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Master Deed

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2006088079 John G. Norris

Richland County ROD

MASTER DEED OF
CAROLINA WALK PARK
HORIZONTAL PROPERTY REGIME

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

MASTER DEED
OF CAROLINA WALK PARK
HORIZONTAL PROPERTY REGIME

TO ALL WHOM THESE PRESENTS MAY COME:

WHEREAS, CAROLINA WALK PARK, LLC (the “Declarant”) is a South Carolina limited liability company having a place of business located at 825 Bluff Road, Columbia, South Carolina 29202; and

WHEREAS, the Declarant is the owner of that certain real property more fully described in Exhibit “A” attached hereto known as “Carolina Walk Park” in the City of Columbia, Richland County, South Carolina; and

WHEREAS, the Declarant now deems it appropriate to organize a horizontal property regime by duly executing and recording this Master Deed in the Office of the Register of Deeds (“ROD”) for Richland County, South Carolina.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Declarant hereby submits that certain real property more fully described in Exhibit “A” attached hereto and all improvements located thereon and/or therein, together with all easements, rights and appurtenances hereunto belonging, to the provisions of Sections 27-31-10 et seq. of the South Carolina Code of Laws (1976) and hereby creates thereon a horizontal property regime (sometimes termed “condominium ownership”) to be known as CAROLINA WALK PARK HORIZONTAL PROPERTY REGIME, subject to the following:

ARTICLE I

Definitions

Section 1.1 Definitions. Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20, South Carolina Code of Laws (1976), when used in this Master Deed or any amendment hereto, shall have the meaning therein provided. The following words when used in this Master Deed or any amendment or supplement hereto, unless the context requires otherwise, shall have the following meanings:

“Annual Assessment” means the amount assessed against the Owners for each Annual Assessment Period.

“Annual Assessment Period” means the fiscal year of the Association established by the Bylaws or other annual period as specified by the Board of Directors from time to time for budgeting and collecting of Common Expenses.

“Assessment” means the amount assessed against the Owners of Units from time to time by the Association in the manner provided herein representing payment by each Owner of a pro

rata share of all Common Expenses based upon the respective Percentage Interests of each Owner and any additional assessments attributable solely to one Owner, as provided herein.

“Assigned Value” means the value assigned to each Unit in accordance with Exhibit “C” attached hereto and utilized for purposes of computing the Percentage Interest appurtenant to such Unit, which Assigned Value shall not constitute the sales price of the Unit or be relied upon as a representation of the actual value of the Unit.

“Association” means Carolina Walk Park Owners’ Association, being an association of and limited to Owners of the Units located in the Property in the form of a non-profit, non-stock membership association which will be incorporated in accordance with the Articles of Incorporation attached hereto as Exhibit “D”.

“Block” means a group of adjacent Units as shown on the Plans.

“Board of Directors” or “Board” means the Board of Directors of the Association, and “director” or “directors” means a member or members of the Board.

“Bylaws” means the Bylaws of the Association attached hereto as Exhibit “E”, as amended from time to time in accordance with the terms of the Bylaws and this Master Deed.

“Central Common Area” means the unimproved open area located adjacent to the restroom facilities, which is part of the Common Area of the Regime Property

“Common Areas” means, collectively, all of the Regime Property, excluding the Units and the Limited Common Elements, including, but not limited to, the following:

1. Corridors between Blocks and other ingress and egress areas within the Property providing access from Stadium Drive and Garland Street, Columbia, South Carolina to and from the Regime Property for the benefit of all Owners.
2. All underground utility lines and equipment for the distribution of services, including all such installations inside and outside the Units for the provision of water, electricity, and similar utility services, and cable TV and communications cables, lines and equipment, if any, installed by the Declarant or the Association and all rights of installation, ownership, operation and maintenance owned by the Declarant and/or Association under any governmental permitting therefore; saving and excepting therefrom, however, such equipment as may be the sole property of the providing utility or cable company.
3. Easements through the Units, the Common Areas and the Limited Common Elements for maintenance, repair and replacement of the Units, the Common Areas and the Limited Common Elements.
4. The tangible personal property, if any, owned by the Association.
5. All other elements of the Property, developed or to be developed; located outside the Units and the Limited Common Elements and reasonably and

rationality of common use or necessity to the ownership, use, repair, replacement, maintenance and safety of the Project including without limitation the restroom facilities; the Central Common Area and Pavilion, once completed; all fencing installed on the Regime Property; any and all lamp posts, poles and other lighting elements installed on the Regime Property; trees; and directional signage, if any.

6. Any service provided by the Association in furtherance of the uses and purposes to which any of the aforesaid facilities are put.

“Common Expenses” means (a) all expenses incident to the administration of the Association and maintenance, repair and replacement of the Common Areas, the Limited Common Elements and the Units; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners, including without limitation reasonable services for the use and enjoyment of Owners and lessees of Owners, their families and guests, as reasonably determined from time to time by the Board of Directors of the Association which may include food and beverage services, televisions and other audio-visual service, musical entertainment through electronic equipment and/or live music and disc jockeys, and other similar services provided on Game Days by other parking facilities located in the area of the Property ; (c) expenses declared to by Common Expenses by the Condominium Act or the Regime Documents; and (d) reasonable reserves established for the payment of any of the foregoing.

“Condominium Act” means the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976), Section 27-31-10 to Section 27-31-300, as may be amended from time to time.

“Declarant” means Carolina Walk Park, LLC, a South Carolina limited liability company, its successors and assigns.

“Eligible Mortgagee” shall have the meaning set forth in Section 15.2 below.

“Game Day” shall mean each day the University of South Carolina participates in intercollegiate, men’s football games, including post-season games, at Williams-Brice Stadium, Columbia, South Carolina.

“Hours of Access” shall mean the period of time on each Game Day measured as beginning at 8:00 am on each Game Day and ending four hours following the end of the football game; provided, in the event of any night game whereby the ending time of the Hours of Access occurs after midnight of the Game Day, such subsequent day shall be deemed for purposes of the Regime Documents as being part of the Game Day.

“Institutional Mortgage” shall mean and refer to a first lien Mortgage (prior to all other Mortgage liens) held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. Such term shall also mean and refer to the holder of any Mortgage securing a loan made by Declarant, its affiliates, successors, or assigns.

“Limited Common Elements” means those portions of the Common Areas adjacent to and/or existing within the boundaries of the Units and set aside and allocated for the exclusive use of the Owner(s) of the Unit to which such elements are adjacent or encroaching, including the following:

1. Granite boundary markers outlining portions of each Unit;
2. Granite Unit markers setting forth the name of each Unit Owner and the Unit number (the “Unit Markers”);
3. Any portion of the ground within each Unit and the grass growing within each Unit;
4. Trees, including all limbs and roots; and
5. Aboveground utility, cable TV and communications lines, cables and other equipment providing electricity and other utility, cable TV and communications services, if any, for Units;

“Master Deed” means this document, as amended from time to time.

“Member” means each Owner who is member of the Association.

“Mortgage” shall mean and refer to a mortgage, security deed, deed of trust, installment Property sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Unit.

“Mortgagee” shall mean and refer to the holder of a Mortgage.

“Owner” means the record owner, whether one or more persons, of fee simple title in and to any Unit; excluding, however, those persons having such an interest merely as security for the performance of an obligation.

“Pavilion” means non-gated, open-air shelter to be constructed by the Declarant prior to the 2007 football season on the Central Common Area or a portion thereof.

“Percentage Interest” means the undivided percentage interest owned by each Owner as a tenant-in-common in the Common Area as set forth in Exhibit “C” attached hereto and “Total Percentage Interest” means the aggregate of all the Percentage Interests.

