental agreement used for such short term rental. The Association may require a conveying or transferee Owner to provide a certified copy of the instrument by which the Unit was obtained.

Section 2. Acquisition by Devise or Inheritance. When any Person receives title to a Unit by devise or inheritance, or by any other method not heretofore considered, it shall be the responsibility of such Person to notify the Association that such transfer has occurred and to provide the information set forth in Section 1. above.

Section 3. Notice Procedure. Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and (a) Personally delivered or (b) sent postage or delivery charges prepaid either (i) by United States mail, certified, return receipt requested, in which case notice shall be deemed to occur on the certified date of delivery or rejection of delivery or (ii) if within the United States, by First Class United States mail, in which case notice shall be deemed to occur three (3) calendar days after date of postmark, or (iii) by any recognized express delivery service which provides evidence of delivery, in which case notice shall be deemed to occur on the date of delivery.

All notices to Owners shall be delivered or sent to such address as has been designated in writing to the Association, or if no address had been so designated, at the addresses of such Owner's respective Unit.

All notices to the Association shall be delivered or sent in care of the Association at:

Pavilion Watch Owners Association
125 Leader Drive
Post Office Box 52307
Piedmont, S. C. 29673

or to such other address as the Association may from time to time notify the owners and the Declarants.

All notices to Declarants shall be delivered or sent in care of Declarants at:

Pavilion Development Corporation
125 Leader Drive
Post Office Box 52307
Piedmont, S. C. 29673

or to such other address as Declarants may from time to time notify the Association.

All notices to mortgagees shall be delivered or sent to such addresses as such mortgagees specify in writing to the Association.

Section 4. General Maintenance and Repair.

(a) All maintenance of and repairs to any Unit (other than maintenance of and repairs to any Common Area contained therein which are not necessitated by the negligence, misuse or neglect of the Owner of such Unit or such Owner's invitees or licensees), including internal installations for the sole benefit of such Unit, such as telephones, air conditioners, heating elements, plumbing lines and fixtures, electric fixtures doors, windows, lamps, etc., shall be made by the Owner of such Unit. All maintenance and repair shall be performed promptly and diligently by each Owner obligated to do the same. Each Owner shall be responsible for all damages to any Unit and/or the Common Area caused by his failure to maintain or make repairs. An Owner shall reimburse the Association or another Owner, as applicable, for any expenditures incurred in repairing or replacing any Common Area or other Unit damaged through his neglect, including any deductible paid by the Association or the other Owner prior to receipt of any insurance proceeds for such damage.

(b) All maintenance, repairs and replacements to the Common Area and Limited Common Area, whether located inside or outside of the Units (other than maintenance of and repairs to the Common Area contained herein which are necessitated by the negligence, misuse or neglect of the Owners of such Unit or such Owners invitees or licensees) shall be made by the Association and

be charged to all the Unit Owners as a Common Expense.

(c) The Association shall have access to each Unit and Limited Common Area from time to time during reasonable hours, as determined by the Board of Directors, for the maintenance, repair or replacement of any Common Area, or for making emergency repairs therein to prevent damage to the Common Area or to another Unit.

Section 5. Alternations or Improvements by Board. Additions, alterations, or improvements included within the Association budget or costing Five Thousand (\$5,000.00) Dollars or less may be performed by the Board of Directors without approval of the Unit Owners, and the cost thereof shall constitute part of the Common Expense. Additions, alterations or improvements not included within the approved budget and costing more than Five Thousand (\$5,000.00) Dollars must be approved by the Board of Directors and by a vote representing fifty one (51%) percent of the Common Interests of the Unit Owners.

Section 6. Maintenance and Decoration of Unit Interiors. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings of his Unit, and such Unit Owner may decorate, and shall maintain, such interior surfaces in good condition at his sole expense. Such use, decoration and maintenance, including the covering of the interior surfaces of windows, whether by draperies, shades or other items visible on the exterior of the Building, shall be subject to the rules and regulation, of the Association. The interior surfaces of all windows forming part of the perimeter wall of a Unit shall be cleaned by the Unit Owner. Decorating of Common Area (other than interior surfaces within the Units as above provided), and any redecorating of Units made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Area by the Association, shall be furnished by the Association as part of the Common Expense.

Section 7. Unit Mortgages. Each Unit Owner shall have the right, subject to the provisions hereof, to make a separate mortgage or encumbrance on his Unit. No Unit Owner shall have the right to make or create, or cause to be made or created, any mortgage, encumbrance or other lien on or affecting the Property, or any part hereof, except his Unit.

Section 8. Encroachments. If any Unit shall encroach upon any Common Area for any reason not caused by the purposeful or negligent act of the Unit Owner(s), or agents of such Owner(s), then an easement appurtenant to such Unit shall exist for the continuance of such encroachment on the Common Area for so long as

such encroachment shall naturally exist. If any portion of the Common Area shall encroach upon any Unit then an easement shall exist for the continuance of such encroachment of the Common Area into any Unit for so long as such encroachment shall naturally exist.

Section 9. Real Estate Taxes and Assessments. It is intended that real estate taxes, assessments and similar charges shall be separately assessed against each Unit Owner for his Unit and his Common Interest in the Common Area as provided in the Act. If, for the year in which this Master Deed is recorded, such taxes, assessments or charges are not separately taxed to each Unit Owner, but are taxed or assessed on the Property as a whole, then each Unit owner shall pay his proportionate share thereof in accordance with his respective Common Interest. The Board of Directors of the Association shall determine the amount due and notify each Unit Owner as to the real estate taxes payable by such Owner.

ARTICLE VI

Section 1. Regular Assessments and Budget. Assessments shall be computed and assessed against all Units as follows:

(a) Fiscal Year and Annual Budget. The fiscal year of the Association shall be the calendar year. Unless otherwise determined by the Board of Directors, the Board or Directors shall prepare, or cause to be prepared by December 1, an operating budget (the "Budget") for the next fiscal year setting forth the estimated Common Expenses and anticipated revenues of the Association for such fiscal year, and any projected deficit or surplus from the preceding fiscal year. The Budget, once approved by the Board of Directors, shall serve as the basis for assessments to all Owners (the "Assessments") for such fiscal year and the primary guideline under which the Association shall be projected to be operated during such fiscal year. If the Board fails for any reason to adopt a Budget for the fiscal year, then, until such time as it is adopted, the Budget and Assessments in effect for the current year shall automatically be increased effective the first day of the fiscal year in the same proportion as any percentage increase of the then current calendar year over the preceding calendar year, in the Consumer Price Index (All Urban Consumers, United States City Average, All Items), or its successor index, as determined by the Board of Directors. Such adjusted Budget shall be the Budget for the succeeding year, until a new Budget is adopted. Within ninety (90) days following the close of the Association's fiscal year, or such later date as the Board of Directors determines is warranted, the Board of Directors shall cause an unaudited financial statement of the Association (the "Annual Report") to be prepared by a public

accountant licensed to practice in the State of South Carolina. Upon request, a copy of the Annual Report shall be provided to any Owner of any Unit.

(b) Determining the Budget. The Budget and the Assessments shall be based upon annual estimates by the Board of Directors of the Association's revenues and its cash requirements to pay all estimated expenses and costs arising out of or connected with the use, maintenance and operation of the Common Area and the operation of the Association. Such estimated expenses and costs may include, among other things, the following: expenses of management, including compensation for any management agent; taxes and special assessments; insurance premiums; repairs and maintenance; wages and Personnel expenses for Association employees, utility charges, legal and accounting fees; any deficit remaining from a previous period; creation of one or more reasonable contingency reserves and/or sinking funds; any principal and interest payments due for debts of the Association; and any other expenses, costs and existing or projected liabilities which may be incurred by the Association. Such expenses and costs shall constitute the Common Expenses.

(c) Allocation of Assessments. Except as expressly stated below, the Owner of each Unit shall pay that percentage of the Assessments as the Owner's Common Interest bears to all Common Interests. (See Exhibit "G".) A different allocation may apply for (i) property insurance premiums to the extent that the insurance premium(s) are based on an allocation of current insured values for the Units which differs from the allocation of Common Interests [see Article IV, Section 8(c)], (ii) any Special Assessments allocable to specific Unit Owners, and (iii) any costs of constructing, repairing or maintaining any improvement to a Limited Common Area (such as privacy decks, screens, windows, awnings, panels, tiles, etc.) which is not part of the original improvements in or to the Limited Common Area, but have been added by a current or previous Owner of the Unit.

(d) When Assessments for Units Begin. Assessments for new Units shall commence on the first day of the calendar month following the date that (i) a final certificate of occupancy has been issued for the Unit (if a new Unit) and (ii) the Building containing the Unit has been subjected to this Master Deed. The applicable Assessment for such Unit shall be pro-rated and shall be payable for the balance of the current fiscal year.

(e) Assessments for Units Owned by Declarants. Declarants and Affiliates of Declarants shall pay Assessments on Units owned by them in the same manner as other Unit Owners. Until

the end of the first full calendar year of operation of the Association, the Declarants may, in its sole discretion, also elect to contribute to the Association some or all of any amount by which the actual expenditures of the Association exceed the Assessments collected by the Association during such period.

(f) Notice of Assessments. Unless the Board of Directors elects a longer payment period, the Assessments shall be due and payable monthly, in advance. Unless otherwise determined by the Board of Directors, the Association shall, by December 5, furnish to each Unit Owner a copy of the Budget for the forthcoming fiscal year and a statement of the amount of the periodic Assessment payable by such Owner. After a Unit owner has been notified of the amount of the periodic Assessment, no further notice of the Assessment due shall be required.

(g) Payment of Assessments. Unless otherwise expressly approved by the Board of Directors, Assessments shall be due and payable prior to the first day of the period to which they apply.

(h) Special Assessments. In addition to the regular Assessments authorized above, the Board of Directors may levy during any fiscal year one or more Special Assessments which cumulatively do not exceed Two Hundred Dollars (\$200.00) per one percent (1%) interest in the cumulative Common Interests. In addition, the Board of Directors may levy one or more Special Assessments to cover the cost of any unbudgeted property taxes or assessments, or, in the event of an insured loss or event, any deductible amount under the insuring policy. Any other Special Assessment levied by the Board of Directors shall have the approval of Units representing a majority of the Common Interests. Meetings of Owners for the purpose of considering a Special Assessment shall be held only after written notice by the Association to the Owners of the Units, in accordance with the notice procedure set forth in Article V, Section 3. The meeting shall occur no earlier than seven (7) days after the date of mailing or delivery. The notice shall state generally the purpose and amount of the proposed Special Assessment. Owners may be represented at such meetings by written proxy, which proxy may be held by any Person. Special Assessments shall be payable by the date determined by the Board of Directors, but no earlier than fourteen (14) days after notice of such Assessment shall have been given to the Owner in accordance with Article V, Section 3.

(i) Effect of Non-Payment of Assessment. Any Assessment (including any Special Assessment) which is not paid to the Association when due by an Owner shall be delinquent. The Board of Directors may levy an administrative charge not to exceed five

percent (5%) of the amount due, plus interest of one (1%) percent per month of the unpaid Assessment from the date when due. Such charges shall be added to and collected in the same manner as the Assessment. The Board of Directors may waive all or any portion of such charges or interest if it determines, in its sole discretion, that the failure to pay the Assessment or charge when due was caused by circumstances beyond the control of the Owner. No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

(j) Creation of Lien and Personal Obligation for Assessments. Assessments, including Special Assessments, interest and charges thereon, and costs of collection thereof (including reasonable attorneys' fees and expenses) shall be (i) the Personal obligation of the Person who was the Owner of such Unit at the time when the assessment fell due and, unless expressly agreed by the Board of Directors of the Association, also of any subsequent Owner; (ii) a charge on the Unit to which such assessments are applicable and (iii) a continuing lien upon each Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Section, the Association may, but shall not be required to, prepare a written notice of lien setting forth the amount of the unpaid Assessment or Special Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or any managing agent of the Association and may be recorded in the R.M.C. Office for Charleston County. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced as set forth in this Master Deed or otherwise permitted by law.

(k) Subordination of the Lien; Mortgagee Rights. The lien of the Assessment provided for herein shall be subordinate to the lien of any unpaid taxes and any recorded mortgage on the applicable Unit. Sale or transfer of any Unit shall not affect the lien of the Assessments. However, pursuant to Section 27-31-210(b) of the Act, if a mortgagee of any mortgage of record or other purchaser of a Unit obtains title at a foreclosure sale, the Person acquiring title shall not be liable for Assessments allocable to the Unit which accrued after the date of recording of the mortgage and prior to the acquisition of title at the foreclosure sale. Such unpaid Assessments shall be deemed Common Expenses collectible from all Unit Owners, including the Person acquiring title, its successors and assigns, in accordance with their respective Common Interests.

(l) Remedies. The Association may bring an action at law against the delinquent Owner Personally for the collection of any delinquent Assessment or Special Assessment, or foreclose the lien against the delinquent Owner's Unit in the same manner in which a mortgage on real property may be foreclosed in the State of South Carolina. The Association shall have the right to bid in at any foreclosure sale, and, upon conveyance to the Association, thereafter hold, lease, mortgage, or convey the subject Unit.

(m) Abatement of Violations by Unit Owners. All Units shall be utilized, resided in and operated in accordance with the provisions of this Master Deed, the Bylaws, and the rules and regulations promulgated from time-to-time by the Association. The violation or breach of any such provision shall give the Board of Directors the right (which right may be delegated to any management agent of the Association), in addition to other rights set forth in this Master Deed or permitted by law, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

(n) Discharge of Mechanics Liens. The Board of Directors may cause to be discharged any mechanics lien or other encumbrance which, in the opinion of the Board of Directors, may constitute a lien against the Common Area. Where less than all of the Owners are responsible for the existence of said lien, the Owners responsible, as determined by the Board of Directors, shall be jointly and severally liable for the amount necessary to discharge the same, and for all related costs and expenses, including attorney's fees and court costs, incurred by reason of the lien.

(o) Attorneys Fees and Costs. In any suit or action brought by the Declarants or the Association to enforce any of the provisions of the Declaration or the Bylaws, the Declarants or the Association shall be entitled to recover from any other party to the suit or action, which is subject to this Declaration, its costs and disbursements and reasonable attorneys' fees and expenses in such suit or action and any appeal thereof.

(p) Statement of Account. Upon payment of a reasonable fee determined by the Board of Directors and upon written request of any Owner, mortgagee, lessee, prospective mortgagee, or prospective purchaser or lessee of a Unit, the Association shall issue a written statement (which shall be conclusive upon the Association) setting forth the following:

(i) The amount of unpaid annual Assessment or Special Assessment, if any, applicable to such Unit.

(ii) The amount of the current annual Assessment and any current Special Assessment and the date or dates upon which any payment thereof shall become due.

(iii) The amount of any credit for advance payments of annual Assessments or Special Assessments.

ARTICLE VII

Section 1. Limited Warranty; Assignment of Warranties. Other than the Limited Warranty provided to the initial Co-Owner of each Unit, a copy of which is attached hereto as Exhibit "K" and incorporated herein, the Declarant does not provide or issue any other representation or warranty as to the condition of the Property or the construction or condition of the Improvements. Each Co-Owner of a Unit, by accepting a deed for the Unit, expressly acknowledges and agrees that the foregoing limited warranty establishes the sole liability of the Declarant to each Co-Owner and to the Association related to defects in the Property including, but not limited to, the Units and Common Elements. All contractual warranties, if any, running in favor of the Declarant in connection with any renovation or improvement to a Unit and/or Building (as the case may be) and/or the installation of material, equipment and appliances therein, shall be assigned by the Declarant pursuant to the terms of the foregoing limited warranty to the respective Co-Owners or the Association, as appropriate, based upon which party is responsible for the maintenance, repair or replacement of the particular component of the Property.

Section 2. Disclaimer. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY OR ANY PORTION THEREOF (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR GOVERNING THE CONDOMINIUM, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH IN THIS MASTER DEED OR THE OTHER CONDOMINIUM DOCUMENTS (IF ANY)). NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH THEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSE, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or

absence thereof) of windows and doors, the collection of water within a Unit, Building or on any portion of the Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier or manufacturer shall be the obligation of the Association and its members and not the Declarant.

ARTICLE VIII

Section 1. Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Declarant, Association Co-Owners and any persons not otherwise subject to the Condominium Documents who agree to submit to this Article VIII (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving this Master Deed, the other Condominium Documents or the Regime, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Condominium Documents or the Regime, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Article VIII, Section 2, are subject to the procedures set forth in Article VIII, Section 3.

Section 2. Exempt Claims. The following Claims ("Exempt Claims") are exempt from the provisions of Article VIII, Section 3:

(a) Any suit by the Association and/or the Declarant against any Bound Party to enforce any Assessments or other charges pursuant to the Condominium Documents; and

(b) Any suit by the Association and/or the Declarant to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association until the matter may be resolved on the merits pursuant to Section 3 below; and

(c) Any suit involving a matter which is not an Exempt Claim under (a) or (b) above, but as to which matter the Bound Party against who the Claim is made waives the mandatory provisions of Section 3 below.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 3, but there is no obligation to do so.

Section 3. Mandatory Procedures for Non-Exempt Claims. Any Bound Party having a Claim (a "Claimant") against a Bound Party involving the Condominium Documents or the Regime, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the following procedures, and then only to enforce the results hereof.

(a) Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including applicable date, time, location, persons involved, Respondent's role in the Claim and the provisions of the Condominium Documents or other authority out of which the Claim arises;

(ii) what Claimant wants Respondent to do or not to do to resolve the Claim;

(iii) that Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation. Each Claimant and Respondent (the "Parties") will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, but not later than thirty (30) days following the Notice unless otherwise agreed by the Parties.

(c) Final and Binding Arbitration. If the Parties do not resolve the Claim through negotiations within thirty (30) days of the date of the notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant will have thirty (30) days within which to submit the Claim to binding arbitration under the South Carolina Uniform Arbitration Act, S. C. Code Section 15-48-10, et seq., and to the

extent not specifically addressed by the South Carolina Uniform Arbitration Act, then the Commercial Arbitration Rules of the American Arbitration Association and in accordance with the substantive and procedural laws of the State of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

(i) Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10) day period or on or before any later day set by them by which to select an arbitrator, the arbitrator will be elected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Charleston, South Carolina, before a neutral person who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15) years, and who has no conflict of interest with any Party, unless the Claimant and Respondent agree in writing to different qualifications for the arbitrator. Each Bound Party consents to such jurisdiction and venue and waives the right to object to the same. The arbitrator may award any remedy or relief that a court of the State of South Carolina could order or grant, including, without limitation, specific performance of any obligation created under the Condominium Documents, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Condominium Documents.

(ii) In the event Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent is released and discharged from any and all liability to Claimant arising out of the Claim; provided, nothing herein will release or discharge Respondent from any liability to a person not a Party to the foregoing proceedings, or the mandatory requirements of this Section with respect to any subsequently arising

new dispute or claim by the Claimant which is identical or similar to the Claim previously deemed abandoned under this Section.

This Section is an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the "Award") is final and binding on the Parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

(iii) In any arbitration proceeding, requests for production of documents may be served by each party, and non-privileged, responsive documents that would be discoverable under Rule 34 of the Federal Rules of Civil Procedure (were the Claims and causes of action being asserted in United States District Court) shall be produced. Depositions may be taken as allowed by the arbitration panel, which panel shall reasonably limit the number of depositions in order to avoid unnecessary or excessive expenses, delay or harassment.

(iv) The arbitrator shall issue a written decision identifying with specificity each Claim or cause of action asserted or resolved in any arbitration, and the legal principles of res judicata and collateral estoppel shall be applicable to any arbitration award.

(v) Any arbitration award may be confirmed and enforced in any court of jurisdiction. The award of the arbitration shall be enforceable in any Court having jurisdiction in the same manner as any judgment rendered by any Court of South Carolina.

Section 4. Allocation of Costs and Claims.

(a) Costs of Notice and Negotiations. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Sections 3(a) and 3(b), including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of the arbitrator appointed pursuant to Section 3(b), whose compensation will be at a rate equal to his or her then current regular hourly billing rate, and his or her then customary costs and expenses.

(b) Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Section 3(c), the "Prevailing Party", as hereinafter defined, will receive from the non-Prevailing Party all

of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of the selection of the arbitrator under Section 3(c) to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of the arbitrator appointed pursuant to Section 3(c), whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

(i) Not less than five (5) days prior to the first meeting with the arbitrator, a party or Parties may file and serve on the other Party(ies) an offer of settlement, and within three (3) days thereafter the Party(ies) served may respond by filing and serving such Party(ies) its own offer of settlement. An offer of settlement will state that it is made under this section and will specify the amount, exclusive of interest and costs, which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of the Claim.

(ii) An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is filed and served on the Party(ies) making the offer one (1) day prior to the first meeting with the arbitrator.

(iii) If an offer of settlement is rejected, it may not be referred to for any purpose at arbitration, but may be considered solely for the purpose of awarding costs and expense of arbitration under Section 3(c).

(iv) If Claimant makes no written offer of settlement, the amount of the Claim offered in arbitration is deemed to be Claimant's final offer of settlement under this Section 4(b).

(v) If Respondent makes no written notice of settlement, Respondent's offer of settlement under this Section 4(b) is deemed to be zero.

(vi) The Party(ies) whose offer, made or deemed made, is closer to the Award granted by the arbitrator is considered the "Prevailing Party" hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is

considered to be the Prevailing Party for purposes of determining the Award of costs and expenses.

Section 5. Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Section 3(b) and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party thereafter fails to comply with the Award, then any other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 3. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party from all the Parties pro rata) all costs incurred in enforcing the agreement or Award, including, without limitation, reasonable attorney's fees and court costs.

Section 6. Miscellaneous Alternative Dispute Resolution Provisions.

(a) Conflicting Provisions. In the event of any conflict or discrepancy between the terms and conditions set forth in this Article VIII, and any term, condition or procedure of the South Carolina Uniform Arbitration Act or the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein will control.

(b) TIME IS OF ESSENCE. All periods of time set forth herein or calculated pursuant to provisions of this Article VIII will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

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

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

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

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

(d) THE PROVISIONS CONTAINED IN THIS ARTICLE ARE A MATERIAL INDUCEMENT FOR DECLARANT TO MAKE THE DECLARATIONS SET FORTH HEREIN.

ARTICLE IX

Section 1. Submerged Lands. In accordance with Section 27-31-100(f) of the Act, as it exists on the date of recordation of this Master Deed, all activities on or over and all use of any submersed lands or other critical areas within the Property 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. Each Unit Owner is liable to the extent of his ownership for any damages to, any inappropriate use of and any duties or responsibilities concerning any submerged land, coastal waters, or any other critical area within the Property.

Section 2. Compliance and Conflict. This Master Deed is intended to comply with the Act. If any provision of this Master Deed conflicts with a mandatory provision of the Act, the provisions of the Act will apply and control. If such invalidates any provision of this Master Deed, such invalidation will not affect any of the other provisions contained herein, and they shall remain in full force and effect.

Section 3. Amendments by Association. Amendments to this Master Deed, other than those authorized by Section 4 below, shall be adopted upon the vote of at least sixty-seven percent (67%) of the Common Interests in accordance with the procedure set forth in the Bylaws; provided, however, that no amendment which imposes a greater economic or legal burden on Declarants than exists under the current provisions of this Master Deed shall be valid unless it is approved, in writing, by Declarants.

Section 4. Amendments by Declarants. Notwithstanding any other provision herein or in the Bylaws, Declarants may amend this Master Deed without the consent of the Association, any Owner, any easement grantee, or any mortgagee, if, in Declarants opinion, such amendment is necessary to (i) bring any provision of the Master Deed into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which is in conflict with this Master Deed; (ii)

enable any reputable title insurance company to issue title insurance coverage with respect to any Unit subject to this Master Deed; (iii) enable any mortgagee to make mortgage loans on any Unit or other improvements subject to this Master Deed; (iv) enable any governmental agency or private mortgage insurance company to insure mortgages on the Units subject to this Master Deed; (v) enable any insurer to provide insurance required by this Master Deed; (vi) comply with any regulation of a Federal Home Loan Bank Board, Veterans Administration, Department of Housing and Urban Development and/or the Federal Housing Administration or (vii) clarify any provision of this Master Deed or eliminate any conflict between provisions of this Master Deed.

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

No amendment shall change the rights and privileges of Declarants, their successors, heirs and assigns, without written approval and consent of the Declarants, or their successors, heirs or assigns.

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

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is

dated and recorded in the public records of Charleston County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other conditions(s) beyond the Developer's control.

Section 5. Title. Every Unit Owner shall promptly cause to be duly recorded with the R.M.C. Office for Charleston County the deed or other document conveying the Unit to such Owner. Upon request of the Board of Directors, the owner shall file a true copy of such evidence of title with the Board of Directors or its designee.

Section 6. Management Agreement. Any agreement for management of the Association or the Common Area, or any other contract providing for services of the Declarants or any affiliate of the Declarants shall not exceed three (3) years and shall be on terms which are reasonably comparable to those which would be available from another entity of equal qualifications. Any such agreement shall provide for termination by either party without cause and without payment of a termination fee of not less than ninety (90) days written notice.

Section 7. Right of Declarants to Sell, Lease and Repair Units and Common Areas. So long as Declarants, or any affiliate of Declarants, shall own any Unit, whether by reacquisition or otherwise, the Declarants, or affiliate, shall have the absolute right to lease, sell or transfer any such Unit to any Person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. This provision of the Master Deed may not be suspended or superseded by any amendment unless consented thereto, in writing, by the Declarants. Declarants shall have the right to transact on the Property any business necessary to consummate sales of Units, including, but not limited to, the right to maintain models, have signs, employees in the office, use the Common Area and to show Units. Declarants may assign this commercial usage right to such other Persons or entities as it may choose. Declarants has the further right, but not the obligation, to continue to make repairs and improvements to Common Areas without cost to the Association.

Section 8. Applicable Law. This Master Deed and the Bylaws shall be construed in accordance with the laws of the State of South Carolina. Any provisions of the Act which are required to be

incorporated herein but which are not specifically set forth herein shall be deemed to be incorporated herein by reference. In all cases, the provisions set forth or provided for in this Master Deed shall be construed together and given that interpretation which, in the opinion of Declarants or the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be extended by implication so as to make them fully effective. The captions herein as to the contents of various portions of the Master Deed 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 provisions to which they refer. The effective date of this Master Deed shall be the date of its filing for record in the R.M.C. office for Charleston County, South Carolina.

Section 9. Interpretation. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to any Person, as defined herein, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, the Declarants have hereunto set their Hands and Seals this 14th day of June, 2002.

