

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ISLAND BLUFF DEVELOPERS, A)
S.C. GENERAL PARTNERSHIP)

MASTER DEED ESTABLISHING

TO:

ISLAND BLUFF VILLAS
HORIZONTAL PROPERTY REGIME

ISLAND BLUFF VILLAS HORIZONTAL)
PROPERTY REGIME)

This Master Deed is made, published, and declared by ISLAND BLUFF DEVELOPERS, a S.C. General Partnership, (hereinafter referred to as "Grantor").

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of the property located in Charleston County, South Carolina described in Exhibit A attached hereto and incorporated herein (the "Property"); and

WHEREAS, Grantor desires to submit the Property to the provisions of the South Carolina Horizontal Property Act, Code of Laws of South Carolina (1976), §§ 27-31-10 et al., as such act may be amended from time to time (the "Act"); and

NOW, THEREFORE, Grantor hereby submits the Property to the Act and reserves certain rights as follows:

ARTICLE I

DEFINITIONS

Section 1. General. The terms used in this Master Deed, unless otherwise specified herein or unless the context otherwise requires, shall have the meanings specified in Act, such definitions being incorporated herein by reference.

Section 2. Definitions. The following terms used in this Master Deed and in the Exhibits attached hereto shall have the meanings as follows, unless the context otherwise requires:

(a) "Act" means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws

of ~~South Carolina~~ (1976), as the same may be amended from time to time.

(b) "Apartment" means a condominium apartment as defined in the Act and described in Section 1 of Article III of this Master Deed and may sometimes be referred to as a "unit".

(c) "Assessment" means a Co-owner's pro rata share of the Common Expenses which from time to time is assessed against a Co-owner by the Council.

(d) "Board of Directors" or "Board" means the group of persons selected, authorized and directed to manage and operate the Council as provided by the Act, this Master Deed and the Bylaws.

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

(f) "Bylaws" means the bylaws attached hereto as Exhibit G, as modified or amended pursuant to Article XII of this Master Deed.

(g) "Common Elements" means the General and Limited Common Elements, as defined in Sections 2 and 3 of Article III and in the Act.

(h) "Common Expenses" or "common expenses" means the expenses for which the Unit Co-owners are liable to the Council and include:

(1) Expenses of administration, expenses of maintenance, insurance, operation, repair or replacement of the General Common Elements, and of the portions, if any, of the Apartments which are the responsibility of the Council.

(2) Special Assessments as provided for in this Master Deed.

(3) Expenses declared Common Expenses by provisions of this Master Deed.

(i) "Common Surplus" or "common surplus" means the excess of all receipts of the Council, including but not limited to Assessments over the amount of Common Expenses.

(j) "Condominium Property" means and includes the Property, the Buildings, all other improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

(k) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an Apartment within the Condominium Property and shall include all record owners of an Apartment.

(l) "Condominium" means the Island Bluff Villas Horizontal Property Regime.

(m) "Council of Co-owners" or "Council" means all of the Co-owners as defined in the Act.

(n) "Grantor" means Island Bluff Developers, a S.C. General Partnership, its successors and assigns.

(o) "Master Deed" means this deed or declaration establishing and recording the Property of the Regime and all exhibits hereto.

(p) "Owner" or "Apartment Owner" shall mean the same as Co-owner.

(q) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(r) "Regime" means the Island Bluff Villas Horizontal Property Regime created by this Master Deed.

ARTICLE II

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME

Section 1. Establishment of Regime. The purpose of this Master Deed is to establish, pursuant to the Act, a horizontal property regime to be known as Island Bluff Villas Horizontal Property Regime. Grantor, by filing of record this Master Deed, hereby submits the Property as described in Exhibit A and all improvements thereon and all easements, rights, and appurtenances belonging thereto to the Act and the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of the Act, and in accordance with the covenants, restrictions, encumbrances, and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

Section 2. Rights in Common Elements. The percentage undivided present interest in Common Elements herein appurtenant to each Apartment is shown in Exhibit B attached hereto.

ARTICLE III

CONDONIMIUM PROPERTY

Section 1. Condominium Apartments: Location and Description. The location of the Buildings and other improvements on the Property is shown on the plot plan (the "Plot Plan") attached hereto and incorporated herein as Exhibit C. The Buildings and the Apartments contained thereon, and the General and Limited Common Elements constructed on and forming part of the Property are constructed in substantial accordance with the plans (the "Plans") identified as Exhibit D attached hereto and incorporated herein, which Plans are certified to by a registered engineer duly licensed to practice in the State of South Carolina pursuant to the certification attached hereto as Exhibit E and incorporated herein by reference. Buildings A, B, G and H each contain four (4) two story units, and Buildings C, D, E and F each contain six (6) two story units. General

parking is also provided as shown on the Plot Plan. Parking spaces will be assigned by the Board as provided in the Bylaws. Each Apartment is generally described on Exhibit F attached hereto and incorporated herein. The graphic description, area, number, and location within each Building of each Apartment is shown on the Plans.

Section 2. General Common Elements. The location of the General Common Elements are shown, insofar as possible, on the Plot Plan and the Plans and the General Common Elements consist of those elements of the Property defined as General Common elements by the Act and also include the following:

(a) The land on which the Buildings stand, more fully described above, together with all of the other real property described in Exhibit "A";

(b) The foundations, main walls, common storage areas, roofs, walkways, lobbies, stairways, railings and entrance and exit or communication ways.

