

THIS DECLARATION SHALL BE SUBJECT TO ARBITRATION IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION AND 15-48-10 (ET SEQ) OF THE SOUTH CAROLINA CODE OF LAWS.

**DECLARATION (MASTER DEED) OF
CHIQUELA HORIZONTAL PROPERTY REGIME**

THIS DECLARATION (MASTER DEED) OF CHIQUELA HORIZONTAL PROPERTY REGIME (the "Master Deed") is made this ____ day of _____, 2007, by **B & B Development of Anderson, LLC**, a South Carolina limited liability company ("Declarant"), pursuant to the provisions of Title 27, Chapter 31 of the Code of Laws of South Carolina 1976, as amended, known as the "South Carolina Horizontal Property Act."

**ARTICLE I
DECLARATION AND ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME**

Declarant desires and intends to submit and declare all of the Property described on Exhibit "A" attached hereto and incorporated herein (the "Property"), including without limitation the Units, Common Elements and Limited Common Elements, all of which are correctly and fully shown on the Plot Plans and Floor Plans attached to and incorporated into this Master Deed as Exhibit "B" (the "Plans"), to a horizontal property regime under Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as heretofore amended, and as the same may be amended hereafter from time to time, and known as the "South Carolina Horizontal Property Act" and referred to hereinafter from time to time as the "Act". Declarant therefore declares that the Property is hereby submitted and made subject to the form of horizontal property ownership in accordance with the Act. The Property is and shall be held, improved, transferred, sold, conveyed, hypothecated, encumbered, used, and occupied subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations, and obligations contained in this Master Deed, all of which are declared and agreed to be in furtherance of a plan for the division of the Property into condominium ownership and shall be deemed to run with the land and shall be a burden and a benefit to every person acquiring or owning an interest in the Property, and their grantees, successors, heirs, personal representatives, and assigns. The parties hereto declare, submit and confirm the Property to be a Horizontal Property Regime pursuant to the Act which is now and shall henceforth be known and identified as "Chiquola Horizontal Property Regime" (the "Condominium"). Declarant declares that the Units, Common Elements and Limited Common Elements which are shown on Exhibit "B" attached hereto and incorporated herein shall, for all purposes set forth herein, constitute the Condominium.

**ARTICLE II
DEFINITIONS**

In addition to such other terms as are defined elsewhere in this Master Deed, and unless it is plainly evident from the context that a different meaning is intended, the following terms, words, and phrases shall have the following meanings when used in this Master Deed:

Section 2.1 "Act" shall mean and refer to the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina 1976, as amended.

Section 2.2 "Assessment" shall mean a Unit's and its Owner's share of the Common Expenses and other authorized expenses, which from time to time is assessed against a Unit and its Owner by the Association in the manner herein provided.

Section 2.3 "Association" shall mean and refer to Chiquola Condominium Owners Association, Inc., a nonprofit mutual benefit corporation organized and existing under the South Carolina Non-Profit Corporation Act (Title 33, Chapter 31, Code of Laws of South Carolina 1976, as amended),

pursuant to and in accordance with this Master Deed, the Bylaws, and the Act, whose membership is composed of all Unit owners and which functions as the governing body of the Condominium.

Section 2.4 "Board" shall mean and refer to the board of directors of the Association as elected or appointed from time to time in accordance with this Master Deed, the Articles of Incorporation of the Association, the Bylaws, and the Act, and which shall be the governing body of the Association.

Section 2.5 "Building" shall mean and refer to the multi-story building constructed upon the Land, which contains a total of (a) eighteen (18) Residential Units, (b) five (5) Commercial Units which may be subdivided by Declarant as provided herein, and (c) certain Common Elements and Limited Common Elements.

Section 2.6 "Bylaws" shall mean and refer to the bylaws of the Association, a copy of which is attached hereto as Exhibit C, and all amendments to such bylaws which may from time to time be adopted.

Section 2.7 "Commercial Units" shall mean and refer to the five (5) Units that are identified as such on the Plans, which are restricted to commercial use, and to any other Units into which any of those five (5) Units may be subdivided by Declarant, as provided herein.

Section 2.8 "Common Elements" shall mean and refer to all portions of the Condominium which are not designated as Units, Limited Common Elements, or parts of Units, and which are depicted on the Plans and are more particularly described in Article V of this Master Deed. Common Elements include, without limitation, all community and common facilities which may be included within the Condominium, stairs, steps, landings outside of Unit boundaries, perimeter walls, walkways, landscaping, pipes, wires, water meters, conduits and other public utility lines, together with any contracts, easements, rights-of-way and contract rights as may be obtained by the Association for services or access, and machinery, equipment and other tangible or intangible personal property which may be owned by the Association and which may be necessary or convenient to the existence, maintenance and safety of the Condominium

Section 2.9 "Common Elements Interest" shall mean and refer to the undivided percentage interest in the Common Elements allocated to each Unit, as set forth on Exhibit "C" attached hereto and incorporated herein. The Common Elements Interests shall be used to allocate the division of proceeds, if any, resulting from any casualty loss or eminent domain proceedings, but shall not be used to determine voting rights in the Association, or each Unit's share of Common Expenses, each of which shall be allocated separately as set forth in Exhibit "C".

Section 2.10 "Common Expenses" shall mean and refer to (a) expenses of administration, maintenance, repairs and replacements of the Common Elements, (b) expenses of maintenance, repairs and replacement of exterior surfaces of Units required to be borne by the Association, (c) expenses determined by the Association to be common expenses of all or substantially all of the Units and which are lawfully assessed against the Owners by the Association as provided herein, (d) expenses declared to be common expenses by the provisions of the Act, this Master Deed, or the Bylaws, (e) expenses or compensation due to the Manager appointed by the Board, (f) expenses for water used by the Association, (g) expenses of caulking, staining and painting the exterior of doors, window sills and frames, (h) assessments for the creation and maintenance of Association reserves, and (i) any and all expenditures made by or financial liabilities of the Association, pursuant to and in accordance with this Master Deed and the Bylaws.

Section 2.11 "Condominium" shall mean and refer to the Chiquola Horizontal Property Regime, as established by the submission of the Property to the terms of the Act by this Master Deed, and to the horizontal form of ownership established by the provisions of the Act under which space intended for independent use is owned by various Owners in fee simple absolute, and parts of the Property other than such independently owned spaces are owned by such Owners in undivided shares as tenants in common, which undivided shares are appurtenances to the respective independently owned spaces.

Section 2.12 "Condominium Documents" shall mean and refer to this Master Deed, the Articles of Incorporation of the Association, the Bylaws of the Association, and the rules and regulations governing the use of the Property, as the foregoing may be amended and supplemented from time to time, and all attachments and exhibits thereto.

Section 2.13 "Declarant" shall mean and refer to **B & B Development of Anderson, LLC**, a South Carolina limited liability company, and any Person who is an assignee thereof or successor thereto, provided that such assignment shall become effective only upon recordation of an instrument of assignment and acceptance in the Office of the Register of Deeds for Anderson County duly executed by both the current and the proposed successor Declarant.

Section 2.14 "Declarant Control Period" shall mean and refer to the period commencing on the date hereof and continuing until the earlier date upon which Declarant (a) voluntarily surrenders control of the Condominium to the Association, or (b) owns no further right, title or interest in any Units within the Condominium.

Section 2.15 "Land" shall mean and refer to the real property subject to this Master Deed, exclusive of any improvements located thereon or incorporated therein, which is more particularly described on Exhibit "A" attached hereto and incorporated herein.

Section 2.16 "Limited Common Elements" shall mean and refer to those portions of the Common Elements which are designated as Limited Common Elements on the Plans attached hereto and incorporated herein as Exhibit "B" and which are allocated by this Master Deed for the exclusive use and benefit of one or more, but fewer than all, of the Units, to the exclusion of all other Units, as more fully described in Section 5.2 of this Master Deed.

Section 2.17 "Manager" shall mean the Person designated, appointed or elected by the Board from time to time as manager of the Association in accordance with the provisions of the Condominium Documents.

Section 2.18 "Majority" shall mean fifty-one (51%) percent or more of the Common Elements Interests of the Property as a whole in accordance with the percentages set forth on Exhibit "C" attached hereto and incorporated herein.

Section 2.19 "Mortgage" shall mean and refer to a mortgage constituting a first lien on a Unit.

Section 2.20 "Mortgagee" shall mean and refer to the owner and holder of a Mortgage that has notified the Association in writing of its name and address, and that it holds a Mortgage on a Unit. Such notice will be deemed to include a request that the Mortgagee be given the notices and other rights described in Article XVI of this Master Deed.

Section 2.21 "Owner" shall mean and refer to the record owner, whether one or more Persons, of fee simple title to a Unit, including a proportionate undivided percentage interest in the Common Elements determined pursuant to this Master Deed, but shall exclude those Persons having an interest in a Unit as merely security for the payment or performance of an obligation.

Section 2.22 "Parking Agreement" shall mean and refer to the Parking Agreement dated _____, 2007, between Declarant and the Parking Facility Owner setting forth the terms and conditions for the construction, use, leasing and occupancy of the Parking Facility.

Section 2.23 "Parking Facility" shall mean and refer to the City of Anderson parking facility constructed on lands adjacent to the Property, at which each Owner of a Residential Unit shall have the right to lease and use a parking space in accordance with the provisions of this Master Deed.

Section 2.24 "Parking Facility Owner" shall mean and refer to the City of Anderson, a South Carolina municipal corporation, and its successors and assigns, as owner of fee simple title to the Parking Facility.

Section 2.25 "Person" shall mean and refer to an individual, corporation, partnership, association, limited liability company, trustee, or other legal entity or any combination thereof.

Section 2.26 "Plans" shall mean and refer to the surveys, plot plans and specifications of the Building and the Property, prepared by _____, attached to and incorporated into this Master Deed as Exhibit "B".

Section 2.27 "Property" shall mean and refer to the real property owned by Declarant that is subjected to this Master Deed and shall constitute the Condominium, including the Land and the Building, as more particularly described in Exhibit "A" attached hereto and incorporated herein.