WITNESSES:

CENTER STREET HOLDINGS, LLC

By: Gary L. Benjamin
Gary L. Benjamin, Member

By: Lowell C. Frazier
Lowell C. Frazier, Member

By: Lawrence E. McNair, Jr.
Lawrence E. McNair, Jr., Member

By: Edward Clark
Edward Clark, Member

By: Melvin E. Weaver, III
Melvin E. Weaver, III, Member

By: Stephen M. Coleman
Stephen M. Coleman, Member

[Handwritten signatures]

EXHIBIT "A"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

LEGAL DESCRIPTION

AS-BUILT SURVEY

AND

ARCHITECT'S CERTIFICATE

All those pieces, parcels or lots of land, together with all improvements thereon or hereafter constructed, situate, lying and being in the City of Folly Beach, County of Charleston, State of South Carolina, shown and designated as **New Lot 106, 0.20 acres, New Lot 105, 0.38 acres, New Lot 103, 0.38 acres, Lot 1, 0.11 acres, and Lot 3, 0.11 acres** as shown and delineated on a plat by Charles F. Dawley, Jr., RLS, dated May 11, 2001, and entitled **"PLAT SHOWN A RESURVEY AND RESUBDIVISION OF LOTS 103, 104, 105, AND 106, ON ARCTIC AVENUE WEST, AND RESURVEY OF LOTS 1 AND 3, ON CENTER STREET, IN THE CITY OF FOLLY BEACH, CHARLESTON COUNTY, SOUTH CAROLINA, THIS PROPERTY IS PRESENTLY OWNED BY PAVILION DEVELOPMENT GROUP, INC."**, which plat is recorded in the RMC office for Charleston County in Plat Book EE at page 886, reference to which is craved for a more full and complete description thereof.

The real property hereby committed is also shown and delineated on a plat by Joseph O. Eelman, SCRLS No. 16492-B, dated June 6, 2002, and entitled **"PLAT OF AN AS-BUILT SURVEY SHOWING LOTS 3, 103, 105 & 106 TMS 328-14-00-140, 167, 166 & 165 BEING COMBINED WITH LOT 1 TMS #328-14-00-389 PREPARED FOR PAVILION WATCH HORIZONTAL PROPERTY REGIME LOCATED IN THE CITY OF FOLLY BEACH CHARLESTON COUNTY, SC"**, which plat was recorded in the RMC Office for Charleston County on June 10, 2002, in Plat Book EF at page 670, and which is also attached hereto and incorporated herein by reference as a part of Exhibit "A".

Being the same property conveyed to Pavilion Development Group, Inc., by deeds of Coggins Land Company dated July 1, 1999, and recorded on July 12, 1999, in Book F330 at page 610 and in Book F330 at page 615; and by deed of the City of Folly Beach dated January 19, 2001, and recorded on January 23, 2001, in Book L362 at page 241; thereafter, Pavilion Development Group, Inc., a/k/a Pavilion Development Corp., conveyed New Lot 105 to Center Street Holdings, LLC, by deed dated June 15, 2001, and recorded on June 18, 2001, in Book N374 at page 463, all being in the RMC Office for Charleston County.

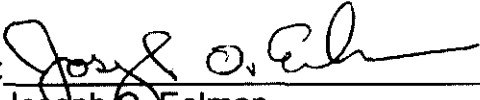
New Lot 106 TMS #328-14-00-165
New Lot 105 TMS #328-14-00-166
New Lot 103 TMS #328-14-00-167
Lot 1 TMS #328-14-00-389
Lot 3 TMS #328-14-00-140

The aforesaid real property and the particular improvements thereon, which are hereby committed (and the location of such improvements) are shown and described on the attached surveys, plot plans and building plans, which are incorporated in the description by reference and which constitute the exhibits to the Master Deed of PAVILION WATCH HORIZONTAL PROPERTY REGIME. The improvements consist of three (3) Buildings within which thirty (30) condominium units are located as shown and described upon the attached Exhibits which are also incorporated in this description by reference. Each Condominium Unit has appurtenant to it an undivided interest in the

by reference. Each Condominium Unit has appurtenant to it an undivided interest in the Common Elements as shown and described on the attached surveys, plot plans, building plans and descriptions, and as described in the Master Deed. All areas not contained within the Units and Buildings as the term "Unit" is defined in the aforesaid Master Deed, constitute Common Elements. Improvements which constitute Common Elements are the streets and driveways, sidewalks, parking areas, all corridors and halls providing access and all other improvements not contained within or part of any condominium Unit(s), the swimming pool, Jacuzzi, gazebo and tennis court. Improvements which constitute Limited Common Elements include the covered privacy decks attached to each individual Unit, any assigned parking spaces and assigned Owner's Lockers.

This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record, including those contained within the Master Deed and Exhibits thereto, as shown on this Exhibit and all others of record.

The undersigned, Joseph O. Eelman, an authorized and licensed surveyor, hereby certifies and states to the best of his knowledge, information and belief, that the plat of the Pavilion Watch Horizontal Property Regime attached hereto fully and accurately depicts, within reasonable construction tolerances, the horizontal and vertical location of the buildings and units and common elements in the Pavilion Watch Horizontal Property Regime.

By: 
Joseph O. Eelman
Registered Land Surveyor
No. 16492-B

Dated: June 18th, 2002

ARCHITECT'S CERTIFICATE

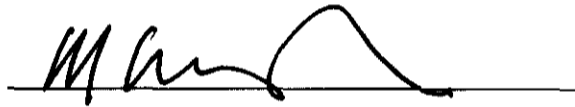
The undersigned, M. William Pachol, an authorized and duly licensed architect in the State of South Carolina, does hereby certify that the existing floor plans of the development entitled "Pavilion Watch Horizontal Property Regime", consisting of the exhibits specifically delineated below and those attached to the Master Deed of the Pavilion Watch Horizontal Property Regime, graphically show, within a reasonable degree of architectural standards, the following: the dimension, area and location of each unit and the building therein; the proposed dimensions, area and location of the Common Elements affording access to each unit and the buildings and to the extent graphically possible, the other General and Limited Common Elements therein. This certificate is based solely on the drawings, plans and other exhibits specifically set forth in the paragraph below and attached to Master Deed.

EXHIBIT LIST

Drawing/Title	Drawing Number	Date	Revision
Mid-Atlantic Building System, Inc.	0	10-26-00	12-28-00
Mid-Atlantic Building System, Inc.	1	1-18-01	
Mid-Atlantic Building System, Inc.	1.1	10-26-00	
Mid-Atlantic Building System, Inc.	1.2	1-18-01	
Mid-Atlantic Building System, Inc.	2	10-10-00	1-18-01
Mid-Atlantic Building System, Inc.	2A	10-10-00	5-7-01
Mid-Atlantic Building System, Inc.	2.1	10-25-00	
Mid-Atlantic Building System, Inc.	2.2	10-25-00	
Mid-Atlantic Building System, Inc.	3	11-6-00	12-28-00
Mid-Atlantic Building System, Inc.	3A	1-24-01	
Mid-Atlantic Building System, Inc.	4	10-24-00	1-24-01
Mid-Atlantic Building System, Inc.	5	9-7-00	1-18-01
Mid-Atlantic Building System, Inc.	5.1	9-7-00	11-2-00
Mid-Atlantic Building System, Inc.	6	11-06-00	
Mid-Atlantic Building System, Inc.	6.1	11-06-00	
Mid-Atlantic Building System, Inc.	7	10-26-00	1-18-01
Mid-Atlantic Building System, Inc.	7A	10-26-00	1-18-01
Mid-Atlantic Building System, Inc.	7.1	9-7-00	1-18-01
Mid-Atlantic Building System, Inc.	8	10-26-00	1-30-01
Mid-Atlantic Building System, Inc.	9	9-7-99	
Mid-Atlantic Building System, Inc.	9.1	9-7-00	1-30-01
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc.	FD-1 of 3	1-2001	
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc.	FD-2 of 3	1-2001	

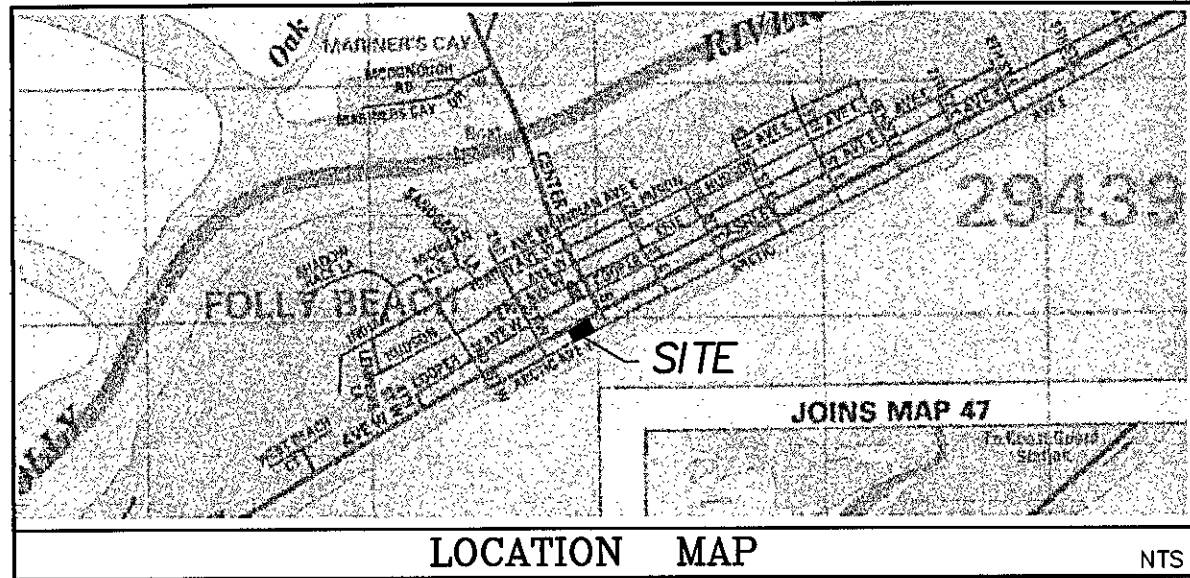
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc	FD-3 of 3	1-2001		
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc	FD-3 of 3	1-2001		
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc	FD-1 of 4	4-2001		
Foundation Plan for Roger Burris	FD-2 of 4	4-2001		
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc	FD-3 of 4	4-2001		
Supplemental Foundation Plan for Mid-Atlantic Building System, Inc	FD-4 of 4	4-2001		
Location Plan	none	none		
Layout Plan	Pg 2	none		
Grading & Drainage Plan	Pg 3	1-9-02		
Erosion Control Plan	Pg 4	none		
Grading & Drainage	Pg 4	none		
Outlet Structure	none	none		
Artic Avenue Entrance #2	Pg 9	none		
Artic Avenue Entrance #2	Pg 9	none		
Pre-development basin map	Pg 21	none		
Post-development basin map	Pg 22	none		
Angled parking	none	none		
The Pavilion				
City of Folly Beach				
M. William Bashor, Jr. Architect	1	3-27-01	3-28-01	

Signed this 29 of April, 2002.



(Seal)

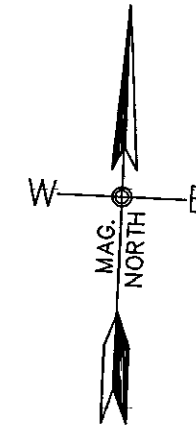




SURVEYORS NOTES:

1. THIS PLAT SHOWS ONLY EASEMENTS WHICH ARE OBVIOUS OR APPARENT TO THE SURVEYOR.
2. PROPERTY IS LOCATED IN FLOOD ZONE "VE" BASE FLOOD ELEVATION 18' NGVD FIRM MAP COMMUNITY-PANEL #455415 0001 F MAP REVISED: NOVEMBER 17, 1993
3. LOTS 1, 3, 103 & 105 ARE PRESENTLY OWNED BY CENTER STREET HOLDINGS, LLC. LOT 106 IS PRESENTLY OWNED BY PAVILLION DEVELOPMENT CORPORATION.

LINE	BEARING	LENGTH
L1	S88°07'37"W	15.00
L2	S88°25'47"W	10.00
L3	S88°25'47"W	10.00
L4	S88°25'47"W	10.00
L5	S01°46'59"E	10.00
L6	N88°01'52"E	15.00
L7	S01°48'50"E	30.95
L8	S01°48'50"E	10.04
L9	S01°55'57"E	10.01
L10	S01°55'57"E	31.14
L11	S88°07'37"W	43.02



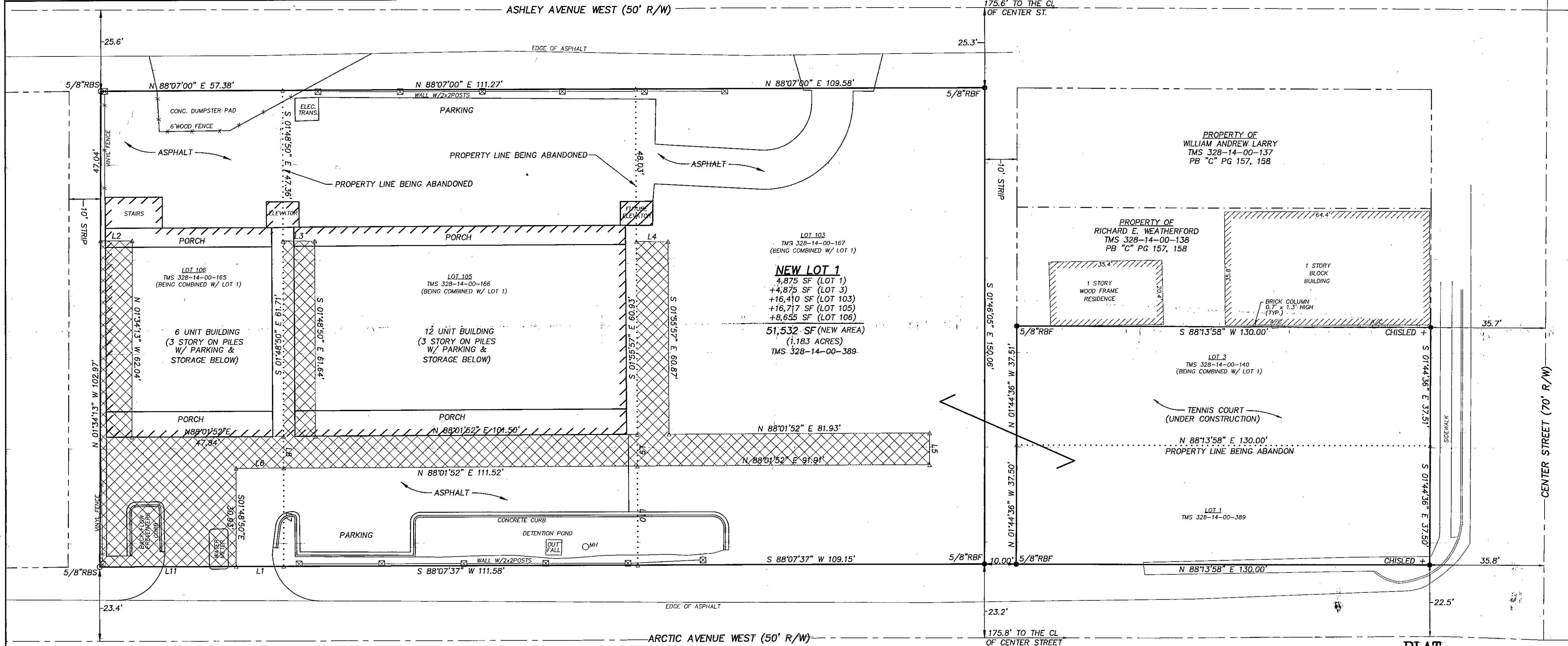
FOR OFFICIAL USE

BK L 409PG099

APPROVED PLAT
CITY OF FOLLY BEACH

REC'D. PAYMENT *6/11/02*
PER CLERK *Bro*
RMC OFFICE DD-283
CHARLESTON COUNTY, SC

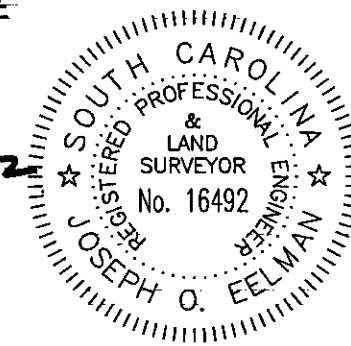
6/7/02



I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

Joseph O. Eelman 6.6.02

JOSEPH O. EELMAN SCRLS No: 16492-B
16 RIVER REACH WAY
CHARLESTON, SC 29407
(843) 571-5020



REFERENCE PLATS BY:

1. J. B. WESTON - FEBRUARY, 1920 "C" - 158
2. F. STEVEN JOHNSON - NOV. 10, 1998 UNRECORDED
3. JOSEPH O. EELMAN - SEPT. 25, 2000 "DC" - 533
4. CHARLES F. DAWLEY, Jr. - MAY 11, 2001 "EE" - 588

RECORDED IN THE CHARLESTON COUNTY REGISTER OF DEEDS. PLAT BK. - PG

- LEGEND**
- — PROPERTY LINE W/ 5/8"RBS (REBAR SET)
 - — PROPERTY LINE W/ CORNER FD
 - — PROPERTY LINE BEING ABANDONED
 - — RIGHT OF WAY
 - — ADJACENT PROPERTY LINE
 - — CENTER LINE
 - ▨ — BUILDING LINE
 - ▩ — NEW WATER LINE EASEMENT
 - OTF — OPEN TOP PIPE FOUND
 - RBF — REBAR FOUND

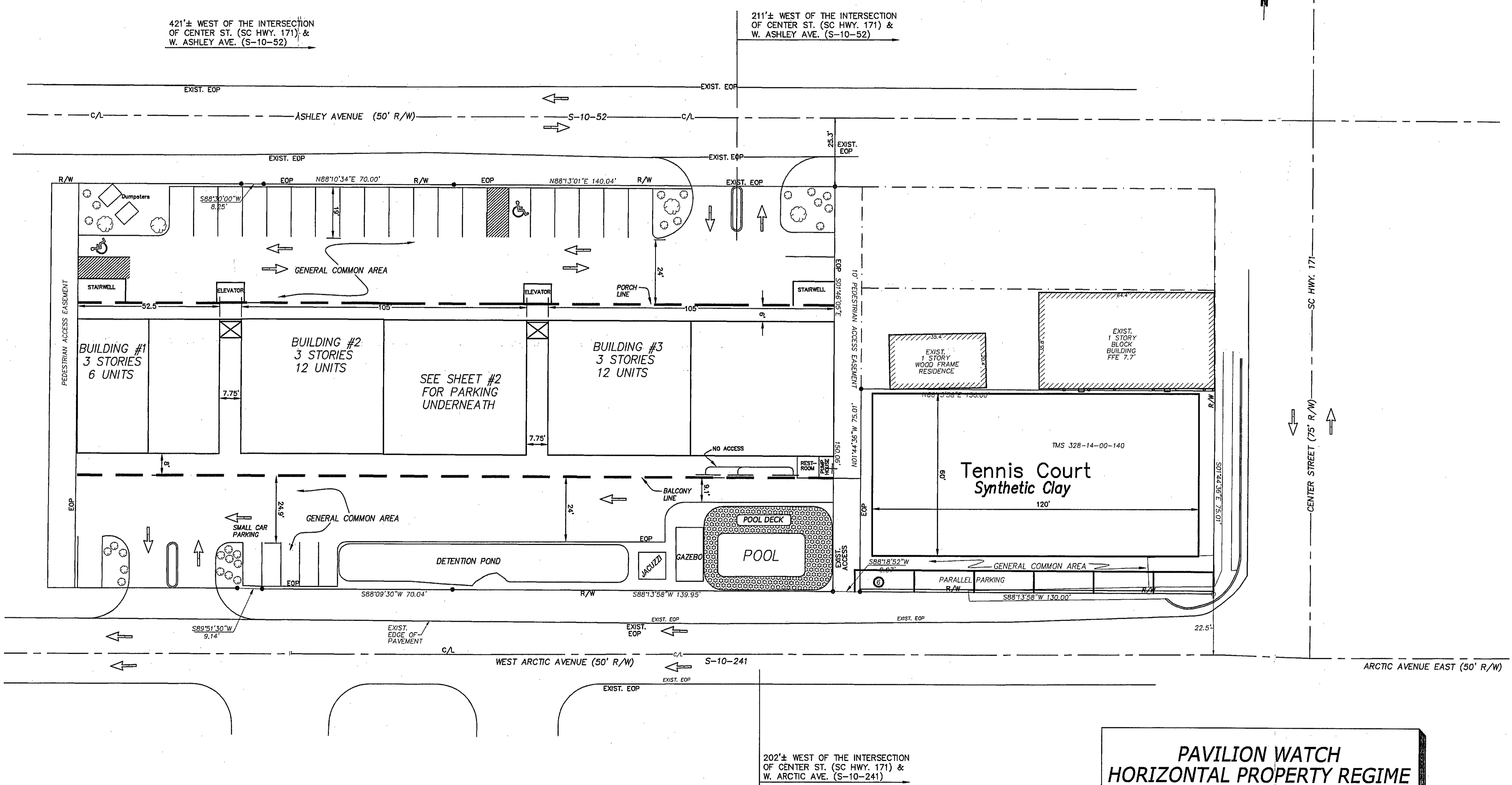
PLAT OF AN AS-BUILT SURVEY
SHOWING
LOTS 3, 103, 105 & 106
TMS 328-14-00-140, 167, 168 & 165
BEING COMBINED WITH
LOT 1
TMS 328-14-00-389
PREPARED FOR
PAVILLION WATCH
HORIZONTAL PROPERTY REGIME
LOCATED IN THE
CITY OF FOLLY BEACH
CHARLESTON COUNTY, SC
SCALE 1" = 20'
JUNE 6, 2002

EXHIBIT "B"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

PLOT PLAN AND ASSIGNED PARKING

THIS DRAWING IS THE PROPERTY OF CONNOR ENGINEERING, INC. AND MAY NOT BE REPRODUCED, ALTERED, OR USED IN ANY WAY WITHOUT THE EXPRESSED WRITTEN CONSENT OF CONNOR ENGINEERING, INC. ALL RIGHTS RESERVED.



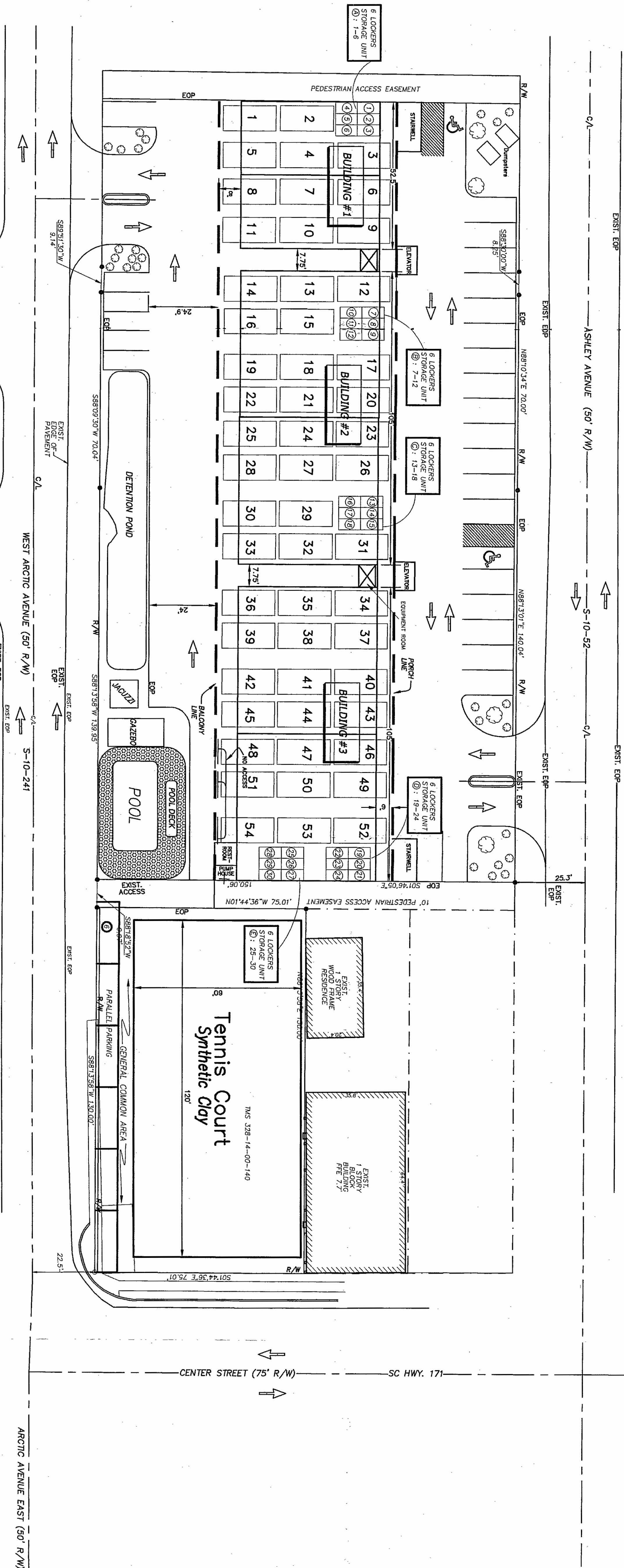
NOTE
 ALL NUMBERED PARKING SPACES ARE LIMITED COMMON ELEMENTS RESERVED FOR PARTICULAR INDIVIDUAL UNITS.