(c) The yards, gardens, shrubs, vegetation, boardwalks, exterior lights, trash containers, fire alarms, fire hoses, fire hydrants, signs, storm drainage system and dryer exhausts, except as otherwise provided or stipulated;

(d) The compartments for and installations of common services such as power, light, telephone, cable television, gas water, heating and air conditioning, sewer, water tanks and pumps, trash disposal facilities, and the like;

(e) The parking areas, roads, driveways and all appurtenances thereto;

(f) In general, all devices or installations existing for common use;

(g) All other elements of the property rationally of common use or necessary to its existence, upkeep and safety;

Section 3. Limited Common Elements. The location of the Limited Common Elements is shown insofar as possible on the Plans and the Limited Common Elements appurtenant to each Apartment including the following:

(a) The surface areas and railings of all decks accessible by normal means from the Apartment;

(b) All material, including but not limited to, studs, sheetrock and plywood, attached to or on the inside surface of perimeter walls, floors and ceilings of the Apartment;

(c) All doors, windows, screens, ventilation fans and vents located in the perimeter walls, floors or ceilings of the Apartment;

(d) All air-handling units, condensers, compressors and the pads and spaces occupied by such compressors, ducts and components and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewer lines located in the Apartment, provided, however, that the portion of said lines located in a common compartment for such lines shall be General Common Elements as described above.

ARTICLE IV

THE COUNCIL

Section 1. Members. Every Co-owner shall be a member of and constitute the Council of Co-owners which shall be managed by a Board of Directors elected by and from the Co-owners.

Section 2. Bylaws. The Council and the administration of the Condominium Property shall be governed by the Bylaws annexed hereto as Exhibit G. The Bylaws may be modified or amended only in the manner set forth in Article XII hereof.

Section 3. Voting. On all matters relating to the Council or to the Condominium Property upon which a vote of the Co-owners is conducted, the Co-owners shall vote in proportion to their respective percentage interests in the Common Elements so that there shall be appurtenant to each type of Apartment one vote (or percentage thereof) equal to the percentage ownership attributable to such Apartment. The affirmative vote of a Majority of the Co-owners shall be required to adopt decisions, except where this Master Deed, the Bylaws or the Act require a greater percentage. All votes attributable to a single Apartment must be cast together and may not be split.

Section 4. Majority of the Co-owners. Whenever used in this Master Deed or the Bylaws, the term "Majority of the Co-owners" means the Co-owners entitled to cast a total of

fifty-one (51%) percent of the total votes attributable to all the Apartments.

Section 5. Decisions Binding on Co-owners. All agreements, decisions, and determinations lawfully made by the Council in accordance with the provisions of this Master Deed and the Bylaws shall be deemed binding on all Co-owners.

ARTICLE V

CONDOMINIUM APARTMENTS:

OWNERSHIP AND USE

Section 1. Ownership of Condominium Apartments. Each Condominium Apartment together with its undivided interest in Common Elements, shall constitute a separate parcel of real property and each Condominium Apartment Owner shall be entitled to exclusive ownership and possession of such Owner's Condominium Apartment subject to: (i) the provisions of this Master Deed and the easements, restrictions and covenants, and encumbrances set forth herein; (ii) the Bylaws of the Council, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Council or its Board pursuant to the Bylaws; and (iii) the Horizontal Property Act of the State of South Carolina.

Section 2. Legal Description. Each Condominium Apartment may be sufficiently described for purposes of deeds, mortgages, lease, and other conveyances by referring to its designated unit number and letter or other designation on the Plans and by reciting that it is part of Island Bluff Villas Horizontal Property Regime as established by this Master Deed. The conveyance of an individual Apartment shall be deemed to convey the undivided interest in Common Elements appurtenant to that Apartment. The ownership of an undivided interest in Common Elements appurtenant to an Apartment shall be inseparable from the Apartment and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Apartment.

Section 3. Maintenance and Repair. Every Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Apartment as defined in Section 1 of Article III. However, no Owner shall make structural modifications or alterations to his Apartment, any door, window, vent, flue, terrace, deck, balcony, or courtyard thereto without obtaining prior written approval of the Board. Written notice of any intended modification shall be given to the Board, setting forth details satisfactory to the Board and requesting approval. The Board shall consider the request and decide whether approval shall be granted, the Board having the authority to deny approval for any reason. The Board shall advise the Owner of its decision in writing within Thirty (30) days from the date of the receipt of the request. If the Board does not so respond within said thirty (30) day period, the request is denied. Nothing in this section shall relieve the Owner from obtaining approval for alterations required by law or by other applicable covenants or restrictions. No Owner shall undertake to modify any portion of the Common Elements.

Section 4. Maintenance of Limited Common Elements. Without limiting the insurance coverage carried by the Regime on Limited Common Elements, each Owner shall be responsible for the maintenance, repair and replacement with comparable material of equal quality all Limited Common Elements appurtenant to his Apartment. The Board shall be responsible for insuring the Limited Common Element under the master hazard policy for the Regime. Each Owner may, however, insure those Limited Common Elements appurtenant to his Apartment for his own interest. All parts of a Condominium Apartment shall be kept in good condition and repair by and at the expense of the Owner and shall be maintained by the Owner in a clean and safe condition, free of nuisance. Each Owner will promptly comply with any requirements of the insurance underwriter of the insurance obtained by the

in the meeting of the Council.

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XIII, and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed within the meaning of Article XI, the Common Elements shall remain undivided; and no Apartment Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Owner shall have the right to use the General Common Elements for their intended purposes in common with all other Owners of the Condominium Property. Each Apartment Owner shall have the right to use the Limited Common Elements appurtenant to his Apartment subject to such rules and regulations as may be established by the Board. Each Owner shall have also a non-exclusive easement appurtenant to his Apartment for ingress and egress over the General Common Elements for access to and from the Owner's Apartment, which shall extend to the family members, guests, agents, and servants of the Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the Bylaws of the Council, and all rules and regulations adopted by the Council pursuant to the Bylaws.