Section 2.28 "Residential Unit" shall mean and refer to the eighteen (18) Units within the Building that are identified as such on the Plans, which are restricted to residential use.

Section 2.29 "Special Declarant Rights" shall mean and refer to the rights reserved for the benefit of Declarant in the Condominium Documents, as more particularly described in Article VII of this Master Deed.

Section 2.30 "Unit" shall mean and refer to a separately numerically identified portion of the Property, as more particularly described in Article IV of this Master Deed, that is the subject of individual ownership by an Owner, excluding, however, all spaces and improvements lying beneath undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or partitions, and further excluding all pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of utility services to the Units and/or Common Elements, except that:

a. all wallboard, plasterboard, plaster, paneling, tiles, wallpaper, finished flooring, and any other materials constituting any part of the unfinished surfaces thereof are part of the Unit, and all other portions of the walls, floor or ceilings are part of the Common Elements;

b. if any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements;

c. subject to the foregoing provisions of this Section 2.30, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit;

d. any doorsteps, stoops, porches, balconies, patios and walled-in areas appurtenant to a Unit and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

In addition, all definitions set forth in the Act that are used herein are incorporated into this Master Deed by reference, and the terms defined therein shall have the meanings set forth therein when used in this Master Deed or the Condominium Documents, unless those terms are expressly defined otherwise in this Master Deed or unless it is plainly evident from the context that a different meaning is intended.

ARTICLE III. DESCRIPTION OF BUILDING

The Building consists of a multi-story building with a brick exterior, with the Units being located upon the various levels of the Building as described in the Plans. The Plans contain a certification by _____, a South Carolina Registered Land Surveyor, _____, a South Carolina licensed engineering firm, and _____

_____, a South Carolina Licensed Architect, that the Plans contain all information required by the Act.

ARTICLE IV. DESCRIPTION OF UNITS

Section 4.1 Location of Building. The location and dimensions of the Building are as shown on the Plans.

Section 4.2 Units. The location of Units within the Building, their levels, their dimensions, their heated space square footages, and their floor and ceiling elevations, are shown on the Plans and identified on Exhibit "C" attached hereto and incorporated herein. There are a total of eighteen (18) Residential Units in the Building. There are a total of five (5) Commercial Units in the Building; provided, however, that Declarant reserves the right to subdivide the Commercial Units, as provided herein. The identifying number for each Unit is set forth on the Plans and in Exhibit "C" attached hereto and incorporated herein.

Section 4.3 Unit Boundaries. Subject to the provisions set forth in Section 2.30 of this Master Deed, the boundaries of each Unit are as follows:

(a) Upper Boundary: The horizontal plane of the top surface of the concrete ceilings or the top surface of the wallboard in the ceilings within each Unit (as applicable). In addition, in certain Units, as depicted on the Plans, the ceilings within different portions of the Unit may be at different elevations; in such cases, the upper boundary of the Unit shall not be a single plane, but shall vary with the differing finished ceiling elevations within different portions of the Unit.

(b) Lower Boundary: The horizontal plane of the top surface of the subflooring within each Unit. In certain Units, as depicted on the Plans, the floors within different portions of the Unit may be at different elevations; in such cases the lower boundary of a Unit shall not be a single plane, but shall vary with the differing finished floor elevations within different portions of the Unit.

(c) Vertical Boundaries: The vertical planes which include the back surface of the wallboard or the back surface of the exposed masonry of all walls bounding the Unit, extended to intersections with each other, and with the upper and lower boundaries.

All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the perimeter walls, floors, and ceilings are part of the Unit. If any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit shall be a Limited Common Element allocated to that Unit, as provided in Sections 2.30 and 5.2 of this Master Deed, and any portion thereof serving more than one Unit, or any portion of the Common Elements, shall be a Common Element.

ARTICLE V. COMMON ELEMENTS

Section 5.1 Common Elements. The Common Elements include all portions of the Condominium that are not part of the Units, including without limitation:

(a) The Land and all easement rights and other property rights appurtenant to the Land, including but not limited to any easements created by this Master Deed that are included within the Property and subjected to this Master Deed.

(b) All Improvements located on the Land outside of the Building, including without limitation a landscaped courtyard area and all walkways on the Land providing access to the Parking Facility, if any.

(c) All portions of the Building located outside of the Units, including without limitation the following: entrance areas, common mailbox facilities, all mechanical rooms, all basements, all janitorial and maintenance rooms and areas, all other portions of the common mechanical systems for the Buildings, all interior and exterior hallways and corridors, all stairwells, any trash chute connected to a common trash compactor, and any common storage areas.

(d) The foundations, roofs, columns, girders, beams, supports, exterior and interior load-bearing walls, floors within and between Units, and all other structural elements of the Building.

(e) Any public connections and meters for utility services that are not owned by the public utility or municipal agency providing such services, and the compartments or installations of central services, including without limitation, power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps.

(f) All tangible personal property required for the operation and maintenance of the Condominium that may be owned by the Association, and all other elements of the Property rationally of common use or necessary to the existence, upkeep and safety of the Property generally.

(g) The Limited Common Elements described in Section 5.2 below.

Section 5.2 Limited Common Elements. The Limited Common Elements shall be composed of the following:

(a) Those portions of any chute, flue, duct, wire, pipe for water or sewer, conduit, bearing wall, bearing column, or any other fixture lying partially within and partially outside the designated boundaries of a Unit, but serving exclusively that Unit, which shall be Limited Common Elements allocated exclusively to that Unit.

(b) Any shutters, awnings, window boxes, porches, decks, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but located outside that Unit's boundaries, which shall be Limited Common Elements allocated exclusively to that Unit.

(c) Any portions of the heating, ventilating, and air conditioning systems serving a single Unit, including (as applicable) any rooftop heat pump serving a single Unit, and all fans, compressors, return air grills and thermostats, whether located inside or located outside the designated boundaries of a Unit, which shall be Limited Common Elements allocated exclusively to the Unit or Units that they serve.

(d) Those areas indicated as Limited Common Elements on the Plans, including but not limited to those private balconies, private patios, private porches, private roof terraces, and private stairs, stairwells, stoops and landings that are appurtenant to certain Units as set forth in the Plans, together with hot water heaters, HVAC air handlers and rooftop condensers appurtenant to each Unit.

(e) The right of each Residential Unit to lease and use a number of parking spaces in the Parking Facility equal to the number of bedrooms contained in such Unit as shown in the Plans, provided that such right shall not entitle any Owner to the use or occupancy of any particular parking space within the Parking Facility and the Owner shall be assessed a fee for each parking space available for lease.

The cleanliness and orderliness of the Limited Common Elements, other than the parking spaces, shall be the responsibility of the individual Owner having the right to the use and enjoyment of such Limited Common Elements. Notwithstanding any other provisions of this Master Deed, the Bylaws or the Act, the obligation for maintenance, repair, or replacement of any portions of the heating, ventilating, and air conditioning systems that are Limited Common Elements shall be the sole

responsibility of the Owners of the Units to which such Limited Common Elements are allocated. References in this Master Deed to "Common Elements" shall include Limited Common Elements unless the context clearly indicates otherwise. The allocation of use of Limited Common Elements to the Units as provided for in this Master Deed shall not be altered without the unanimous consent of the Owners whose Units are affected.

Section 5.3 Undivided Interests of Owners in Common Elements. The percentage interest in the Common Elements allocated to each Unit shall be the Common Elements Interest for that Unit as set forth on Exhibit "C" attached hereto and incorporated herein. The Common Elements Interest allocated to each Unit shall not be changed except with the unanimous written consent of the Owners of all of the Units and with the consent of all the Mortgagees.

Section 5.4 Maintenance of Common Elements. The Association shall be responsible for the maintenance and repair of all Common Elements, as Common Expenses, except for: (a) routine maintenance of the Limited Common Elements, which shall be the responsibility of the Owner of the Unit to which they are allocated, (b) maintenance of the parking spaces in the Parking Facility, which shall be the responsibility of the Parking Facility Owner pursuant to the Parking Agreement, and (c) any maintenance or repairs caused by the negligence or intentional misconduct of any Owner and/or such Owner's agents, invitees or family members, which shall be the responsibility of that Owner.

Section 5.5 Rights to Lease and Use Parking Spaces. In accordance with the terms and provisions of the Parking Agreement, the Owners of the Residential Units shall have the right to lease and use a parking space within the Parking Facility on a non-exclusive basis, with such rights to constitute Limited Common Elements appurtenant to the Residential Units. Notwithstanding anything herein to the contrary, however, the existence and/or status of any parking space within the Parking Facility as a Limited Common Element shall be subject to the prior rights of the Parking Facility Owner and the prior terms of the Parking Agreement.

ARTICLE VI PROPERTY RIGHTS

Section 6.1 General. Each Unit, together with its undivided interest in the Common Elements and its appurtenant Limited Common Elements, shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of the Condominium Documents, may be conveyed, transferred and encumbered in the same manner as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of his Unit, subject to the provisions of the Act and the Condominium Documents. All provisions of the Condominium Documents shall be covenants running with the land, and every part thereof and every interest therein including without limitation every Unit, its appurtenant Limited Common Elements, and its undivided proportionate interest in the Common Elements. Each Owner and such Owner's heirs, successors, legal representatives and assigns shall be bound by all provisions of the Condominium Documents.

Section 6.2 Incidents Of Ownership. The ownership of each Unit shall include, and there shall pass with the title to each Unit as appurtenances thereto, whether or not separately described, all of the rights, title and interest of an owner of a Unit in the Condominium, including without limitation, the Owner's proportionate undivided ownership in the Common Elements, and the rights of membership in the Association, including the Owner's right to vote on all matters requiring a vote of the Owners pursuant to the Condominium Documents and the Owner's interest in any funds and assets then held by the Association. Every Unit, together with its allocated interest in the Common Elements, shall for all purposes be and it is hereby declared to be and constitute a separate parcel of real property. The Owner of each Unit shall be entitled to the exclusive fee simple ownership and possession of such Owner's Unit subject only to the covenants, conditions, restrictions, easements, uses, limitations, obligations, rules and regulations set forth in the Condominium Documents, or adopted by the Association. In no event may an Owner's proportionate undivided interest in the Common Elements or membership or voting rights in the Association be separated from the Owner's ownership of a Unit for any purpose whatsoever, and any attempted separation or separate conveyance of the same shall be void and of no force or effect whatsoever.