“Plans” means and includes the Site Plan of the Project referred to and attached as Exhibit “B” hereto which are filed as attachments to this Master Deed showing the boundaries of the Property and the horizontal and vertical locations of the Units and Common Areas of the Project thereon, certified by a registered land surveyor in accordance with the provisions of the Condominium Act.

“Project” means the Property, the Units, the Common Areas, the Limited Common Elements and all improvements and structures located therein and thereon, and all easements,

rights and appurtenances belonging thereto, submitted to the Condominium Act by this Master Deed, as amended from time to time in accordance with the provisions hereof.

“Property” means that certain real property described in Exhibit “A” attached hereto, as amended from time to time in accordance with the provisions of this Master Deed.

“Regime” means the horizontal property regime established by this Master Deed, including all appurtenances and incidents of ownership attendant therewith.

“Regime Documents” means and includes this Master Deed, all Exhibits hereto, the Articles of Incorporation of the Association, and the Bylaws and the Rules and Regulations, all as amended from time to time in accordance with the provisions thereof or in accordance with the laws of the State of South Carolina.

“Rules and Regulations” means the Rules and Regulations from time to time promulgated by the Board of Directors governing the use of the Project.

“Special Declarant Unit” shall have the meaning set forth in Section 3.3(f).

“Transition Period” means the time period commencing on the date of recording of this Master Deed and ending on the earlier of:

1. Three (3) years after the conveyance in the ordinary course of the Declarant’s business of the first Unit to another person or entity; or
2. The conveyance in the ordinary course of the Declarant’s business of seventy-five percent (75%) of the Units in the Project.

“Trustee” means the Board of Directors acting as a fiduciary for the benefit of the Association and the Owners in holding certain funds and providing services as provided herein, or such bank or trust company authorized to do trust business in the State of South Carolina and appointed therefore by the Board of Directors.

“Unit” means that part of the Project created as a separate three dimensional area and set aside for individual ownership, with set Unit boundaries described herein and shown in the Plans attached hereto as Exhibit “B”, as amended from time to time in accordance with the provisions of this Master Deed and constituting an “apartment” as defined in the Condominium Act.

ARTICLE II

Administration

Section 2.1 The Association. The administration of the Regime shall be the responsibility of the Association, which shall be made up of all the Owners of Units in the Regime. The Association and the Owners shall be governed by the Regime Documents, as the same may be amended from time to time.

Section 2.2 Membership. Each Owner of a Unit, including the Declarant, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit and ownership of a Unit shall be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include any Mortgagee or any other person who holds an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association.

Section 2.3 Agreements. The Association shall be and hereby is authorized to enter into such contractual arrangements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Regime. Each Owner by acquiring or holding an interest in any Unit thereby ratifies and agrees to be bound by the terms and conditions of all such contractual arrangements entered into by the Board of Directors on behalf of the Association prior to the conveyance of the Unit or interest therein to such Owner.

Section 2.4 Books and Records. The Association shall keep full and accurate books of account and financial records showing all receipts and disbursements. In particular, the books shall be maintained with a detailed account, in chronological order, of the receipts and expenditures affecting the Project and its administration, and specifying the maintenance and repair expenses of the Project as well as other expenditures incurred. Vouchers accrediting the entries made thereupon shall also be maintained in chronological order.

Section 2.5 Financial Statements. No later than 120 days after the close of any fiscal year of the Association, the Association shall cause financial statements for such fiscal year to be prepared (but not necessarily certified) by a public accountant. Copies of the financial statements shall be delivered by mail or personal delivery to each Owner requesting a copy of same, who may be charged reasonable copying and mailing costs incurred by the Association.

Section 2.6 Access to Information. The Association shall make available to Owners of any Unit and to any Mortgagee current copies of the Regime Documents and the books, records, vouchers, contractual arrangements and financial statements of the Association. "Available" means available for reasonable inspection at convenient hours during normal business days as shall be, from time to time, announced by the Association or under other reasonable circumstances. The Association may charge reasonable copying costs for any requested copies or extracts. Any party entitled to the benefits of this Section shall be permitted to designate one or more agents who shall be permitted to represent said party in connection with any and all reviews of the Regime Documents and books, records, contractual arrangements and financial statements of the Association.

Section 2.7 Professional Property Manager. The Board of Directors shall retain a professional property management company to manage the day-to-day affairs of the Association and the Game Day activities of the Association. As of the date hereof, the Association has

retained Phillips Property Management to manage the day-to-day affairs of the Association, for a term of two (2) years.

ARTICLE III

Property Rights

Section 3.1 Unit as Real Property. Each Unit shall for all purposes constitute a separate parcel of real property which, subject to the provisions of this Master Deed, may be owned in fee simple and which may be conveyed, transferred, leased and encumbered in the same manner as any other real property, subject, nevertheless, to all the terms and conditions of the Regime Documents. Each Owner, subject to the provisions of this Master Deed, shall be entitled to the exclusive ownership and possession of its Unit.

Section 3.2 Description of Units. The dimensions, area and location of the Units are as set forth on Exhibit "B" attached hereto and made a part hereof.

Section 3.3 Use Restrictions.

(a) Units.

(i) Units Generally. Except as otherwise provided herein, each Unit may be occupied and used by its Owner, its lessees and his guests and invitees, solely for the parking of no more than one normal-sized passenger motor vehicle, the length of which shall not encroach upon any adjacent Unit or Common Area. Any vehicle shall, when parked within a Unit, not exceed the boundaries of such Unit. Nothing herein or in the Bylaws shall prevent the Declarant from using any Unit owned by Declarant for promotional, marketing, or display purposes. A Unit may be leased or rented by the Owner thereof, subject to the restrictions on Unit leasing set forth in Section 3.3(g). Vehicles parked within the Units shall be for the personal use and enjoyment of such Unit Owners and lessees of Owners, their guests, and invitees, and no commercial vehicle shall be located within and no commercial activity shall be conducted from such Units. During the Game Day Hours of Access, such persons have exclusive access to the Units.

(ii) Game Day Hours of Access Only. All Units shall be conveyed subject to the easements of access and use over, upon and of the Project by the Association and/or the Declarant set forth in Section 10, the effect of which is to limit use and enjoyment of the Units by Owners thereof to Game Day Hours of Access and no other day or time unless otherwise permitted by the Association and the Declarant.

(iii) Limitation on Number of Owners, Guests, Renters, and Lessees Using Unit. No more than ten (10) persons, including Owners, guests, and lessees, shall use a Unit during Game Day Hours of Access.

(b) Game Day Hours of Access to the Common Area. The Association shall make all portions of the Common Area available for use by Owners and lessees of Owners, their guests and invitees, during Game Day Hours of Access and shall provide reasonable services for the use and enjoyment of Owners and lessees of Owners, their guests and invitees, as

reasonably determined from time to time by the Board of Directors. Such services may include food and beverage services, televisions and other audio-visual service, musical entertainment through electronic equipment and/or live music and disc jockeys, and other similar services provided on Game Days by other parking facilities located in the area of the Property. In any event, the Central Common Area and the restroom facilities shall be open and available for use by all Owners, their guests and lessees during Game Day Hours of Access, and the Pavilion, once constructed, shall be open and available for shelter from the elements.