Section 4. Operation and Maintenance of General Common Elements. The maintenance, repair, replacement, management, operation, and use of the General Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expenses as provided in Article VII hereof. The Board may, however, delegate these duties to a management firm.

Section 5. Use and Maintenance of Limited Common Elements. The Owners shall be responsible for the maintenance, repair, and replacement of the Limited Common Elements as provided in Section 4 of Article V. The use of the Limited Common

Elements shall be subject to the rules and regulations of the Board. The Board may in its discretion, incur expenses for the maintenance, repair or replacement of Limited Common Elements in accordance with the provisions of Section 4 of Article V hereof, such expenses to be recovered as special assessments.

ARTICLE VII

COMMON EXPENSES

Section 1. General. To provide funds necessary for proper operation and management of the Condominium Property, the Board is hereby granted the right to make, levy and collect Assessments against the Owners and the Apartments.

Section 2. Specially Assessed Common Expenses. Each Owner shall be liable for and shall pay a share, on the basis of the allocation made by the Board of the common expenses incurred by the Association (a) with respect to Limited Common Areas appurtenant to such Owner's Apartment, or (b) which are occasioned by the conduct of the Owner or by the licensees or invitees of any such Owner and are not recoverable from insurance covering the condominium Property.

Section 3. Other Common Expenses. Each Owner shall be liable for and shall pay a share, on the basis of the allocation made as provided in Section 4 of this Article VII, of the Common Expenses not specially assessed which shall include, but not be limited to, all charges for taxes (except ad valorem taxes and other such taxes assessed separately on each Condominium Apartment or on the personal property or any other interest of the Owners), insurance (including fire and other casualty and liability insurance, officers and directors liability insurance), surplus working capital requirements, wages, accounting fees, legal fees, management fees, and other expenses of upkeep, maintenance and management of the Regime actually incurred by the Board, the costs of operation of the General Common Elements and the costs of and reserves for maintenance, repair and replacement of the General Common Elements, which

reserve shall be replaced on a periodic basis payable in regular installments rather than by special assessments.

Section 4. Allocation of Liability for Common Expenses. For the purpose of determining the Assessments to be made as hereinabove provided, the Board shall determine for each year, as soon as practicable, the estimated aggregate amount of the Common Expenses for such year. For purposes of such determination, each year shall be the fiscal year, as determined by the Board, except that the first year shall begin on the date upon which the Regime is legally constituted and end on the last day of the month preceding the month in which the Regime is legally constituted. The Board may, from time to time during each year, make reasonable adjustments in said estimated amounts on the basis of actual costs incurred. Assessments for the estimated amount of Common Expenses for each year, as determined by the Board, shall be allocated and assessed by the Board among the Apartments in accordance with their respective percentage of undivided interest in and to the Common Elements as set out in Exhibit B hereto.

Section 5. Assessments. All Assessments of Common Expenses shall be fixed by the Board and made payable on a monthly basis. The Board shall also have the authority to set late charges for the delinquent payment of assessments.

Section 6. Liability of Owner. No Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or by abandoning his Apartment.

Section 7. Lien Upon Apartments. All Assessments of the Council or the Board for the share of Common Expenses chargeable to an Apartment which are unpaid after becoming due together with all late charges shall, constitute a lien against such Apartment prior and superior to all other liens except: (i) liens for property taxes upon the Apartment in favor of any taxing authority; and (ii) mortgage liens duly recorded prior to such delinquency. The lien of such assessments and the late charges may be foreclosed by the Board acting on behalf of the

Common Expenses collectible from all Owners, including such mortgagee or other purchaser, its or his successors, heirs, and assigns. The provisions of this Section 9, however, shall not release any Owner from personal liability for unpaid assessments.

Section 10. Records. The Board, or a management firm, which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payments, shall be available for examination by the Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge.

ARTICLE VIII

RESTRICTIONS, COVENANTS, EASEMENTS

Section 1. Covenant to Comply with Restrictions and Obligations. Each Owner by acceptance of a deed to an Apartment in this Regime ratifies and covenants to observe on behalf of the Owner, the heirs, successors, and assigns of each Owner, the following:

(a) All covenants, restrictions and affirmative obligations of record in the Office of the R.M.C. for Charleston County affecting the Property.

(b) This Master Deed, the Bylaws, decisions and resolutions of the council, the Board, or their representatives, as such may be lawfully amended from time to time.

Failure to comply with any such provisions, decisions, or resolutions of (a) and/or (b) herein shall be grounds for an action to recover sums due for damages or for injunctive relief.

Section 2. Utility Easements. Each Owner shall have a nonexclusive easement appurtenant to his Apartment for the use in common with other Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other utilities

located in any other Apartment or within the Common Elements and serving his Apartment. Each Apartment shall be subject to an easement in favor of the Owners of the other Apartments to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, cable TV lines, and other utilities serving such other Apartments which are located in each such Apartment.

Section 3. Encroachments. There shall be an easement in favor of the Owners to the extent that any portion of the Common Elements encroaches upon any Apartment and there shall be an easement appurtenant to each Apartment to the extent any portion of an Apartment encroaches upon the Common Elements or upon another Apartment, whether such encroachment presently exists or occurs hereafter as a result of (a) settling or shifting on any part of the Condominium Property; (b) repair, alteration, or reconstruction of the Common Elements made by the Council or with its consent; or (c) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Act.

Section 4. Right of Access. The Council shall have the right of access to each Apartment during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Apartment or for making emergency repairs, repairs within the Apartment necessary to prevent damage to the Common Elements or to another Apartment. This easement and right of access may be exercised by the Board, or its agents and employees, or by a management firm to whom the responsibility of maintaining such has been delegated. Damages resulting to any Apartment because of such maintenance and/or repairs shall be corrected promptly by the Council and shall be a Common Expense.