**PAVILION WATCH
 HORIZONTAL PROPERTY REGIME
 CITY OF FOLLY BEACH
 CHARLESTON, SC
 May 20, 2002**

CONNOR ENGINEERING, INC.
 Engineers — Surveyors — Planners
 2587 Ashley River Road
 Charleston, South Carolina 29414
 Phone: 766-0462 Fax: 766-1001
 Email: mail@connoreng.com

**PAVILION WATCH
 HORIZONTAL PROPERTY REGIME
 CITY OF FOLLY BEACH
 CHARLESTON COUNTY SOUTH CAROLINA**

DATE: May 20, 2002
 SCALE: 1" = 20'
 JOB # 1258
 SHEET 1 OF 2



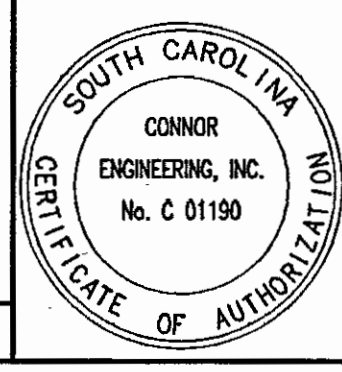
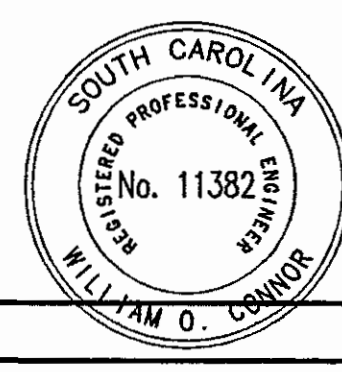
PAVILION WATCH
 HORIZONTAL PROPERTY REGIME
 UNIT PARKING & STORAGE
 CITY OF FOLLY BEACH
 CHARLESTON, SC
 MAY 20, 2002



Sheet L 409PG102

PAVILION WATCH
 HORIZONTAL PROPERTY REGIME
 UNIT PARKING & STORAGE
 CITY OF FOLLY BEACH
 CHARLESTON COUNTY SOUTH CAROLINA

SHEET 2 OF 2 JOB # 1258 SCALE: 1" = 20' DATE: MAY 20, 2002



CONNOR ENGINEERING, INC.
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 2587 Ashley River Road
 Charleston, South Carolina 29414
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EXHIBIT "C"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

UNIT PLAN

ITEM	CALL SIZE	ITEM CALL SIZE	DESCRIPTION	SYMBOL	DESCRIPTION
1	3'-0" x 4'-6"	1	6-PANEL	1	6-PANEL
2	2'-8" x 3'-2"	2	9-LITE	2	9-LITE
3	3'-0" x 5'-6"	3	SLIDER PATIO	3	SLIDER PATIO
4	2'-8" OCTAGON	4	6'-4" PATIO DOOR	4	6'-4" PATIO DOOR
5	1'-8" x 4'-6"	5	15-LITE	5	15-LITE
6	1'-8" x 5'-6"	6	9'-0" PATIO DOOR	6	9'-0" PATIO DOOR
7	3'-0" x 4'-6"	7	OR PULL DOWN STAIR	7	OR PULL DOWN STAIR
8	22"x30" ATTIC SCUTTLE	8	ELECTRICAL CROSSOVER	8	ELECTRICAL CROSSOVER
9	1 SHELF/ROD	9	STEREO	9	STEREO
10	4 SHELVES	10	ELECTRICAL PANEL	10	ELECTRICAL PANEL
11	SMOKE DETECTOR	11	SMOKE DETECTOR	11	SMOKE DETECTOR
12	TEMPERATURE	12	TEMPERATURE	12	TEMPERATURE
13	SMOKE DETECTOR	13	SMOKE DETECTOR	13	SMOKE DETECTOR
14	SMOKE DETECTOR	14	SMOKE DETECTOR	14	SMOKE DETECTOR
15	SMOKE DETECTOR	15	SMOKE DETECTOR	15	SMOKE DETECTOR
16	SMOKE DETECTOR	16	SMOKE DETECTOR	16	SMOKE DETECTOR
17	SMOKE DETECTOR	17	SMOKE DETECTOR	17	SMOKE DETECTOR
18	SMOKE DETECTOR	18	SMOKE DETECTOR	18	SMOKE DETECTOR
19	SMOKE DETECTOR	19	SMOKE DETECTOR	19	SMOKE DETECTOR
20	SMOKE DETECTOR	20	SMOKE DETECTOR	20	SMOKE DETECTOR

WINDOW NOTE:
WINDOWS MAY BE OPTIONED IN PLACE OF OTHER WINDOWS INDICATED ON PLANS PROVIDED LIGHT & VENT IS MET.

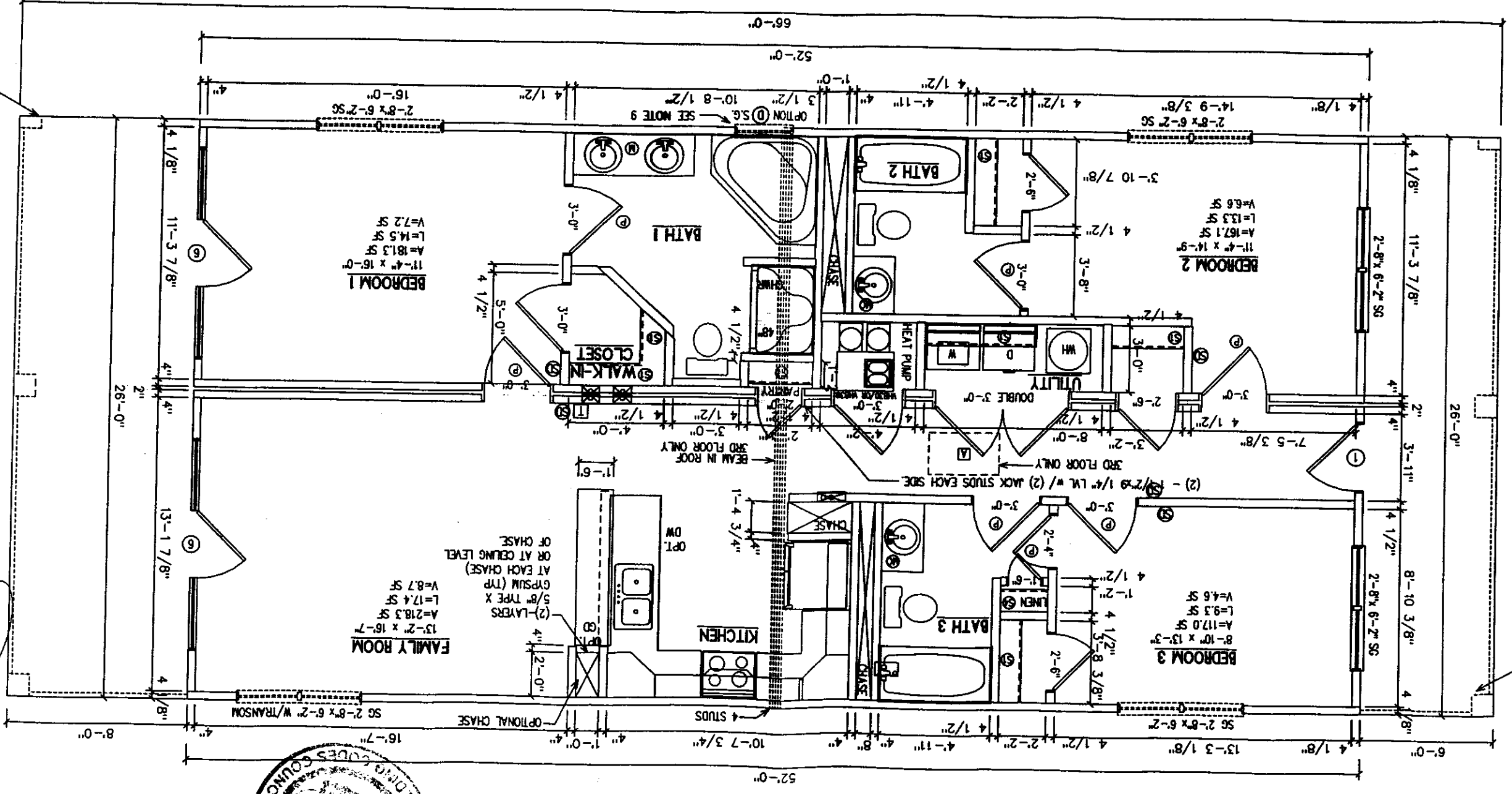
FLOOR PLAN LEGEND:

Mid-Atlantic Building Systems, Inc.
967 NC Hwy 211 East
P.O. Box 699
Candor, NC 27229

DESCRIPTION	TITLE	FILE NAME	SCALE	DATE	SHEET NO.
PROJ-150-2652-C-3BR2BA	FLOOR PLAN "MODULE A & B"	PROJ-150	3/16"=1'-0"	1-18-01	2
DESIGNED BY: T.SOL TREN					
REVISIONS:					

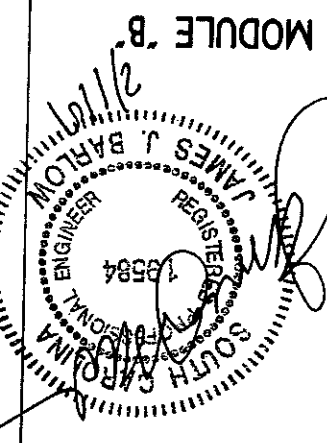
- NOTES:
- BUILDING AREA = 1,352 SQ. FT.
 - MATERIAL (DOORS, CASINGS, JAMBS, ETC.) TO FINISH MATING WALL WILL BE SHIPPED LOOSE IN THE HOME AND SITE INSTALLED BY OTHERS.
 - RETURN AIR CHASE(S) SHALL BE PROVIDED BY THE MANUFACTURER. (GRILLE INSTALLED ON-SITE BY OTHERS). (AS AN OPTION THE HVAC UNITS & DUCT WORK MAY BE INSTALLED IN PLANT EXCEPT ALL HVAC EQUIPMENT IS SUPPLIED AND INSTALLED BY BUILDER PER STATE AND LOCAL CODES)
 - CROSS-OVER CONNECTIONS ARE INSTALLED ON-SITE BY BUILDER.

- BUILDER RESPONSIBLE FOR ALL SERVICE ENTRY CONNECTIONS TO MAIN SERVICE PANEL BETWEEN MODULES.
- BUILDER RESPONSIBLE FOR ALL PLUMBING CONNECTIONS UNDER FIRST FLOOR AND CEILINGS AND SPRAWLER SYSTEM ENGINEERED, DESIGNED, INSTALLED, & TESTED BY CAROLINA FIRE CONTROL, INC.
- REFERENCE MATERIAL SPECIFICATION SECTION OF DESIGN MANUAL FOR ADDITIONAL INFORMATION.
- NO WINDOW USE (+) STUDS UNDER BEAM.
- OPTION D WINDOW (2) - 1 1/2"x9 1/4" LVL # (2) - JACK STUDS EACH SIDE.



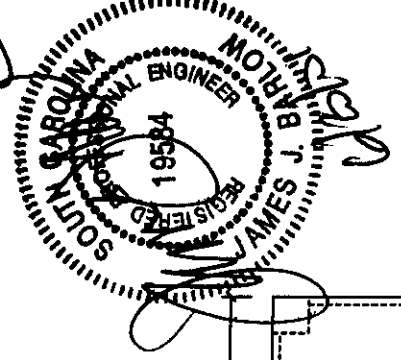
TYPICAL FOR EACH DWELLING UNIT. 6

BK L 409PG 104

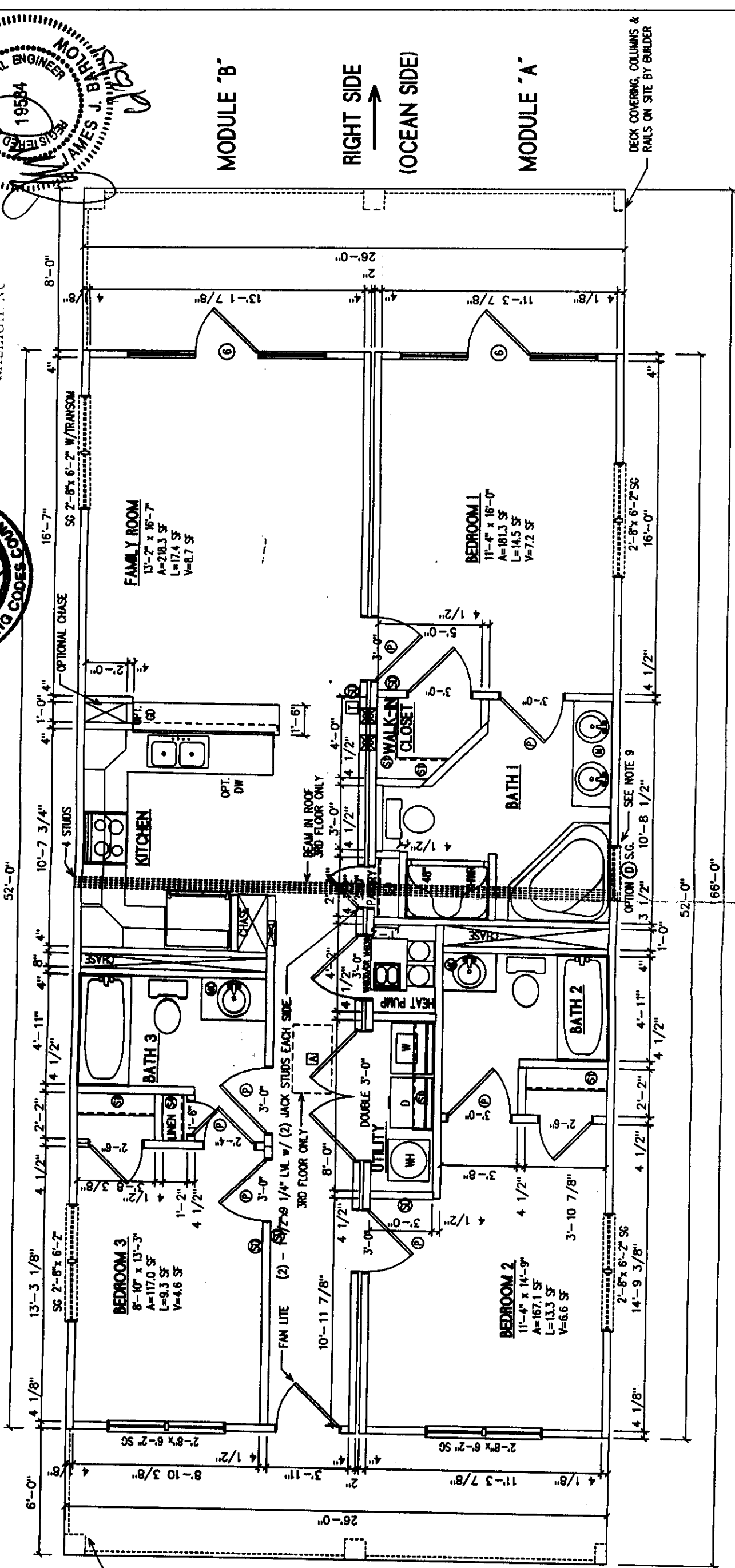




APPROVED
JUN 21 2001
PFS CORPORATION
RALEIGH, NC



TYPICAL FOR EACH DWELLING UNIT. 12



NOTES:
1. BUILDING AREA = 1,352 SQ. FT.
2. MATERIAL (DOORS, CASING, JAMBS, ETC...) TO FINISH MATING WALL WILL BE SHIPPED LOOSE IN THE HOME AND SITE INSTALLED BY OTHERS.
3. RETURN AIR CHASE(S) SHALL BE PROVIDED BY THE MANUFACTURER. (GRILLE INSTALLED ON-SITE BY OTHERS)
4. ALL HVAC EQUIPMENT IS SUPPLIED AND INSTALLED BY BUILDER PER STATE AND LOCAL CODES (AS AN OPTION THE HVAC UNITS & DUCT WORK MAY BE INSTALLED IN PLANT EXCEPT CROSS-OVER CONNECTIONS ARE INSTALLED ON-SITE BY BUILDER).

- BUILDER RESPONSIBLE FOR ALL SERVICE ENTRY CONNECTIONS TO MAIN SERVICE PANEL.
- BUILDER RESPONSIBLE FOR ALL PLUMBING CONNECTIONS UNDER FIRST FLOOR AND CEILINGS AND BETWEEN MODULES.
- SPRINKLER SYSTEM ENGINEERED, DESIGNED, INSTALLED, & TESTED BY CAROLINA FIRE CONTROL, INC.
- REFERENCE MATERIAL SPECIFICATION SECTION OF DESIGN MANUAL FOR ADDITIONAL INFORMATION.
- OPTION D WINDOW (2) - 1 1/2" x 9 1/4" LVL w/ (2) - JACK STUDS EACH SIDE. NO WINDOW USE (4) STUDS UNDER BEAM.

WINDOW NOTE:
WINDOWS MAY BE OPTIONED IN PLACE OF OTHER WINDOWS INDICATED ON PLANS PROVIDED LIGHT & VENT IS MET.

ITEM	CALL SIZE	ITEMICAL SIZE	DESCRIPTION	SYM	DESCRIPTION	SYM	DESCRIPTION
1	3'-0" x 4'-6"	3'-0"	6-PANEL	(1)	THERMOSTAT	(1)	PRIVACY LOCK
2	2'-8" x 3'-2"	3'-0"	9-LITE	(2)	SMOKE DETECTOR	(2)	ELECTRICAL PANEL
3	3'-0" x 5'-6"	6'-0"	SLIDER PATIO	(3)	RETURN AIR CHASE	(3)	STEREO
4	2'-8" OCTAGON	6'-4"	PATIO DOOR	(4)	22" x 30" ATTIC SCUTTLE	(4)	ELECTRICAL CROSSOVER
5	1'-8" x 4'-6"	3'-0"	15-LITE	(5)	OR PULL DOWN STAIR	(5)	1 SHELF/ROD
6	1'-8" x 5'-6"	9'-0"	PATIO DOOR	(6)	MIRROR	(6)	4 SHELVES
7				(7)	MEDICINE CABINET	(7)	

PROJECT NUMBER	PROJ-150dl-2652-C-3BR28A	DESIGNED BY:	T.SOLITREN	DATE:	10-10-00
FILE NAME:	FLOOR PLAN "MODULE A & B"	SCALE:	3/16"=1'-0"	REVISIONS:	5-7-01
TITLE		DESCRIPTION		SHEET NO.	2A

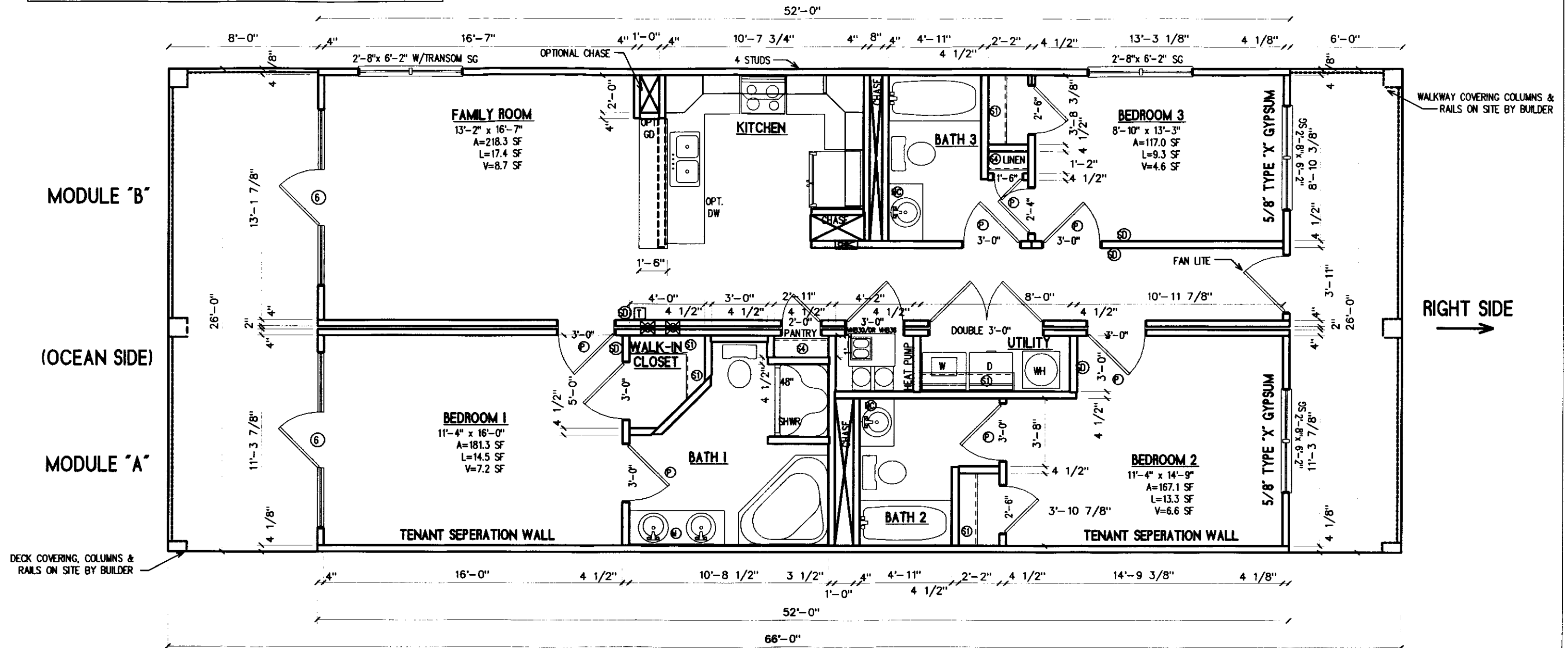
Mid-Atlantic Building Systems, Inc.
967 NC Hwy 211 East
P.O. Box 599
Candor, NC 27229



SHOWN MIRROR IMAGE
 ALL DIMENSIONS, STUDS, JOIST, TRUSSES ETC...
 ARE PULLED FROM LEFT TO RIGHT AS SHOWN

TYPICAL FOR EACH DWELLING UNIT.

BK L 409PG106



NOTES

- BUILDING AREA = 1,352 SQ. FT.
- MATERIAL (DOORS, CASING, JAMBS, ETC... TO FINISH MATING WALL WILL BE SHIPPED LOOSE IN THE HOME AND SITE INSTALLED BY OTHERS.
- RETURN AIR CHASE(S) SHALL BE PROVIDED BY THE MANUFACTURER. (GRILLE INSTALLED ON-SITE BY OTHERS)
- ALL HVAC EQUIPMENT IS SUPPLIED AND INSTALLED BY BUILDER PER STATE AND LOCAL CODES (AS AN OPTION THE HVAC UNITS & DUCT WORK MAY BE INSTALLED IN PLANT EXCEPT CROSS-OVER CONNECTIONS ARE INSTALLED ON-SITE BY BUILDER).
- BUILDER RESPONSIBLE FOR ALL SERICE ENTRY CONNECTIONS TO MAIN SERVICE PANEL.
- BUILDER RESPONSIBLE FOR ALL PLUMBING CONNECTIONS UNDER FIRST FLOOR AND CEILINGS AND BETWEEN MODULES.
- SPRINKLER SYSTEM ENGINEERED, DESIGNED, INSTALLED, & TESTED BY CAROLINA FIRE CONTROL, INC.
- REFERENCE MATERIAL SPECIFICATION SECTION OF DESIGN MANUAL FOR ADDITIONAL INFORMATION.
- OPTION D WINDOW (2) - 1 1/2"x9 1/4" LVL w/ (2) - JACK STUDS EACH SIDE. NO WINDOW USE (4) STUDS UNDER BEAM.

WINDOW NOTE

WINDOWS MAY BE OPTIONED IN PLACE OF OTHER WINDOWS INDICATED ON PLANS PROVIDED LIGHT & VENT IS MET.

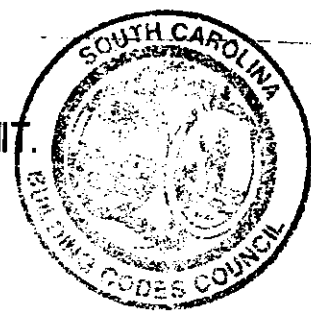
WINDOWS		EXTERIOR DOORS		FLOOR PLAN LEGEND:			
ITEM	CALL SIZE	ITEM	CALL SIZE	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
(A)	3'-0" x 4'-6"	(1)	3'-0"	E	EGRESS WINDOW	(T)	THERMOSTAT
(B)	2'-8" x 3'-2"	(2)	3'-0"	SG	SAFETY GLAZING	(SD)	SMOKE DETECTOR
(C)	3'-0" x 5'-6"	(3)	6'-0"	RAC	RETURN AIR CHASE	(EP)	ELECTRICAL PANEL
(D)	2'-8" OCTAGON	(4)	6'-4"	(A)	22"x30" ATTIC SCUTTLE OR PULL DOWN STAIR	(S)	STEREO
(E)	1'-8" x 4'-6"	(5)	3'-0"	(M)	MIRROR	(EC)	ELECTRICAL CROSSOVER
(F)	1'-8" x 5'-6"	(6)	9'-0"	(D)	MEDICINE CABINET	(SR)	1 SHELF/ROD
				(SC)		(S4)	4 SHELVES



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 Candor, NC 27229

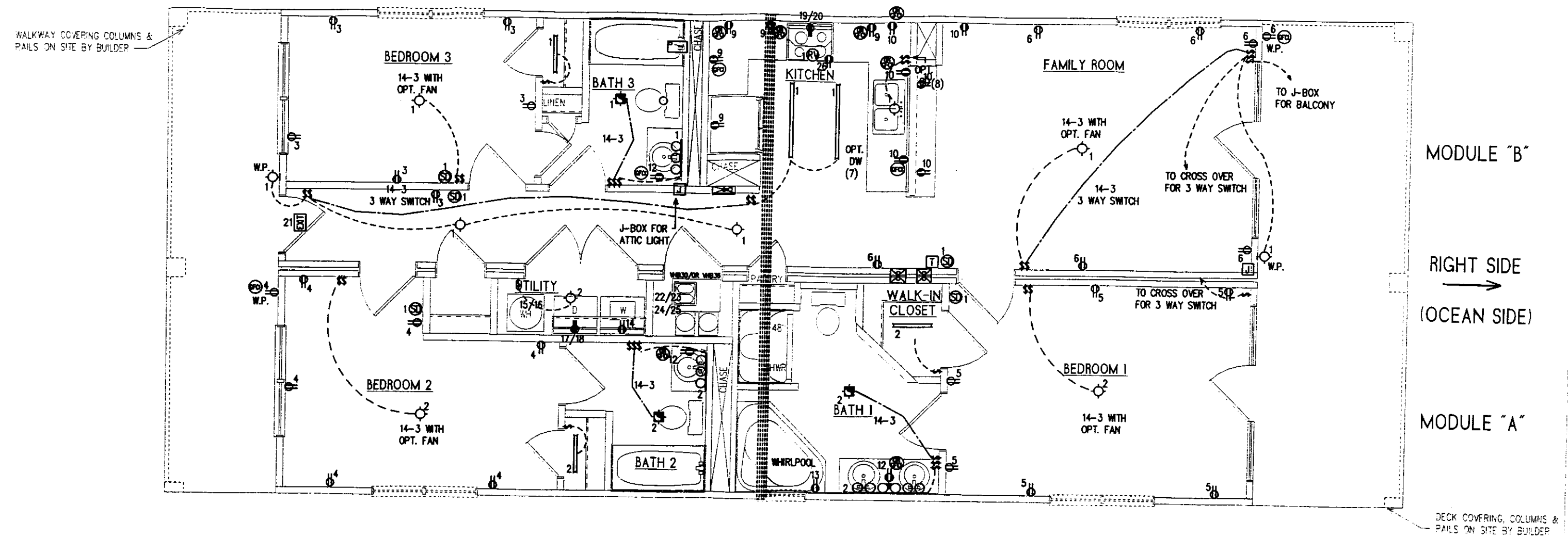
DESCRIPTION:	PROJ- 150altMI- 2652-C- 3BR2BA	PROJECT NUMBER:	150altMI	DESIGNED BY:	T.SOLTREN	DATE:	5-23-01	SHEET NO. 2
TITLE:	FLOOR PLAN "MODULE A & B"	FILE NAME:	PROJ- 150altMI	SCALE:	3/16"=1'-0"	REVISED:	-	

SERIAL No. 0127AB UNIT E2



ELECTRICAL LOAD CALCULATION FOR PANEL BOX SIZING				ELECTRICAL WIRING DIAGRAM LEGEND:			
DESCRIPTION	KW	DESCRIPTION	KW	SYM.	DESCRIPTION	SYM.	DESCRIPTION
floor area (1,352 SF x 0.03 KW.) =	4.05	Total Load From Left = SF KW. + 30.7 KW	34.7	⊖	WATERPROOF RECEPT	◇	INTERIOR LIGHT
2 small appliances at 1.5 KW EA. =	3.0	First 10 KW. AT 100%	10.0	⊖	15 AMP RECEPT	⊖	INTERIOR STRIP LIGHT
Range at 13.4 KW. =	13.4	Remainder @ 40% (Total Load - 10 KW. x .4)	9.8	⊖	20 AMP RECEPT	⊖	EXTERIOR LIGHT
Water Heater at 4.5 KW. =	4.5	HVAC (15.8 KW.) AT 100% =	15.8	⊖	RANGE/DRYER RECEPT	⊖	FLOOD LIGHT
Dishwasher at 1.4 KW. =	1.4	Total (First 10 KW + Remainder + HVAC) =	35.6	⊖	GRND FAULT CIR. INT.	⊖	FLOURESCENT LIGHT
Washer at 1.5 KW. =	1.5	Total/240 x 1000 =	148.6	⊖	ON GRND FAULT CIR. INT.	⊖	EXHAUST FAN
Dryer at 5.0 KW. =	5.0			⊖	SINGLE SWITCH	⊖	EXHAUST FAN W/LIGHT
Disposal at 1.9 KW. =	1.9	Install 200 Amp Panel 120/240 V. 1Ø	200 Amps				RANGE VENT

TYPICAL FOR EACH DWELLING UNIT.