(c) Rules and Regulations. The Board of Directors shall be entitled to publish, terminate and enforce reasonable Rules and Regulations from time to time, which shall be binding on the Association and all Owners and lessees of Owners, their guests and invitees, regarding the use and enjoyment of the Project. Copies of the current Rules and Regulations shall be furnished to Owners and lessees of Owners upon request. All such Rules and Regulations shall be consistent with the terms and conditions of this Master Deed, zoning regulations of the City of Columbia, South Carolina, and the rights and obligations of other Owners within the Regime. In the event the Association adopts any Rule or Regulation regarding the use of a Unit or Common Area which is not otherwise covered in this Master Deed, the same shall be deemed revoked and null and void if a majority of the Owners affected thereby object to same in a writing delivered to the Board of Directors of the Association. Notwithstanding the foregoing, any such written objection shall be ineffective if such revocation would endanger the health, safety or welfare of any Owner within the Project or would endanger the condition or safety of any Common Area of the Association.

(d) Peaceful Possession. No Owner shall do, suffer, or permit to be done, anything upon or with his Unit which would impair vehicle ingress, egress and access or the soundness or safety of the Project or the Common Areas or which would be noxious or offensive or an interference with the peaceful possession and proper use of other Units, or which would require any alteration of or addition to any of the Common Area in order to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

(e) Declarant's Trademarks. Each Owner by acceptance of a deed to a Unit hereby acknowledges that *Carolina Walk Park* is a service mark and trade mark belonging exclusively to or licensed by the Declarant and the successors and assigns of such marks. Each Owner and the Association agrees to refrain from misappropriating or infringing this service mark or trademark.

(f) Declarant's Access and Use. In addition to the rights of Owners of Units with respect to the access to and use and enjoyment of the Project, the Declarant shall retain ownership of a Unit, designated by the Declarant as the "Special Declarant Unit" by including such designation in the applicable Unit Deed, with ownership of such Special Declarant Unit to carry with it as an appurtenance the exclusive license and right to utilize the Project and all portions thereof including the Units on non-Game Days for meetings, parties and other similar functions, whether or not rent or other charges are imposed, with such activities only to be conducted on non-Game Days (the "Non-Game Day Functions"). The Declarant shall be responsible for the clean-up of the Project after all Non-Game Day Functions and shall provide special event insurance, including public liability and host liquor liability insurance, if

applicable, for all Non-Game Day Functions. The Declarant shall cause such Non-Game Day Functions to be held only in compliance with all applicable laws, including without limitation the requirements, restrictions and limitations for use of the Project by the City of Columbia. In order to promote a healthy grass surface on the Project by avoiding excessive use, the number of Non-Game Day Functions plus the number of Game Days may not exceed fifty-five (55) events without prior written consent of the City of Columbia, which consent may be granted or denied in the sole discretion of the City of Columbia. This Section 3.3(f) shall not be modified or amended without the prior written approval of the City of Columbia. This covenant shall run with the land and the City of Columbia shall be entitled to enforce this provision as a third party beneficiary of this Section 3.3(f). Upon a transfer of the Special Declarant Unit, the foregoing exclusive license and right shall be deemed to be transferred with the Special Declarant Unit as a special appurtenance. All Non-Game Day Functions shall be coordinated by the Owner of the Special Declarant Unit with the Association's professional property manager, and the professional property manager shall supervise the conduct of the Non-Game Day Functions as may reasonably be required to assure proper utilization of the Project.

The Declarant shall contribute twenty-five percent (25%) of the net profits derived from any and all Non-Game Day Functions to the Association as a Special Declarant Assessment, in accordance with Section 4.5.

(g) Leasing of Units. An Owner of a Unit will have the right to lease or rent his Unit; provided, however, that all leases and rental contracts shall be for a term of no less than an entire University of South Carolina intercollegiate, men's football season, including post-season games, unless approved in writing by the Board of Directors, and shall be in writing and shall require the lessee(s) to abide by all conditions and restrictions placed on the use, access and occupancy of the Unit, the Common Areas, and the Limited Common Elements by the Regime Documents. Occupancy of a Unit by a tenant or renter under any lease or rental contract shall be subject to the continuing approval of the Board of Directors, which approval may be removed at any time by the Board of Directors for any violation by any such tenant or renter of the Rules and Regulations.

(h) Motor Homes, Trailers, Etc. No Owner will be permitted to park his or her vehicle in any space within the Project other than his or her designated Unit. Owners may not bring onto the Project any vehicle which is not in reasonable operating condition or any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorized go-cart, golf cart or any similar form of transportation device; provided, however, that the Board may authorize the use of golf carts and other similar vehicles for handicapped persons or under other circumstances deemed appropriate by the Board from time to time. Anything to the contrary contained herein notwithstanding, the Declarant or any parties designated by the Declarant shall have the right to maintain a sales trailer on the Project for purposes of Unit sales until such time as all Units have been conveyed by the Declarant in the ordinary course of business to persons other than a successor Declarant.

(i) Signs. Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including but not limited to, "For Rent", "For Sale" and other similar signs, shall be erected by an Owner, the Association, or any agent, broker,

contractor or subcontractor thereof, without the express written permission of the Declarant during the Transition Period and thereafter without the express written permission of the Board of Directors. The approval of any signs and posters shall be upon such conditions as may be from time to time determined by the party entitled to approve the same and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 3.3(i) shall not apply to the Declarant or to any person having the prior written approval of the Declarant. Anything to the contrary contained herein notwithstanding, the Association shall have the right to erect reasonable and appropriate directional signs on any portion of the Common Areas.

(k) Activities. Owners and lessees of Owners, their guests and invitees, shall not be permitted to conduct any activities within their Unit or otherwise within the Project which unreasonably interferes with any other Owner's use and enjoyment of its Unit, including without limitation grilling or cooking activities that generate excessive smoke or heat.

Section 3.4 Common Areas and Limited Common Elements.

(a) Ownership and Percentage Interest. The Owners shall own the Common Areas as tenants-in-common, with each Unit having, appurtenant thereto, the Percentage Interest in the Common Area set forth in Exhibit "C" attached hereto; provided, however, that the use of the Common Areas shall be restricted as set forth in this Section 3.4. The Percentage Interest appurtenant to each Unit has been determined by dividing the Assigned Value of the respective Unit as shown on Exhibit "C" by the aggregate Assigned Value of all Units as shown on Exhibit "C". The value assigned to any Unit in Exhibit "C" does not represent the sales price or market value of the Unit and shall only be utilized for purposes of computing the Percentage Interest appurtenant to the respective Unit.

(b) Inseparability of Percentage Interests. The Percentage Interest in the Common Area cannot be separated from the Unit to which it appertains and shall be automatically conveyed or encumbered with the Unit even though such Percentage Interest is not expressly mentioned or described in the deed or other instruments.

(c) No Partition. The Common Area shall remain undivided and no right to partition the same or any part thereof shall exist except as provided in the Condominium Act, the Bylaws and this Master Deed.

(d) Use of Common Areas. The Common Areas shall be used in accordance with their intended purposes without hindering the exercise of or encroaching upon the rights of other Owners as reserved or granted herein. The Board of Directors shall, if any question arises, determine the purpose for which a part of the Common Area is intended to be used, the application of restrictions of use of and access to such Common Area, and the scope of Game Day Hours of Access to the Project. All Owners and lessees of Owners, their guests and invitees, shall abide by all Rules and Regulations from time to time in effect governing the use of the Common Area. Such use is, however, subject to: (i) the rule that no such use shall involve encroachment upon the lawful rights of any other persons; (ii) the right of the Association to restrict the use and govern the operation of the Common Area by promulgating reasonable Rules and Regulations with respect thereto; (iii) the right, hereby granted to the Association, to suspend a Unit Owner's rights to use his Unit, and, with respect to all Unit Owners the whole or any

portion of the Common Area during any period(s) that an Assessment of the Association remains unpaid by such Owner or for any other infraction by such Owner of the Regime Documents; (iv) the rights of Declarant as set forth herein; and (iv) the easements reserved for the Association and the Declarant.