Section 6.3 Membership In The Association. Membership in the Association shall consist exclusively of Owners. Any Person becoming an owner of a Unit in the Condominium shall automatically become a member of the Association and be subject to the Bylaws. Such membership shall terminate without formal action of the Association whenever such Person ceases to be an Owner, but such termination shall not relieve any such former Owner from any liability or obligations incurred under or in any way connected with the Association during such period of ownership and membership, or impair any remedies available to the Association. When more than one Owner holds title to a Unit, the Unit's vote on all matters upon which the members of the Association are entitled to vote shall be exercised as the Owners of the Unit shall determine among themselves.

Section 6.4 Easement Of Enjoyment. Each Owner and such Owner's immediate family, and their guests and invitees shall have a non-exclusive right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall run with the title to the Owner's Unit, and may be assignable by an Owner to any tenant (including such tenant's immediate family) of the Owner's Unit, subject to the following provisions:

- a. The right of the Association to impose reasonable rules and regulations for the use and enjoyment of the Common Elements, which rules and regulations may further restrict the use thereof;
- b. The right of the Association to suspend the voting rights of an Owner; and
- c. The right of the Association to restrict or suspend the usage by any Owner (including such Owner's immediate family, guests or invitees) of any portion of the Common Elements which is detrimental to the remaining Owners or which impedes or prohibits the enjoyment of such Common Elements by the remaining Owners.

Section 6.5 Proportionate Undivided Interest In Common Elements. The Common Elements interests appurtenant to each Unit and its Owner for the purposes established herein is set forth in Exhibit "C" attached hereto and incorporated herein. Neither the percentage nor the proportionate relationship of undivided interests in the Common Elements appurtenant to any Unit shall be changed except by an amendment to this Master Deed executed in accordance with Article XIV of this Master Deed. The Common Elements shall at all times remain undivided and no Owner or other Person shall have any right to bring any action for partition or division of the whole or any part of the Common Elements, except as provided in the Act or elsewhere in this Master Deed.

Section 6.6 Access by the Association. The Association, or any person authorized by it, shall have the right of access to each Unit and to the Limited Common Elements during reasonable hours to the extent necessary for performance by the Association of its obligations of maintenance, repair, or replacement of any portion of the Property.

Section 6.7 Encroachment Easements. Should any portion of the Common Elements encroach upon any Unit or any Limited Common Elements appurtenant to any Unit, or should any Unit or any portion of the Limited Common Elements appurtenant to any Unit encroach upon another Unit, the Limited Common Elements appurtenant to another Unit, or the Common Elements, whether such encroachment(s) result from construction, reconstruction, repair, settlement, shifting, movement, incorrect measurement or delineation, or otherwise, then and in such event a valid easement for the encroachment and for the maintenance and repair of the same shall exist, provided that such encroachment does not materially impair the access to or use of any Unit affected thereby. If the Building, any Unit, any Limited Common Elements, or any portion of the Common Elements is partially or totally destroyed by fire or other casualty or as a result of condemnation or eminent domain proceedings, and subsequently is rebuilt, any encroachment of parts of the Common Elements upon any Unit, or of parts of any Unit upon the Common Elements, due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

Section 6.8 Easements over Common Elements. Declarant, during the Declarant Control Period, and the Association, at any time, may grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines; pipes; ducts; sewer lines; and

water lines; gas mains; telephone and television or cable television wires, cables and equipment; electrical conduits; and wires over, under, along and on any portion of the Common Elements (other than the Limited Common Elements); and each Owner hereby grants to Declarant or the Association, as applicable, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner such instruments as may be necessary to effectuate the foregoing. During the Declarant Control Period, Declarant shall have an easement over the Common Elements (other than the Limited Common Elements) as may be reasonably necessary to complete the construction to the Building and the other improvements within the Property.

Section 6.9 Easement for Support. Declarant (during the Declarant Control Period), the Association, and the Owners of all Units shall have and are hereby granted permanent easements for adjacent and subjacent support for the structural members, footings and foundations of the Building beneath such Units and Common Elements and upon the portions of the Land lying immediately beneath and supporting the Building, for the benefit and support of all Units and Common Elements lying above the same.

Section 6.10 Emergency Access. In case of any emergency originating in or threatening any Unit, any Limited Common Elements, or the Common Elements, regardless of whether the Owner is present at the time of such emergency, the Declarant or the Association, or any other person authorized by either of them, shall have the right to enter any Unit or its Limited Common Elements for the purpose of remedying or abating the cause of such emergency and making any other necessary repairs not performed by the Owners, and such right of entry shall be immediate.

Section 6.11 Relocation of Boundaries; Subdivision; Partitioning.

(a) Relocation of Boundaries Between Adjoining Units. The boundaries between adjoining Units may be relocated upon application to the Association by the Owners of such adjoining Units ("Adjoining Owners") and upon approval by the Association of such application; provided, however, that no such relocation of boundaries shall be binding upon any Mortgagee holding a Mortgage on any Unit whose boundaries are relocated, unless consented to in writing by such Mortgagee. Any such application to the Association must be in such form and contain such information as may be reasonably required by the Association, and shall be accompanied by, a plat detailing the proposed relocation of boundaries. Unless the Association determines within thirty (30) days after submission to it of the application that the proposed relocation of boundaries is unreasonable, the application shall be deemed approved. Any relocation of boundaries shall not affect the Common Elements Interests allocated to each Unit. Upon approval of the proposed relocation of boundaries, the Association shall cause to be prepared and filed, at the Adjoining Owners' expense, an amendment to this Master Deed and a plat which identifies the Units involved, describes and depicts the altered boundaries, and gives the dimensions of the altered Units. Such amendment shall also contain operative words of conveyance and be signed by the Adjoining Owners and consented to by their Mortgagees, if any, and shall be indexed by the Register of Deeds for Anderson County in the names of the Adjoining Owners.

(b) Subdivision of Units. No Residential Unit may be subdivided. So long as Declarant owns any Commercial Unit, it shall have the right to combine or subdivide that Commercial Unit into two or more Commercial Units. In order to exercise this right, Declarant shall prepare, execute and record, at its expense, an amendment to this Master Deed, the Plans, and Exhibit "C" which shall identify the existing Commercial Unit(s) involved, describe and depict the boundaries of the new Commercial Units into which the existing Commercial Unit(s) have been subdivided, give the dimensions and floor area of each newly created Commercial Unit, and which shall make such resulting revisions to Exhibit "C". The subdivision of Commercial Units shall have no effect on the Common Elements Interest allocated to any Residential Unit, and the amendment to the Master Deed and Exhibit "C" shall specify the Common Elements Interest and other rights allocated to each resulting Commercial Unit.

(c) Partitioning. The Common Elements Interests allocated to each Unit shall not be conveyed, devised, encumbered, partitioned or otherwise dealt with separately from said Unit, and the Common Elements interests allocated to each Unit shall be deemed conveyed, devised,

encumbered or otherwise included with the Unit even though such interests are not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such Unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon the Unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a Unit's allocated Common Elements Interests unless the same purports to convey, devise, encumber or otherwise deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit, which describes said Unit by the identifying number assigned thereto on the Plans and herein without limitation or exception shall be deemed and construed to affect the entire Unit and its allocated Common Elements Interests. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its allocated Common Elements Interests by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety or any other form by law permitted.

Section 6.12 Conveyance or Encumbrance of Common Elements. So long as as the Property remains subject to this Master Deed and to the provisions of the Act, no conveyances of or security interests or liens of any nature shall arise or be created against all or any portion of the Common Elements without the prior written consent of at least eighty-five percent (85%) of all Owners, including at least eighty percent (80%) of all Owners other than Declarant, and at least eighty-five percent (85%) of all Mortgagees. Every agreement for the performance of labor or the furnishing of materials to the Common Elements, whether oral or in writing, must provide that it is subject to the provisions of this Master Deed and that the right to file a mechanic's lien or other similar lien by reason of labor performed or material furnished is subordinated to this Master Deed and to the lien for Assessments hereunder. Nothing in this Section 6.12 shall be construed to limit the right of any Owner to convey or to encumber such Owner's allocated Common Elements Interests as an appurtenance to and in connection with the conveyance or mortgaging of such Owner's Unit.

ARTICLE VII

SPECIAL DECLARANT RIGHTS

Section 7.1 Special Declarant Rights. Special Declarant Rights shall consist of the following rights reserved for the benefit of Declarant:

- (a) The right to complete any improvements shown on the Plans.
- (b) The right to maintain sales offices, model units and signs advertising the sale or lease of Units in the Condominium.
- (c) The right to use easements through the Common Elements for the purpose of completing construction.
- (d) The right to appoint or remove officers of the Association or members of the Board during the Declarant Control Period.
- (e) The right to subdivide the Commercial Units, as provided in Section 6.11(b).
- (f) The right to exercise any other rights granted to or reserved by Declarant in the Condominium Documents.
- (g) The right to make amendments to this Master Deed and the Bylaws as set forth in Article XIV.

Section 7.2 Transfer of Special Declarant Rights. Declarant may transfer any Special Declarant Rights to any person or entity, by an instrument evidencing the transfer duly recorded in the Office of the Register of Deeds for Anderson County. The instrument shall not be effective unless it is executed by the transferor and the transferee.

Section 7.3 Duration of Special Declarant Rights. The Special Declarant Rights shall remain in full force and effect until the termination or lapse of the Declarant Control Period as set forth in Section 2.14 of this Master Deed.

ARTICLE VIII. RESTRICTIONS ON USE

Section 8.1 Use – Residential Units. All Residential Units shall be used for single-family residential purposes only; provided, however, that Owner-occupied Residential Units may also be used for home office purposes by the Owners of such Units. Notwithstanding the foregoing, Declarant may maintain any Unit owned by Declarant as a sales office or model Unit.