* 40 AMP BREAKER & 8/2 WIRE WITH 3 TON UNIT (WB36)

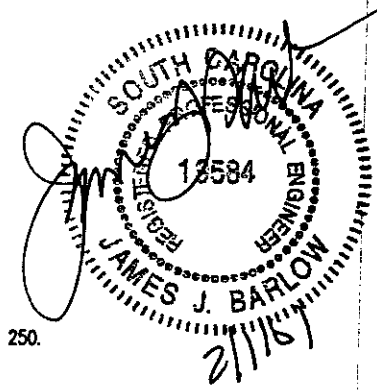
ELECTRICAL SCHEDULE							
CIRCUIT	BRKR.	LOCATION	VOLTS/WIRE CU.	CIRCUIT	BRKR.	LOCATION	VOLTS/WIRE CU.
#1	15	LIGHTING	120 14/2	#16	-	WATERHEATER	SEE SPECS
#2	15	LIGHTING	120 14/2	#17	30(2P)	DRYER	240 10/3
#3	15	RECEPTACLES	120 14/2	#18	40(2P)	RANGE	240 8/3
#4	15	RECEPTACLES	120 14/2	#19	15	EXIT LIGHT	120 14/2
#5	15	RECEPTACLES	120 14/2	#20	30(2P)	HEAT PUMP	240 10/2*
#6	15	RECEPTACLES	120 14/2	#21	60(2P)	HEAT PUMP	240 6/2
#7	15	DISHWASHER	120 14/2	#22	-	RESERVE	-
#8	15	DISPOSAL	120 14/2	#23	-	RESERVE	-
#9	20	APPLIANCE GFI	120 12/2	#24	20	MICROWAVE	120 12/2
#10	20	APPLIANCE GFI	120 12/2	#25	-	RESERVE	-
#11	20	FREEZER	120 12/2	#26	-	RESERVE	-
#12	20	BATHROOMS GFI	120 12/2	#27	-	RESERVE	-
#13	20	WHIRLPOOL	120 12/2	#28	-	RESERVE	-
#14	20	WASHER	120 12/2	#29	-	RESERVE	-
#15	25(2P)	WATERHEATER	SEE SPECS	#30	-	RESERVE	-

- NOTES:**
- SMOKE DETECTORS SHALL BE SUPPLIED BY A SINGLE BRANCH CIRCUIT SERVING ONE OR MORE OF THE REQUIRED LIGHTING OUTLETS AND PERMANENTLY CONNECTED AHEAD OF THE SWITCHING DEVICES. DETECTORS SHALL HAVE A BATTERY BACK-UP, AND ALL DETECTORS SHALL BE INTERCONNECTED SUCH THAT THE ACTUATION OF ONE ALARM WILL ACTUATE ALL ALARMS.
 - A MINIMUM OF 12" CLEARANCE IS REQUIRED BETWEEN THE LIGHT FIXTURE AND THE NEAREST POINT OF A STORAGE SPACE REF. N.E.C. 410-B.
 - ALL CIRCUITS CROSSING OVER MODULE MATING WALLS SHALL BE SITE CONNECTED WITH APPROVED ACCESSIBLE JUNCTION BOXES OR CABLE CONNECTORS.
 - THE MAIN ELECTRICAL PANEL AND FEEDERS ARE SITE INSTALLED AND DESIGNED BY OTHERS AND SUBJECT TO LOCAL INSPECTION AND APPROVAL.
 - ALL CIRCUITS AND EQUIPMENT SHALL BE GROUNDED IN ACCORDANCE WITH THE N.E.C. ARTICLE 250.
 - TELEPHONE WIRING SHALL BE IN COMPLIANCE WITH THE N.E.C. ARTICLE 800-50.
 - OPTIONAL BURGLAR ALARM INSTALLED PER MANUFACTURER SPECIFICATIONS.



Mid-Atlantic Building Systems, Inc.
 287 NC Hwy 211 East
 P.O. Box 699
 Concord, NC 27229

DESCRIPTION	PROJECT NUMBER:	DESIGNED BY:	DATE:	SHEET NO.
TITLE: ELECTRICAL WIRING DIAGRAM "MODULE A & B"	PROJ-150-2552-C-3BR2BA	WAYNE MILLEN	11-6-00	3
	FILE NAME: PROJ-150	SCALE: 3/16"=1'-0"	REVISED: 12-28-00	

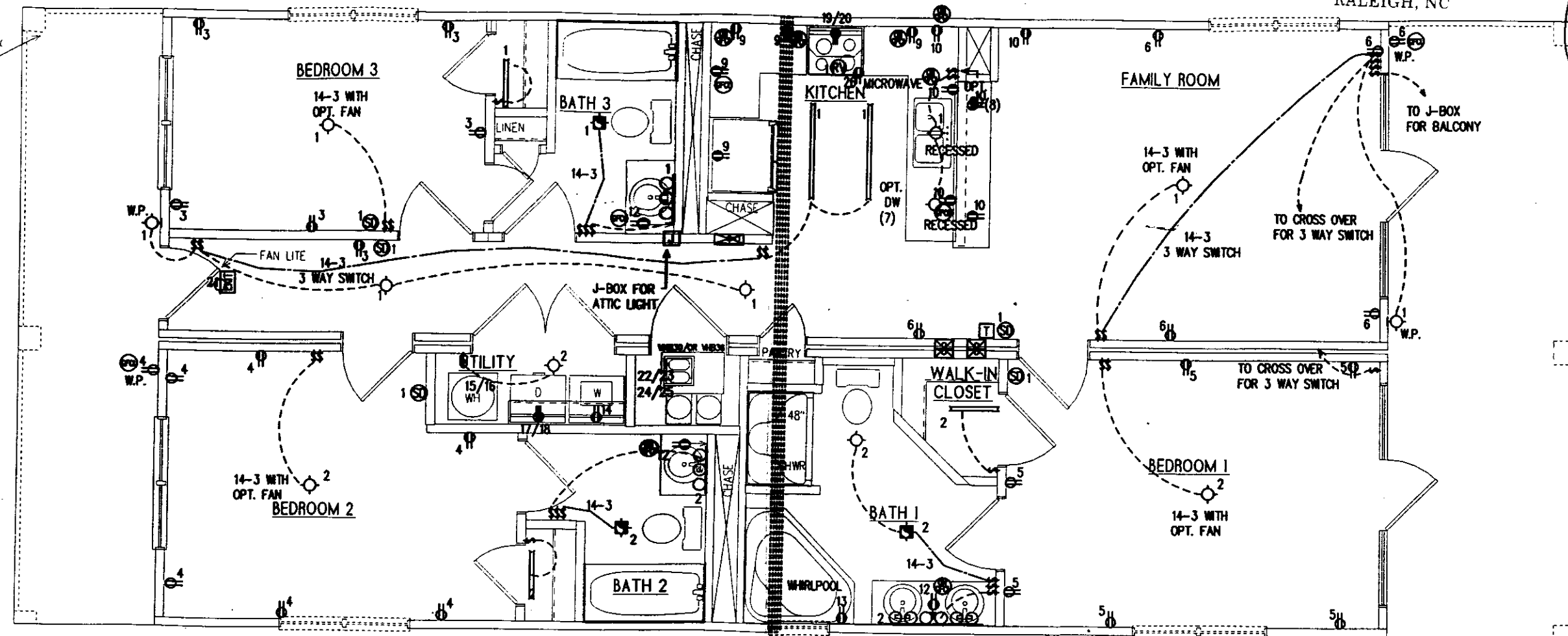
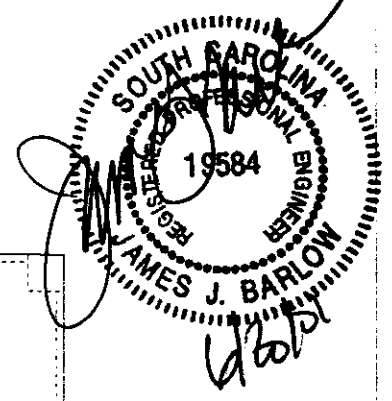


ELECTRICAL LOAD CALCULATION FOR PANEL BOX SIZING				ELECTRICAL WIRING DIAGRAM LEGEND:			
DESCRIPTION	KW	DESCRIPTION	KW	SYMBOL	DESCRIPTION	SYMBOL	DESCRIPTION
floor area (1,352 SF x 0.03 KW.) =	4.05	Total Load From Left = SF KW. + 30.7 KW	34.7	⊕	WATERPROOF RECEPT	⊕	INTERIOR LIGHT
2 small appliances at 1.5 KW EA. =	3.0	First 10 KW. AT 100%	10.0	⊕	15 AMP RECEPT	⊕	INTERIOR STRIP LIGHT
Range at 13.4 KW. =	13.4	Remainder @ 40% (Total Load - 10 KW. x .4)	9.8	⊕	20 AMP RECEPT	⊕	EXTERIOR LIGHT
Water Heater at 4.5 KW. =	4.5	HVAC (15.8 KW.) AT 100% =	15.8	⊕	RANGE/DRYER RECEPT	⊕	FLOOD LIGHT
Dishwasher at 1.4 KW. =	1.4	Total (First 10 KW + Remainder + HVAC) =	35.6	⊕	GRND FAULT CR. INT.	⊕	FLOURESCENT LIGHT
Washer at 1.5 KW. =	1.5	Total/240 x 1000 =	148.6	⊕	ON GRND FAULT CR. INT	⊕	EXHAUST FAN
Dryer at 5.0 KW. =	5.0			⊕	SINGLE SWITCH	⊕	EXHAUST FAN W/LIGHT
Disposal at 1.9 KW. =	1.9	Install 200 Amp Panel 120/240 V. 1Ø	200 Amps	⊕		⊕	RANGE VENT

TYPICAL FOR EACH DWELLING UNIT.
APPROVED

JUN 21 2001

PFS CORPORATION
RALEIGH, NC



MODULE "B"
RIGHT SIDE
→ (OCEAN SIDE)
MODULE "A"

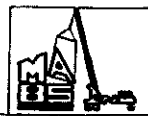
DECK COVERING, COLUMNS & RAILS ON SITE BY BUILDER

* 40 AMP BREAKER & 8/2 WIRE WITH 3 TON UNIT (VHB36)

ELECTRICAL SCHEDULE									
CIRCUIT	BRKR	LOCATION	VOLTS/WIRE CU.	CIRCUIT	BRKR	LOCATION	VOLTS/WIRE CU.		
#1	15	LIGHTING	120 14/2	#16	-	WATERHEATER	SEE SPECS		
#2	15	LIGHTING	120 14/2	#17	-	DRYER	240 10/3		
#3	15	RECEPTACLES	120 14/2	#18	30(2P)				
#4	15	RECEPTACLES	120 14/2	#19	-	RANGE	240 8/3		
#5	15	RECEPTACLES	120 14/2	#20	40(2P)				
#6	15	RECEPTACLES	120 14/2	#21	15	EXT LIGHT	120 14/2		
#7	15	DISHWASHER	120 14/2	#22	-				
#8	15	DISPOSAL	120 14/2	#23	30(2P)*	HEAT PUMP	240 10/2*		
#9	20	APPLIANCE GFI	120 12/2	#24	-				
#10	20	APPLIANCE GFI	120 12/2	#25	60(2P)	HEAT PUMP	240 6/2		
#11	20	FREEZER	120 12/2	#26	20	MICROWAVE	120 12/2		
#12	20	BATHROOMS GFI	120 12/2	#27	-	RESERVE	-		
#13	20	WHIRLPOOL	120 12/2	#28	-	RESERVE	-		
#14	20	WASHER	120 12/2	#29	-	RESERVE	-		
#15	25(2P)	WATERHEATER	SEE SPECS	#30	-	RESERVE	-		

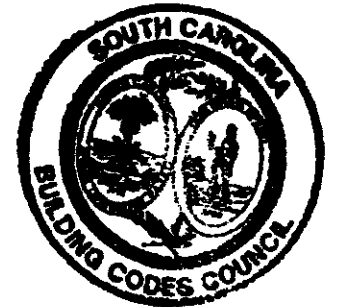
NOTES:

- SMOKE DETECTORS SHALL BE SUPPLIED BY A SINGLE BRANCH CIRCUIT SERVING ONE OR MORE OF THE REQUIRED LIGHTING OUTLETS AND PERMANENTLY CONNECTED AHEAD OF THE SWITCHING DEVICES. DETECTORS SHALL HAVE A BATTERY BACK-UP, AND ALL DETECTORS SHALL BE INTERCONNECTED SUCH THAT THE ACTUATION OF ONE ALARM WILL ACTUATE ALL ALARMS.
- A MINIMUM OF 12" CLEARANCE IS REQUIRED BETWEEN THE LIGHT FIXTURE AND THE NEAREST POINT OF A STORAGE SPACE REF. N.E.C. 410-8.
- ALL CIRCUITS CROSSING OVER MODULE MATING WALLS SHALL BE SITE CONNECTED WITH APPROVED ACCESSIBLE JUNCTION BOXES OR CABLE CONNECTORS.
- THE MAIN ELECTRICAL PANEL AND FEEDERS ARE SITE INSTALLED AND DESIGNED BY OTHERS AND SUBJECT TO LOCAL INSPECTION AND APPROVAL.
- ALL CIRCUITS AND EQUIPMENT SHALL BE GROUNDED IN ACCORDANCE WITH THE N.E.C. ARTICLE 250.
- TELEPHONE WIRING SHALL BE IN COMPLIANCE WITH THE N.E.C. ARTICLE 800-50.
- OPTIONAL BURGLAR ALARM INSTALLED PER MANUFACTURER SPECIFICATIONS.

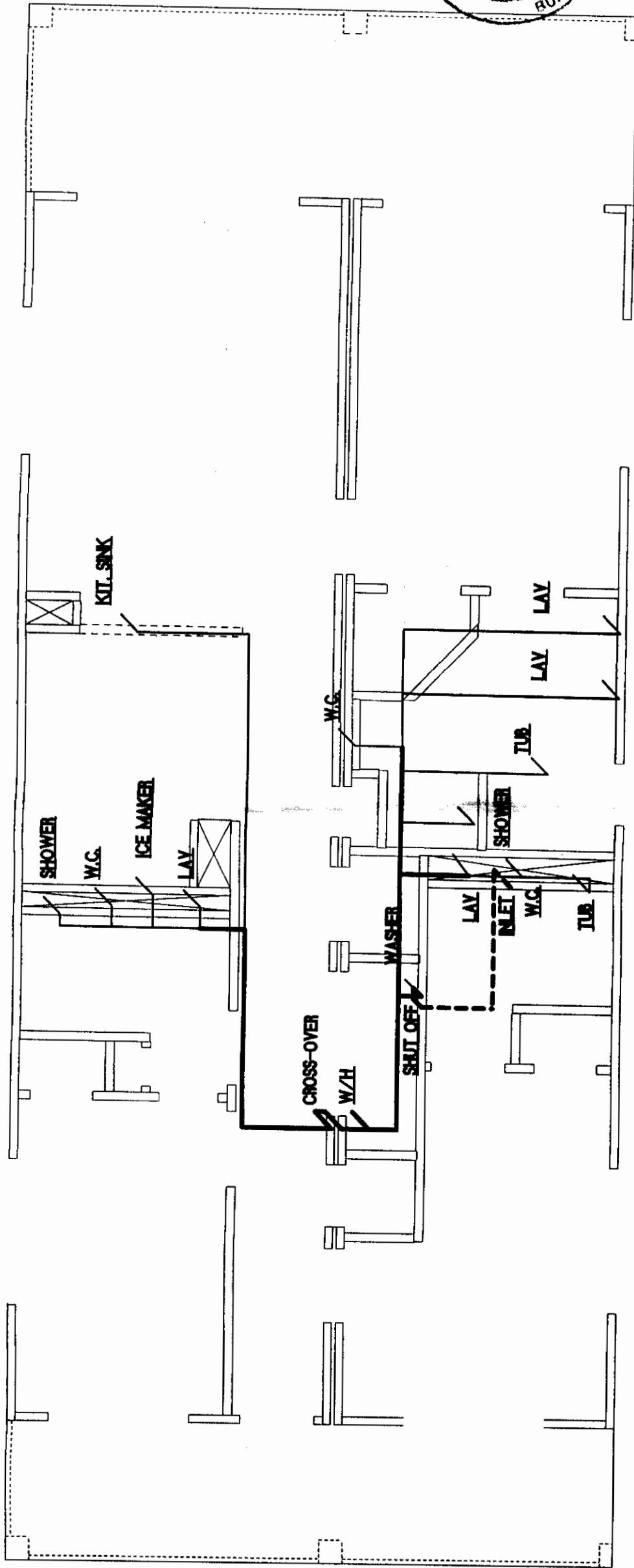


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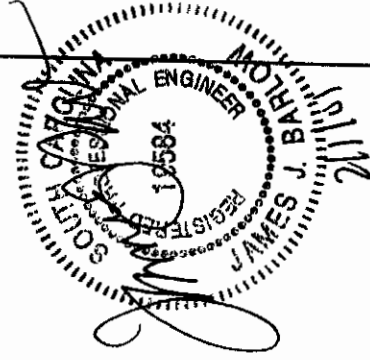
DESCRIPTION	PROJ-150alt-2652-C-3BR2BA	PROJECT NUMBER:	150alt	DESIGNED BY:	WAYNE MILLEN	DATE:	01-24-01	SHEET NO.	3A
TITLE:	ELECTRICAL WIRING DIAGRAM "MODULE A & B"	FILE NAME:	PROJ-150alt	SCALE:	3/16"=1'-0"	REVISED:	-		



TYPICAL FOR EACH DWELLING UNIT.



RIGHT SIDE →



NOTE:
EACH DWELLING UNIT
TO HAVE ITS OWN
WATER INLET.
OPTIONAL:
INVERT INLET UP INTO CHASE
FOR ON-SITE CONNECTION.
(2ND & 3RD FLOOR ONLY)

1" WATER LINE
3/4" WATER LINE
1/2" WATER LINE

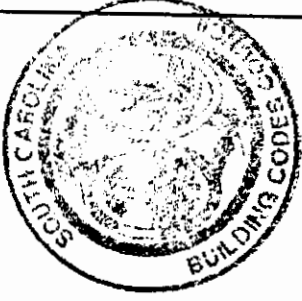
NOTE

MATERIAL: CROSS-LINKED POLYETHYLENE PIPING CONFORMING TO ASTM F-876.

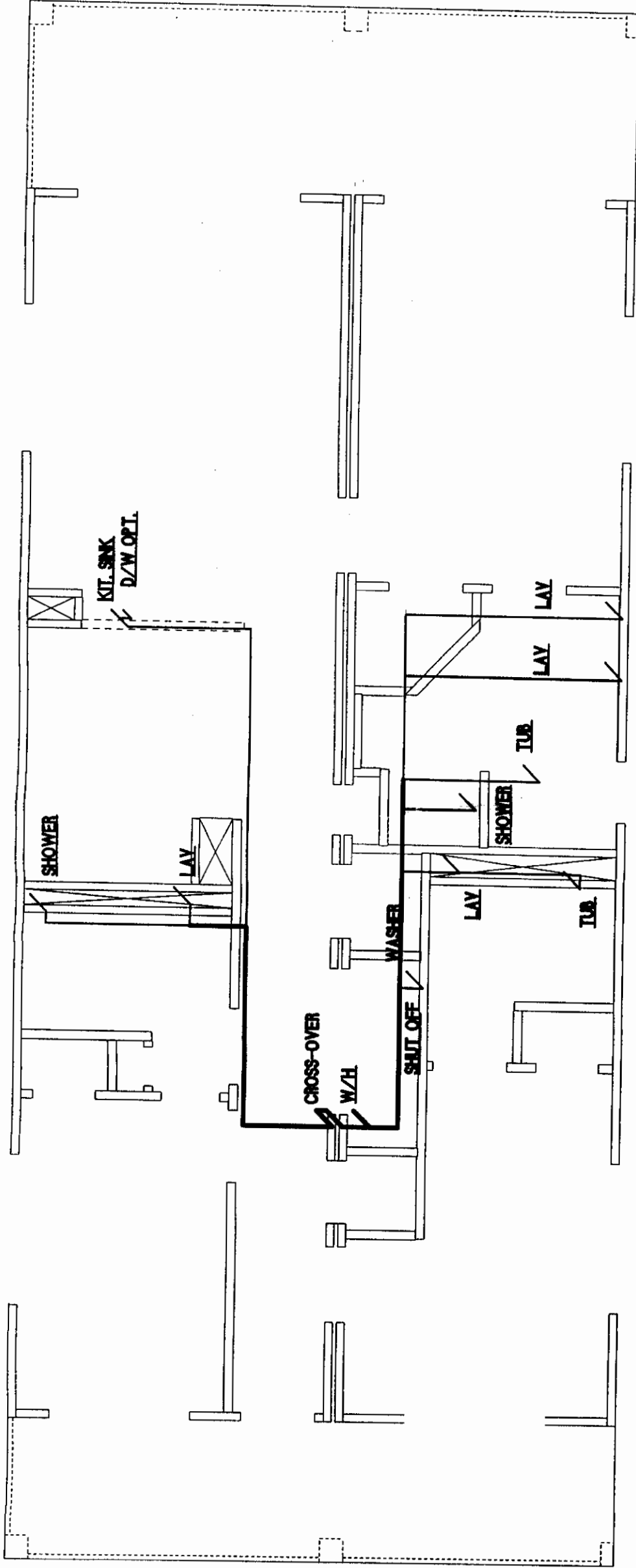
<p>Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Candor, NC 27729</p>		<p>DESCRIPTION PROJECT: PROJ-150-2652-C-38R2BA TITLE: WATER SUPPLY LAYOUT "MODULE A & B" COLD</p>	<p>DESIGNED BY: ROBBIE C.</p>	<p>DATE 9-7-00</p>	<p>SHEET NO. 5</p>
		<p>PROJECT NUMBER PROJ-150</p>	<p>SCALE 3/16"=1'-0"</p>	<p>REVISIONS 1-18-01</p>	
		<p>FILE NAME PROJ-150</p>			

BK L 409PG110

TYPICAL FOR EACH DWELLING UNIT.