(i) Units' Use During Game Day Hours of Access. Subject to Rules and Regulations promulgated, from time to time, by the Board, Owners of Units, their lessees, guests and invitees, shall have exclusive use of the all Common Areas during Game Day Hours of Access, but at no other day and time. The within right of the use and enjoyment of the Common Areas by an Owner of a Unit is hereby limited to the same ten (10) persons using the Unit pursuant to Section 3.3(a)(iii) .

(e) Use of Limited Common Elements. Anything to the contrary contained herein notwithstanding, ownership of each Unit will entitle the Owner thereof and Owners of adjacent Units to exclusive use of the Limited Common Elements adjacent and appurtenant to such Units, which exclusive use may be delegated by such Owner to the Owner's lessees, their guests and invitees. All Owners and lessee of Owners, their guests and invitees shall abide by all Rules and Regulations from time to time in effect governing the use of the Limited Common Elements. An Owner will be responsible for maintenance and repair of the Limited Common Elements as set forth in Section 9.2 below. Such use is, however, subject to: (i) the rule that no such use shall involve encroachment upon the lawful rights of any other persons; (ii) the right of the Association to restrict the use and govern the operation of the Limited Common Elements by promulgating reasonable Rules and Regulations with respect thereto; (iii) the right, hereby granted to the Association, to suspend a Unit Owner's rights to use his Unit, and, with respect to all Unit Owners the whole or any portion of the Limited Common Elements during any period(s) that an Assessment of the Association remains unpaid by such Owner or for any other infraction by such Owner of the Regime Documents; (iv) the rights of Declarant as set forth herein; and (iv) the easements reserved for the Association and the Declarant.

(f) Reservation of Easements and Use. The Common Areas and Limited Common Elements shall be subject to all easements and use rights, if any, reserved in the Master Deed.

Section 3.5 Status of Title of Project. The Declarant represents to the Association and all the Owners that as of the creation of the Regime by the execution and recordation of this Master Deed, the Declarant had marketable, fee simple title to the Project. The rights and interests of all Owners in and to the Project shall be subject only to (i) liens for real estate taxes for the current year and subsequent years; (ii) existing and/or recorded easements, conditions, covenants, declarations, reservations and restrictions including, without limitation, those set forth in this Master Deed; (iii) easements and use rights, if any, reserved by the Declarant hereunder; and (iv) applicable governmental regulations, including zoning laws, which may be imposed upon the Project from time to time.

Section 3.6 No Warranty from Declarant Except as Specifically Set Forth Herein. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THE DECLARANT EXPRESSLY DISCLAIMS ALL REPRESENTATIONS, CONTRACTUAL OBLIGATIONS OR

WARRANTIES, EXPRESS OR IMPLIED, RELATED DIRECTLY OR INDIRECTLY TO THE PROJECT OR ITS CONDITION, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE DECLARANT SHALL HAVE NO OBLIGATION OR LIABILITY FOR ANY CONDITION OR DEFECT IN THE PROJECT, AND SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATION. Each Owner, in accepting a deed from the Declarant or any other party to a Unit, expressly acknowledges and agrees to the foregoing and that the Association and all Owners accept the Project in "As Is" condition.

Anything to the contrary contained herein notwithstanding, the Declarant hereby guarantees, covenants and agrees to maintain the landscaping and infrastructure for the Project in substantially the same condition as exists as of the date hereof for one (1) year from the date hereof, provided that the Declarant's obligations with respect hereto shall terminate and be of no further force or effect after one (1) year from the date hereof.

ARTICLE IV

Assessments

Section 4.1 Creation of Lien and Personal Obligation for Assessments. Each Unit is and shall be subject to a lien and permanent charge in favor of the Association for the Assessments set forth herein. Each Assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall be a permanent charge and continuing lien upon the Unit against which it relates, and shall also be the joint and several personal obligation of each Owner of such Unit at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such Unit, and each and every Owner by acquiring or holding an interest in any Unit thereby covenants to pay such amount to the Association when the same shall become due; provided, however, that no Owner acquiring title to any Unit at a foreclosure sale of any Institutional Mortgage or by deed in lieu of foreclosure thereof, his successors and assigns, shall have any personal obligation with respect to the portion of any Assessments (together with late charges, interest, fees and costs of collection) related to such Unit, the lien for which is subordinate to the lien of the Institutional Mortgage being foreclosed, as provided in Section 4.8.

Section 4.2 Annual Assessments. Prior to the Association's next succeeding Annual Assessment Period the Board shall adopt a budget for the next succeeding Annual Assessment Period by estimating the Common Expenses to be incurred during such Annual Assessment Period, including a reasonable allowance for contingencies and operating and replacement reserves, if any shall be deemed warranted by the Board of Directors, such budget to take into account any projected anticipated income, any surplus from the previous year in excess of reserves, and the Special Declarant Assessment (hereafter defined) which are to be applied in reduction of the amount to be collected as an Assessment. Upon adopting of the Budget, each Owner shall be responsible for a pro rata share of the Common Expense budgeted for such Annual Assessment Period, based on the respective Percentage Interest of each Owner. Such pro

rata portion of the Common Expense shall be the Annual Assessment due from each Owner, including the Declarant. Upon adoption of the budget, a copy thereof shall be delivered to each Owner with a statement as to the Annual Assessment due from each Owner and the date or dates set for payment thereof.

(a) Unit Assessments. Each Unit Owner shall be responsible for that Owner's share of the Assessments, which, except as specifically provided in this Master Deed, shall be an assessment under the Condominium Act, payable by the Owners of the Units in proportion to their respective Percentage Interests appurtenant to the Units, as shown on Exhibit "C". Only the Owners of Units shall pay Assessments, and joint Owners of a Unit shall be jointly and severally liable for Assessments.

(b) Misconduct Charges. Anything contained herein to the contrary notwithstanding, if any Common Expense is caused by the misconduct of an Owner of a Unit, the Association may assess that expense exclusively against such Owner's Unit.

(c) Notice of Assessments. The Board shall give written notice to each Owner of the Annual Assessment fixed against such Owner's Unit as aforesaid for such next succeeding Annual Assessment Period on or about January 1 of each year. The Association shall, upon written request of a Unit Owner, deliver to the Unit Owner a copy of said budget, and may charge such requesting Owner reasonable copying costs and cost of mailing same to the Owner. The delivery of a copy of the budget shall not be a condition precedent to an Owner's liability for payment of such Annual Assessment.

(d) Prohibited Uses of Assessments. The Annual Assessment shall not be used to pay for the following:

(i) Casualty insurance of individual Unit Owners on vehicles parked within their Units during Game Day Hours of Access and liability insurance of such Owners insuring themselves and their families individually, which shall be the sole responsibility of such Owners;

(ii) Ad valorem real property taxes assessed against Units;

(iii) Other charges or expenses related solely to individual use of any Unit; or

(iv) Assessments charged directly to Owners pursuant to the Regime Documents.

It is anticipated that ad valorem real property taxes and other governmental assessments, if any, upon the Project will be assessed by the taxing authority upon the individual Units and that each assessment will include the assessed value of each Unit and of the undivided interest of the Owner in the Common Areas; provided, however, that the Declarant will be responsible for the ad valorem real property taxes attributable for all Units for the calendar year 2006. Except as otherwise provided herein, each Owner is responsible for making his own return of ad valorem real property taxes, and such return will include such Owner's undivided interest in the Common Areas as such undivided interest is determined by law for purposes of returning taxes.