Section 8.2 Use – Commercial Units. All Commercial Units shall be used only for lawful commercial, professional, retail, restaurant, and public service purposes reasonably compatible with the operation of a mixed-use condominium building, and not in violation of any of the following restrictions:

(a) No Commercial Unit shall be used for any entertainment establishment, except with the prior approval of the City of Anderson and/or the City of Anderson Board of Zoning Appeals (or any successor Board pursuant to the City of Anderson Zoning Ordinance).

(b) No Commercial Unit shall be used for a package liquor store (not including a wine store).

(c) No Commercial Unit shall be used for warehousing, industrial, or manufacturing purposes.

(d) No Commercial Unit shall be used for any sexually oriented business, flea market or other operation selling used merchandise, pawn shop, military surplus store, or for the sale or display of adult or pornographic materials or drug paraphernalia.

(e) No Commercial Unit shall be used for the service of motor vehicles, boats, or mobile homes, or for the installation of auto parts.

(f) No Commercial Unit shall be used for the rental, service or repair of lawn care equipment, carpet sweepers, power tools, televisions, VCRs, or electronic or computer equipment, except incident to the retail sale of such items.

(g) No Commercial Unit shall be used for the operation of a carnival, massage parlor, gambling facility or operation, or for any uses involving gaming or gambling devices or video poker machines, including off-track or sports betting parlor, the operation of table games, slot machines, video poker/black-jack/keno machines or similar devices, or as a bingo hall.

(h) No Commercial Unit shall be used for the operation of a laundromat or veterinary facility, animal raising facility or pet shop.

Section 8.3 Nuisance. No obnoxious, offensive, immoral or unlawful activity shall be conducted within any Unit, or on or about the Common Elements, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to any other Owners, or endanger the health and safety of any Owner. Nothing shall be done or kept in any Unit or in the Common Elements that will result in the termination of any policy of property and casualty insurance covering the Property. Further, nothing shall be done or kept in any Unit or in the Common Elements that will cause the premium for any policy of property and casualty insurance covering the Property to be increased to an amount that is substantially higher than the normal premiums associated with the types of businesses permitted to occupy the Commercial Units as set forth herein.

Section 8.4 Prohibitions on Use of Common Elements. The Common Elements (other than storage areas, if any, designated by the Association) shall not be used for the storage of personal property of any kind. Stairs, entrances, hallways, and walkways shall not be obstructed in any way, or used for other

than their intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either in his Unit or upon the Common Elements which despoils the appearance of the Property.

Section 8.5 Garbage. Trash, garbage and other waste shall be kept in sanitary containers within each Unit, or deposited in a common trash chute and/or compactor located upon the Property. No trash or garbage shall be kept or stored on any balconies.

Section 8.6 Parking. No Owner or any employee, agent, tenant, or invitee of any Owner, shall park, store or keep any vehicle on the Property, other than the use by Owners of parking spaces leased in the Parking Facility. The Association shall have the right to tow any vehicle in violation of this Section 8.6 at its Owner's expense.

Section 8.7 Leases of Units. Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject and subordinate in all respects to the Condominium Documents and that any failure by the lessee to comply with all of the terms of such Condominium Documents shall constitute a default under the lease. Leases of a Residential Unit may not be for a period shorter than thirty (30) days. Leases of a Commercial Unit may not be for a period shorter than six (6) months.

Section 8.8 No Timeshares. No interest in any Unit may be subjected to a time share program, as that term is defined in Title 27, Chapter 32, Code of Laws of South Carolina 1976, as amended.

Section 8.9 Animals. No animals, livestock, or pets of any kind shall be kept, bred, raised or maintained on the Property or in any Unit, except that dogs, cats, birds, and other small common household pets may be kept or maintained in Residential Units, provided they are not kept or maintained for commercial purposes, do not constitute nuisances, are kept on leashes while outdoors, and do not cause unsanitary conditions. No pet shall be permitted upon the Common Elements unless carried or leashed by a person that can control the pet. Pets shall not be permitted to defecate in the Common Elements, and each Owner shall clean up immediately should his pet defecate in the Common Elements. All pets shall be registered and inoculated as required by law. Each Owner shall hold the Association harmless from any claim resulting from any action of his pet, and shall repair at his expense any damage to the Common Elements caused by his pet. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Bylaws, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days' written notice.

Section 8.10 Utilities. Total electrical usage in any Unit shall not exceed the capacity of the circuits for that Unit as labeled on the circuit breaker boxes, and no electrical device causing overloading of the standard circuits may be used in any Unit without permission of the Association. All clothes dryers will have lint filters, and all stove hoods will have grease screens and such screens and filters shall be used at all times and kept clean, and in good order and repair, by the Owner of the Unit in which they are located.

Section 8.11 Floor Load. There shall be no floor load in any Unit in excess of forty (40) pounds per square feet, unless an engineering determination of the floor load capacity in the area of heavy use is approved by the Association.

Section 8.12 Windows. No curtains or draperies shall be installed or hung in any window of any Unit unless they have a white lining or backing on the side exposed to the window. No storm windows shall be installed in any Unit.

Section 8.13 Architectural Control. No building, landscaping, fence, wall, sign or other structure shall be commenced, erected or maintained upon the Property subsequent to the initial completion by Declarant of the Building and the Common Elements, nor shall any exterior addition to or change or alteration to any Unit or any Common Elements be made, unless and until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by Declarant (if during the Declarant Control Period) or by the

Association (if subsequent to the Declarant Control Period) as to harmony of external design and location in relation to surrounding structures and topography.

Section 8.14 Signs. No signs or other advertising devices shall be displayed on or about the exterior of any Unit, or in the Common Elements, except for: (a) one name plate or sign not exceeding twenty-four (24) square inches in area on the main door to each Residential Unit, and (b) one or more exterior signs for each Commercial Unit, erected in conformance with applicable sign ordinances and plans approved by the Declarant (if during the Declarant Control Period) or by the Association (if subsequent to the Declarant Control Period) as provided in Section 8.13. Notwithstanding the foregoing, Declarant shall have the right to maintain upon the Property marketing and advertising signs, provided such signs comply with applicable sign ordinances.

Section 8.15 Maintenance. The Owner of each Unit is responsible for maintaining his Unit as well as the Limited Common Elements appurtenant thereto, other than parking spaces in the Parking Facility. Each Owner shall keep his respective Unit and its appurtenant Limited Common Elements in a clean, neat and orderly condition and in a good state of maintenance and repair. If an Owner fails to comply with the standards or requirements of the Association relative thereto, the Association shall have the right to levy an Assessment against the Unit of the defaulting Owner for the cost thereof, and the Association shall undertake to effect said compliance.

Section 8.16 Rules and Regulations. In addition to the use restrictions set forth in this Master Deed, Declarant (during the Declarant Control Period) and the Association (subsequent to the Declarant Control Period) shall have the right from time to time to enact reasonable rules and regulations governing the use and occupancy of the Property. Copies of such regulations and amendments thereto shall be posted prominently prior to their effective date, and shall be furnished by Declarant or the Association (as the case may be) to all Owners upon request. Notwithstanding the foregoing, neither Declarant nor the Association shall have the right to adopt a rule or regulation that materially restricts a then-existing lawful use being conducted in a Commercial Unit without the prior written consent of the Owner of that Commercial Unit. The Owners of the Commercial Units, with the written approval of Declarant (during the Declarant Control Period) or the Commercial Standing Committee of the Association (subsequent to the Declarant Control Period) shall have the right to adopt, by unanimous vote, rules and regulations applicable only to the operation of the businesses conducted in the Commercial Units.

Section 8.17 Satellite Dishes and Antennas. No exterior satellite dish or similar device may be placed on the exterior of any Unit or in the Common Elements without the prior written approval of Declarant (during the Declarant Control Period) or the Association (subsequent to the Declarant Control Period), which may be withheld or conditioned in its sole discretion.

Section 8.18 Balconies and Decks. All balconies, patios, porches and terraces that comprise Limited Common Elements appurtenant to particular Units shall be kept in a clean, neat, slightly, and orderly condition at all times, and shall not be used for the overnight storage of garbage, or for the drying of laundry. In particular, towels or banners shall not be hung on balcony railings, and dead plants shall be removed promptly. No indoor-outdoor carpeting, hot tub, or other pool shall be installed on any balcony. No charcoal or propane grills may be used or stored on the balcony areas at anytime.

ARTICLE IX. THE ASSOCIATION

Section 9.1 Organization of Association. A South Carolina nonprofit corporation known and designated as Chiquola Condominium Owners Association, Inc. (the "Association") has been organized to provide for the administration of the Condominium. The Association shall be the governing body of the Condominium and shall administer the operation and maintenance of the Property and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation, the Bylaws, and the Act. A true copy of the Bylaws of the Association is attached hereto and incorporated herein as Exhibit "D". Every Owner shall be required to be and shall automatically be a member of the Association by virtue of its ownership interest in a Unit. Membership shall be appurtenant to and shall not be separated from ownership of a Unit for any reason whatsoever, and shall pass automatically with the conveyance of the fee title to a Unit, notwithstanding any failure of the transferor

to endorse or convey to the transferee any certificates or other evidences of such membership. Ownership of a Unit shall be the sole qualification for membership in the Association.

Section 9.2 Voting Rights. The Owners of each Unit shall be entitled to such vote(s) for such Unit owned as is set forth in Exhibit "C" attached hereto and incorporated herein. When more than one Person shall own an interest in a Unit, all such Persons shall be members of the Association. Notwithstanding the foregoing, however, the vote(s) for such Unit shall be a single indivisible vote which shall be exercised as the Owners of such Unit shall determine.

Section 9.3 Powers; Lien for Assessment. The organization, duties, powers and responsibilities of the Association shall be as set forth in the Condominium Documents and provided in the Act, together with such duties, powers and responsibilities as may be reasonably implied from or incidental to the foregoing duties, powers and responsibilities, or as may otherwise become reasonably necessary or desirable for the furtherance of the purposes of the Condominium and the common welfare of the Owners. In the administration of the operation and management of the Property, the Association shall have and it is hereby granted the authority and power to enforce the provisions of this Master Deed, to levy and collect Assessments in the manner provided in Article X below and in the Bylaws, and to adopt, promulgate and enforce such rules and regulations in accordance with the Bylaws governing the use of the Units and Common Elements as the Association may deem to be in the best interest of the Owners. Any sum assessed by the Association remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on the Unit with respect to which such sum was assessed upon filing in accordance with the Act, and shall be enforceable by the Association in accordance with the Act and the Bylaws.