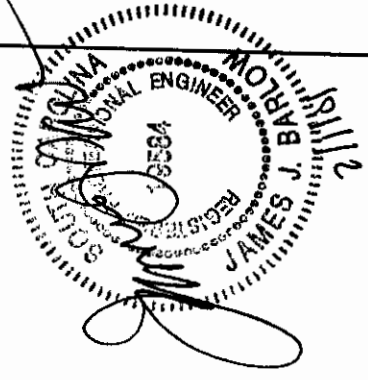
RIGHT SIDE
→



- 1" WATER LINE
- 3/4" WATER LINE
- 1/2" WATER LINE

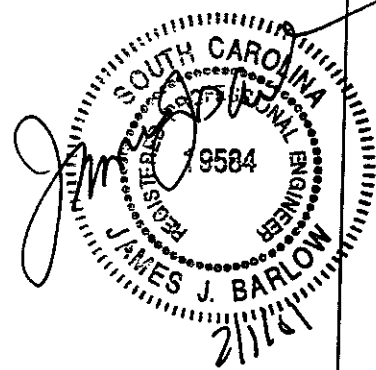
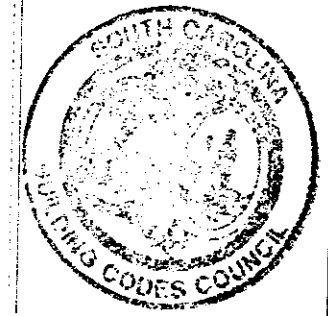
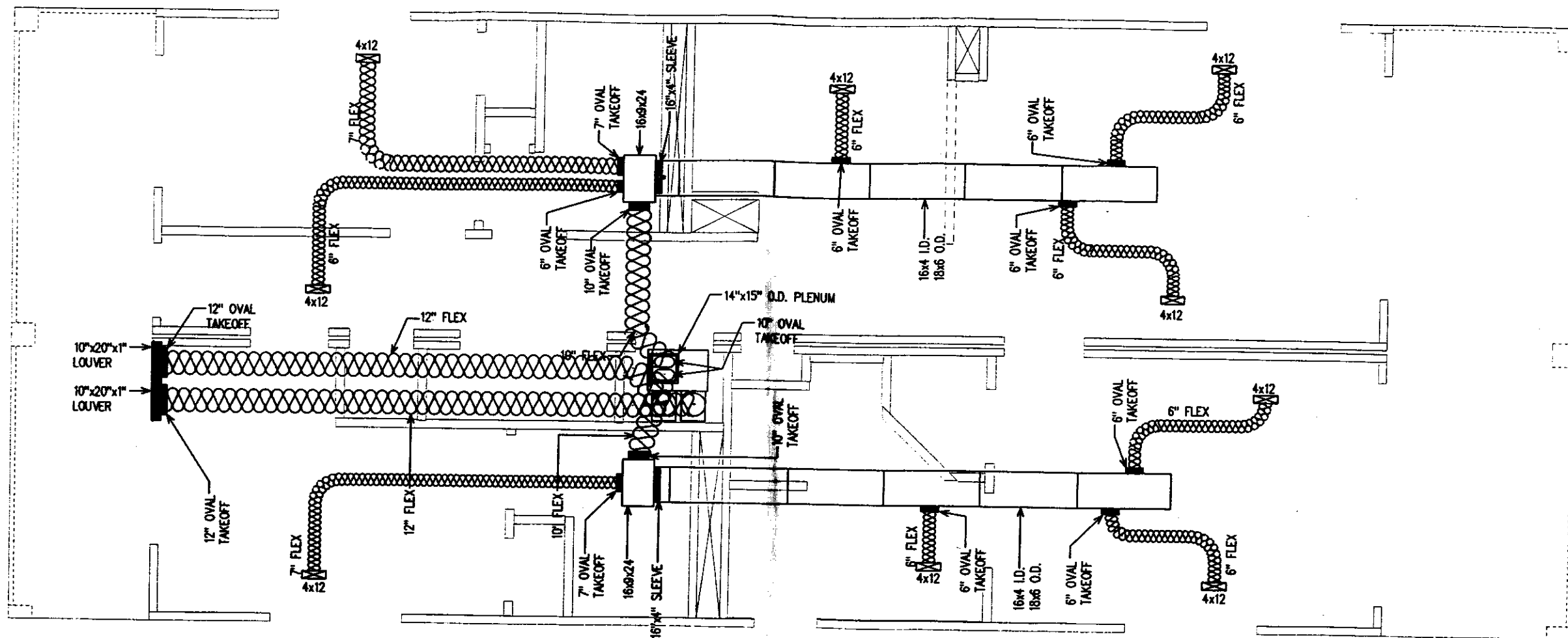
NOTE

MATERIAL: CROSS-LINKED POLYETHYLENE PIPING CONFORMING TO ASTM F-876.




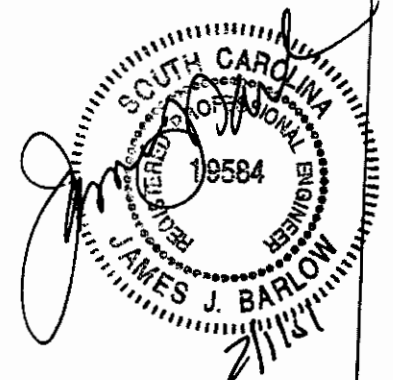
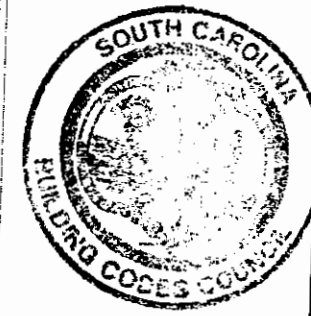
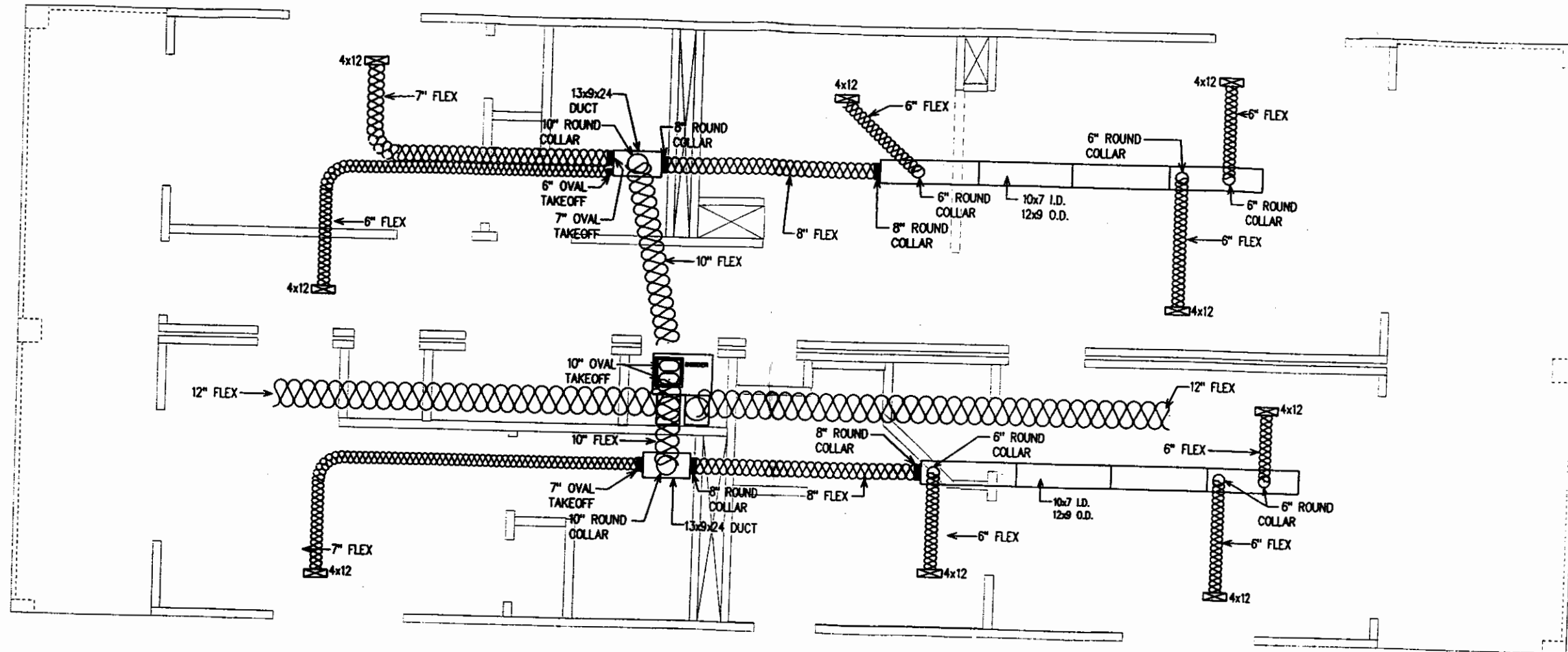
	PROJECT NUMBER PROJ-150	DESIGNED BY: ROBBIE C.	DATE 9-7-00	SHEET NO. 5.1
	TITLE WATER SUPPLY LAYOUT "MODULE A & B" HOT	SCALE 3/16"=1'-0"	REVISIONS 11-2-00	

Mid-Atlantic Building Systems, Inc.
 967 NC Hwy 211 East
 P.O. Box 699
 Concord, NC 27229



4x10 MINIMUM

 <p>Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Candor, NC 27229</p>	DESCRIPTION	PROJ-150-2652-C-3BR2BA	PROJECT NUMBER	PROJ-150	DESIGNED BY:	J. ALLEN	DATE:	11-06-00	SHEET NO. 6
	TITLE	HVAC LAYOUT 1ST & 2ND FLOOR "MODULE A & B"		FILE NAME:	PROJ-150	SCALE:	3/16"=1'-0"	REVISED:	



4x10 MINIMUM



Mid-Atlantic Building Systems, Inc.
 967 NC Hwy 211 East
 P.O. Box 699
 Candor, NC 27229

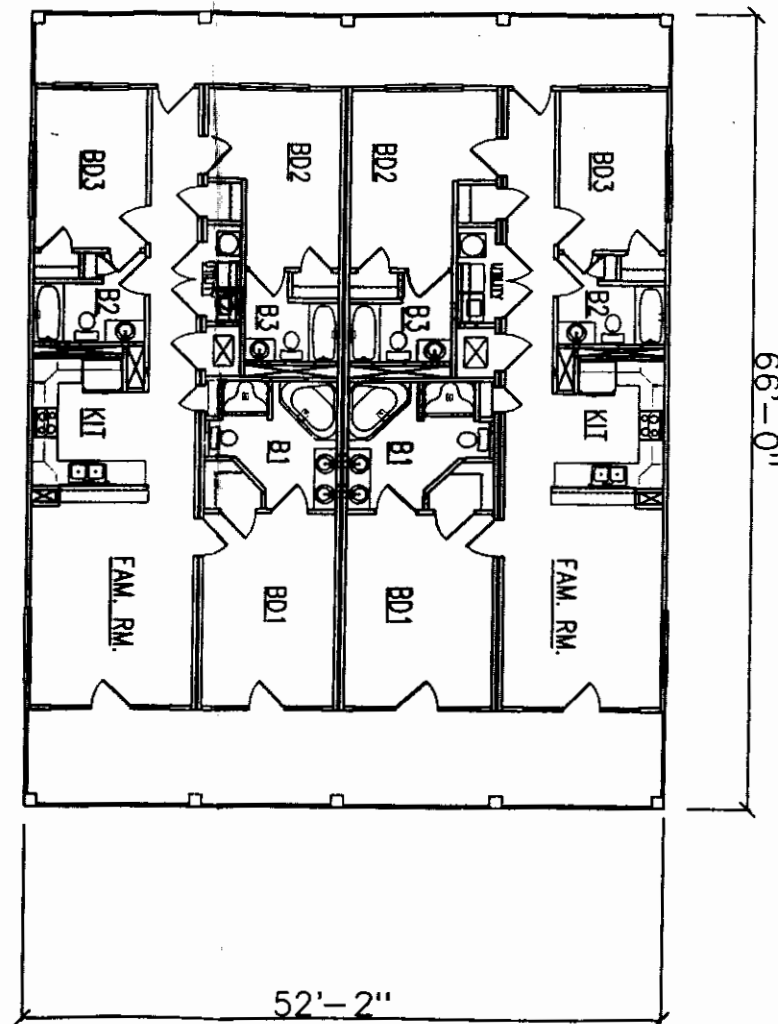
DESCRIPTION TITLE: HVAC LAYOUT: TYPICAL 3RD FLOOR "MODULE A & B"	PROJECT NUMBER: PROJ-150-2652-C-3BR2BA	DESIGNED BY: J. ALLEN	DATE: 11-06-00	SHEET NO. 6.1
	FILE NAME: PROJ-150	SCALE: 3/16" = 1'-0"	REVISED: X	

EXHIBIT "D"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

BUILDING FLOOR PLANS


3RD FLOOR UNIT LAYOUT "E-F"	UNIT "E"	UNIT "F"
2ND FLOOR UNIT LAYOUT "C-D"	UNIT "C"	UNIT "D"
1ST FLOOR UNIT LAYOUT "A-B"	UNIT "A"	UNIT "B"



6 UNIT CONDOMINIUM FLOOR PLAN LAYOUT

2,712.6 SQ.FT.

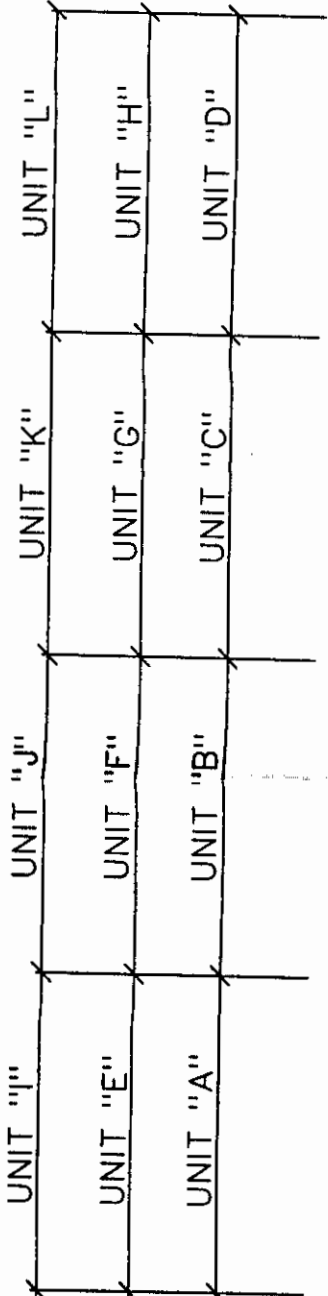


 Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Candor, NC 27229	DESCRIPTION: PROJ- 150-2652-C-3BR3BA	PROJECT NUMBER: 150	DESIGNED BY: T.SOLTREN	DATE: 10-25-00	SHEET NO. 2.1
	TITLE: 6 UNIT CONDOMINIUM FLOOR PLAN LAYOUT	FILE NAME: PROJ- 150	SCALE: 1/16"=1'-0"	REVISED: -	

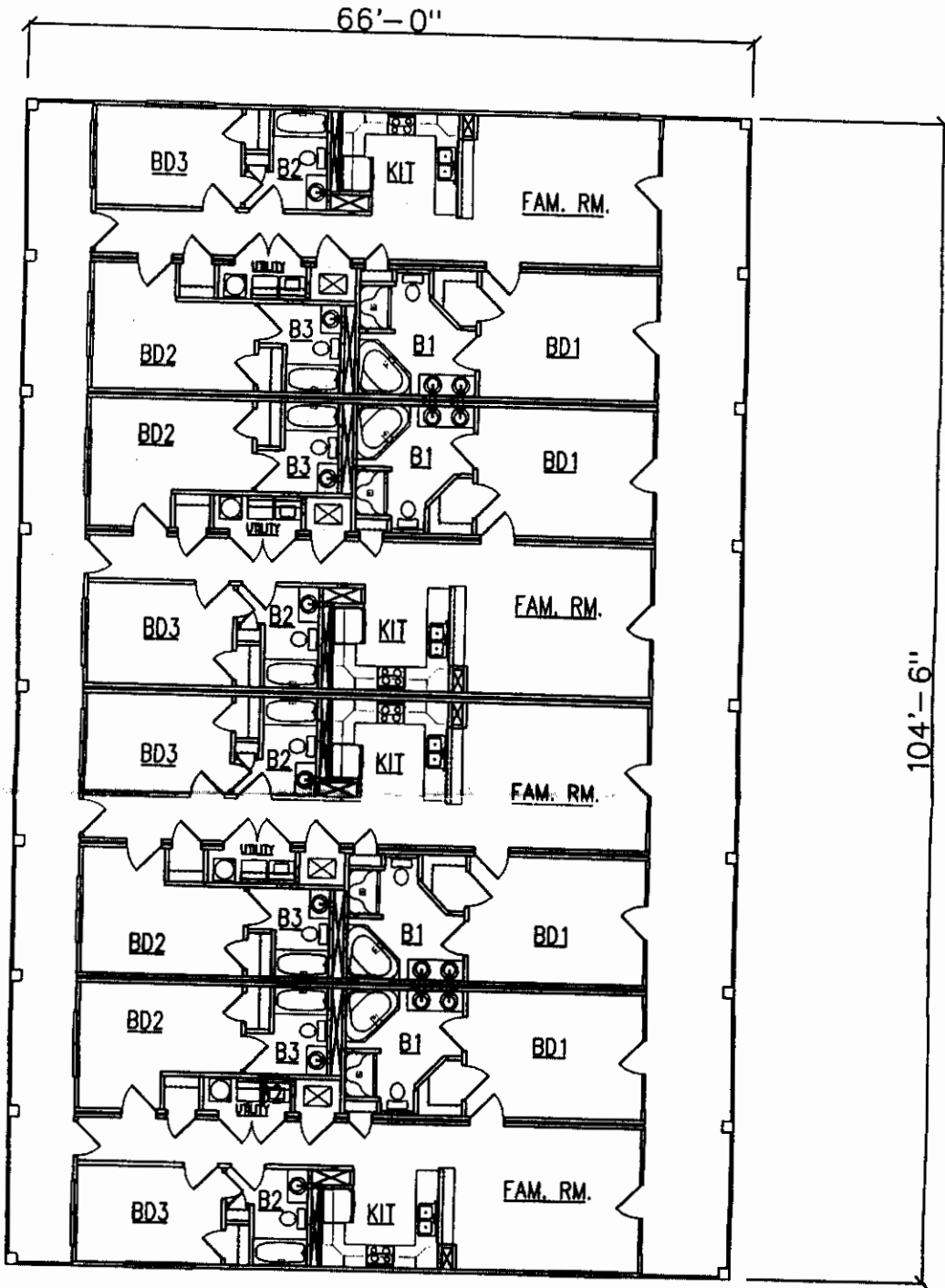
3RD FLOOR UNIT LAYOUT 'I-L'

2ND FLOOR UNIT LAYOUT 'E-H'

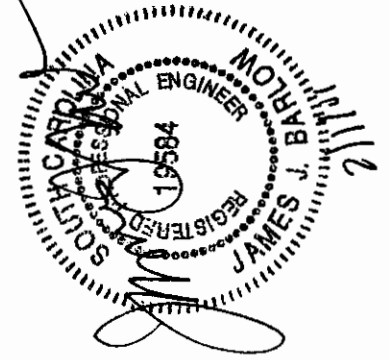
1ST FLOOR UNIT LAYOUT 'A-D'



BK L 409PG 115



12 UNIT CONDOMINIUM FLOOR PLAN LAYOUT
5,434 SQ. FT




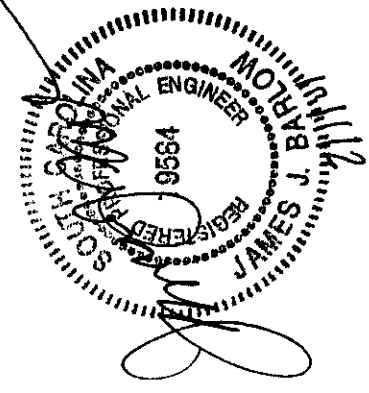
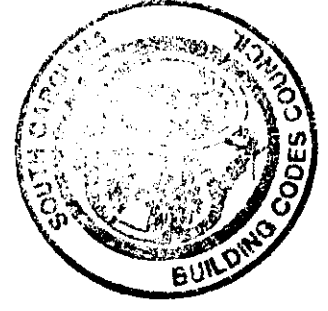
	Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Concord, NC 27229	DESCRIPTION PROJ-150-2652-C-3BR3BA TITLE 12 UNIT CONDOMINIUM FLOOR PLAN LAYOUT	PROJECT NUMBER 150	DESIGNED BY: T. SOL TREN	DATE: 10-25-00	SHEET NO. 2.2
			FILE NAME: PROJ-150	SCALE: 1/16" = 1'-0"	REVISED: -	

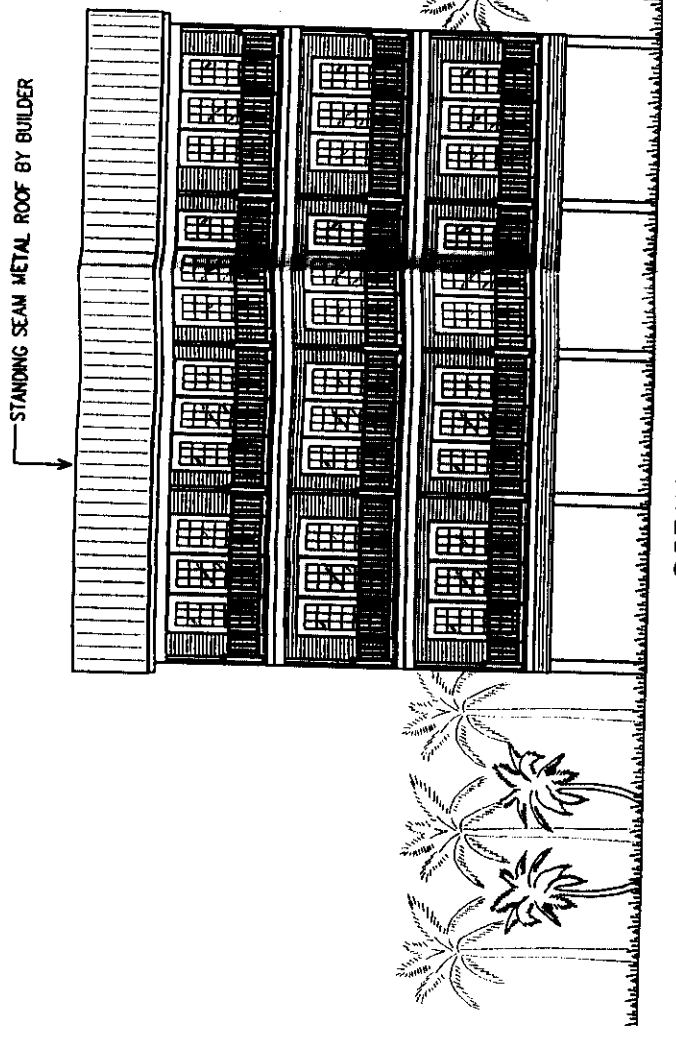
EXHIBIT "E"

PAVILION WATCH HORIZONTAL PROPERTY REGIME
ELEVATIONS

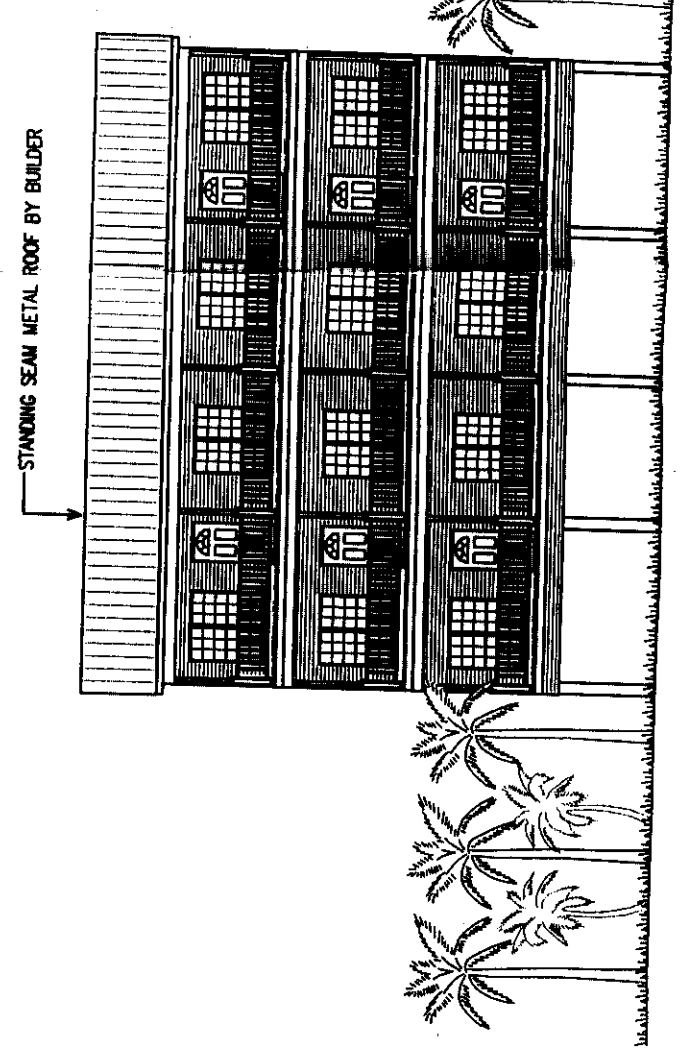
BK L 409PG117



NOTE:
DECK & WALKWAY COVERING,
COLUMNS, & RAILS ON-SITE
BY BUILDER.