Section 4.3 Approval of Material Increases. Irrespective of the foregoing provisions regarding adoption of the budget for each Annual Assessment Period, in the event the budget which the Board desires to adopt for any Annual Assessment Period exceeds one hundred twenty-five percent (125%) of the budget adopted for the prior Annual Assessment Period, the proposed budget must be approved in writing by Owners representing a majority of the Total Percentage Interest of the Owners or in person or by proxy at a meeting at which a quorum is present, duly called in whole or in part for the express purposes of approving such proposed budget. Annual Assessments charged by the Association may be rounded off to the nearest dollar. Anything to the contrary contained herein notwithstanding, the terms and conditions of this Section 4.3 shall only applicable commencing with increases in the proposed budget for calendar year 2009 over the actual budget for calendar year 2008.

Section 4.4 Special Assessments. In addition to the Annual Assessments, the Board of Directors may levy in any calendar year "Special Assessments" for the purpose (i) of supplementing the Annual Assessments if the same are inadequate to pay the Common Expenses, and (ii) of defraying, in whole or in part, the cost of any reconstruction, repair, or replacement of the Project; provided, however, that any such Special Assessment which in the aggregate exceeds fifty percent (50%) of the total Annual Assessments for such year shall have the assent of Members representing two-thirds (2/3) of the Members voting in person or by proxy, at a meeting at which a quorum is present, duly called for the express purpose of approving such Special Assessment, it being understood and agreed that only the Members representing Units to which such Special Assessment. Each Owner shall be responsible for a pro rata share of any such Special Assessment based upon the respective Percentage Interest of each Owner. Unless otherwise specified all Special Assessments shall be due and payable within thirty (30) days after the Association sends bills to the Owners specifying the amount of the Special Assessment then due and owing.

Section 4.5 Special Declarant Assessment. As a special Declarant assessment (the "Special Declarant Assessment"), the Declarant shall cause twenty-five percent (25%) of the net profits, if any, derived from any and all Non-Game Day Functions to be contributed to the Association to reduce the Annual Assessments, in accordance with Section 3.3(f).

Section 4.6 Date of Commencement of Annual Assessments; Due Dates. Each Owner of a Unit shall be obligated to pay to the Association or its designated agent the Annual Assessment due for each Annual Assessment Period in a single annual payment, with each such payment due on March 1 of each year.

The obligations of Owners regarding the payment of periodic portions of the Annual Assessment provided for in this Article IV shall, as to each Unit, commence upon the recording of this Master Deed. The first Annual Assessment for calendar year 2006 for each Unit will be due and payable by each Owner upon the closing of the conveyance of the Unit deed to such Owner.

The Association shall, upon demand at any time, furnish to any Owner liable for any such Assessment a certificate in writing signed by an Officer of the Association or the property manager of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificate. Such certificate

shall be conclusive evidence of payment of any Assessment stated to have been paid as to any person or entity who has relied on the certificate to his detriment.

Section 4.7 Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If an Assessment is not paid on the date when due, as hereinabove provided, then such Assessment together with such late charges and interest thereon and any costs of collection thereof as hereafter provided, shall be a charge and continuing lien on the Unit to which it relates, and shall bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

(b) Any Assessment which is not received within ten (10) days of the due date thereof, or within any established grace period, shall incur a late charge established from time to time by the Board of Directors; and, if so directed by the Board of Directors with respect to all late payments, shall commence to accrue simple interest at the rate of eighteen percent (18%) per annum.

(c) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue both such courses at the same time or successively. In any event, the Association shall be entitled also to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any Unit or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the Unit after the commencement of the action and at its option the Association shall be entitled to the appointment of a receiver to collect such rents. The Association shall have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may be relieved from liability from the Assessment provided for herein by abandonment of his Unit or otherwise.

(d) During any period in which an Owner shall be in default in the payment of any Annual or Special Assessment levied by the Association, the voting rights of the

Owner and the rights of the Owner and lessees of the Owner, their families, invitees and guests, to use and enjoy the Units or the whole or any portion of the Project to which they have access may be suspended by the Board of Directors until such time as the Assessment has been paid.

Section 4.8 Subordination of the Charges and Liens to Institutional Mortgages.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any holder of an Institutional Mortgage recorded before the due date of the Assessment sought to be enforced. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due date subsequent to the date such Institutional Mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such Institutional Mortgage.

(b) Such subordination is merely a subordination and shall not relieve the Owner of the mortgaged Unit of his personal obligation to pay all Assessments coming due at a time when he is the Owner; shall not relieve such Unit from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished against a Mortgagee or such Mortgagee's assignee or transferee by foreclosure); and no sale or transfer of such Unit to the Mortgagee or to any other person pursuant to a foreclosure sale shall relieve any previous Owner from liability for any Assessment coming due before such sale or transfer.

(c) To the extent any subordinated lien and permanent charge for any Assessment is extinguished by foreclosure of any Institutional Mortgage, then the amount or amounts otherwise secured thereby which cannot otherwise be collected shall be deemed a Common Expense collectible from all Owners, including the person who acquires title through the foreclosure sale.

Section 4.9 Reserves. The Board of Directors may establish and maintain a reserve fund for the periodic replacement of any or all of the Project. The Board of Directors may include amounts needed to maintain such reserve fund in its estimation of the Common Expenses and shall cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment for each fiscal year

ARTICLE V

Insurance

Section 5.1 Hazard Insurance.

(a) The Association shall obtain, maintain and pay the premiums, as a Common Expense upon a policy or policies of property insurance covering the entire Project, except (i) property, foundation, excavation, or other items normally excluded from coverage; (ii) insurance coverage on any Unit Owner's vehicle parked within a Unit during Game Day Hours of Access; and (iii) personal property of Owners and lessees of Owners, their guests and invitees. Such coverage shall also insure supplies, equipment and other personal property of the Association. The insurance policy shall afford, at a minimum, protection against loss or damage

by fire and other perils normally covered by standard extended coverage endorsements; and all other perils which are customarily covered with respect to condominium projects similar in construction, location and use, including all perils normally covered by a standard "all risk" endorsement, where such is available. The policy shall be in an amount equal to one hundred percent (100%) of the current replacement cost of the Project, exclusive of land, foundations, excavation, and other items normally excluded from coverage. A "deductible amount" may be included at the discretion of the Board of Directors if a material savings, as determined by the Board in its sole discretion, in premium cost results therefrom, but the deductible amount shall be considered a contingent Common Expense and borne by the Owners upon the happening of any event giving rise to such deductible.

(b) The name of the insured under the master policy shall be substantially as follows: "Carolina Walk Park Owners' Association for the use and benefit of the Individual Owners of Units in Carolina Walk Park Horizontal Property Regime." Loss payable provisions shall be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's Mortgagee as the interests of such parties may appear. Each Owner and his respective Mortgagee, if any, shall be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Unit owned by such Owner. All policies shall contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by Institutional Mortgage investors in the area in which the Project is located.

(c) All policies shall be written with a reputable company qualified to do business in South Carolina. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, Owners, Mortgagees or the designees of Mortgagees; (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members; or (iii) the policy includes any limiting clause (other than insurance provisions) which could prevent Mortgagees or Owners from collecting insurance proceeds. Policies may not be cancellable or substantially modified by any party without at least ten (10) days prior written notice to the Association. Policies should also contain a "special condominium endorsement" or its equivalent which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners individually; the insurance is not prejudiced by any act or negligence of individual Owners which is not under the control of the Association or such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

(d) Each Unit Owner shall maintain property and liability coverage upon any vehicle parked within his Unit during Game Day Hours of Access.