Section 9.4 Repairs, Maintenance and Improvements. The Association shall provide exterior maintenance upon each Unit as follows: stain (or paint, as the case may be), repair, replace and care for roofs, exterior building surfaces, stoops and outside steps, paint and caulking to outside of window sills and window frames and paint to outside of exterior doors and decks as part of routine painting and staining of more than one Unit, except that the Association shall not be responsible for the repair and replacement of windows including locks, knobs, handles and movable parts, frames and glass, nor shall the Association be responsible for the repair and replacement of doors, including locks, knobs, handles, movable parts and frames. The Association shall not be responsible for the maintenance and repair of light receptacles and hose bibs located on the exterior of a Unit which serve only that one Unit. Also, the Association shall not be responsible for painting, staining and caulking around any window or door in the event they are repaired or replaced other than as a part of the periodic repair and replacement of such items for more than one Unit. In the event that the Board shall determine that the need for maintenance or repairs by the Association as provided for in this paragraph is caused through the willful or negligent act of an Owner, or any tenant, family, guests or invitee of an Owner and is not covered or paid for by insurance maintained by the Association, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner is subject. Maintenance of a Unit shall otherwise be the responsibility of the Owner, which responsibility shall be governed by and shall include but not be limited to the following:

- a. Each Owner shall maintain, repair and replace, at his expense, all portions of the Unit, except for items that are the responsibility of the Association as a Common Expense.
- b. Each Owner shall have the responsibility for the maintenance, repair and replacement, when applicable, for the following components of the Owner's Unit: heating and air conditioning units, condensers, refrigerators, stoves, dishwashers, disposals, toilets, sinks, bathtubs, showers, all pipes and valves within the Unit, carpet, floor covering, interior paint, wallpaper, paneling, lights, fixtures, windows, locks, handles, movable parts and frames, cabinets, and any other appliances and fixtures within the Unit. All pipes, valves, wires and ducts surrounding a Unit are the responsibility of the Owner if said pipes, valves, wires and ducts service only that Unit. If they service more than one Unit, the responsibility for their maintenance, repair and replacement shall be borne by the Association. Damage caused by wires or by leaks in pipes or valves servicing only the damaged Unit shall be the responsibility of the Owner of the damaged Unit. An Owner shall be responsible for all exterior light receptacles and hose bibs that service only the Owner's Unit. An Owner shall be responsible for glass breakage to and cleaning of the windows of his Unit and for the repairs and replacement of his TV antennae or

satellite dish. An Owner shall be responsible for painting, staining and caulking around any window or door in the event they are repaired or replaced other than in the course of the periodic repair or replacement by the Association on more than one Unit.

- c. Should it become reasonably necessary or much more practical for an Owner to enter into or upon another Unit in order to repair any damage to the Owner's Unit, the Owner shall have a limited license and right of entry for such express purpose only and provided that such entry is for as brief a duration as possible, at such time as shall be arranged in advance with the other Owner, with as little inconvenience to the Owner of the other Unit as possible, and without damage to the other Unit by virtue of such entry.
- d. No Owner shall paint or otherwise decorate, or change the appearance of, any portion of the exterior of a Unit unless and except as permitted in the Condominium Documents.
- e. No Owner shall make any alteration or addition to, or service any parts of, or do any work which would jeopardize the safety or soundness of, any portion of any Unit which contributes to the support of the Unit or any other Unit, which supporting portions shall include but not be limited to the outside walls of the Unit and any load-bearing walls or columns within or without the Unit.
- f. No Owner shall be required or authorized to repair, reconstruct or rebuild all or any part of his Unit under any circumstances in which the responsibility for such repair, reconstruction or rebuilding is specifically placed upon the Association by the terms of this Declaration.
- g. Notwithstanding anything to the contrary contained in this Master Deed, and for the benefit of the Owners as a group, the Association may, but is not required to, do anything that an individual Owner is required to do hereunder (including, without limitation, Unit repair and window replacement), at the sole cost of such Owner:
 - (1) in the discretion of the Manager, in the case of an emergency;
 - (2) in the discretion of the Board, in the case of convenience for the Association; and
 - (3) in the discretion of the Board, in the case that an Owner fails to perform his duty.

Section 9.5 Structural Changes, Exterior Changes and Additions. Neither the Association nor any Owner shall make any structural changes, exterior changes or additions to any Unit or Common Elements, unless and except in compliance with the following requirements:

- a. Common Elements. Any changes or additions to the Common Elements (provided that in no event shall such changes or additions alter the Common Elements Interests allocated to each Unit) shall require the affirmative vote of sixty-seven percent (67%) of the total Unit votes (as set forth on Exhibit "C" attached hereto and incorporated herein) at a meeting of the Owners duly called by the Board for such purpose, in which case the cost thereof shall be borne by the Owners in proportion to their respective percentages of undivided interest in the Common Elements.
- b. Units. Any such change or addition to a Unit sought by an Owner shall require the affirmative vote of sixty-seven percent (67%) of the total Unit votes at a meeting of the Owners duly called by the Board for such purpose, in which case the cost thereof shall be borne solely by the Owner requesting such change or addition.

Section 9.6 Declarant Control Period. During the Declarant Control Period, Declarant reserves the right to appoint and remove any Board members.

Section 9.7 Books and Records. The Association shall maintain current copies of: (a) the Condominium Documents, as they may be amended from time to time, (b) any rules and regulations adopted under Section 8.16 from time to time; and (c) all financial records of the Association required to be maintained pursuant to the Act. These items shall be available from the Board or the Manager for inspection, during normal business hours and upon reasonable advance notice, by any Owner, any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage. In addition, within ninety (90) days following the Association's fiscal year end, the Association shall obtain a financial statement prepared, compiled or audited (as directed by the Association) by an independent certified public accountant.

ARTICLE X. TAXES AND ASSESSMENTS

Section 10.1 Taxes. Every Unit, together with its allocated Common Elements Interest, shall be separately assessed and taxed by each taxing authority for all types of taxes applicable to real property and authorized by law. Each Owner shall be solely liable for the amount taxed against his individual Unit, inclusive of the Owner's undivided interest in the Common Elements; provided, however, that in the event that the Units are not separately assessed with respect to ad valorem property taxes during the first calendar year in which Units are sold and conveyed by Declarant, any such taxes for any calendar year in which the Units are not separately assessed shall be paid when due by Declarant, who shall be paid or reimbursed by each purchasing Owner at closing of the conveyance of each Unit sold by Declarant during such calendar year for such Unit's pro rata share of such taxes.

Section 10.2 Common Expenses. Each Unit shall be subject to Assessments by the Association for Common Expenses in accordance with the Unit's Common Elements Interest as set forth in Exhibit "C" attached hereto and incorporated herein. Assessments for all Units shall begin as of the date of the first conveyance of a Unit to a party other than Declarant.

Section 10.3 Common Surplus. The term "Common Surplus" means and refers to all funds and other assets of the Association, including excess of receipts of the Association from Assessments, rents, profits and revenues from whatever source, over the amount of Common Expenses. The Common Surplus shall be owned by the Owners in the same proportion as their respective shares of Common Elements Interests; provided, however, that the Common Surplus shall be held by the Association in the manner and subject to the terms, provisions and conditions of this Master Deed imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance proceeds, which shall be made in the manner provided in Section 11.6, or upon termination of the Condominium, any attribution or distribution of Common Surplus which may be made from time to time shall be made to and among the then Owners in proportion to their respective Common Elements Interests.

Section 10.4 Creation of Lien and Personal Obligation for Assessments. The Owners, for their respective Units, hereby covenant, and each Owner of a Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual Assessments or charges as hereinafter provided, and (b) special Assessments as hereinafter provided, with all such Assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special Assessments, together with interest, costs and reasonable attorneys' fees (if any) thereon, shall be a charge on the land and shall be a continuing lien upon each Unit until fully paid. Each annual and special Assessment, together with interest, costs and reasonable attorneys' fees (if any), shall also be the personal obligation of each Owner. In the case of a Unit that is owned by more than one Owner, regardless of the manner in which title is held, all Owners of the Unit shall be jointly and severally liable for the entire amount of each annual or special Assessment.

Section 10.5 Purpose of Annual Assessments. The annual Assessments levied by the Association shall be used to pay Common Expenses for the following purposes:

a. The upkeep, maintenance and operation of the Common Elements, with such Common Expenses to include without limitation the payment of separate property taxes and insurance (if any) thereon, the costs of repairs, replacements and additions thereto, the cost of groundskeeping and routine

maintenance thereof, and the costs of labor, equipment, materials, management and supervision related to the operation, maintenance, repairs, replacements and additions to and of the Common Elements;

- b. All costs of utility service and garbage collection service provided to or for the benefit of the Condominium;
- c. Normal and customary property management fees to the Manager;
- d. General administration expenses incurred by the Association;
- e. Any other recurring expenses of the Association which the Owners shall approve in the manner set forth hereinafter; and
- f. Normal, customary and prudent reserves to defray unexpected expenses, to anticipate increases in any of the foregoing, and to anticipate future capital expenditures.

Section 10.6 Determination and Payment of Annual Assessment. The Board shall fix the annual Assessments applicable to the Units for each calendar year, not less than thirty (30) days in advance of such year, based upon the prior year's receipts and disbursements, anticipated cost increases or decreases, anticipated extraordinary expense requirements, and anticipated prudent reserves. Upon such determination, the Board shall give written notice to each Owner of the forthcoming annual Assessment applicable to each Unit. Each Owner shall pay to the Association on a monthly basis one-twelfth (1/12) of the annual Assessment applicable to the Owner's Unit, which shall be due in equal monthly installments on the first day of each month of the year for which the Assessment is applicable.