OCEAN FRONT ELEVATION (6 UNIT)



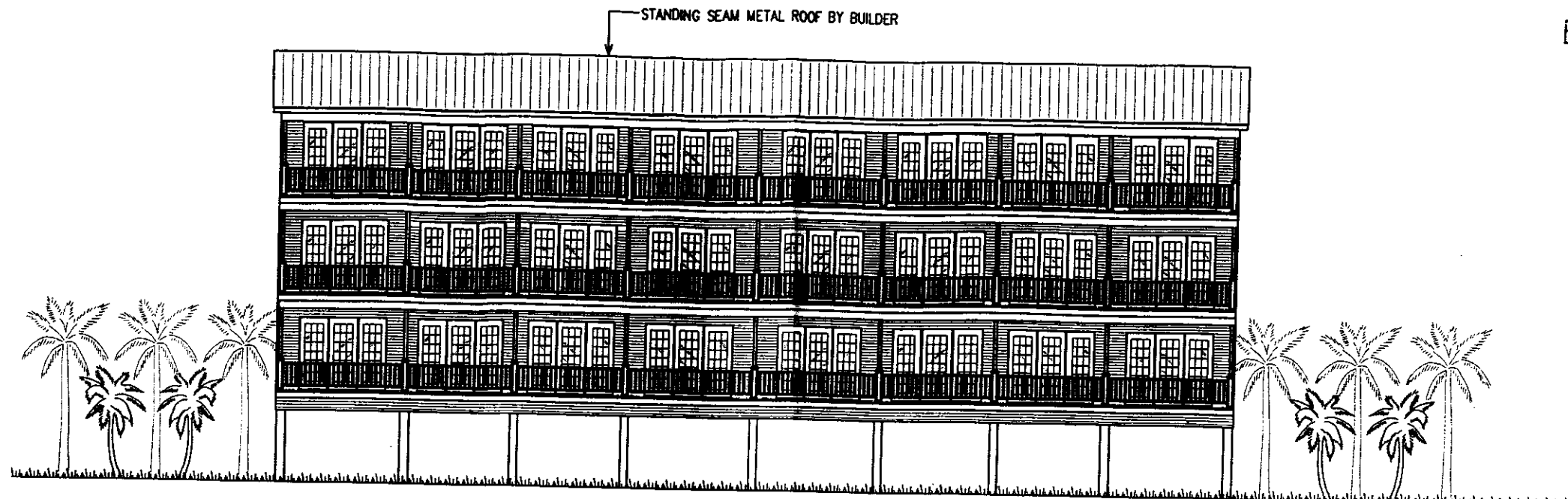
REAR ELEVATION (6 UNIT)

5. Sprinkler system to be installed at all levels designed by others in accordance w/ standards listed in 1997 SBC 903.2

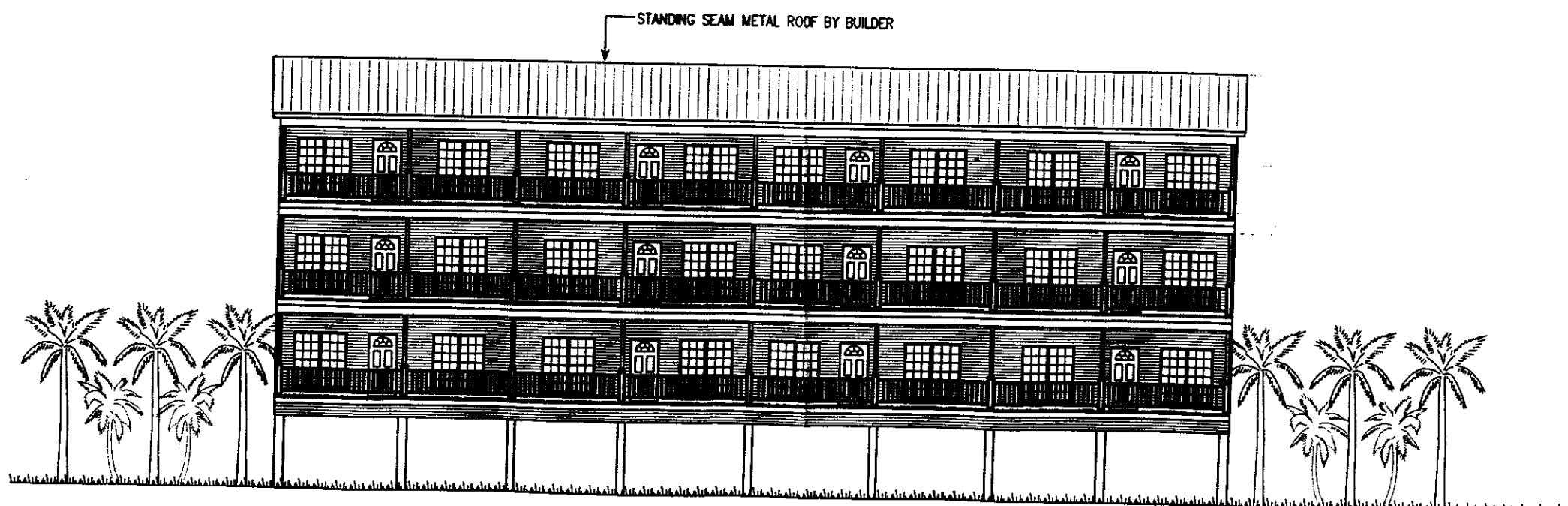
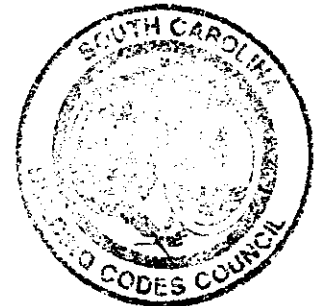
- NOTES:**
- FOR SAFETY GLAZING REQUIREMENTS, REFERENCE FLOOR PLAN.
 - ROOF VENTILATION: 50% TO 80% OF THE REQUIRED VENTILATION PROVIDED THRU CONTINUOUS RIDGE VENT AT PEAK WITH THE BALANCE OF THE REQUIRED VENTILATION PROVIDED THRU VENTILATED SOFFIT AT EAVES.
REQUIRED VENTILATION: $(52 \times 52.16) / 300 = 9.04$ SQ. FT.
 - FOR EXTERIOR MATERIALS, REFERENCE CROSS-SECTION.
 - ALL GABLE END SIDING, SOFFIT, & FASCIA MATERIAL SUPPLIED BY M.A.B.S. INC. INSTALLED PER MANUFACTURER'S SPECIFICATIONS.

Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Concord, NC 27229	DESCRIPTION	PROJECT NUMBER:	DESIGNED BY:	DATE:	SHEET NO.
	TITLE	PROJ-150-2652-C-3BR2BA	L.SOLTREN	1-18-01	1
		FILE NAME:	SCALE:	REVISED:	
		PROJ-150	1/16" = 1'-0"		

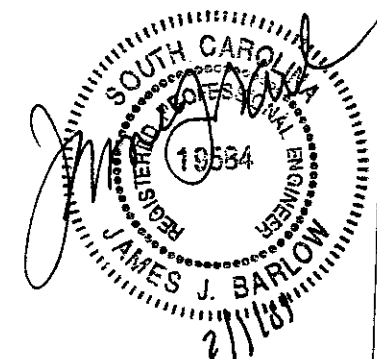
BK L 409PG118



OCEAN FRONT ELEVATION (12 UNIT)



REAR ELEVATION (12 UNIT)




NOTES:

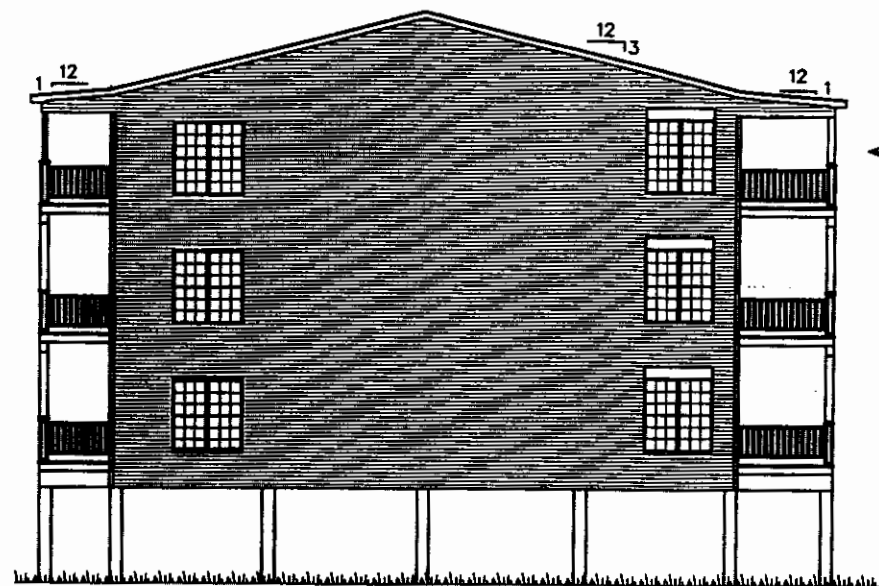
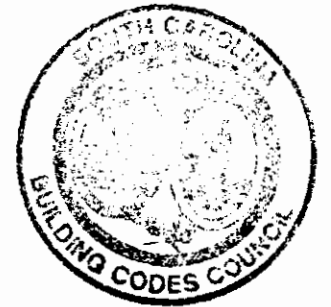
1. FOR SAFETY GLAZING REQUIREMENTS, REFERENCE FLOOR PLAN.
2. ROOF VENTILATION: 50% TO 80% OF THE REQUIRED VENTILATION PROVIDED THRU CONTINUOUS RIDGE VENT AT PEAK WITH THE BALANCE OF THE REQUIRED VENTILATION PROVIDED THRU VENTILATED SOFFIT AT EAVES.
REQUIRED VENTILATION: $[52 \times 104.5]/300 = 18.1$ SQ. FT.
3. FOR EXTERIOR MATERIALS, REFERENCE CROSS-SECTION.
4. ALL GABLE END SIDING, SOFFIT, & FASCIA MATERIAL SUPPLIED BY M.A.B.S. INC. INSTALLED PER MANUFACTURER'S SPECIFICATIONS.

S. Sprinkler system to be installed at all levels - designed by others in accordance of standards listed in 1997 SBC 903.2

NOTE:
DECK & WALKWAY COVERING, COLUMNS, & RAILS ON-SITE BY BUILDER.

 <p>Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Condor, NC 27229</p>	DESCRIPTION	PROJECT NUMBER:	DESIGNED BY:	DATE:	SHEET NO. 1.1
	TITLE:	PROJ-150-2652-C-3BR2BA	T. SOLTREN	10-26-00	
	12 UNIT FRONT AND REAR ELEV. WITH 3/12 ROOF	FILE NAME:	SCALE:	REVISED:	
		PROJ-150	1/16"=1'-0"	-	

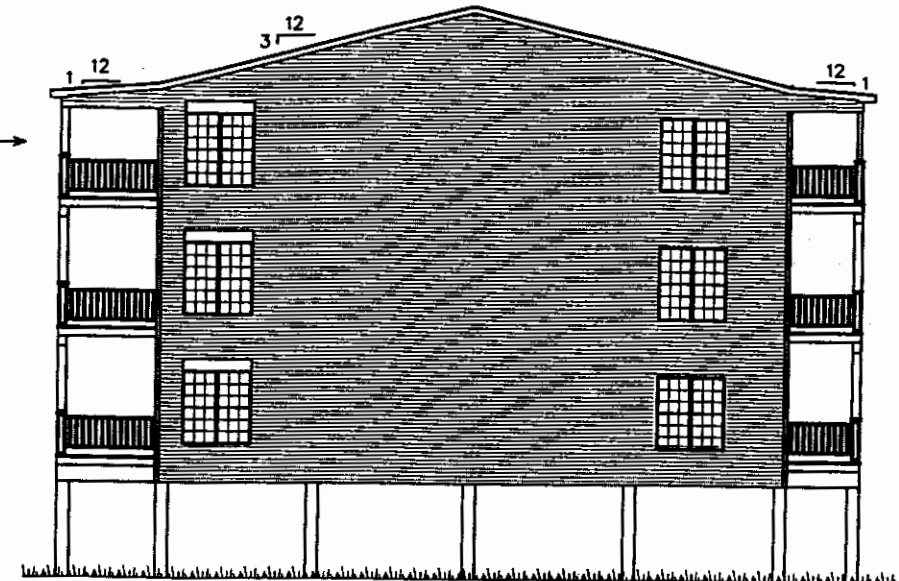
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LEFT SIDE ELEVATION

TYPICAL WITH MULTIPLE UNIT CONDOMINIUM LAYOUTS

OPTIONAL WINDOWS
ON END UNITS SHOWN



RIGHT SIDE ELEVATION

TYPICAL WITH MULTIPLE UNIT CONDOMINIUM LAYOUTS



NOTE:
DECK & WALKWAY COVERING,
COLUMNS, & RAILS ON-SITE
BY BUILDER.


 Mid-Atlantic Building Systems, Inc. 967 NC Hwy 211 East P.O. Box 699 Candor, NC 27229	DESCRIPTION: PROJ-150-2652-C-3BR2BA	PROJECT NUMBER: PROJ-150	DESIGNED BY: T.SOLTREN	DATE: 1-18-01	SHEET NO. 1.2
	TITLE: SIDE ELEVATIONS WITH 3/12 ROOF PITCH	FILE NAME: PROJ-150	SCALE: 1/16"=1'-0"	REVISED: -	

EXHIBIT "F"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

UNIT SIZES AND DESIGNATIONS

BUILDING 1

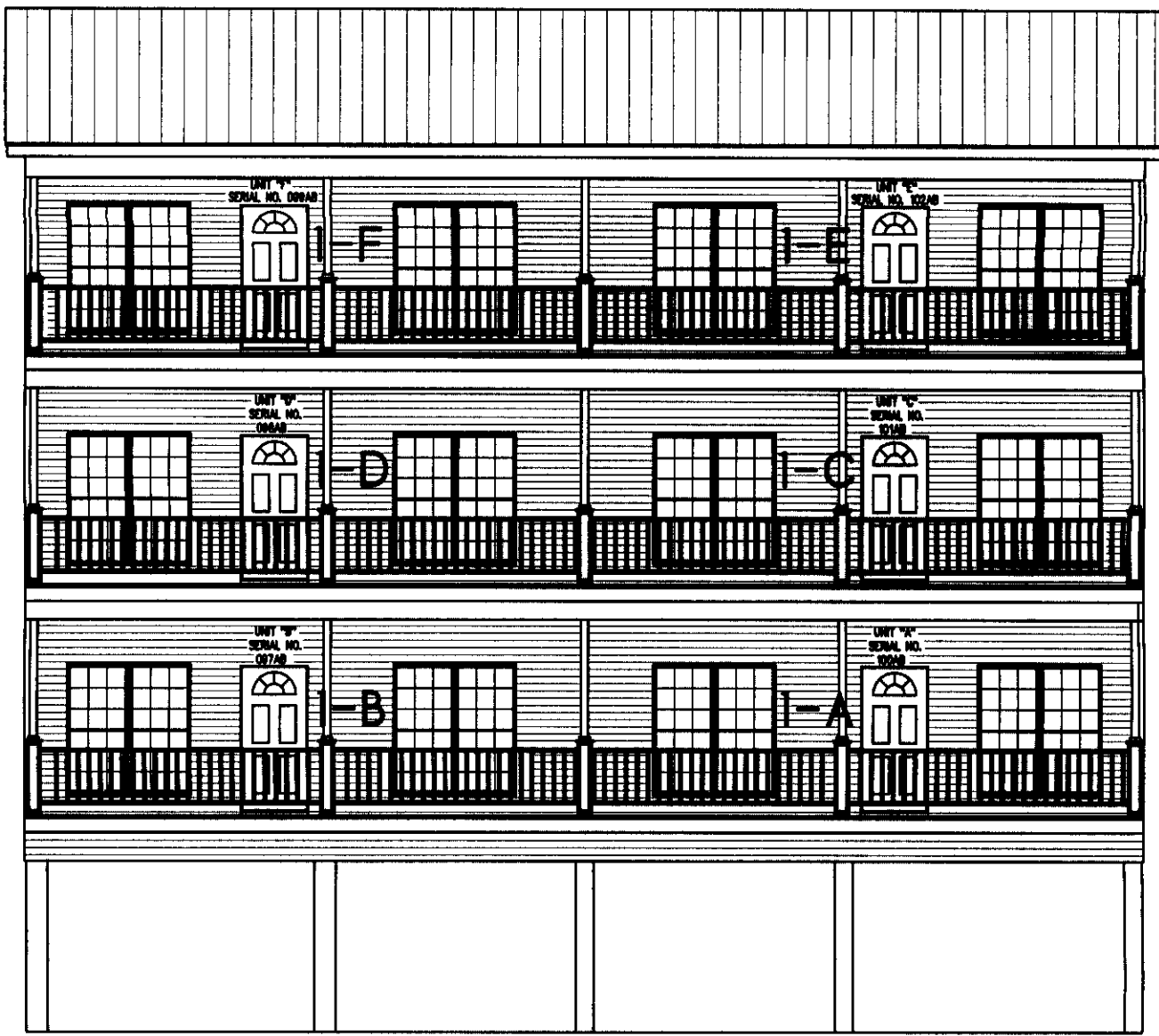
<u>Number of Units</u>	<u>Size and Designation</u>
6	1,352 square feet each unit (air conditioned) 208 square foot privacy deck, assigned as a Limited Common Area for each Unit; Three bedroom/Three bath Units, being Units 1-A and 1-B (first floor) 1-C and 1-D (second floor) 1-E and 1-F (third floor)
6 Total Units	

BUILDING 2

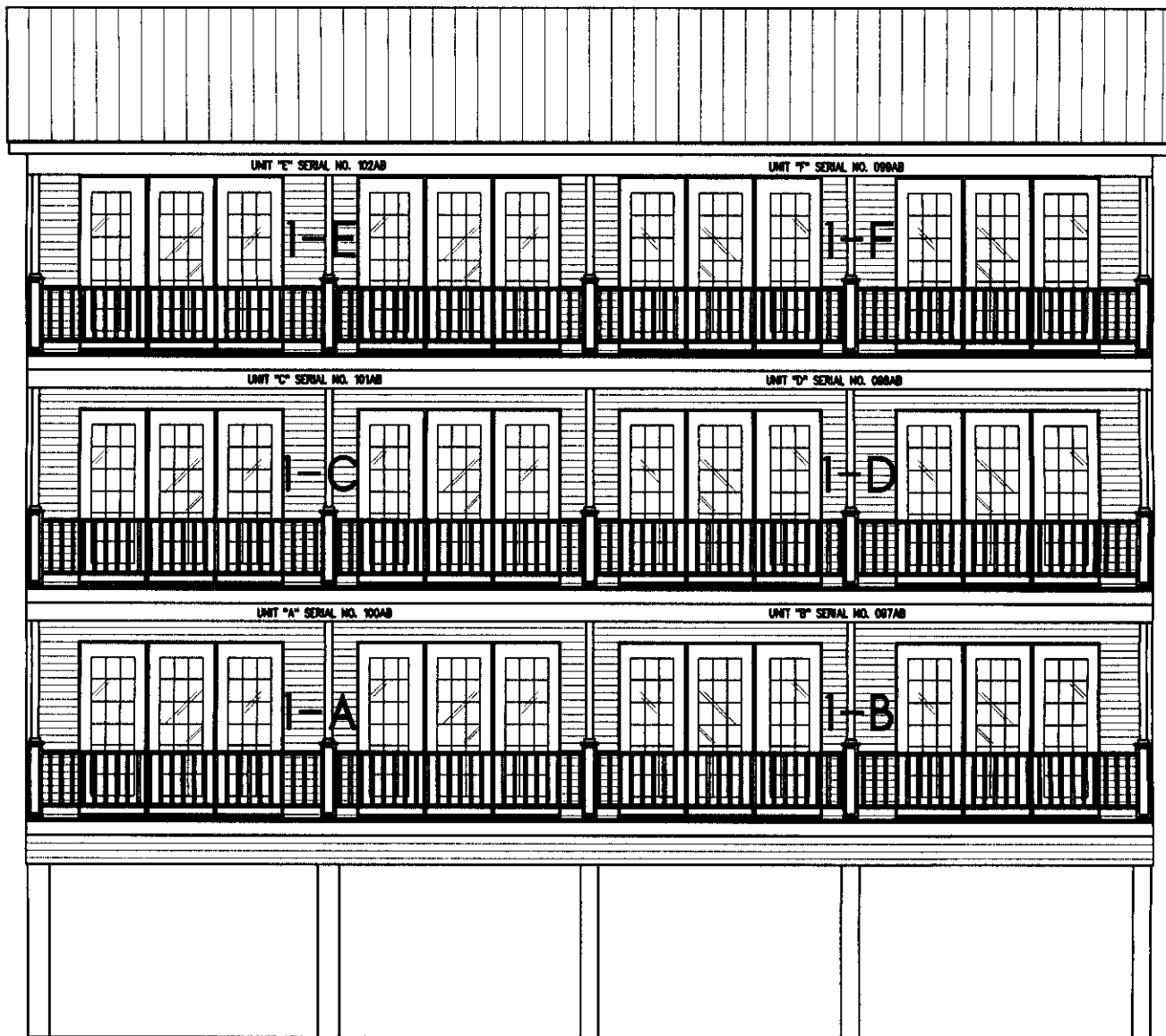
<u>Number of Units</u>	<u>Size and Designation</u>
12	1,352 square feet each unit (air conditioned) 208 square foot privacy deck, assigned as a Limited Common Area for each Unit; Three bedroom/Three bath Units, being Units 2-A, 2-B, 2-C and 2-D (first floor) 2-E, 2-F, 2-G and 2-H (second floor) 2-I, 2-J, 2-K and 2-L (third floor)
12 Total Units	

BUILDING 3

<u>Number of Units</u>	<u>Size and Designations</u>
12	1,352 square feet each unit (air conditioned) 208 square foot privacy deck, assigned as a Limited Common Area for each Unit; Three bedroom/Three Bath Units, being Units 3-A, 3-B, 3-C and 3-D (first floor) 3-E, 3-F, 3-G and 3-H (second floor) 3-I, 3-J, 3-K and 3-L (third floor)
12 Total Units	

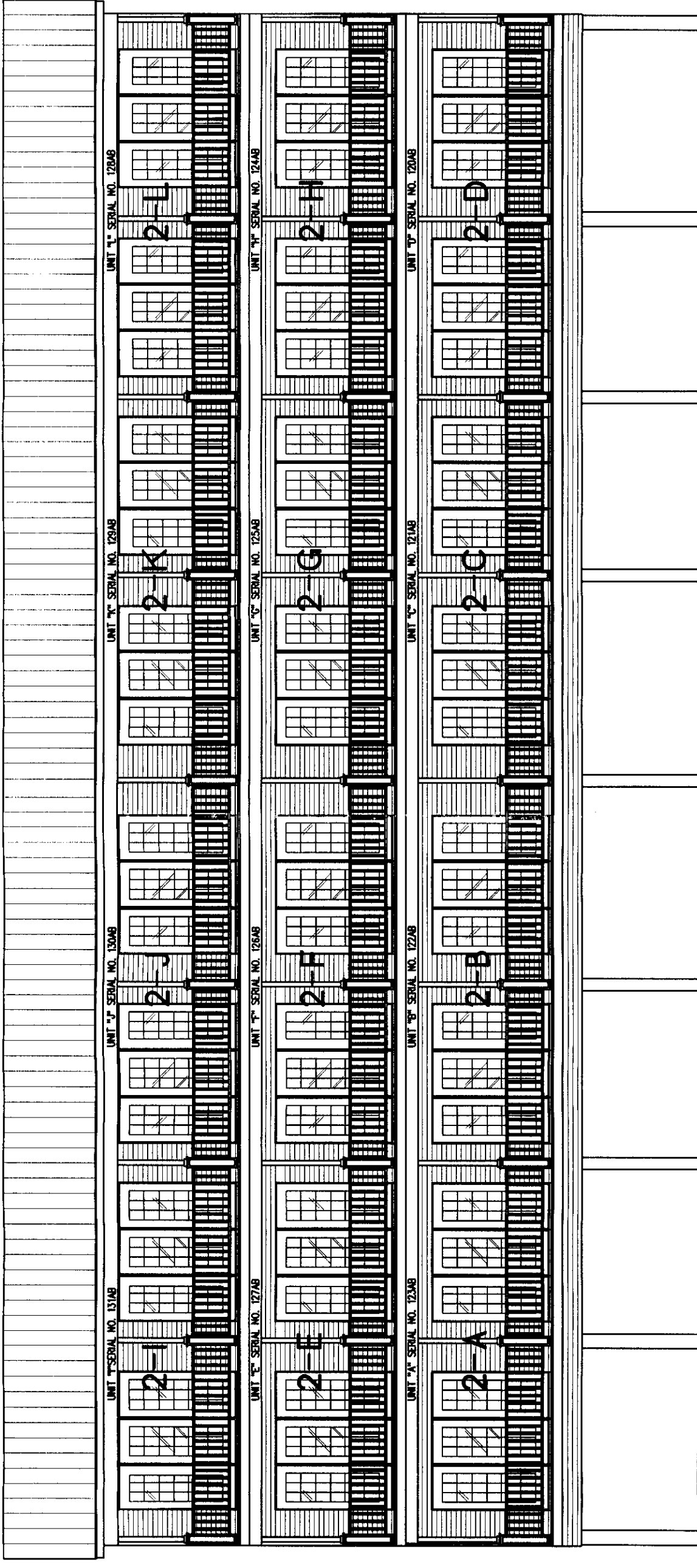


PROJ-150 REAR ELEVATION (6 UNIT)
 BUILDING #1
 PAVILION WATCH HORIZONTAL
 PROPERTY REGIME

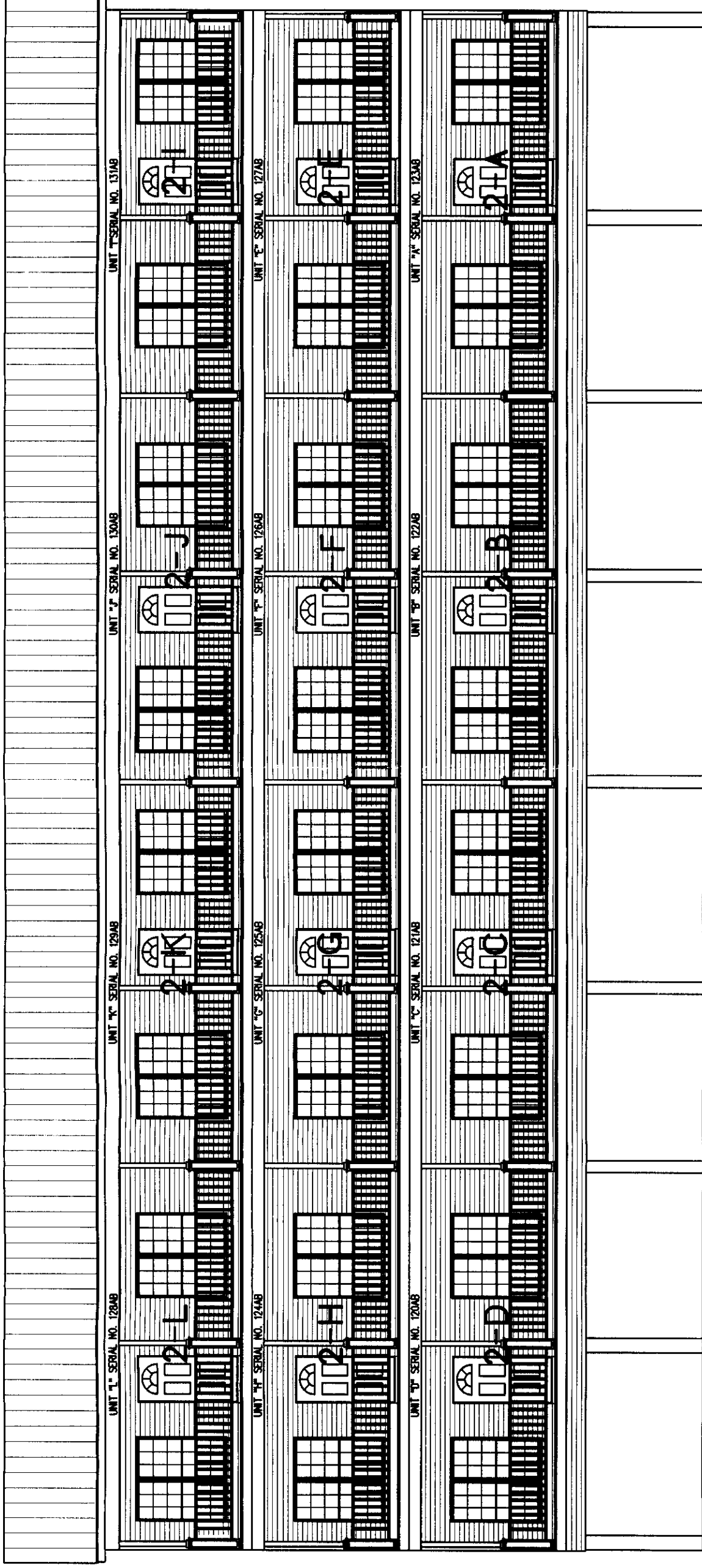


PROJ-150 OCEAN FRONT ELEVATION (6 UNIT)
 BUILDING #1
 PAVILION WATCH HORIZONTAL
 PROPERTY REGIME

BK L 409PG121



PROJ-150ALT OCEAN FRONT ELEVATION (12 UNIT)
BUILDING #2
PAVILION WATCH HORIZONTAL
PROPERTY REGIME

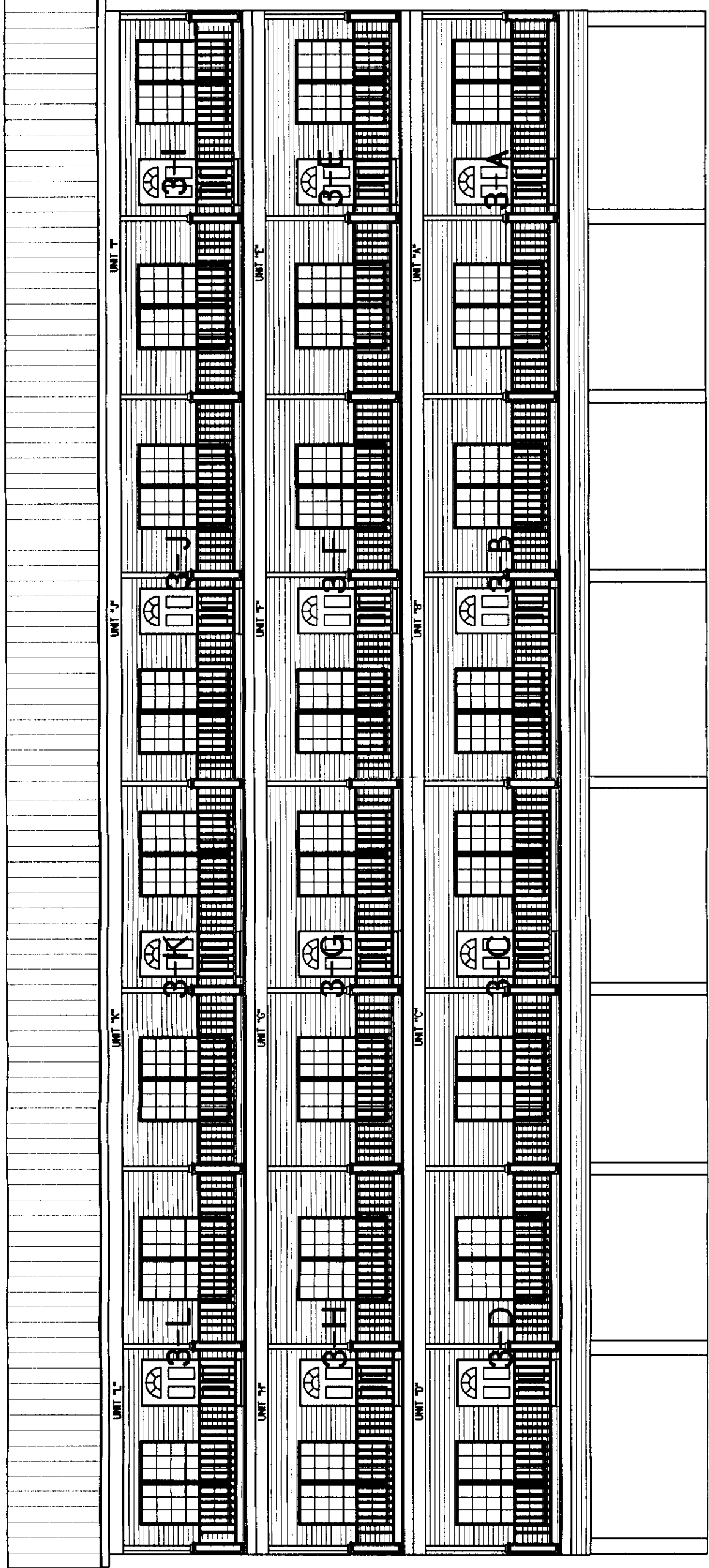


PROJ-150ALT REAR ELEVATION (12 UNIT)