Section 5.2 Liability Insurance. The Association shall obtain, maintain and pay the premiums, as a Common Expense, upon a policy of comprehensive general public liability insurance including any rider required for Game Days as special event and host liquor liability insurance coverage, if applicable, covering all of the Project. Coverage limits shall be in amounts generally required by private Institutional Mortgage holders for projects similar in construction, location and use to the Project; provided, however, that such coverage shall be for at least \$1,000,000 for bodily injury, including death of persons, and property damage arising out

of a single occurrence. Coverage under this policy shall include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Common Area and legal liability arising out of law suits related to employment contracts in which the Association is a party. If the policy does not include "severability of interest" in its terms, an endorsement shall be included which precludes the insurer's denial of the claims of an Owner because of the negligent acts of the Association or another Owner. Such policy must provide that it cannot be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the insurance policy.

Section 5.3 Fidelity Bonds and Other Insurance. The Association may obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Regime. The total amount of the fidelity bond coverage required shall be based upon the best business judgment of the Board of Directors

The Association may obtain, maintain and pay the premiums, as a Common Expense, on a policy of directors and officers liability insurance in such amount as determined by the Board of Directors.

The Board of Directors shall be authorized on behalf of the Association to obtain and maintain such other and further insurance as the Board of Directors may determine from time to time.

Section 5.4 Non-Game Day Function Insurance. Anything to the contrary contained herein notwithstanding, the Declarant shall obtain and pay for special event public liability insurance for all Non-Game Day Functions, which insurance shall include without limitation host liquor liability coverage for all Non-Game Day Functions at which alcoholic beverages will be served. Coverage limits shall be in amounts generally required by private Institutional Mortgage holders for similar events; provided, however, that such coverage shall be for at least \$1,000,000 for bodily injury, including death of persons, and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Project.

Section 5.5 Authority to Adjust Loss. The exclusive authority to negotiate, settle and otherwise deal in all respects with insurers and adjust all losses under policies provided for herein shall be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and Mortgagees; provided, however, that all Owners and Mortgagees having an interest in such loss shall be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each Owner, in accepting a deed to a Unit, expressly appoints the Trustee, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person on all matters related to the authority granted in this Section 5.4, including executing all documents required in connection therewith on behalf of the Owner.

Section 5.6 Trustee.

(a) The Board of Directors may, from time to time, designate a third party Trustee hereunder. The Trustee, whether the Board of Directors acting in said capacity, or a third-party designated by the Board, will serve the Association and the Owners and their Mortgagees (as their interests may appear) as provided herein. Any third-party Trustee, but not the Board of Directors acting in such capacity, will be entitled to receive reasonable compensation for services rendered which will be a Common Expense of the Association.

(b) All insurance policies obtained by the Association will name the Association and the Trustee as loss payees. Immediately upon the receipt by the Association of any insurance proceeds, the Association will endorse the instrument by means of which such proceeds are paid and deliver the instrument to the Trustee. The Trustee will not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor will the Trustee have any obligation to inspect the Project to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

(c) Among other things, the duties of the Trustee will be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their Mortgagees, and disburse the proceeds as hereinafter provided.

(d) Proceeds of insurance policies received by the Trustee will be disbursed as follows:

(i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, will be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs will be paid to the Association for the benefit of all Owners and their Mortgagees, if any;

(ii) If it is determined, as provided in Section 5.6, that the damage or destruction for which the proceeds are paid will not be repaired or reconstructed, such proceeds will be disbursed to such persons as provided in Section 5.6;

(iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever will be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements;

(iv) If the damage or destruction is to the Common Area and is to be repaired or reconstructed, two days prior written notice of each disbursement will be given to the Mortgagee known by the Trustee from the records of the Association to have the largest interest in or lien upon such Common Area; and if the damage or destruction is to one or more Units and is to be repaired or reconstructed, said notice will also be given to the Mortgagee or Mortgagees known to the Trustee from the records of the Association to have an interest in or lien upon such Unit or Units.

(e) The Trustee will not incur liability to any Owner, Mortgagee or other person for any disbursements made by it in good faith pursuant to and in accordance with the foregoing requirements.

ARTICLE VI

Damage or Destruction

Section 6.1 The Role of the Board of Directors. Except as provided in Section 6.6, in the event of damage to or destruction of all or part of Project covered by insurance written in the name of the Association under Article V, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Project, but not including any property supplied or installed by the Owners in the Units unless covered by insurance obtained by the Association.

Section 6.2 Estimate of Damage or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Project, unless such damage or destruction shall be minor, the Board of Directors shall obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Project damaged or destroyed. "Repair and Reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed immediately prior to the damage or destruction, with each having substantially the same vertical and horizontal boundaries as before.

Section 6.3 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and Repair and Reconstruction. Because the Project consists primarily of air space making up Units, it is agreed by all Owners that unless the damage represents a cost of more than two-thirds (2/3) of the total cost to replace the entire Project on the real property as if unimproved, reconstruction shall be compulsory.

Section 6.4 Funds for Repair and Reconstruction. Subject to the provisions of Section 6.6 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to and in accordance with the provisions of Article IV, levy, assess, and collect in advance from all the Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of Repair and Reconstruction.

Section 6.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association as attorney-in-fact for such

reconstruction, and the improvements shall be promptly repaired and reconstructed, and the Association shall have full authority, right and power, as attorney-in-fact to cause the repair and restoration of the improvements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners if said Owners paid a Special Assessment for such work, or if no Special Assessments were made, then jointly to the Owners and their respective mortgages, if any.

Section 6.6 Decision Not to Rebuild. Any portion of the Project for which insurance is required pursuant to the provisions of this Master Deed or the Condominium Act which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Project is terminated pursuant to this Master Deed.;
- (b) Repair or replacement would be illegal under any law, statute or ordinance governing health and safety; or
- (c) Owners representing at least sixty-seven percent (67%) of votes of the Association voting in person or by proxy, including the vote of every Owner of a Unit that will not be rebuilt, and the vote of at least fifty-one percent (51%) of the Institutional Mortgagees (based on one vote for each Mortgage owned), and any other votes required by the Condominium Act, vote not to repair and reconstruct the Project.

If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Area must be used to restore the damaged area to a condition compatible with the remainder of the Project, and, except to the extent that other persons will be distributees, the insurance proceeds attributable to Units that are not rebuilt must be distributed to the Owners of those Units, or to Mortgagees, as their interests may appear, and the remainder of the proceeds, if any, must be distributed to all the Unit Owners or Mortgagees, as their interests may appear, in proportion to the Units' Percentage Interests.

Section 6.7 Repairs. All Repair and Reconstruction contemplated by this Article VI shall be performed substantially in accordance with this Master Deed and the Exhibits hereto, and the original plans and specifications for the Project, unless other action is approved by the Association in accordance with the requirements of this Master Deed and the other Regime Documents.

Section 6.8 Notice of Damage or Destruction to First Mortgagees. In the event that any portion of the Project encompassing more than one Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and first Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE VII

Condemnation

Section 7.1 General. Whenever all or any part of the Project shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof; provided, however, that the exclusive right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of the Common Area shall be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Section 7.1, including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking shall be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award made therefore shall be disbursed by the Trustee, as hereinafter provided in this Article VII.

Section 7.2 Non-Essential Areas. If the taking does not include any portion of any Unit or any portion of the Common Area essential to the continued use of any Unit, then the Board of Directors shall be permitted to replace any non-essential improvements to the extent deemed appropriate and the Trustee shall disburse the proceeds of such awards in the same manner as hereinabove provided for and in connection with the repair, reconstruction or replacement of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

Section 7.3 Essential Areas. If the taking includes any portion of a Unit or the Common Area essential to the use of any Unit, then the award shall be disbursed, and all related matters, including, without limitation, alteration of the Percentage Interests appurtenant to each Unit, shall be handled, by the Board of Directors in a just and equitable manner to all Owners; provided, however, that all action of the Board of Directors shall be pursuant to and in accordance with a plan approved by Members representing at least sixty-seven percent (67%) of the total votes of the Association, voting in person or by proxy, at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving such in a duly recorded amendment to this Master Deed.