Section 10.7 Maximum Annual Assessment. The initial annual Assessment shall be determined by Declarant at or prior to closing of the initial sale and conveyance of Units. Thereafter, the Board shall fix the annual Assessments each year. The maximum annual Assessment applicable to a Unit may be increased by the Board each calendar year by not more than twenty-five (25%) percent above the maximum annual Assessment applicable to a Unit for the previous year, or in an amount in excess of such maximum with the concurrence of a sixty-seven percent (67%) affirmative vote of the total Unit votes at a meeting of the Owners duly called by the Board for such purpose.

Section 10.8 Special Assessments. In addition to the annual Assessments authorized herein, the Association may, from time to time, levy special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, restoration or replacement of any Common Elements or the costs of any other extraordinary or emergency expenses, the incurring of which the Board determines to be in the best interest of the Owners, provided that such Assessment shall receive a sixty-seven percent (67%) affirmative vote of the total Unit votes at a meeting of the Owners duly called by the Board for such purpose.

Section 10.9 Notice and Quorum for Assessment Decisions. Written notice of any meeting of the Owners called for the purpose of voting upon any proposed action authorized under Sections 10.7 or 10.8 of this Master Deed shall be sent to all Owners not less than ten (10) days nor more than sixty (60) days in advance of the meeting. The presence of Owners at such meeting, in person or by written signed proxy, representing fifty-one (51%) percent of the total Unit votes shall constitute a quorum. If the required quorum is not present at such meeting, the meeting may be adjourned until such subsequent date and time as a required quorum shall be present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 10.10 Uniform Rate of Assessments; Separate Commercial and Residential Rates. The Board shall allocate all annual and special Assessments among all Units on a basis that shall reflect and take into account (a) components of the Common Expenses that are equal among all Units, regardless of the size or character of the Unit, (b) components of the Common Expenses that may vary in accordance with the character of the Units as Commercial Units or Residential Units, (c) components of the Common Expenses that vary in accordance with their respective Common Elements interests, and (d) any other components of the Common Expenses that the Board determines may vary among Units; provided, however, that the manner of determining Assessments shall always be in compliance with the Act. In addition, the Board, in consultation with the Residential Standing Committee of the Association

and the Commercial Standing Committee of the Association, shall have the right to propound Assessments separately for the Residential Units so long as they shall reflect and take into account the foregoing factors for all Residential Units, and for the Commercial Units so long as they shall reflect and take into account the foregoing factors for all Commercial Units. Separate Assessments for Residential Units shall be payable solely by Owners of Residential Units and shall be utilized for the sole benefit of the Residential Units. Separate Assessments for Commercial Units shall be payable solely by Owners of Commercial Units and shall be utilized for the sole benefit of the Commercial Units.

Section 10.11 Assessment Rolls and Certificates. The budget and record of payment of all Assessments shall be set forth upon a roll of the Units which shall be available from the Board or the Manager for inspection at all reasonable times by Owners. Such rolls shall indicate for each Unit the name and address of the Owner, the Assessments for all purposes and the amounts paid and unpaid of all Assessments. The Association shall, upon demand and for a reasonable charge, furnish a Certificate signed by an officer of the Association setting forth whether or not the Assessments upon a specified Unit have been paid, the amount (if any) so paid, and the amount (if any) that is due and unpaid. A properly executed Certificate of the Association as to the status of Assessments on a Unit shall be binding upon the Association against any third party (but not the affected Owner) as of the date of its issuance.

Section 10.12 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be delinquent, shall bear a late charge of \$50.00, or at such other uniform rate or in such other uniform amount which may be determined from time to time by the Board in accordance with Section 10.10, interest at the rate of fifteen (15%) percent per annum from the due date thereof and shall become a charge and continuing lien upon the Unit assessed. The Association shall have the right to bring an action at law against the Owner personally obligated to pay the same for recovery of such Assessment (including interest, costs and reasonable attorneys fees), and/or to foreclose the lien created herein against the subject Unit in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of Mortgages (with interest, costs and reasonable attorneys' fees in connection therewith to be added to and form a part of the amount of the Assessment being foreclosed). No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Elements; by abandonment of the subject Unit; by damage to or destruction of a Unit; nor by any other reason whatsoever.

Section 10.13 Subordination of Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any bonafide Mortgage now or hereafter placed upon any Unit. Sale, conveyance or transfer of a Unit shall not affect the liability of the selling Owner for Assessments becoming due prior to such transfer or the lien of the Assessments provided herein. However, the sale, conveyance or transfer of a Unit pursuant to a Mortgage foreclosure brought by someone other than the Association, any proceeding in substitution thereof, or any deed in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, and the Person first acquiring title to such Unit as a result thereof shall be liable only for Assessments coming due thereafter or for that portion of an Assessment then due for a period of time subsequent to the transfer of title. No sale, conveyance or transfer shall relieve a Unit from liability for any Assessments thereafter becoming due or from the lien thereof.

ARTICLE XI **INSURANCE**

Section 11.1 Property Insurance. The Association shall obtain and maintain at all times a policy or policies of fire, hazard, casualty and extended coverage insurance on the Building and the Common Elements which shall insure against loss and damage due to fire, casualty and such additional risks (including vandalism and malicious mischief) as the Board shall annually determine, in an amount not less than one hundred percent (100%) of the full replacement cost of the Building and Common Elements at the time such insurance is purchased and at the time of each renewal thereof (excluding the cost of foundations and footings, and the cost of any personal property supplied or installed by Owners), with a commercially reasonable deductible not in excess of \$10,000.00. Such insurance shall be issued by an insurance company properly licensed to do business in the State of South Carolina, with a general policyholder's rating of at least "A-" in the most recent edition of the Best's Key Rating Guide. Any such policy or policies shall provide that each Owner is an insured person with respect to his Unit and his allocated Common Elements interest. The policy shall contain an inflation guard endorsement, if

available, and a construction code endorsement, if available, as well as a special condominium endorsement providing as follows: for waiver of subrogation against any Owner, and any Owner's employees or agents; that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and Mortgagees; that no act or omission by any Owner will preclude recovery upon such policy; and that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. Each property insurance policy shall provide that adjustment of loss shall be made by the Association as insurance trustee. Each property insurance policy shall provide for the issuance of certificates or mortgagee endorsements to Mortgagees.

Section 11.2 Liability Insurance. The Association shall obtain and maintain a policy or policies of commercial general liability insurance in such limits as the Board may, from time to time, determine, covering each member of the Board, the Manager (if any), and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than \$1,000,000.00 per occurrence. Such liability insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all insureds, including all Owners and Mortgagees. The Board shall review such limits annually.

Section 11.3 Fidelity Coverage. The Association shall obtain and maintain such fidelity coverage against dishonest acts on the part of all persons responsible for handling funds belonging to or administered by the Association as it may deem necessary. Any such fidelity insurance policy shall name the Association as the named insured and shall be written in an amount as may be determined by the Board, but in no event less than one-half the annual budgeted amount of Common Expenses, or the amount required by any Mortgagee; whichever is greater.

Section 11.4 Other Insurance Policies. The Association shall be authorized to obtain such other insurance coverage, including without limitation worker's compensation or employee liability insurance, as the Association shall determine from time to time desirable or necessary.

Section 11.5 Premiums. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of a deductible, shall be paid by the Association and charged as a Common Expense.

Section 11.6 Distribution of Insurance Proceeds. All insurance policies procured by the Association shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes set forth herein and for the benefit of the Owners and their Mortgagees in the following shares:

(a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his Mortgagee, if any, each Owner's share to be the same as such Owner's Unit's allocated Common Elements Interest.

(b) Proceeds on account of damage to Units shall be held in the following undivided shares:

(1) When the damage is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage to each such Owner's Unit, which cost shall be determined by the Association or, if such damage shall occur during the Declarant Control Period, by Declarant.

(2) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's Unit's allocated Common Elements Interest.

(c) In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Mortgagee and the Owner as their respective interests may appear.

(d) Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:

(1) If it is determined, as provided in Article XII below, that the damaged Property with respect to which the proceeds are paid shall not be reconstructed or repaired:

(i) the proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium;

(ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of these Units and Units to which those Limited Common Elements were allocated or to their Mortgagees, in proportion to their Units' respective Common Elements Interests; and

(iii) the remainder of the proceeds shall be distributed to and among all Owners or Mortgagees, as their interests may appear, in proportion to their Units' respective Common Elements Interests.

(2) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners and their Mortgagees, if any, jointly.

Section 11.7 Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon such Owner's personal property and contents, public liability insurance, and such other insurance coverage as such Owner may desire. Each Owner shall obtain and maintain public liability insurance coverage in the amount of at least \$500,000.00 for bodily injury, including deaths of persons and property damage, arising out of a single occurrence. Each Owner shall file a copy of each such individual policy with the Association upon request.

ARTICLE XII.

DUTY TO REPAIR OR RECONSTRUCT

Section 12.1 Reconstruction and Repair. In the event of damage to or destruction of the Building and/or any Common Elements as a result of fire or other casualty, Declarant (if during the Declarant Control Period) of the Association (if subsequent to the Declarant Control Period) shall arrange for the prompt restoration and replacement of the Building unless: (a) the Condominium is terminated in accordance with the provisions of Article XIV below, or (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) the Owners of the Condominium decide not to rebuild by an eighty-five percent (85%) vote, including one hundred percent (100%) of Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units to which are assigned Limited Common Elements not to be rebuilt, and with the written concurrence of Declarant (if during the Declarant Control Period). Unless one of the preceding three conditions occurs, the Board shall obtain reliable and detailed estimates of the cost to rebuild, repair, restore or replace the same so as to place the same in a condition comparable to that existing before the casualty. Declarant (if during the Declarant Control Period) or the Association (if subsequent to the Declarant Control Period) shall arrange for the prompt repair and restoration of the Building and the Common Elements, not including any decoration or covering for walls, ceilings, or floors, or furniture, furnishings, fixtures or equipment (unless the subject insurance policy covers a portion or all of such loss, in which event Declarant or the Association, as the case may be, shall repair or replace such damaged property). Any reconstruction,

rebuilding or repair must be in compliance with all applicable building codes or other similar governmental requirements and must be substantially in accordance with the Plans or, if not, then according to plans and specifications approved by Declarant or the Board, as the case may be. In the event that the aggregate cost of repairs or restoration shall exceed Fifty Thousand and no/100 (\$50,000.00) Dollars, or such other higher amount as Declarant or the Board (as the case may be) may from time to time determine, reconstruction must be accomplished under the supervision or approval of a licensed architect selected by Declarant or the Board (as the case may be). If the Owners vote not to rebuild any Unit, that Unit's allocated Common Elements Interests shall be automatically reallocated by Declarant (if during the Declarant Control Period) or the Board (if subsequent to the Declarant Control Period) as if the Unit had been condemned under applicable law.