BUILDING #2
PAVILION WATCH HORIZONTAL
PROPERTY REGIME



PROJ-150ALT OCEAN FRONT ELEVATION (12 UNIT)
BUILDING #3
PAVILION WATCH HORIZONTAL
PROPERTY REGIME



PROJ-150ALT REAR ELEVATION (12 UNIT)

BUILDING #3
PAVILION WATCH HORIZONTAL
PROPERTY REGIME

EXHIBIT "G"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

PERCENTAGES OF COMMON INTERESTS

<u>UNITS</u>	<u>*VALUE EACH</u>	<u>UNDIVIDED % INTEREST</u> <u>IN COMMON AREA</u>
1-A	\$380,000.00	3.36
1-B	380,000.00	3.36
1-C	390,000.00	3.45
1-D	390,000.00	3.45
1-E	400,000.00	3.54
1-F	400,000.00	3.54
2-A	380,000.00	3.36
2-B	380,000.00	3.36
2-C	380,000.00	3.36
2-D	380,000.00	3.36
2-E	390,000.00	3.45
2-F	390,000.00	3.45
2-G	390,000.00	3.45
2-H	390,000.00	3.45
2-I	400,000.00	3.54
2-J	400,000.00	3.54
2-K	400,000.00	3.54
2-L	400,000.00	3.54
3-A	380,000.00	3.36
3-B	380,000.00	3.36
3-C	380,000.00	3.36
3-D	380,000.00	3.36
3-E	390,000.00	3.45
3-F	390,000.00	3.45
3-G	390,000.00	3.45
3-H	390,000.00	3.45
3-I	400,000.00	3.54
3-J	400,000.00	3.54
3-K	400,000.00	3.54
3-L	400,000.00	3.54

TOTALS: \$11,300,000.00

*These values are fixed for the sole purposes of complying with the Act and do not necessarily reflect the market value, appraised value or any other value of the Unit or the Property. These assigned values shall in no way inhibit or restrict any owner of a Unit from fixing a different circumstantial value or sales price to his, her or its Unit in all types of acts or contracts.

EXHIBIT "H"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

RULES AND REGULATIONS

RULES AND REGULATIONS
PAVILION WATCH OWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

(a)	<u>Residential and Business Usage</u>	1
(b)	<u>Prohibited Uses</u>	1
(c)	<u>Owner Responsible for Conduct of Others in Unit</u>	2
(d)	<u>Access to Pavilion Watch</u>	2
(e)	<u>Access to Amenities</u>	2
(f)	<u>Obeying Laws</u>	2
(g)	<u>Pets</u>	2
(h)	<u>Signs and Antennas</u>	3
(i)	<u>Approval of External or Structural Modifications</u>	3
(j)	<u>Trash</u>	4
(k)	<u>Obstruction of Common Areas</u>	4
(l)	<u>Parking and Vehicles</u>	4
(m)	<u>Firearms and Fireworks</u>	5
(n)	<u>Swimming Pool Rules</u>	5
(o)	<u>Solicitations</u>	6
(p)	<u>Hanging of Clothing and Railings or Decks</u>	6
(q)	<u>Waiver of Violations by Board</u>	6
(r)	<u>Fines for Violations</u>	6

In order to create a congenial, safe and dignified living atmosphere which is respectful of the concerns of Pavilion Watch Owners, these Rules and Regulations have been adopted. These Rules and Regulations supplement the Master Deed of the Regime and the Bylaws of the Association. They apply to Owners and their families, tenants, guests, agents, invitees, contractors, employees and others.

(a) Residential and Business Usage. All Units shall be utilized for single family residential purposes only. No business or business activity shall be carried on upon any Unit at any time; provided, however, that (i) nothing herein shall prevent Declarant or its designee, or any entity approved by the Board of Directors, from using any Unit owned by Declarant or leased by Declarant from carrying on business related to the development, sale, leasing, or management of the Property and (ii) to the extent allowed by applicable zoning laws, a private office may be maintained in a Unit as long as such use is incidental to the primary residential use of the Unit, does not violate any applicable law, does not involve any exterior signage or advertising of the Unit as a place of business, and does not contribute to parking, traffic or security problems, all in the opinion of the Board of Directors.

(b) Prohibited Uses. A Unit Owner shall not permit or suffer anything to be done or kept in his Unit which will, in the sole

opinion of the Board of Directors, (i) increase the insurance rates on his Unit or the Common Area, (ii) obstruct or interfere with the rights of other Unit Owners, or the Association or (iii) annoy other Unit Owners by unreasonable noises or otherwise. A Unit Owner shall not commit or permit any nuisance, immoral, improper, offensive or illegal act in his Unit or on the Common Area.

(c) Owners Responsible for Conduct of Others in Unit. Each Unit Owner shall be deemed responsible to the Association for the conduct of members of his household and his tenants, agents, invitees, guests, and pets while on Pavilion Watch property, but the responsibility of the Unit Owner shall not relieve any member of his household or any of his tenants, agents, invitees, or guests from any liability to the Association or to a Unit Owner for their own acts.

(d) Access to Pavilion Watch. Access to Pavilion Watch property for Personal guests or invitees may be authorized by Unit Owners, Unit tenants and immediate family members of such Owners or tenants and who are age 18 or older. All access is subject to these Rules and Regulations. Personal guests and invitees may not authorize access for others unless approved by the Board of Directors or any management agent for Pavilion Watch. Only Persons with proper authorization may remain on Pavilion Watch. Any guest or invitee may be required to provide the management agent, the Board of Directors, or law enforcement officials with proper identification and the name and telephone number of the Person who authorized his access.

(e) Access to Amenities. Access to Pavilion Watch amenities, such as the pool and dock area, is limited to Unit Owners, Unit tenants, immediate family members of such Owners or tenants, and Personal guests who are accompanied by a Unit Owner, tenant or immediate family member of such Owner or tenant.

(f) Obeying Laws. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property shall be observed.

(g) Pets. A Unit Owner may keep a domestic pet in his Unit under the regulations promulgated by the Association from time to time. A Unit Owner may not keep any other animals, livestock or poultry, nor may any of the same be raised, bred, or kept upon any portion of the Property, including any balcony or patio. All pets shall be housed within the Unit. Pets must not constitute a nuisance or cause unsanitary conditions. Incessant barking or howling of a dog which is clearly audible in another Unit shall be a nuisance, unless otherwise expressly determined by the Board of

Directors. No pet shall be permitted to leave its excrement on any portion of the Common Areas or Area of Common Responsibility or the Unit of another Owner and any owner of such pet shall immediately remove the same. The Board of Directors shall have the right to determine, in its sole discretion, whether a particular pet meets the criteria set forth above, and, if not, it may require the owner of the pet to remove such pet from the Property.

(h) Signs and Antennas. Unless otherwise expressly permitted in writing by the Board of Directors, an Owner (i) shall place no sign, advertisement or notice on the Common Area, Limited Common Area, or his Unit, and (ii) shall erect no antennas or aerials upon any part of his Unit or the Common Area which is visible from another Unit or the Common Area.

(i) Approval of External or Structural Modifications.

(1) Unless otherwise expressly permitted in writing by the Board of Directors, no modification of a Unit or Limited Common Area which would be visible from any other Unit or any portion of the Common Area, and no modification of a structural element of a Unit or the Common Area, shall be permitted until two (2) sets of plans showing the nature, shape, dimensions, materials, color and location thereof have been submitted to and approved by the Board of Directors or its designee.

(2) The Board of Directors or its designee shall have four (4) calendar weeks from receipt of all required information to review the submitted information. It may approve, reject or modify the proposed plans based on its perception of the consistency and harmony of the plans with the Master Deed, the design of Pavilion Watch, and other practical and aesthetic factors deemed appropriate by the Board of Directors. Other Owners shall be given the opportunity to examine such plans upon prior written request during reasonable business hours at a location identified by the Board of Directors. If notice of approval, disapproval, proposed modification or request for additional information is not received by the submitting Owner within such four (4) calendar week period, the plans shall be deemed approved.

(3) Compliance with the above procedures is not a substitute for compliance with other applicable building, zoning, subdivision and development standards, ordinances and codes. The Association and Board of Directors shall not be responsible for any defects in any plans or

specifications approved by the Board of Directors, nor for any structural defects in any work done according to such plans and specifications. Further, neither Declarant nor any member of the Board of Directors shall be liable for damages to anyone submitting plans or specifications for approval, or to any Person affected by a mistake of judgment, negligence or non-feasance arising out of, or in connection with, the approval or disapproval or failure to approve or disapprove any such plans or specifications.

(j) Trash. Trash, garbage or other waste shall be placed in dumpsters at times and places designated by the Board of Directors. Except when moving household garbage or waste to the dumpsters or other designated pickup areas, it shall be kept in closed, sanitary containers inside the Unit. No trash, garbage or other waste shall be left on decks or porches or in Common Areas not expressly intended for such storage. All biodegradable garbage shall be placed in a sealed plastic bag before placing it in the dumpster.

(k) Obstruction of Common Area. Unless otherwise expressly approved by the Board of Directors, corridors, stairs, roads and common avenues of ingress and egress shall be used for no purpose other than normal transit through them. No Owner or agent, servant, tenant, family member or invitees of an Owner shall park any vehicle or place or cause to be placed any vehicle in the roads and common avenues, or encumber any corridors or stairs with furniture, packages or obstructions of any kind.

(l) Parking and Vehicles. Unless expressly approved by the Board of Directors or the management agent:

(1) the Owner(s) or tenants of a Unit and their guests or invitees may not occupy more than two (2) parking spaces, except that guests may park in areas designated for guest parking;

(2) no parking shall be permitted on streets or driveways unless clearly marked as parking spaces;

(3) no boat, boat trailer or unlicensed, unsafe or inoperable vehicle may be parked on the property;

(4) no house trailer, mobile home, or bus, and no recreational motor vehicle, truck or commercial vehicle over 3/4 ton capacity shall be parked on the property; provided that such vehicles which will fit into a designated parking space shall be permitted on the

property for loading, unloading or maintenance services during normal business hours;

(5) no washing of vehicles is permitted on the Common Area and vehicle repairs shall be limited to minor emergency repairs, such as a dead battery or flat tire.

(6) vehicles violating these Rules may be towed at the sole cost and risk of the Person violating the Rule.

(m) Firearms and Fireworks. The use of firearms, pellet or air guns, and bows and arrows is prohibited on Pavilion Watch property. Fireworks are permitted only if expressly approved by the Board of Directors and if performed in a safe manner under the supervision of an adult.

(n) Swimming Pool Rules. The following pool rules apply:

(1) There is no lifeguard on duty. Swim at your own risk. No children under the age of 13 are allowed in the pool area unless accompanied by an adult.

(2) Pool hours are between 6:30 A.M. until 10:00 P.M. Persons in the pool at other hours may be requested to leave. The pool may be closed periodically for maintenance, in which event notice of closure shall be posted.

(3) Health and safety rules posted in the pool area shall be observed.

(4) Any Owner, resident or guest who wishes to use the pool area for a group function or party consisting of more than eight (8) people must obtain written permission from the Board of Directors or the management agent. Written permission will be granted on a first-come, first-serve basis except where permission is requested for a series of functions, in which case the Board of Directors or management agent reserves the right to determine the appropriate usage. At any function, the Person hosting the party shall (i) be responsible for cleaning up before departure, (ii) be responsible for the conduct of their guests, and (iii) be in attendance at all times.

(5) Unless expressly approved by the Board of Directors, approval of a pool party shall not result in excluding

other authorized Persons from using the pool in the normal manner.

(6) No pets are authorized in the enclosed pool area. Pets shall not be tied or left unattended in common areas while using the pool.

(7) Except at approved functions, food is permitted only in any designated areas. No glass containers are allowed in the enclosed pool area.

(8) No radios, cassette or compact disk players, phonographs, etc., are allowed in the pool area unless a headphone is used. Live entertainment is permitted only as part of an approved function and only if expressly approved.

(9) Inflatable or floating paraphernalia are not permitted in the pool except as swimming aids.

(o) Solicitations. Persons soliciting contributions or the purchase of goods or services, and Persons seeking to distribute materials, brochures or information shall not be allowed access to Pavilion Watch property unless (1) expressly required by law or the Board of Directors or (2) expressly invited, by name, as a guest of a specific Unit Owner or tenant, in which event the Person invited shall limit their solicitation to the Person(s) expressly inviting them.

(p) Hanging of Clothing on Railings or Decks. Beach towels, bathing suits, clothing, etc., shall not be hung on decks and railings so as to be visible to a Person in any other Unit or anywhere on Pavilion Watch property.

(q) Waiver of Violations by Board. The Board of Directors may, for good cause, as determined in its sole discretion, waive violations of these use provisions or other rules and regulations promulgated from time to time. Such waiver shall be in writing.

(r) Fines for Violations. Without waiver of any other rights which the Association and any Owner may have under the Master Deed or applicable law, the Board of Directors may impose a fine of up to \$100 for each violation of these Rules and Regulations. Payment of the fine may be enforced in the same manner as any other Assessment.

EXHIBIT "I"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

ARTICLES OF INCORPORATION
FOR

PAVILION WATCH OWNERS ASSOCIATION, INC.

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION**

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is Pavilion Watch Owners Association, Inc.
2. The initial registered office of the nonprofit corporation is 125 Leader Drive
Street Address
Piedmont Greenville SC 29673
City County State Zip Code

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

Gary L. Benjamin

Print Name

I hereby consent to the appointment as registered agent of the corporation.


Agent's Signature

3. Check "a", "b", or "c" whichever is applicable. Check only one box:
- a. The nonprofit corporation is a public benefit corporation.
- b. The nonprofit corporation is a religious corporation.
- c. The nonprofit corporation is a mutual benefit corporation.
4. Check "a" or "b", whichever is applicable:
- a. This corporation will have members.
- b. This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is
- 125 Leader Drive Piedmont Greenville SC 29673
Street Address City County State Zip Code
6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.
- a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated

Pavilion Watch Owners Association, Inc.

Name of Corporation

exclusively for such purposes.

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

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

- a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.
- b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form)
The corporation is organized for the purpose of administering Pavilion Watch Horizontal Property

Regime located at Folly Beach, South Carolina.

9. The name and address of each incorporator is as follows (only one is required)

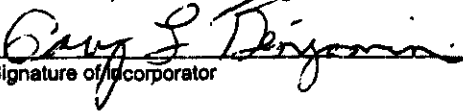
Gary L. Benjamin 125 Leader Drive, Piedmont, SC 29673

Name	Address	Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

Name (Only if named in articles)	Signature of director
Name (Only if named in articles)	Signature of director
Name (Only if named in articles)	Signature of director

11. Each incorporator must sign the articles.


Signature of incorporator

Signature of incorporator

Signature of incorporator

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk, which will allow for expansion of space on the form.
3. This form must be accompanied by the filing fee of \$25.00 payable to the "Secretary of State."

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211
4. If this organization is a Homeowners Association or a Political Association it must also be accompanied by the First Annual Report of Corporations and an additional \$25.00 fee is required.

NOTE

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THIS CORPORATE NAME ON OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARKS DIVISION OF THE SECRETARY OF STATE'S OFFICE AT (803) 734-1728.

EXHIBIT "J"

**PAVILION WATCH HORIZONTAL PROPERTY REGIME
BYLAWS**

BYLAWS
PAVILION WATCH OWNERS ASSOCIATION, INC.

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BYLAWS OF
PAVILION WATCH OWNERS ASSOCIATION, INC.

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act, the Board of Directors of Pavilion Watch Owners Association, Inc., a South Carolina nonprofit corporation, hereby adopts the following Bylaws for such Corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.1. Name. The name of the nonprofit corporation is "Pavilion Watch Owners Association, Inc.", hereinafter referred to as the "Association".

1.2. Offices. The principal offices of the Association shall be in Greenville County, South Carolina.

ARTICLES II
DEFINITIONS

2.1. Definition. Except as otherwise provided herein or required by the context hereof, all terms defined in the Master Deed of the Pavilion Watch Horizontal Property Regime (the "Master Deed") shall have the same defined meanings when used in these Bylaws.

ARTICLE III
MEMBERS

3.1. Members. Members shall be those Persons defined in Article IV, Section 2 of the Master Deed. As set forth in such section, a member shall have the right to cast the number of votes attributable to the Common Interest of all Units owned by such Member.

3.2. Annual and Regular Meetings. The first meeting of the Members shall be held within one (1) year from the date of recordation of the Master Deed. Subsequent annual meetings shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year, provided that the date for such annual meeting may be deferred by the Board of Directors. Other regular meetings of the Members, if any, shall be held on such dates as the Board of Directors may determine. Meetings may be held in South Carolina at such location as is determined by the Board of Directors.

3.3. Special Meetings. Special meetings of the Members may be called (a) by or at the request of the Board of Directors or the President or (b) if Members owning at least twenty five percent

(25%) of the total Common Interests (as defined in the Master Deed) deliver to the President or Secretary of the Association a written and signed demand for such a meeting describing the purpose for which it will be held. The close of business on the thirtieth (30th) day before delivery of the demand for a special meeting shall be the record date for determining whether the twenty five percent (25%) requirement has been met. The special meeting shall be held within thirty (30) days of the delivery of the written demand. Special meetings shall be held in South Carolina at such location as is determined by the President or the Board of Directors. The notice of the special meeting shall state the date, time, location and purpose(s) of the meeting. Only those matters that are within the purpose(s) described in the meeting notice shall be addressed at the special meeting.

3.4. Notice of Meetings. Notice to Members of meetings shall be in accordance with Section 10.1. Notice of meetings shall be mailed by first class or registered mail or Personally delivered no less than ten (10) and no more than sixty (60) days before the meeting date.

3.5. Waiver of Notice of Meeting. Attendance of a Member at a meeting shall be deemed waiver of notice of the meeting unless the Member objects at the beginning of the meeting to holding the meeting or transacting business at the meeting, and proper notice of the meeting was not given to the Member(s).

3.6. Quorum and Vote Required. The presence in Person or by proxy of Members owning at least fifty one percent (51%) of the total Common Interests (as defined in the Master Deed) shall constitute a quorum. In accordance with the Act, the vote of Members owning at least fifty one percent (51%) of the total Common Interests (as defined in the Master Deed) shall be required for any action which is determined by the Members.

3.7. Action by Written Ballot. Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written ballot, setting forth the proposed action and providing an opportunity to vote for or against such action, to every Member entitled to vote on the matter. Approval of such action shall be deemed to occur when the number of votes cast by ballot equals or exceeds those that would otherwise be required. Any solicitation for votes by a written ballot shall (a) state the number of responses required to meet the quorum requirements and the percentage of approvals necessary to approve the matter (other than election of directors) and (b) specify the time by which the ballot must be received by the Association in order to be counted.

3.8. Proxies. Votes may be cast in Person or by proxy at all meetings. The holder of a proxy need not be a Member. Unless otherwise stated in the proxy, the proxy is valid for a period of one (1) year from the date of the proxy. The proxy may be revoked if the Member attends the meeting and votes in Person or a written notice of revocation is delivered to the President or Secretary of the Association.

ARTICLE IV
BOARD OF DIRECTORS

4.1. General Powers. As set forth in Article IV, Section 3 of the Master Deed, the Property, affairs, and business of the Association shall be managed by its Board of Directors. The Board may exercise all of the powers of the Association, whether derived from law, the Master Deed, the Articles of Incorporation or the Bylaws, except such powers as are expressly vested in another Person by such sources. The Board, in addition to other powers, shall have authority to make decisions regarding the care, upkeep and surveillance of the Property, the Common Area and the Limited Common Area and to designate and dismiss Personnel as necessary for the proper functioning of such area. The Board may, by written contract, delegate, in whole or in part, to a Management Agent such of its duties, responsibilities, functions, and powers, or those of any officer, as are properly delegable. The Board shall constitute the final administrative authority of the Association, and all decisions of the Board shall be binding upon the Association.

4.2. Number, Tenure and Qualifications.

4.2.1. For so long as Declarant owns a Controlling Interest (see Article IV, Section 4 of the Master Deed), the Board of Directors shall consist of not less than three (3) nor more than five (5) individuals, as designated by Declarant from time-to-time. Such Directors need not be Members.

4.2.2. At such time as the Declarant no longer owns a Controlling Interest, or such earlier time as the Declarant records a document waiving its authority to designate the Board, the successor Board shall be selected as follows:

A. The successor Board shall consist of not less than three (3) nor more than five (5) Persons. Each Director shall be a Member or, if the Member is an organization, a Person approved or designated by such organization. The current Board of the Association shall constitute a nominating committee to nominate competent and responsible Persons to serve as Directors of the Association. The President or Secretary of the

Association shall cause written notice to be given, in accordance with Section 10.1, to all Members that a meeting shall be held at a designated time and place in Charleston County not earlier than seven (7) days after the date such notice is given for election of Directors. The notice shall contain the names of those Persons recommended by the nominating committee, but shall note that other nominations may be made by Members at the meeting.

B. At the meeting, and each subsequent election of Directors, each Member, Personally or by written proxy in form approved by the then existing Board, shall be entitled to cast all of the votes as are allocable to the Units owned by such Member. The number of votes allocable to each Unit shall be the same as the Common Interest allocable to such Unit as defined in the Master Deed.

C. After giving the Members (or proxy holders) attending such meeting the opportunity to nominate other Persons, with a second by another Member or proxy holder, the Directors shall be elected by written ballot. Each Member shall be authorized to vote for as many nominees as the number of Directors to be elected (i.e. if three Directors are being elected, then the Member may cast his votes for three nominees). Those nominees receiving the highest number of votes shall be the Directors.

D. In subsequent elections for Directors, the same procedure as set forth above shall be followed.

4.3. Annual and Regular Meetings The first meeting of the Board of Directors shall be held within one (1) year from the date of recordation of the Master Deed. Subsequent annual meetings shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year, provided that the date for such annual meeting may be deferred by the Board of Directors. Regular meetings of the Board of Directors shall be held on such dates as the Board of Directors may determine.

4.4. Special Meetings. Special meetings of the Board may be called by or at the request of two Directors, or if there are less than three Directors, then any Director. The Director(s) calling a special meeting of the Board may fix any place within Charleston County, South Carolina, (or such other place as is approved by all Directors) as the place for holding such a meeting. Except as otherwise required or permitted by the South Carolina Nonprofit Corporation Act, notice of any special meetings shall be given at

least two (2) days prior thereto. The notice shall state the date, time and place of the meeting, but it shall not be necessary to state the purpose. Notice shall be in accordance with Section 10.1, provided that notice may also be given by facsimile transmission if the Director giving such notice has provided a facsimile number to the Association and the sender retains a record of its electronic receipt.

4.5. Quorum, Telephonic Meetings and Manner of Acting. A majority of the number of Directors then holding office shall constitute a quorum for the transaction of business at any meeting of the Board. Upon approval of a majority of the Board, a meeting may be conducted by any electronic means which permits all participating Directors to communicate simultaneously (such as a telephone conference call). The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. A Director who is present at a meeting shall be deemed to have assented to the action taken at such meeting unless (a) the Director objects at the beginning of the meeting, or promptly upon arrival, to holding the meeting or transacting business at the meeting; or (b) the Director votes against the action and the vote is entered in the minutes of the meeting, or (c) the Director abstains and the abstention is entered in the minutes of the meeting. The Directors shall act only as a Board and individual Directors shall have no powers as such.