Section 5. Public Utility Easements. The Condominium Property is subject to easements for access, ingress, and egress to adjacent utility-owned property and to utility easements for installation, operation, and maintenance of electric and telephone distribution lines, and for installation, operation and maintenance of water and sewer lines. The Board may grant such additional easements and relocate existing easements affecting the Condominium Property for the installation of utilities, including the right to install, maintain, lay, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires, electrical cable, and cable television wires, and supporting equipment and electrical conduits, if such easements are deemed by the Board to be beneficial to the operation of the Condominium Property.

ARTICLE IX

INSURANCE

The Board shall be authorized to obtain and maintain, to the extent reasonably obtainable, in forms and amount as hereinafter prescribed the following insurance, without prejudice of the right of the co-owner to obtain additional individual insurance at his own expense:

Section 1. Hazard Insurance. The Board shall be authorized to insure the Condominium Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, wind-driven water, earthquake, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Condominium Property as determined by periodic appraisals of the Condominium Property for insurance valuation purposes by a qualified appraiser not less frequently than every other year. The Board may also obtain an agreed value endorsement each year to the master policy and the amount of coverage shall in no event be less than the agreed value. The Board shall also have the authority to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard

insurance shall cover the entire Condominium Property, exclusive only of those items within the individual Apartments as described in Section 6 of this Article IX. These requirements regarding insurance shall include the following:

(a) All hazard insurance policies obtained by the board shall designate the Board as the named insured, as Insurance Trustee for the benefit of all owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Master Deed.

(b) All hazard insurance policies obtained by the Board shall provide for the issuance of certificates of insurance to each Owner. Each certificate shall evidence the insurance coverage of the master policy and shall indicate the amount of insurance covering the building within which the Apartment is located. If an Apartment is mortgaged, a certificate of insurance shall also be issued to the mortgagee bearing a standard mortgagee endorsement, if requested in writing.

(c) If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving (1) any rights of the insurer to subrogation against the Council, its agents and employees, and against the individual Co-owners and their servants, agents, and guests; and (2) any rights of the insurer to contribution from hazard insurance purchased by the Owner upon the contents and furnishings of his Apartment.

(d) Each mortgagee of which the Board has notice, as evidenced by a certificate of insurance having been requested and issued to said mortgagee, shall be entitled to receive upon request a copy of each appraisal as called for in Section 1 above.

(e) Each hazard insurance policy shall contain a mortgagee provision designating the interests of the various mortgagees as to the various Apartments within the Regime which are covered by the master policy. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice as described in Section 1(d) of this Article IX.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with

limits and provisions as it deems desirable and as may be obtainable, but in no event less than \$500,000 for injury, including death, to a single person; \$1,000,000 for injury or injuries, including death, arising out of a single occurrence, and \$50,000 property damage. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Council to an Owner, and to liabilities of one Owner to another Owner.

Section 3. Officers and Directors Liability Insurance. The Board may in its discretion obtain such insurance as it deems reasonable in regard to officers and directors liability insurance for the officers and members of the Board of the Regime.

Section 4. Workmen's Compensation Insurance. The Board, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of the law.

Section 5. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses to be paid by the Owners through periodic Assessments as provided in this Master Deed.

Section 6. Adjustment. Each Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Council subject to the rights of mortgagees of such Owners.

Section 7. Insurance by Owners. Each Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, floor coverings, wallcoverings, decorations, light fixtures, internal partition walls (not including those separating two or more Apartments) internal doors, heating and cooling equipment and duct work, plumbing fixtures, hot water heaters, appliances and furnishings within his own Apartment and all additions and improvements made by him to his Apartment. Moreover, each Owner shall also be responsible for obtaining, at his own expense, insurance

covering his liability for the safety of the premises within his Apartment and on the Limited Common Elements appurtenant thereto. All such insurance policies, to the extent obtainable, shall include, however, provisions waiving (1) any right of the insurer to subrogation claims against the Council and against individual Owners, as well as their agents, servants, employees, and guests; and (2) any right of the insurer to contribution or pro-ration because of the master hazard policy.

Section 8. Substitution of Insurance Trustee.

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

ARTICLE X

INSURANCE TRUST

In the event of casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article X, and for the benefit of the Council, the Owners, and their respective mortgagees in the following shares:

Section 1. Damage to Common Elements only.

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

Section 2. Damage to Less than All Apartments.

Insurance proceeds paid on account of loss or damage to less than all of the Apartments when the damage is to be restored, shall be held for the benefit of the Owners of the damaged

Apartments and their respective mortgagees in proportion to the costs of repairing each damaged Apartment.

Section 3. When Property Not to Be Restored.

Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all the Owners and their respective Mortgagees, the share of each Owner being equal to the undivided share or interest in Common Elements appurtenant to his Apartment.

Section 4. Rights of Mortgagees. In the event a certificate of insurance has been issued to an Owner bearing a mortgagee endorsement, the share of the Owner in the insurance proceeds shall be held in trust for the mortgagee and the Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Owners and their respective mortgagees pursuant to the provisions of this Master Deed, and then only if the decision is made not to rebuild.