Section 12.2 Disbursement of Proceeds. Declarant or the Board (as the case may be) shall disburse the proceeds of all insurance policies first to pay the reasonable fees of the supervising architect (if any) and then to the contractors engaged in such repair and restoration in appropriate progress payments and in accordance with the provisions of Section 11.6(d)(2) of this Master Deed, as the same are approved by the supervising architect, the Manager, or such other representative as may be appointed for such purpose by Declarant or the Board (as the case may be). Any payments for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense, and may be funded by means of a special Assessment authorized and levied in accordance with the applicable provisions of this Master Deed.

Section 12.3 Obligations of Owners. Each Owner shall, at his sole cost and expense, keep and maintain his Unit in good order and repair in accordance with the Plans, and will make no structural addition, alteration or improvement to his Unit without the prior written consent of the Association, except as specifically permitted by this Master Deed or as authorized under the Act. Upon the failure of an Owner to so maintain his Unit, the Association shall be authorized to maintain, repair or restore such Unit, and the cost thereof shall be charged to such Owner and constitute a lien on the Unit until paid.

ARTICLE XIII. CONDEMNATION

Section 13.1 Condemnation of Common Elements. If any Common Elements shall be taken or condemned by any authority having the power of eminent domain, such that no Unit nor any part thereof is taken, and no part of any Limited Common Elements to which a Unit has exclusive use is taken, then all compensation and damages for and on account of the taking of the Common Elements, exclusive of compensation for consequential damages to certain affected Units, shall be payable to the Association as trustees for all Owners and Mortgagees according to the loss or damages to their respective Common Elements Interests. The Board shall have the right to act on behalf of the Association and the Owners with respect to the negotiation and litigation of any issues with respect to the taking and compensation affecting the Common Elements, without limitation on the right of the Owners or any Mortgagees to represent their own interests. Such proceeds shall be held, used and disbursed in accordance with the provisions of this Master Deed. Nothing herein shall prevent any Owners whose Units may be specifically affected by the taking or condemnation proceedings from joining in such proceeding and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units, exclusive of damages relating to Common Elements. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Units without such allocation, the award shall be divided between affected Owners (subject to the rights of Mortgagees) and the Association as trustees as aforesaid, as their interests may appear. Any awards or proceeds received by the Association not otherwise allocable as aforesaid shall be held and disbursed by the Association in the same manner and subject to the same provisions as are set forth above regarding application of insurance proceeds to the repair or restoration of the Common Elements.

Section 13.2 Condemnation of Units. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Unit or a part thereof (including the Limited Common Elements) is taken, the Association shall act on behalf of the Owners with respect to Common Areas as set forth in Section 13.1 above, without limitation as to the right of any Owners and any Mortgagees to represent their own interests, and the proceeds shall be payable as set forth therein. The Owners of any Units directly affected by such taking and their respective Mortgagees

shall retain the full right to represent and negotiate for themselves with respect to the damages affecting their respective Units (including any taking of appurtenant Limited Common Elements). Any awards resulting from a total taking of a Unit shall belong to the Owner (subject to the rights of any Mortgagee of the Unit), and such Owner shall thenceforth have no further Common Elements Interest, or in any voting rights in or assets of the Association. Any awards resulting from a partial taking of a Unit which shall enable the Unit to remain habitable following any restoration thereof shall be used by the Owner, subject to the provisions of any applicable Mortgage, to restore the same to as nearly as practicable the same condition as existed prior to such taking.

ARTICLE XIV **AMENDMENT TO AND SUPPLEMENT OF MASTER DEED**

14.1 Declarant Amendments. Notwithstanding anything herein to the contrary, during the Declarant Control Period, Declarant reserves the right to amend this Master Deed without the consent of any other Owners, Mortgagees, or other parties (i) for the purpose of resolving any ambiguity in or any inconsistency between the provisions contained herein, (ii) to make any typographical or editorial corrections which may become necessary or desirable, (iii) to bring it the provisions of this Master Deed into compliance with applicable law, or (iv) to make any adjustments necessary or desirable due to the subdivision of one or more Commercial Units.

14.2 Other Amendments. Except as is otherwise specifically authorized herein, this Master Deed may be amended only by the affirmative vote of not less than sixty-seven percent (67%) of the total Unit votes, and not less than fifty-one percent (51%) of the Mortgagees, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws. Except to the extent expressly permitted by the other provisions of this Master Deed, any amendment which amends or alters the Common Elements Interest of any Unit, increases the number of Units, changes the boundaries of any Unit, changes the use to which any Unit is restricted, or modifies the terms of this Article XIV, shall require the unanimous written approval of all Owners, together with the consent of all their respective Mortgagees. Any other proposed amendment which has the effect of altering or amending any term or provision of this Master Deed that by the terms of this Master Deed requires a higher vote than the vote required to amend this Master Deed shall nevertheless be of no force or effect whatsoever unless such amendment shall receive the requisite higher vote stipulated under such other term or provision of this Master Deed. No amendment to this Master Deed shall be effective unless and until executed on behalf of the Association by an officer designated for that purpose and who shall certify on behalf of the Association as to the requisite approval of the amendment, and which amendment shall thereupon be recorded in the Office of the Register of Deeds for Anderson County, South Carolina. No amendment to this Master Deed shall be adopted or passed which shall impair or prejudice the rights and priorities of any Mortgagee without the written consent of such Mortgagee. During the Declarant Control Period, no amendment to this Master Deed shall be effective without the written consent of Declarant.

ARTICLE XV **TERMINATION**

The Condominium may be terminated and the Property removed from the provisions of the Act only by the unanimous affirmative vote of all Owners of the Units and of all Mortgagees, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws, and as evidenced by execution of a termination agreement, or ratification thereof, by all Owners and Mortgagees. The termination shall comply with the requirements of the Act, and shall be recorded in the Office of the Register of Deeds for Anderson County in order to become effective. Following the recordation of the termination agreement, the interests of the Owners and Mortgagees in the Property shall be as provided in the Act.

ARTICLE XVI **MORTGAGEE PROTECTION**

Section 16.1 General Provisions. This Article XVI establishes certain standards and covenants for the benefit of Mortgagees. This Article XVI is supplemental to, and not in substitution for, any other provisions of the Condominium Documents, but in the event of any conflict between the provisions of the Condominium Documents and the provisions of this Article XVI, the provisions of this Article XVI shall control.

Section 16.2 Percentage of Mortgagees. Wherever in the Condominium Documents the approval or consent of a specified percentage of Mortgagees is required, it shall mean the approval or consent of Mortgagees holding Mortgages on Units which have allocated to them that specified percentage of votes in the Association, as compared to the total votes in the Association allocated to all Units then subject to Mortgages held by Mortgagees.

Section 16.3 Rights to Examine Books and Records. Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year.

Section 16.4 Mortgagee's Rights to Notice. Any Mortgagee (including, for purposes of this Section 16.4, any insurer or guarantor of a loan secured by a Mortgage that has notified the Association in writing of its name and address, and that it insures or guarantees a Mortgage) shall have the right to receive from the Association prompt written notice of the following:

- (a) Default under any of the terms and provisions of the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by such Mortgagee, which default remains uncured for a period of sixty (60) days.
- (b) Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a Mortgage held, insured or guaranteed by such Mortgagee.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action by the Association, the Board, or the Owners, which under the terms of the Condominium Documents requires the consent of all or any portion of the Mortgagees.

The failure of any Mortgagee to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of an addition or amendment to the Condominium Documents wherever Mortgagee approval is required shall irrevocably constitute an implied approval by that Mortgagee of the proposed addition or amendment.

Section 16.5 Consent and Notice Required. Notwithstanding any other provision of this Master Deed or the Condominium Documents, no amendment of any material provision of the Condominium Documents described in this Section 16.5 shall be effective without notice to all Mortgagees, as required by Section 16.4, the affirmative vote of at least sixty-seven percent (67%) of the total Unit votes (or any greater percentage required by the terms of the Condominium Documents), and the approval of at least fifty-one percent (51%) of the Mortgagees (or any greater percentage required by the terms of the Condominium Documents). A change to any of the following items will be considered material:

- (a) Voting rights;
- (b) Increases in annual Assessments that raise the previously assessed amount by more than twenty-five percent (25%);

(c) Reductions by more than twenty-five percent (25%) in reserves for maintenance, repair, and replacement of the Common Elements;

(d) Responsibility for maintenance and repairs of the Units, the Limited Common Elements, or the Common Elements;

(e) Reallocation of any Common Elements Interests, except that when Limited Common Elements are reallocated by agreement between the Owners of more than one but less than all Units, then only those Owners and only the Mortgagees holding Mortgages on those Units need approve such reallocations;

(f) Redefinition of boundaries of Units, except that when the boundaries of only adjoining Units are involved, then only the Owners of those Units and the Mortgagees holding Mortgages on those Units must approve such action;

(g) Convertibility of Units into Common Elements, or Common Elements into Units;

(h) The expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

(i) The elimination of or material adverse modifications to any insurance coverages or fidelity bonds;

(j) The imposition of any restrictions on the leasing of Units other than as currently set forth in this Master Deed;

(k) The imposition of any restrictions on an Owner's right to sell or transfer his Unit;

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

(m) Any termination of the Condominium after occurrence of substantial destruction or condemnation;

(n) Any provision that expressly benefits the Mortgagees.