ARTICLE VIII

Additions and Modification

Section 8.1 Approval Required for Unit Changes and Additions. No construction of any nature whatsoever, except as specified in the Regime Documents, shall be commenced or maintained by an Owner upon any Unit, nor shall there be any change, modification or alteration of any nature whatsoever of the design and appearance of Unit, nor shall any Owner install any gate or fence blocking access to a Unit, nor shall any Owner install, erect or attach any addition or change to a Unit, except as specifically provided herein.

Section 8.2 Change in Unit Markers. In the event of sale of a Unit by an Owner, the new Owner shall provide written notice to the Association of such change and the Association will be responsible for causing the name of the Owner to be changed on the Unit Marker for such Unit within thirty (30) days of receipt of such written notice; provided, however, that the new Owner shall be solely responsible for all cost and expense of such name change and shall

reimburse the Association as an addition to the Annual Assessment for such Owner for the subsequent year.

ARTICLE IV

Maintenance

Section 9.1 Responsibility of Association. Subject to the provisions of Section 9.2 and except as specifically provided to the contrary herein, the Association shall maintain the all areas of the Project, including the Units, the Common Areas and the Limited Common Elements, in first class condition in accordance with proper maintenance procedures applicable thereto and shall enforce all warranties with respect to the Project. In addition, the Association shall repair or replace all parts of the Project as necessary. The Association, in its sole discretion, shall maintain tree roots and limbs to minimize interference with an Owner's use of its Unit.

(a) Limitation on Association Liability. Notwithstanding the duty of the Association to maintain and repair the Common Area and the Units, the Association shall not be liable to Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other Owners or persons; and shall not be liable for any consequential damages suffered or incurred by an Owner as a result of any maintenance or repair delay except for such damages as may be the sole and proximate result of the Association's gross negligence.

(b) Easements for Maintenance and Repair. The Association shall have an easement, and shall have the right to grant permits, licenses, and easements to third parties, for access to and over the Common Areas, the Limited Common Elements and the Units for the proper maintenance and repair of the Project.

Section 9.2 Responsibility of Owner. The cost of routine maintenance and repair of each Unit shall be the sole responsibility of the Owner of such Unit; provided, however, that the Association shall cause such routine maintenance and repairs to be made and the cost of such routine maintenance and repairs shall be included as a Common Expense payable based on the respective Percentage Interest of each Owner in addition to the cost of routine maintenance and repair of the remainder of the Project, including the Common Areas and the Limited Common Elements. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Article IX is caused through the willful or negligent act of an Owner or the lessee of an Owner, their guests and invitees, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner shall be solely responsible for the condition of any vehicle parked at his Unit. No repairs or maintenance or any vehicle parked within a Unit shall take place.

(a) Parked Vehicles. No vehicle belonging to a Unit Owner or the lessee of an Owner, their guests or invitees, shall be permitted to be parked within the Unit except during Game Day Hours of Access. In the event any such vehicle is parked within a Unit other than during Day Game Hours of Access, the Association shall have the authority to have

the vehicle removed at the sole cost and expense of such Unit Owner. Any such removal cost shall be paid immediately upon demand therefore, but, in the event of non-payment, shall be added to and become a part of the next succeeding Assessment due hereunder by such Owner and a part of the continuing lien upon such Unit.

Section 9.3 Access, Ingress and Egress. All Owners, by accepting title to a Unit, waive all rights of uncontrolled and unlimited access, ingress and egress to and from such Unit and acknowledge and agree that such access, ingress and egress will be limited to roadways, sidewalks and walkways located within the Project from time to time, provided that pedestrian and vehicular access to and from all such Units will be provided at all times during Game Day Hours of Access.

ARTICLE X

Easements and Licenses

Section 10.1 Encroachments. If any portion of the Common Areas or Limited Common Elements encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Area, an easement shall exist for the encroachment and for the maintenance of the same, including without limitation an easement for tree limbs extending into the air space or roots extending along the ground level of any Unit. If any Unit, and/or any adjoining part of the Common Areas or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Areas or the Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Areas due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

Section 10.2 Utilities, etc. There shall exist a blanket easement upon, across, over and under all of the Project for ingress, egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water and electricity service, if any. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment existing on the Project and to affix and maintain utility wires, circuits and conduits on, above, across and under the Project. In addition, the Board of Directors shall be entitled to grant additional permits, licenses and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

Section 10.3 Easement for Construction. Notwithstanding anything herein to the contrary, Declarant and persons designated by the Declarant shall have an easement to enter upon and cross over the Project for purposes of ingress and egress to all portions thereof; to use portions of the Project at any time other than during Game Day Hours of Access for construction or renovation-related purposes, including the storage of tools, machinery, equipment, materials, appliances, supplies and fixtures, and the performance of work respecting the Project.

Section 10.4 Easement for Sales Purposes. The Declarant and persons designated by the Declarant shall have an easement to maintain one or more sales offices, management offices

and models throughout the Project and to maintain one or more advertising signs on the Common Areas while the Declarant is selling Units in the Project or any contemplated expansion thereof.

Section 10.5 License for Non-Game Day Functions. In accordance with Section 3.3(f), the Owner of the Special Declarant Unit shall have a right for use of the Project, and all portions thereof including the Units for Non-Game Day Functions.

Section 10.6 No View Easements. No view easements, express or implied, shall be granted to any Owner in connection with the conveyance of a Unit to such Owner. In accepting a deed to any Unit, the grantee shall be deemed to have acknowledged and agreed that such Owner is acquiring no view easements with respect to his Unit.

Section 10.7 Emergency Easements. There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Project or any part thereof in the proper performance of their respective duties.

Section 10.8 Other. The Declarant and the Association shall have any and all easements and rights granted therewith otherwise provided for or contained in the Master Deed.

Section 10.9 Easements Deemed Granted and Reserved. All conveyances of a Unit hereunder, whether by the Declarant or otherwise, shall be deemed to have granted and reserved, as the context shall require, all easements set forth in this Master Deed, including, but not limited to, those set forth in this Article X.

ARTICLE XI

Assigned Value and Voting Rights

Section 11.1 Units, Assigned Values, and Percentage Interests. The Schedule of Percentage Interests contained in Exhibit "C" attached hereto shows the Assigned Value of each Unit and the Percentage Interest appurtenant to such Unit for all purposes.

Section 11.2 Voting Rights. Members and the Declarant shall be entitled to a vote in the Association and for all other purposes herein in accordance with the provisions of the Association's Articles of Incorporation attached hereto as Exhibit "D" and the By-Laws of the Association attached as Exhibit "E", and as the same may be hereafter amended. The Association shall have one class of voting membership. Each Owner of a Unit, as a Member of the Association, shall have one (1) vote. There are or will be three hundred thirty-three (333) Units.

(a) Voting by Multiple Owners. When any Unit is owned in the name of two or more persons, other than husband and wife, or entities, or in any manner of joint or common ownership, the vote for such Unit shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting; or the vote shall be exercised by such co-Owner, or his duly appointed proxy, as shall be designated in a writing by all co-Owners recorded in the Office of the Register of Deeds for Richland

County, a copy of which shall be delivered to the Secretary of the Association and shall remain effective for all meeting until revoked by the co-Owners in a similar writing or until such designation terminates pursuant to the terms of such writing.

ARTICLE XII

The Development Plan for the Project

Section 12.1 General. The Regime shall have three hundred thirty-three (333) Units, as depicted on Exhibit "B" and the Common Areas as more fully described on Exhibit "B" attached hereto.