4.6. Waiver of Notice of Meeting. Attendance of a Director at a meeting shall be deemed waiver of notice of the meeting unless the Director objects to the calling of the meeting before the business is put to a vote, and proper notice of the meeting was not given.

4.7. Compensation. No Director shall receive compensation for any services that he may render to the Association as a Director; provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Directors.

4.8. Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause, by proper action of the Person(s) having the right to designate or elect Directors at the time of removal (see Sections 4.2.1. and 4.2.2. above).

4.9. Vacancies. If a vacancy shall occur in the Board by reason of the death or resignation of a Director, then such vacancy shall be filled by vote of the remaining Directors. If a vacancy shall occur in the Board by reason of removal, then such vacancy shall be filled solely by vote of the Person(s) then having the right to designate or elect Directors. Any Director designated or appointed to fill a vacancy shall serve for the unexpired term of his predecessor.

4.10. Action of Directors Without Meeting. Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors and filed with the records of the Board.

ARTICLE V OFFICERS

5.1. Number. The Officers of the Association shall be a President, a Vice President, a Secretary-Treasurer (with the responsibilities of Secretary and Treasurer set forth below) and such other officers, including Assistant Secretaries, as may from time to time be appointed by the Board.

5.2. Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Board at the regular annual meeting of the Board. In the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board and until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one individual may hold any two or more of such offices, except that the President may not also be the Secretary-Treasurer. No individual holding two or more offices shall act in or execute any instrument in the capacity of more than one office. During the period that the Declarant owns a Controlling Interest (see Article IV, Section 4 of the Master Deed), it is not necessary that an officer be a Director or a Member.

5.3. Subordinate Officers and Agents. The Board may from time to time appoint such other officers or agents as it deems advisable, each of whom shall have such title, hold office for such periods, have such authority, and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such

subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. It is not necessary that a subordinate officer or agent be a Director or a Member.

5.4. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board at any time for or without cause.

5.5. Vacancies and Newly Created Offices. If any vacancies shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.

5.6. The President. The President shall preside at meetings of the Board and at meetings of Members called by the Association. He shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board may require of him; provided, that the Board may authorize other officers or Persons to act on specific matters by proper resolution of the Board.

5.7. The Vice President. The Vice President shall preside in the absence of the President and shall do and perform all other acts and things that the Board may require of him.

5.8. The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Master Deed or any resolution of the Board may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board may require of him.

5.9. The Treasurer. The Treasurer shall have custody and control of the funds of the Association, subject to the action of the Board, and shall, when requested by the President or the Board to do so, report the state of the finances of the Association. He shall perform such other duties as the Board may require of him.

5.10. Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided further, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be additionally

compensated for services rendered to the Association other than in their capacities as officers.

ARTICLE VI
COMMITTEES

6.1. Designation of Committees. The Board may from time to time, by resolution, designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The membership of each such committee designated hereunder shall consist of such number as the Board shall determine. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members. It is not necessary that a committee member be a Director, an officer or a Member.

6.2. Proceedings of Committees. Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board. Unless expressly delegated to the committee by the Board, the power and authority of each committee shall only be to make recommendations to the Board, which shall have the final decision whether to take any action or not.

6.3. Quorum and Manner of Acting, At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least a majority of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.4. Resignation and Removal. Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such designation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it

hereunder.

6.5. Vacancies. If any vacancy shall occur in any committee designated by the Board hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VII
INDEMNIFICATION

7.1. Indemnification. The Association shall indemnify any Person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding (including a proceeding brought by the Association) whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement in connection with such action, suit, or proceeding, if the indemnified Person (a) acted in good faith, without fraudulent intent or gross negligence (or, if the action is brought by the Association, without negligence or breach of any contractual or fiduciary obligation to the Association), and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and (b) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, or settlement, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

7.2. Determination. To the extent that a Director, officer, employee, or agent of the Association had been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Section 7.1 hereof shall be made by the Association only upon a determination that indemnification of the Director, officer, employee, or agent

is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Section 7.1 hereof. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors excluding the Person whose indemnification is being considered.

7.3. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board (excluding the Person whose indemnification is being considered) and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

7.4. Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Master Deed, Articles of Incorporation, Bylaws, agreements, vote of disinterested members of Directors or applicable law. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees and agents of the Association and shall continue as to such Persons who cease to be Directors, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such Persons.

7.5. Insurance. The Association may purchase and maintain insurance on behalf of any Person who was or is a Director, officer, employee, or agent of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the Bylaws or the laws of the State of South Carolina, as the same may hereafter be amended or modified.

7.6. Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute Common Expenses of the Association and shall be paid with funds of the Association.

ARTICLE VIII FISCAL YEAR AND SEAL

8.1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the

31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

8.2. Seal. The Board may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the word "Seal."

ARTICLE IX
RULES AND REGULATIONS

9.1. Rules and Regulations. In accordance with Article IV, Section 5 of the Master Deed, the Board may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Property, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Master Deed, or these Bylaws. Upon request of any Member, such Member shall be provided a copy of the rules and regulations or the Master Deed, provided that the Board may charge a reasonable fee to cover any reproduction, mailing or administrative costs involved.

ARTICLE X
NOTICES

10.1. Notices. Unless otherwise expressly stated in these Bylaws, notices required hereunder shall be deemed given when in writing and delivered by hand or three (3) calendar days after being deposited in the United States Mail, First Class, postage prepaid. (See Section 3.4 for notices to Members of meetings.)

All notices to Members shall be delivered or sent to such address as has been designated in writing to the Association, or if no address had been so designated, at the addresses of a Unit owned by such Member.

All notices to the Association shall be delivered or sent in care of the Association at:

Pavilion Watch Owners Association, Inc.
Post Office Box 52307
Piedmont, S. C. 29673

or to such other address as the Association may from time to time notify the Members and the Declarant.

All notices to Declarant shall be delivered or sent in care of Declarant at:

Pavilion Development Corporation
Post Office box 52307
Piedmont, S. C. 29673

or to such other address as Declarant may from time to time notify the Association.

All notices to mortgagees shall be delivered or sent to such addresses as such mortgagees specify in writing to the Association.

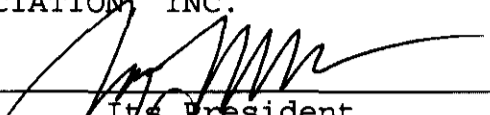
ARTICLE XI
AMENDMENT OF BYLAWS

11.1. Amendment by Association. The Bylaws may be amended by a vote of the Members representing at least fifty-one percent (51%) of the Common Interests. Notice of a meeting of the Association to vote on the proposed amendment(s) shall to be given to Members in the same manner that is set forth in Section 3.4 above. The notice shall contain a general description of the proposed change and purpose of the proposed change. No amendment shall be valid if it is materially different from that set forth in the notice or inconsistent with the Master Deed or Articles of Incorporation of the Association, as amended. No amendment to the Bylaws which imposes a greater economic or legal burden on Declarant than exists under the current provisions of these Bylaws shall be valid unless it is approved in writing by Declarant. Upon amendment of the Bylaws, such amendment shall be recorded within a reasonable period of time in the R.M.C. Office for Charleston County, South Carolina.

11.2. Amendment by Declarant. Declarant may amend the Bylaws without the consent of the Association, the Board, any Member or any mortgagee if, in Declarants opinion, such amendment is necessary to (i) bring any provision of the Bylaws or the Master Deed into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which is in conflict with the Master Deed or the Bylaws; (ii) enable any title insurance company to issue title insurance coverage with respect to any Units subject to the Master Deed; (iii) enable any mortgagee to make mortgage loans on any Unit or other improvements subject to the Master Deed; (iv) enable any governmental agency or private mortgage insurance company to insure mortgages on the Units subject to the Master Deed; (v) enable any insurer to provide insurance required by the Master Deed; (vi) comply with any regulation of a Federal Home Loan Bank Board, Veterans Administration, Department of Housing and Urban Development and/or the Federal Housing Administration, or (vii) clarify any provision of the Bylaws or the Master Deed or eliminate any conflict between provisions of the Bylaws or the Master Deed.

The foregoing was adopted as By-Laws of Pavilion Watch Owner's Association, Inc., a non-profit corporation, existing under the laws of the State of South Carolina at the first meeting of the Board of Directors.

PAVILION WATCH OWNERS
ASSOCIATION, INC.

By: 
Its President

Attest: 
Its Secretary

EXHIBIT "K"

PAVILION WATCH HORIZONTAL PROPERTY REGIME

LIMITED WARRANTY

YOU ARE HEREBY NOTIFIED THAT THE CONTRACT, INCLUDING THIS LIMITED WARRANTY, LIMITATION OF REMEDIES AND DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES, IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA VERSION OF THE UNIFORM ARBITRATION ACT, S. C. CODE ANN. SECTION 15-48-10, ET SEQ.

**LIMITED WARRANTY,
LIMITATION OF REMEDIES,
DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES**

RE: Unit _____
Purchaser: _____

Preface

This document provides a Limited Warranty, a Limitation of Remedies, and a Disclaimer and Exclusion of all other Warranties. **NOTE. THIS DOCUMENT IS CONTRACTUAL IN NATURE AND LIMITS YOUR RIGHTS IN SIGNIFICANT RESPECTS.**

Except as expressly provided otherwise herein, the terms defined in the Contract between Seller and Purchaser for the Unit (the "Contract") shall have the same definition for purposes of this Limited Warranty, Limitation of Remedies, Disclaimer and Exclusions of all other Warranties ("Limited Warranty and Disclaimer").

The Limited Warranty section herein identifies the sole Limited Warranty provided to the Purchaser of each Unit in the Pavilion Watch Horizontal Property Regime (the "Development") by Center Street Holdings, LLC, and Pavilion Development Corporation ("Seller") pertaining to the Unit.

The Limitation of Remedies section herein limits the obligations of the Seller to the Purchaser in case of claims by the Purchaser under the Limited Warranty. The Seller's obligation is limited to the repair or replacement, at Seller's or the Contractor's option, of the defective condition.

The Disclaimer and Exclusion of all other Warranties section disclaims all other express and implied warranties other than the Limited Warranty.

The Limited Warranty, the Limitation of Remedies, and the Disclaimer and Exclusion of all other Warranties are all subject to the additional terms and conditions described herein.

Limited Warranty

FOR A PERIOD OF ONE YEAR FROM THE DATE OF ISSUANCE BY THE CITY OF FOLLY BEACH OF THE OCCUPANCY PERMIT FOR THE PROJECT, SELLER, OR ITS CONTRACTOR, WILL AT NO COST TO PURCHASER, REPAIR OR REPLACE ANY PORTION OF THE UNIT, EXCEPT FIXTURES, FURNITURE, ACCESSORIES AND APPLIANCES COVERED BY A WARRANTY OF MANUFACTURERS AND DEALERS, WHICH IS DEFECTIVE AS TO MATERIAL OR WORKMANSHIP. THE LIABILITY OF THE SELLER IS EXPRESSLY LIMITED TO SUCH REPAIRS OR REPLACEMENT AND SELLER MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED. GRANTOR MAKES NO WARRANTY OF HABITABILITY NOR FITNESS FOR PURPOSE OTHER THAN THE EXPRESSED WARRANTY OF TITLE CONTAINED HEREIN.

Seller assigns to Purchaser all its right, title and interest under all warranties as to faulty workmanship and defective materials received from the Seller's contractors for the Development, Mid-Atlantic Building Systems, Inc. and Marine Construction, Inc. (the "Contractors"), as more fully described in the Contract

Documents between the Seller the Contractors (the "Construction Contract") for the warranty period described therein, consisting of one (1) year after the date of Substantial Completion of the work. The Limited Warranty is limited to the work performed pursuant to the Construction Contract and Plans (the "Work") and does not apply to any portion of the Development which has not been constructed by the Contractors.

The Limited Warranty is further subject to the following Limitation of Remedies, Disclaimer and Exclusion of all other Warranties, and Additional Terms and Conditions.

Limitation of Remedies

Seller's sole obligation and Purchaser's sole remedy under the Limited Warranty described above, the exclusion of all other remedies, is limited to the repair or replacement, at Seller's or the Contractor's option, of the defective condition of the Work pursuant to the Plans.

Disclaimer and Exclusion of All Other Remedies

THE LIMITED WARRANTY PROVIDED ABOVE IS IN LIEU OF ALL OTHER WARRANTIES OF SELLER, WHETHER EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.)

THE LIMITED WARRANTY PROVIDED ABOVE IS NOT TRANSFERABLE OR ASSIGNABLE AND IS PERSONAL ONLY TO THE PURCHASER WHO ACQUIRES TITLE TO THE UNIT FROM THE SELLER.

AS TO ANY PERSONAL PROPERTY (INCLUDING, WITHOUT LIMITATION, APPLIANCES, EQUIPMENT, FAN COIL UNIT(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE UNIT BY THE SELLER TO THE PURCHASER, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) AND AS TO ANY PORTION OF THE DEVELOPMENT, INCLUDING THE BUILDING AND OTHER IMPROVEMENTS, NOT CONSTRUCTED OR INSTALLED PURSUANT TO THE PLANS WHICH MAY BE CONTAINED IN THE UNIT OR THE COMMON AREAS. SELLER DOES NOT MAKE NOR ADOPT ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES AND DISCLAIMS EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, THE SELLER EXCLUDES AND DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF HABITABILITY.

Additional Terms and Conditions:

The Limited Warranty provided above is subject to the following terms, conditions, and exclusions, all of which are a part hereof.

1. Inspection Procedure.

(a) The Purchaser has the right to a pre-closing inspection of the Unit to be made prior to the scheduled Closing Date in accordance with the terms of the Contract. This inspection is to be made by Purchaser in the presence of a representative of the Seller and/or the Contractor. Items to be corrected, as mutually agreed upon, shall be listed in an inspection report ("Inspection Report") which is signed by the Purchaser and Seller's and Contractor's representative (if present).

(b) The Seller shall make every reasonable effort for the Contractor to correct all of the items listed in the Inspection Report prior to closing, subject, however, to acts of God, shortages of labor or material or other reasons beyond the control of Seller. However, the Contractor's failure to correct these items prior to closing shall not delay the closing nor shall it entitle Purchaser to hold back any monies due Seller at closing.

(c) No corrections will be made for defects in the Work not recorded on the Inspection Report or for defects in the Work first claimed or discovered after the expiration of the Warranty Period; provided, however, correction of latent defects will be made within a reasonable time after Seller is notified in writing thereof during the Warranty Period.

2. Warranty Exclusions. The following exclusions and limitations apply to the Seller's Limited Warranty obligations set forth above:

(a) All chips, scratches or mars on items such as tile, walls, porcelain, glass (including breakage or cracks), plumbing fixtures, plastic laminate counter tops, or marble, must be noted on the Inspection Report, or they will not be covered under the Seller's Limited Warranty obligations set forth above.

(b) Faucet leaks, toilet door and door frame adjustments, floor and wall tile grouting are covered for a period of one (1) year after Substantial Completion of the Work. Thereafter, any repairs or corrections become the sole responsibility of the Purchaser.

(c) Nail or screw pops, cracks in the walls or ceilings or other similar conditions which do not result from faulty workmanship or defective materials, but are the result of natural expansion, shrinkage and/or drying of building materials, or of normal settlement of the Unit and/or the Building, wind loads or other normal movement of the Building components are excluded from the Limited Warranty. To the extent that the Seller may elect, at its sole discretion, to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Seller during the Warranty Period, Seller will not be liable for repainting, wallpapering or refinishing any repaired areas.

(d) The Limited Warranty obligations set forth above do not cover damage arising from leaks or water infiltration at perimeter walls or ceilings or any defects in the common elements of the Development (the "Common Elements").

(e) The Limited Warranty obligations set forth above do not cover damage arising from leaks or water infiltration at perimeter walls or ceilings or any defects in the common elements of the Development (the "Common Elements").

(f) The Limited Warranty obligations set forth above do not extend to any item which has been modified or repaired by Purchaser, or any items which are installed or constructed pursuant to a separate contract or agreement between the Purchaser and any party other than Seller.

(g) The Limited Warranty obligations set forth above specifically exclude any and all secondary, incidental or consequential damages caused by any defect or breach hereof.

(h) No steps taken by Seller or the Contractor to correct defects shall act to extend the scope or duration of this Limited Warranty beyond the Warranty Period.

(i) No representative of the Seller or Contractor has the authority to expend or extend the scope of the Limited Warranty obligations set forth above or to make verbal agreements with respect thereto.

(j) All requests for correction pursuant to the Limited Warranty obligations set forth above must be in written form sent to the Seller in accordance with the notice provisions of the Contract during the Warranty Period.

(k) The Limited Warranty set forth above is not assignable by Purchaser and any attempted assignment shall be null and void.

BINDING ARBITRATION AGREEMENT. The Seller and Purchaser agree that all disputes that the Purchaser may have with the Seller, or their heirs, successors or assigns, agents, employees or subcontractors regarding the sale, design, condition or construction of or the renovation of the Development or the Unit, this Limited Warranty and Disclaimer, or any provision of any of them shall be subject to binding arbitration in the State of South Carolina pursuant to the South Carolina Uniform Arbitration Act or the Federal Arbitration Act should the South Carolina Uniform Arbitration Act not apply. This agreement with respect to arbitration shall be binding on the Seller and Purchaser, their respective heirs, successors and assigns.

WAIVER OF JURY TRIAL. The Seller and Purchaser expressly waive their right to a trial by jury of any and all issues otherwise so triable in connection with or arising out of this Limited Warranty and Disclaimer.

SEVERABILITY. The invalidity or ambiguity of any agreement, restriction, condition, reservation or any other provision of this Limited Warranty and Disclaimer shall not impair or affect in any manner the validity or effect of the other terms of this document.

APPLICABLE LAW. This Limited Warranty and Disclaimer shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina regardless of conflict of laws provisions.

Dated: _____, 2002

Unit ___ Pavilion Watch Horizontal Property Regime

Purchaser's Name: _____

SELLER:
Center Street Holdings, LLC

By _____

Its: _____

Pavilion Development Corporation

By: _____

Its: _____

PURCHASER:

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

**FIRST AMENDMENT
TO THE MASTER DEED OF
PAVILION WATCH HORIZONTAL
PROPERTY REGIME**

KNOW ALL MEN BY THESE PRESENTS that this First Amendment of the Master Deed of Pavilion Watch Horizontal Property Regime is made on the date hereinafter set forth by Center Street Holdings, LLC, and Pavilion Development Corporation, hereinafter called "Declarant/Grantor":

WITNESSETH:

WHEREAS, CENTER STREET HOLDINGS, LLC, and PAVILION DEVELOPMENT CORPORATION have heretofore committed certain real property to **Pavilion Watch Horizontal Property Regime** by the Master Deed of Pavilion Watch Horizontal Property Regime, which Master Deed is recorded in the office of the RMC of Charleston County, South Carolina, in Deed Book L409 at page 052; and

WHEREAS, the Declarant/Grantor desires to amend the Master Deed in the following particulars, to-wit: (i) to comply with certain regulations of the Federal Home Loan Bank Board, Veterans Administration, Department of Housing and Urban Development and the Federal Housing Administration, and, (ii) to provide for the parking and storage of certain boats, water craft and golf carts for certain Units in Pavilion Watch Horizontal Property Regime.

NOW, THEREFORE, pursuant to Article IX, Section 4, Declarant/Grantor does hereby supplement and amend the provisions of the Master Deed of Pavilion Watch Horizontal Property Regime as follows:

AMENDED ARTICLE IV

Article IV, Section 1 of the Master Deed is hereby supplemented and amended to include the following provisions:

The Association shall maintain copies of its Articles of Incorporation, Bylaws and other rules concerning the Pavilion Watch project as well as its own books, records and financial statements available for inspection by Unit Owners and holders, insurers and guarantors of first mortgages that are secured by Units in the project. These documents shall be available during normal business hours.

Article IV, Section 7 of the Master Deed is hereby supplemented and amended to include the following provisions:

All amounts paid into the Working Capital fund shall not be considered as advance payments of regular assessments. The Working Capital fund shall be transferred to the Association for deposit into a segregated fund when control of the Association is transferred to the Unit Owners. The Declarant is prohibited from using any Working Capital funds to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits while it is in control of the Owners Association. However, the Declarant may reimburse itself for funds paid to the Owners Association for an unsold Unit's share of the Working Capital fund using funds collected at closing when the Unit is sold.

The Owners Association shall also establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain. This reserve fund shall be maintained out of regular assessments for common expenses.

Article IV of the Master Deed is further supplemented and amended to include the following new Section 10 and new Section 11:

Section 10. Termination of Legal Status. Notwithstanding anything to the contrary set forth in this Master Deed, any action to terminate the legal status of Pavilion Watch Horizontal Property Regime after substantial destruction or condemnation occurs must be agreed to by Unit Owners who represent at least 67% of the total allocated votes in the Owners Association and by eligible mortgage holders who represent at least 51% of the votes of the Unit estates that are subject to mortgages held by eligible voters. Additionally, termination of the legal status of Pavilion Watch Horizontal Property Regime for reasons other than substantial destruction or condemnation must be agreed to by eligible mortgage holders that represent at least 67% of the votes of the mortgaged Units. Implied approval shall be assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within 30 days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail with a "return receipt" requested.

Section 11. Rights of Mortgage Holders, Insurers and Guarantors. Holders, insurers, and guarantors of the mortgage on any Unit in Pavilion Watch Horizontal Property Regime shall receive timely written notice of any of the following:

- a. **Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage;**

- b. Any 60 day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage;
- c. A lapse, cancellation or material modification of any insurance policy maintained by the Owners Association; and
- d. Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

AMENDED ARTICLE V

Article V, Section 1 of the Master Deed is hereby supplemented and amended to include the following provisions:

All leases or rental agreements for Units in Pavilion Watch Horizontal Property Regime shall be in writing and shall be subject to the provisions of the Master Deed and requirements of the Pavilion Watch Owners Association.

AMENDED ARTICLE IX

Article IX, Section 3 of the Master Deed is hereby supplemented and amended to include the following provisions:

Amendments of a material nature shall be adopted upon the vote of at least sixty-seven percent (67%) of the common interests and by eligible mortgage holders who represent at least fifty-one percent (51%) of the votes of Units that are subject to mortgages held by eligible holders. A change to any of the provisions governing the following would be considered as material.

- a. Voting rights;
- b. Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or the priority of assessment liens;
- c. Reductions in reserves for maintenance, repair and replacement of Common Elements;
- d. Responsibility for maintenance and repairs;
- e. Reallocation of interests in the General or Limited Common Elements, or rights to their use;
- f. Redefinition of any Unit boundaries;

- g. **Convertibility of Units into Common Elements or vice versa;**
- h. **Expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project;**
- i. **Hazard or fidelity insurance requirements;**
- j. **Imposition of any restrictions on the leasing of Units;**
- k. **Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;**
- l. **A decision by the Owner's Association of a project that consists of 50 or more Units to establish self-management if professional management had been required previously by the project documents or by an eligible mortgage holder;**
- m. **Restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in the documents; or**
- n. **Any provisions that expressly benefit mortgage holders, insurers or guarantors.**

AMENDED RULES AND REGULATIONS

Exhibit H to the Master Deed, Rules and Regulations for Pavilion Watch, is hereby amended to remove Section (l)(3) in its entirety. Section (l)(3) shall now read as follows:

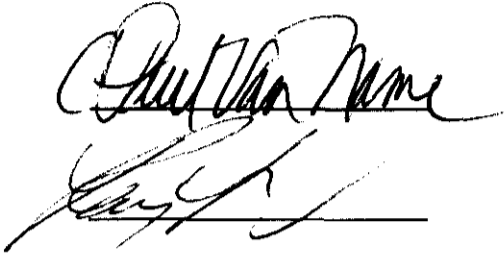
No boat, boat trailer or unlicensed, unsafe or inoperable vehicle may be parked on property comprising the general common elements. Boats measuring up to twenty (20) feet in length, including trailer, and ten feet in width may be parked or stored beneath the condominium buildings in any center parking space which has been assigned to a particular Unit as a Limited Common Element. Boats shall be covered if left or stored permanently.

Golf carts may also be parked or stored beneath the condominium buildings in a center parking space which has been assigned to a particular Unit as a Limited Common Element.

IN WITNESS WHEREOF, the Declarant/Grantor, on behalf of itself and to bind itself, and its successors in interest, including all Co-Owners who comprise and who shall comprise the Council of Co-Owners (which is known as Pavilion Watch Horizontal Property Regime Council of Co-Owners acting by and through Pavilion Watch Owners

Association, Inc.) has executed this First Amendment to the Master Deed for Pavilion Watch Horizontal Property Regime as its act and deed, and in witness whereof, it, by and through its officer(s) duly authorized has set its hand and seal this 14 day of October, 2002.

WITNESSES:



CENTER STREET HOLDINGS, LLC

By: Gary L Benjamin
Gary L Benjamin, Member

By: Lowell C. Frazier
Lowell C. Frazier, Member

By: Lawrence E. McNair, Jr.
Lawrence E. McNair, Jr., Member

By: Edward Clark
Edward Clark, Member

By: Melvin E. Weaver, III
Melvin E. Weaver, III, Member

By: Stephen M. Coleman
Stephen M. Coleman, Member

PAVILION DEVELOPMENT CORPORATION

By: Lowell C. Frazier
Lowell C. Frazier, President

By: Lawrence E. McNair, Jr.
Lawrence E. McNair, Jr.,
Vice President

By: Gary L Benjamin
Gary L Benjamin
Vice President

STATE OF SOUTH CAROLINA)
COUNTY OF Anderson)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 14 day of October, 2002, by Center Street Holdings, LLC, by Gary L. Benjamin, Lowell C. Frazier, Lawrence E. McNair, Jr., Edward Clark, Melvin E. Weaver, III, and Stephen M. Coleman, Members, and Pavilion Development Corporation, by Lowell C. Frazier, President, and Lawrence E. McNair, Jr., Vice President, and Gary L. Benjamin, Vice President.

Conrad A. Carr
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 11-18-2004

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RECORDER'S PAGE

This page Must remain with the original document.

John E. Romanosky Jr

*CB-I
YAM*

Recording
Fee 12.00
State
Fee —
County
Fee —
Postage —
TOTAL 12.00
A

RECEIVED FROM RMC

OCT 29 2002

PEGGY A. MOSELEY
CHARLESTON COUNTY AUDITOR

FILED

V422-470
2002 OCT 23 PM 1:51

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

**PID VERIFIED
BY ASSESSOR**

REP UMG
DATE 10/28/02