ARTICLE XI

RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article XI and the Act. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, unless otherwise unanimously agreed upon by the Co-owners, the insurance indemnity received by the Board shall be distributed pro-rata to the Owners and their mortgagees

jointly in proportion to their respective interests in the Common Elements. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Owners and their mortgagees jointly in proportion to their respective interest in Common Elements. When any proceeds are to be distributed under this Master Deed to an Owner for which a mortgagee is involved, such proceeds shall be made payable jointly to the Owner and the mortgagee and shall be delivered to the mortgagee. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, then such Condominium Property shall be repaired in the following manner:

Section 1. Plans and Specifications. Any reconstruction or repair must follow substantially the original plans and specification of the Condominium Property unless the Owners holding seventy-five percent (75%) or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Apartments are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

Section 2. Cost Estimates. The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board deems necessary.

Section 3. Insurance Proceeds. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid by a special assessment from the Owners whose Apartments are being reconstructed or repaired in proportion to the damage done to their respective Apartments.

Section 4. Application of Insurance Proceeds. The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owners who paid special assessments in proportion to their payments.

ARTICLE XII

AMENDMENTS

Section 1. Master Deed. Except as provided in Section 3 herein which provides for amendments to this Master Deed by Grantor, its successors and assigns, this Master Deed may only be amended by affirmative vote of two-thirds (2/3) of the votes entitled to be cast by all the Co-owners, provided, however, that no amendment, shall alter the dimensions of an Apartment or the percentage of interest in the Common Elements appurtenant thereto without the unanimous consent of all the Co-owners:

Section 2. Bylaws. The Bylaws may be amended from time to time by the affirmative vote of two-thirds (2/3) of the total votes entitled to be cast by the Co-owners.

Section 3. Exceptions: Notwithstanding the foregoing, until the time period during which the Grantor may appoint directors expires pursuant to Article IV, Section 2, of the Bylaws, the Grantor may amend the Master Deed and/or ByLaws in order to correct any scrivener's errors, conflicts between the Condominium Instruments and the Act, or defects in the Condominium Instruments affecting compliance with the Act, the requirement of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration or the Federal Housing Administration, provided no unit owner is

materially adversely affected by said amendment. No amendment to this Master Deed or the Bylaws shall be effective unless and until recorded as required by the Act.

ARTICLE XIII

TERMINATION

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

Section 2. Voluntary Termination. This Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Act, if the record Owners of title to the Apartments and the record owners of mortgages upon the Apartments unanimously agree in a written instrument to termination. Termination shall become effective upon recording of such written instrument, duly executed by all Owners and mortgagees.

Section 3. Ownership After Termination. After termination of this Regime, the Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Units shall have mortgages and liens upon the respective undivided common interests of the Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Council, any funds held by the Board, and any insurance proceeds shall also be the property of the former Owners as tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition

by any Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Owners in proportion to their respective interest in Common Elements and shall be payable jointly to each Owner and mortgagee and delivered to the mortgagee.

ARTICLE XIV

MISCELLANEOUS

Section 1. Application. All Co-owners, tenants of Co-owners, employees of Co-owners and tenants, or any other persons that may in any manner use the Property or any part thereof shall be subject to the Act and to this Master Deed and the Bylaws.

Section 2. Compliance. Each Co-owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Master Deed or in the deed to the Apartment of such Co-owner. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the manager if one is appointed, or the Board of Directors on behalf of the Council or, in a proper case, by an aggrieved Co-owner.

Section 3. Time Sharing. None of the Apartments herein shall be used for or subject to any type of Vacation Time Sharing Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et seq., or any subsequent laws of this State dealing with that or similar type ownership without prior written consent of Grantor, its Successors and Assigns.

Section 4. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 5. Conflicts. This Master Deed is executed to comply with the requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall Control.

Section 6. Severability. The provisions of this Master Deed are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder hereof.

Section 7. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Master Deed or the intent of any provision hereof.

Section 8. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

IN WITNESS WHEREOF, Grantor has executed this Master Deed this 16th day of April, 1985.

Signed, sealed and delivered in the presence of:

ISLAND BLUFF DEVELOPERS, A S.C. GENERAL PARTNERSHIP

By its Partner:

SOUTHERN HOME BUILDERS, INC

By Lewis C. White
Lewis C. White, President

Barron Park
Karen L. Mock

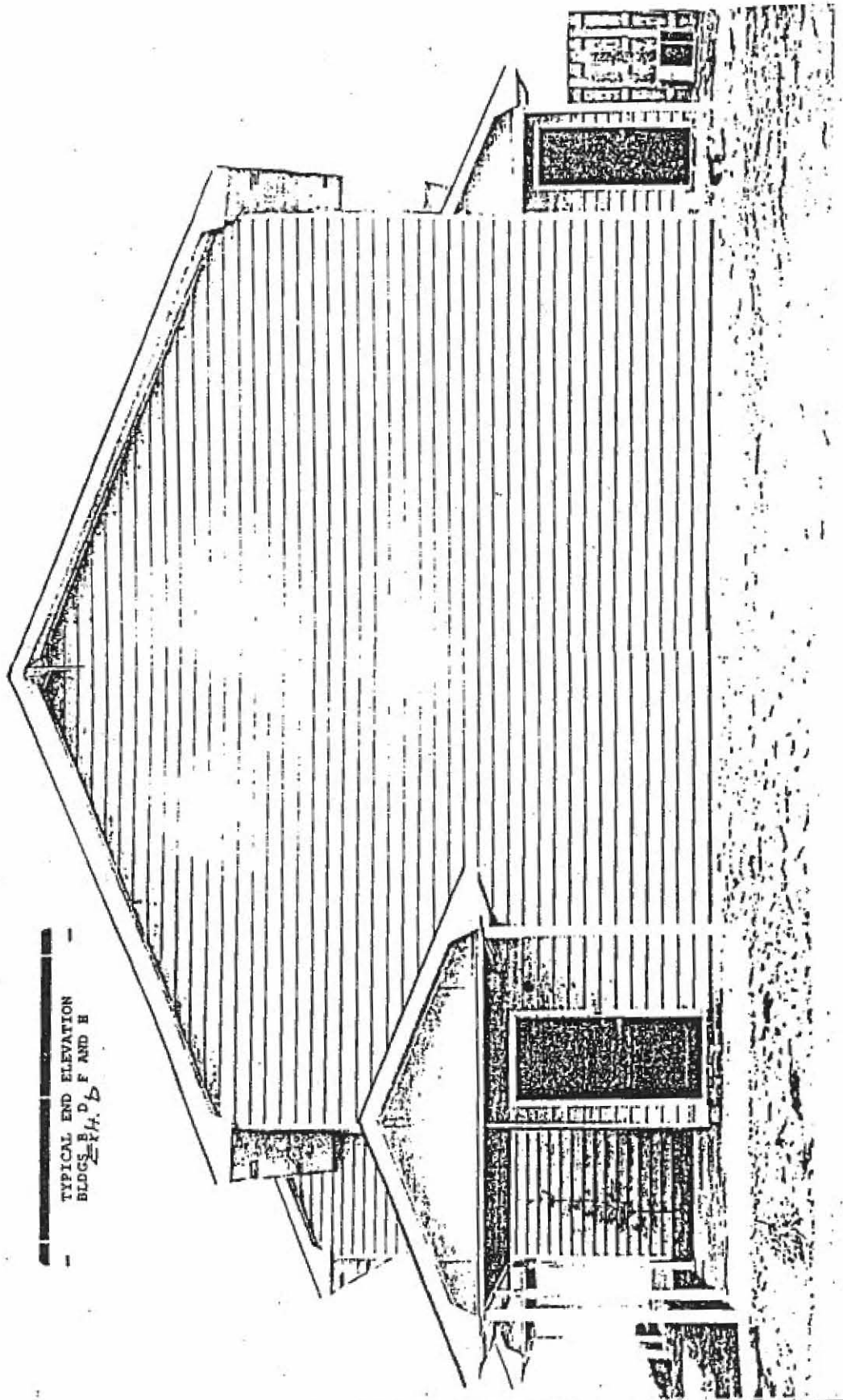
EXHIBIT A

ALL that certain piece, parcel or lot of land, situate, lying and being on James Island, County of Charleston, State of South Carolina located on Julian Clark Road at the intersection of Dills Bluff Road and Simpkins Street, and shown and designated as LOT Y-2 on a resubdivision of TRACT F-2 OF THE ROYAL TRACT as shown on a Plat prepared by W.L. Gaillard dated August, 1948 and recorded in the R.M.C. Office for Charleston County in Book J-56, at Page 203; Reference is further craved to a more recent plat of the subject property prepared by George . Z. Johnson, Jr., Inc. dated November 1, 1983 and entitled "PLAT OF A 5.749 AC. TRACT (LOT Y TRACT F-2 ROYAL) JAMES ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA", which plat is recorded in Plat Book AY, Page 117, in the R.M.C. Office for Charleston County; said parcel of land measuring and containing according to the more recent survey 5.749 ACRES of land; said Plats are made a part and parcel of this description by reference thereto.

BEING the same property conveyed to Grantco herein by Deed of GAR-HITE, A PARTNERSHIP, dated April 5, 1984, and recorded in said R.M.C. Office in Book G-136, Page 663 and re-recorded in Book H-137, Page 009.