Section 12.2 Assignability of Rights. The Declarant shall be entitled to assign any and all rights reserved by it in the Regime Documents, including all rights set forth in this Article XII, to any person or entity by an instrument recorded in the Office of the Register of Deeds for Richland County. The Owners and the Association hereby agree to accept any and all assignments of rights hereunder, and no further action shall be required by it or them.

Section 12.3 No Consent Required. To the extent any action on the part of any Owner is required by any third party with respect to the easements and rights herein reserved or granted, each Owner, in accepting a deed to a Unit, agrees to undertake such actions and/or provide such consents as are reasonably requested, and expressly appoints the Declarant his due and lawful attorney-in-fact, with full power of substitution, to execute all documents reasonably required to evidence the requisite action or consent pursuant to the provisions of Section 16.9 below.

ARTICLE XIII

Transition Provisions

Section 13.1 Appointment of Directors.

(a) The Board of Directors shall consist of five persons elected by the Owners in accordance with the Bylaws; provided, however, that the Declarant shall have the right to appoint certain directors as provided hereinbelow.

(b) The Declarant under the Master Deed shall have the right to appoint all members of the Board of Directors until 50% of the Units have been conveyed by the Declarant in the ordinary course of business to persons other than a successor Declarant, four (4) members until 66 2/3% of the Units have been conveyed by the Declarant in the ordinary course of business to persons other than a successor Declarant, three (3) members until 75% of the Units have been conveyed by the Declarant in the ordinary course of business to persons other than a successor Declarant.

(c) After the expiration of the Declarant's right to appoint under subparagraph (b) above, and notwithstanding anything contained herein to the contrary, the Owner of the Special Declarant Unit shall, nevertheless, have the right to appoint one (1) member of the Board of Directors.

Section 13.2 Cooperation. The Association will cooperate with the Declarant to the extent reasonably requested by the Declarant during and after the Transition Period to promote the marketing of the Units owned by the Declarant in the Project.

ARTICLE XIV

Expenses of Litigation

Section 14.1 Expenses of Litigation. The Declarant, the Association and the Owners hereby covenant and agree that in the event of any claims, grievances or other disputes arising out of or relating directly or indirectly to the Project and/or the Regime Documents, including without limitation the interpretation, application or enforcement thereof, the non-prevailing party shall pay the court costs and attorneys' fees of the prevailing party, including any such costs and fees incurred to collect said amounts.

ARTICLE XV

Mortgagee Protection

15.1 Introduction. This Section establishes certain standards and covenants that are for the benefit of the holders, insurers and guarantors of certain mortgages. This Section is supplemental to, and not in substitution for, any other provisions of the Regime Documents, but in the event of conflict, this Section shall control.

15.2 Eligible Mortgagees. Wherever in the Regime Documents the approval or consent of a specified percentage of "Eligible Mortgagees" is required, it shall mean the approval or consent of the Institutional Mortgagees holding or insuring first lien Institutional Mortgages on Units which have provided to the Association written requests, stating their names and addresses and the street addresses of the Units to which their Mortgages relate, to receive written notice of all matters upon which Eligible Mortgages are entitled to vote. Voting by Eligible Mortgagees shall be based upon the ratio which the aggregate Percentage Interests attributed to the Units which are subject to Institutional Mortgages held by Eligible Mortgagees voting in favor of any matter (or deemed to have so voted) bears to the aggregate Percentage Interests attributed to all Units which are subject to Institutional Mortgages held by Eligible Mortgagees.

15.3 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee by certified or registered U.S. Mail, return receipt requested, of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit upon which there is an Institutional Mortgage held by such Eligible Mortgagee;

(b) Any anticipated legal action to be commenced by the Association to collect any delinquency in the payment of Assessments owed by an Owner whose Unit is subject to an Institutional Mortgage held by such Eligible Mortgagee; and

(c) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 15.4 or 15.5.

15.4 Consents Required; Regime Documents' Changes. Notwithstanding any lower requirement permitted by the Regime Documents or the Nonprofit Corporation Act, no amendment of any material provision of this Master Deed or Bylaws of the Association by the Owners described in this Section 15.4 may be effective without the vote of Owners of at least sixty-seven percent (67%) of the Total Percentage Interest, by referendum or at a duly held meeting of Owners (which percentage will also constitute the quorum required for any such meeting), or any greater vote required in the Regime Documents or the Nonprofit Corporation Act, and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Regime Documents). The foregoing approval requirements do not apply to amendments effected by the exercise of any rights of the Declarant to amend this Master Deed or Bylaws of the Association until expiration of the Transition Period. Irrespective of the foregoing, consent or approval of an Eligible Mortgagee is deemed granted if no denial is received within fifteen (15) days after the Eligible Mortgagee receives notice of the proposed changes. Material provisions requiring such Owners' vote and Eligible Mortgagees' approval include, but are not limited to, any provision affecting:

- (a) Assessments, assessment liens, or subordination of assessment liens;
- (b) Voting rights;
- (c) Responsibility for maintenance and repairs;
- (d) Reallocation of interests in the Common Areas or Limited Common Areas except that when Limited Common Areas are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees, which hold Mortgages on such Units, must approve such action;
- (e) Rights to use Common Areas and Limited Common Areas;
- (f) Boundaries of Units except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Owners and the Eligible Mortgagees holding mortgages on such Unit or Units must approve such action.
- (g) Convertibility of Units into Common Areas or Common Areas into Units;
- (h) Expansion or contraction of the Regime, or the addition, annexation or withdrawal of property to or from the Regime;
- (i) Imposition of restrictions on an Owner's right to sell or transfer his or her Unit or the leasing of his or her Unit except as authorized pursuant to Section 3.3(g) above;
- (j) Establishment of self-management when professional management had been required previously by the Regime Documents;
- (k) Restoration or repair of the Property after a hazard damage or partial condemnation in a manner other than that specified in the Regime Documents; or

(l) Termination of the legal status of the Regime after occurrence of substantial destruction or condemnation; and

(m) Any provision that expressly benefits Mortgage holders, insurers or grantors.

15.5 Actions. Notwithstanding any lower requirement permitted by the Regime Documents or the Nonprofit Corporation Act, the Association may not take any of the following actions without the approval of at least fifty-one (51%) of the Eligible Mortgagees or such higher percentage as set forth herein:

(a) The conveyance or encumbrance of the Common Areas or any portion thereof, as to which at least a sixty-seven percent (67%) approval by Eligible Mortgagees is required. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas for the benefit of the Regime shall not be deemed a conveyance or encumbrance within the meaning of this clause;

(b) The restoration or repair of the Property after damage or a partial condemnation in a manner other than that specified in the Regime Documents;

(c) The termination of the legal status of the Regime for reasons other than substantial destruction or condemnation, as to which at least sixty-seven percent (67%) approval by Eligible Mortgagees is required;

(d) The merger of the Association with any other common interest community;

(e) The granting of any easements, leases, licenses and concessions through or over the Common Areas excluding, however, any utility easements serving or to serve the Regime and excluding any leases, licenses or concessions for no more than one year;

(f) The assignment of the future income of the Association, including its right to receive Common Expense Assessments;

(g) Any action taken not to repair or replace the Project; or

(h) Any action taken not to retain a professional property manager to manage the day-to-day affairs of the Association.

The foregoing consents do not apply to the exercise of any right reserved by the Declarant in the Regime Documents.

15.6 Enforcement. The provisions of this Section 15 are for the benefit of Eligible Mortgagees and their successors, and may be enforced by any of them by any available means, at law, or in equity.

ARTICLE XVI