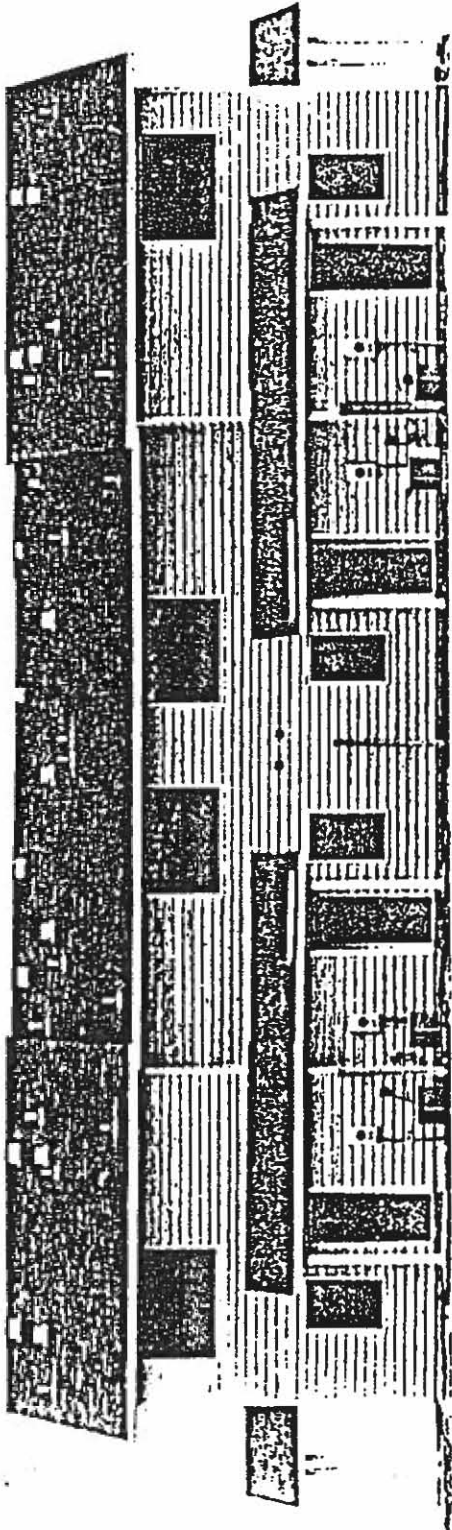
TMS NO.: 426-09-00-132, 150 ~~24~~-18H

GRANTCO'S ADDRESS: Post Office Drawer 1136
Aiken, S.C. 29801

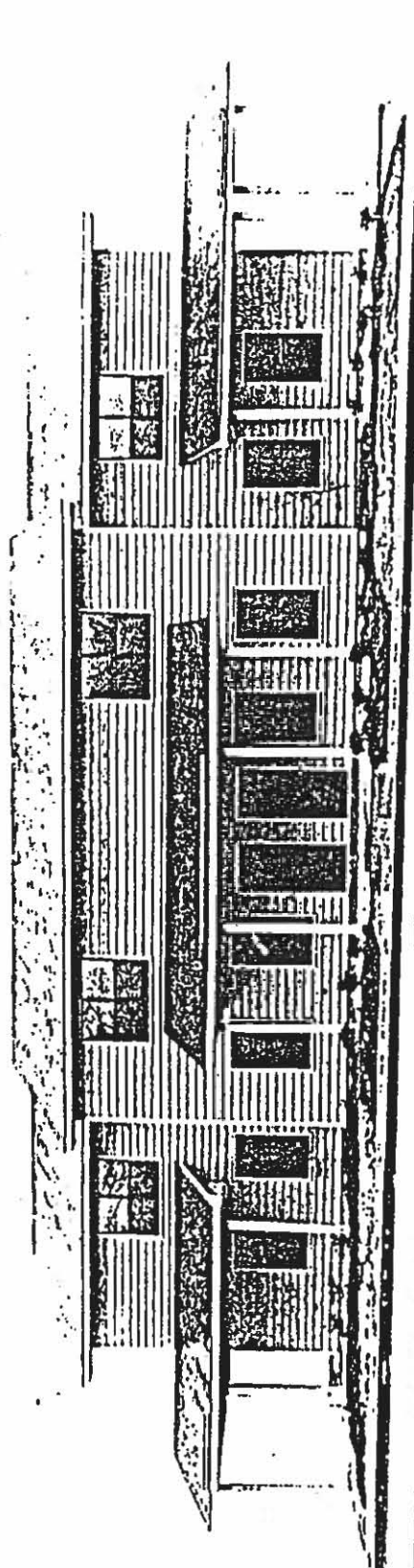


TYPICAL END ELEVATION
BLOCKS B, D, F AND E
S.H. 5

BK P 144 PG 867

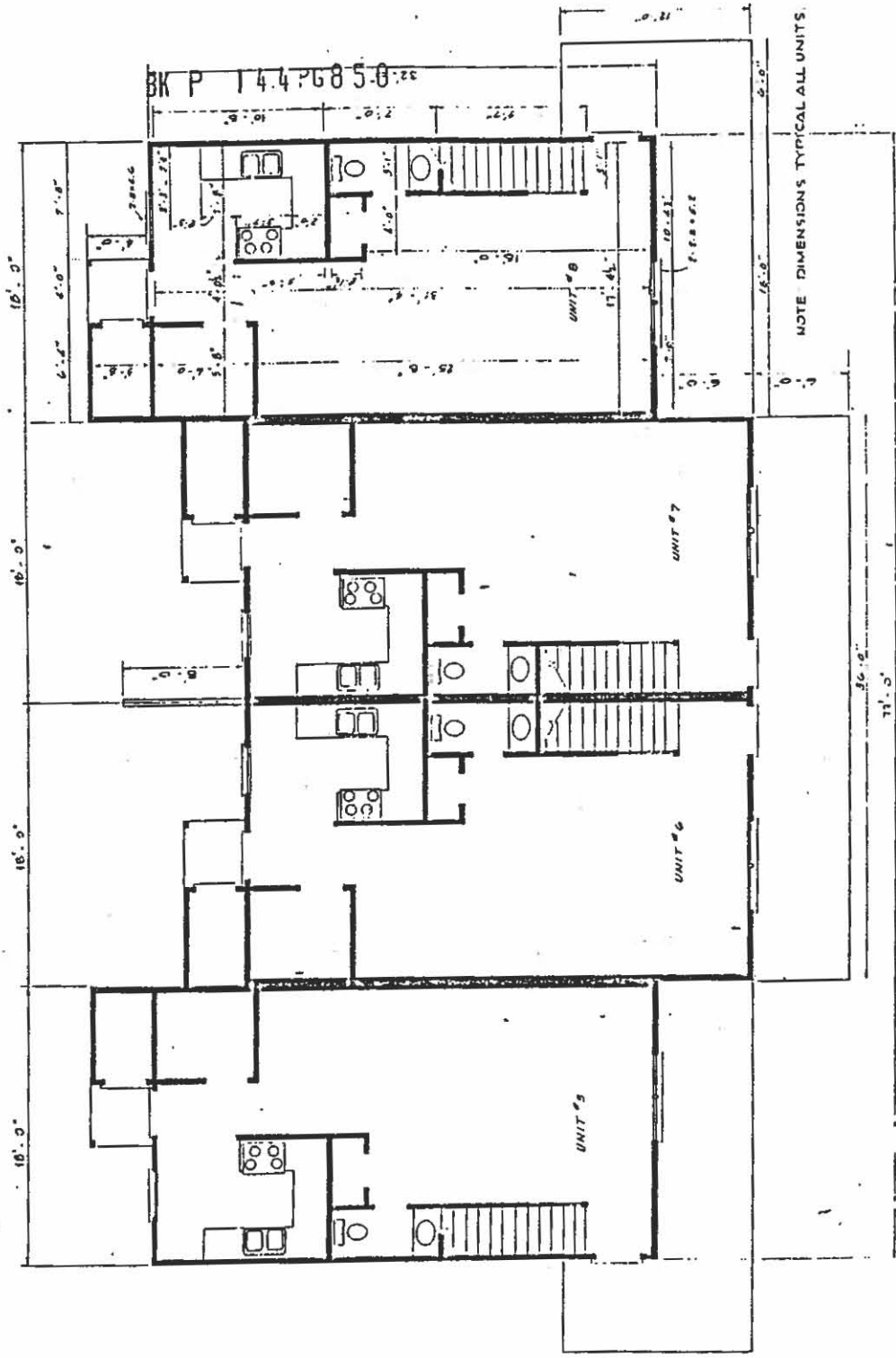


REAR ELEVATION



FRONT ELEVATION

TYPICAL ELEVATIONS



ISLAND BLUFF COMPLEX
 JAMES ISLAND, CHARLESTON COUNTY, S.C.

FIRST FLOOR: BUILDING "B"
 UNIT Nos. 5, 6, 7, 8

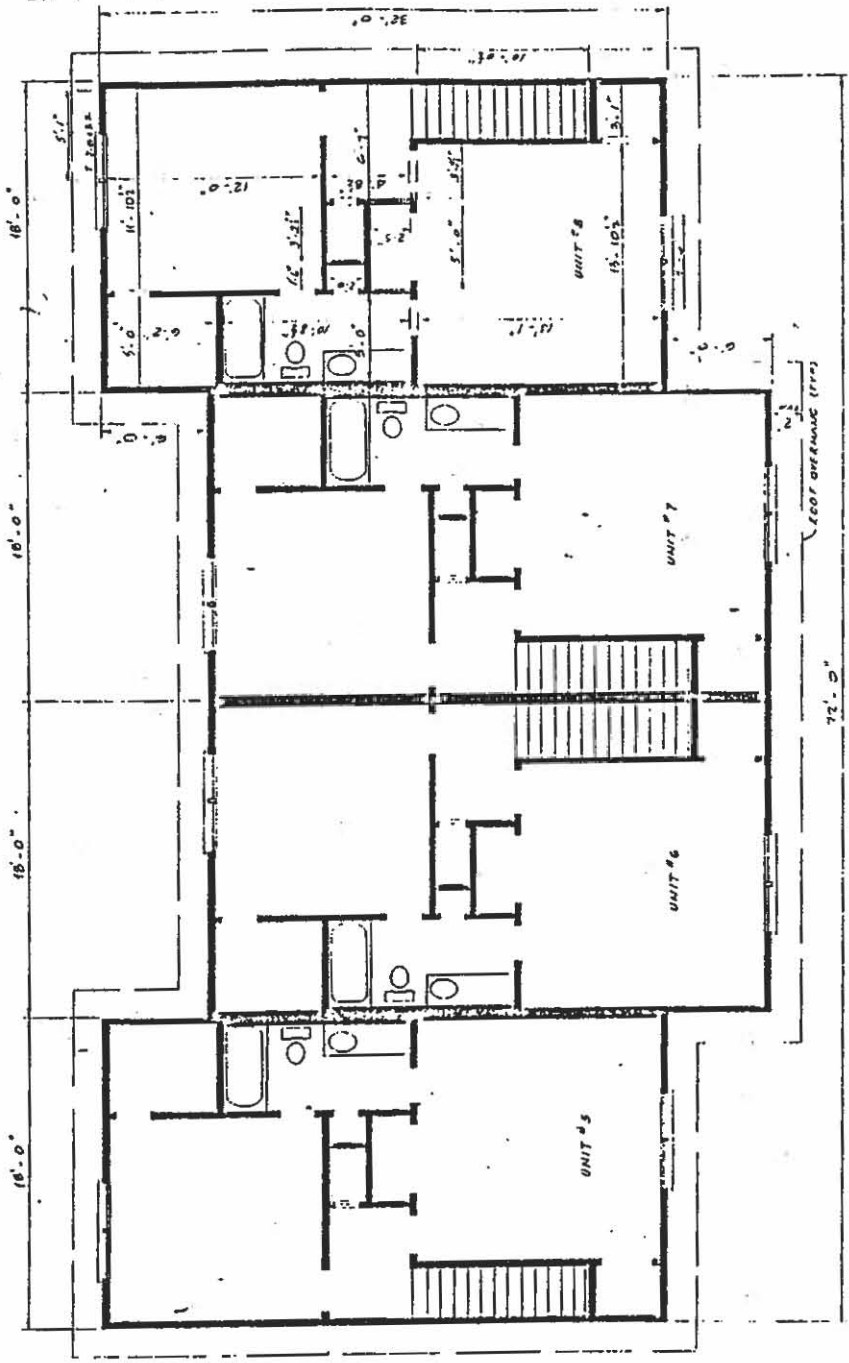
SCALE 1/4" = 1'-0"

SJT-D
 ET

GEORGE A. JOHNSON, JR. ARCH.
 ARCHITECT • PLANNING • LAND SURVEYING
 1015 W. 10th St.
 CHARLESTON, S.C.

Handwritten notes:
 10/1/54
 L. Johnson

BK P 144PG851



NOTE: DIMENSIONS TYPICAL ALL UNITS.

ISLAND BLUFF COMPLEX
 JAMES ISLAND, CHARLESTON COUNTY, S. C.

SECOND FLOOR: BUILDING B
 UNIT NO'S 5, 6, 7, 8
 SCALE: 1/4" = 1'-0"

5/21/70
 SET
 &
 11

GEORGE A. J. JOHNSON, JR. INC.
 ARCHITECTS - PLANNERS - LAND SURVEYORS
 201 W. BROAD ST.
 CHARLOTTE, N. C.