Section 16.6 Other Mortgagee Rights. Notwithstanding any other provision of this Master Deed or the Bylaws, the Association may not change the period for collection of regularly budgeted Common Expenses to other than monthly without the consent of all Mortgagees. Any representative of a Mortgagee may attend and address any meeting that an Owner may attend.

Section 16.7 Enforcement. The provisions of this Article XVI are for the benefit of all Mortgagees and their successors, and may be enforced by any of them by any available means at law or in equity.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

Section 17.1 Invalidity. The invalidity of any provision of this Master Deed shall not be deemed to impair or affect in any manner the validity and enforceability of the remainder of this Master Deed, and in such event, all the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

Section 17.2 Waiver. No provisions contained in the Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 17.3 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 17.4 Law Controlling. This Master Deed and the Condominium Documents shall be construed and controlled by and under the laws of the State of South Carolina.

Section 17.5 Liberal Construction. The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership as provided in the Act and shall in no event be construed for or against any party as a result of such party's participation in the preparation of all or any portion of this Master Deed.

Section 17.6 Gender and Number. All pronouns used in this Master Deed shall be deemed to include the singular, the plural, the masculine, the feminine, or the neuter, as the case may be, whenever the context shall so permit or require.

ARTICLE XVIII

ENFORCEMENT; ARBITRATION

Section 18.1 Actions by the Association. Declarant and the Association shall have the right, in addition to any other remedies provided for in the Condominium Documents, to bring a civil action against any Person (including without limitation any Owner) to enforce any obligation, covenant or restriction set forth in this Master Deed or the other Condominium Documents.

Section 18.2 Actions by Owners. Any Owner may also bring a civil action against any other Owner, or against the Association, or against the Board, or any one or more of them, to enforce any obligation, covenant or restriction set forth in this Master Deed or the other Condominium Documents.

Section 18.3 Rights and Remedies. Declarant, the Association and any aggrieved Owner shall have all remedies available at law or in equity to enforce the terms and provisions of this Master Deed. Should Declarant, the Association, or any Owner employ legal counsel in connection with enforcement of any provision of this Master Deed, the violating Person or Owner shall be responsible for payment of all reasonable attorney's fees and costs incurred thereby. Inasmuch as the enforcement of the provisions of this Master Deed are essential for the general development contemplated hereby, it is hereby declared that any breach thereof may not be adequately compensated by recovery of damages, and that Declarant, the Association, or any aggrieved Owner, as the case may be, may be entitled, without limitation, to the remedies of injunction and specific performance with respect to any violations or threatened violations hereof. Failure by Declarant, the Association, or any Owner to enforce any easement, covenant, condition or restriction contained in this Master Deed shall in no event be deemed a waiver of the right to do so thereafter. No right of action shall accrue or exist nor shall any action be brought or maintained by anyone whomsoever against Declarant, the Association, or any Owner for or on account of any failure to bring any action arising out of any violation or breach, or threatened violation or breach, of any provision of this Master Deed.

Section 18.4 Arbitration. Each Owner, by accepting a deed to a Unit, agrees that any Owner may require that any unresolved matter between the Owners or before the Board or before the Association be submitted to binding arbitration pursuant to the South Carolina Uniform Arbitration Act, as the same shall be amended from time to time. The fees and expenses of arbitration shall be paid as set forth in the award and shall not be a Common Expense unless all Owners so agree in writing.

ARTICLE XIX

EXHIBITS

The following exhibits are attached to and are an integral part of this Master Deed:

- | | | | |
|----|-------------|----|--------------------------------------|
| a. | Exhibit "A" | -- | Description of the Property |
| b. | Exhibit "B" | -- | Surveys, Plot Plans, and Floor Plans |

- c. Exhibit "C" -- Schedule of Units and Common Elements Interests
- d. Exhibit "D" -- Bylaws of Association

IN WITNESS WHEREOF, Declarant has executed and sealed this Master Deed the day and year first above written.

Witnesses:

B & B Development of Anderson, LLC
a South Carolina limited liability company

By: _____

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON)

ACKNOWLEDGMENT

I, _____, a Notary Public in and for the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the execution of the foregoing instrument by him as the Managing Member of **B & B Development of Anderson, LLC**, the Declarant.

WITNESS my hand and official stamp or seal this _____ day of _____, 2007.

Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT "A" TO MASTER DEED
DESCRIPTION OF THE PROPERTY

[To be inserted as determined]

EXHIBIT "B" TO MASTER DEED
SURVEYS, PLOT PLANS, AND FLOOR PLANS OF THE PROPERTY

The following Survey, Plot Plans and Floor Plans of the Property are incorporated into and made a part of this Master Deed by specific reference as follows:

1. That certain plat of survey entitled "Survey for Chiquola Horizontal Property Regime", prepared and certified by _____, dated _____, and recorded in the Register of Deeds office for Anderson County, South Carolina in Plat Book _____ at Pages _____, which depicts the Chiquola Horizontal Property Regime Property, containing _____ square feet.
2. Those certain Plot Plans and Floor Plans prepared and certified by _____, dated _____, and recorded in the Register of Deeds office for Anderson County, South Carolina, in Plat Book _____ at Pages _____ which consist of Pages _____ through _____ identified as follows:
 - Level 1&2 Floor Plans
 - Level 3&4 Floor Plans
 - Level 5 Floor Plan
 - Vertical Location and Finished Floor Elevations

EXHIBIT "C" TO MASTER DEED
SCHEDULE OF UNITS AND COMMON ELEMENTS INTERESTS

[illegible]

* The term “Basic Value”, as used in this Exhibit “C” shall mean and refer to the relative values of the Units for purposes of allocating certain Common Expenses and of certain rights in the Common Elements, as the expressed percentages appearing above. The stated “Basic Value” is not intended to and may not bear any relationship to the actual market values or sales prices of the Units, and the “Basic Value” is only intended to be used for the purposes stated in the preceding sentence or other purposes stated in this Master Deed.

EXHIBIT "D" TO MASTER DEED
BY-LAWS OF ASSOCIATION

BYLAWS OF
CHIQUEOLA CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I
FORMATION

Section 1.1 Name: The name of the Association is Chiquola Condominium Owners Association, Inc.

Section 1.2 Incorporation: The Association is a nonprofit mutual benefit corporation organized under and by virtue of the South Carolina Nonprofit Corporation Act (Title 33, Chapter 31, Code of Laws of South Carolina 1976, as amended) (the "Nonprofit Corporation Act").

ARTICLE II
DEFINITIONS

The words, phrases and terms used in these Bylaws which are defined in the Declaration (Master Deed) of Chiquola Horizontal Property Regime (the "Master Deed"), recorded in the Office of the Register of Deeds for Anderson County, South Carolina, to which a copy of these Bylaws is attached as Exhibit "D", shall have the meanings herein as are set forth therein, unless the context specifically requires otherwise. The terms "Owner" and "Owners" may be used interchangeably herein from time to time with the terms "member" or "members".

ARTICLE III
ADMINISTRATION OF CONDOMINIUM

Section 3.1 Purpose, Authority and Responsibility: The Association is organized for the purpose of providing for the management, maintenance, preservation, administration and operation of the Condominium and for promoting the health, safety and welfare of the Owners, who shall be its sole members. In addition, the Association shall have the purpose of engaging in any lawful activities incident to the foregoing purposes and for which corporations may be organized pursuant to the Nonprofit Corporation Act. Except as otherwise specifically provided in the Condominium Documents, the Association shall be responsible for administering, operating and managing the Common Elements and all other common and mutual affairs of the Condominium.

Section 3.2 Powers: The Association shall have the power to do all things necessary and convenient to carry out its purpose and affairs. Unless otherwise specifically provided in the Condominium Documents, all actions taken or to be taken by the Association shall be valid when such are approved by the Board as hereinafter set forth or when taken in accordance with the terms and provisions of the Condominium Documents or these Bylaws. The Association, its Board, officers and members shall at all times act in conformity with the Nonprofit Corporation Act, the Condominium Documents, and the Act.

ARTICLE IV
OFFICES - FISCAL YEAR

Section 4.1 Principal Office and Registered Office: The initial principal office and registered office of the Association shall be located at 114 East Benson Street, Anderson, SC 29621.

Section 4.2 Other Office: The Association may have other offices at such other places as the Board may from time to time determine within the State of South Carolina as the affairs of the Association may require.

Section 4.3 Fiscal Year: The fiscal year of the Association shall be the calendar year.

ARTICLE V MEMBERSHIP

Section 5.1 Qualification: Membership in the Association shall be limited to the Owners, and every Owner of a Unit shall automatically be a member of the Association. Membership in the Association shall be appurtenant to, shall pass with the title to, and may not be separated from Unit ownership.

Section 5.2 Membership To Pass With Title: Membership in the Association shall inure automatically to Owners upon acquisition of fee simple title (whether encumbered or not) to any one or more Units, and shall pass with divestiture of ownership of a Unit. The date of recordation in the Office of the Register of Deeds of Anderson County of the conveyance of a particular Unit shall govern the date of ownership of such Unit. However, for purposes of these Bylaws in the case of death of an individual Owner, the transfer of ownership shall be deemed to have occurred on the date of death in the case of the Owner's intestacy or on the date of admission of the Owner's will to probate in the case of the Owner's testacy. Until a decedent Owner's will is admitted to probate, the Association may rely on the presumption that a deceased Owner died intestate.

Section 5.3 Place of Meetings: All meetings of the Association membership shall be held at a place in Anderson County, South Carolina designated by the Board.

Section 5.4 Annual Meetings: A meeting of the Association shall be held at least once each year. The first Annual Meeting of the Association shall be held on the date and hour designated by Declarant. Thereafter, the Annual Meeting of the Association shall be held on the second Monday in February of each year at 7:00 p.m., Eastern Standard Time. If the second Monday in February shall be a legal holiday, the Annual Meeting shall be held at the same hour on the first day following which is not a legal holiday. At such meetings, the Board shall be elected in accordance with these Bylaws, and the Members shall transact such other business as may properly come before them.

Section 5.5 Substitute Annual Meetings: If an Annual Meeting shall not be held on the day designated by these Bylaws, a Substitute Annual Meeting may be called in accordance with the provisions of Sections 5.6 and 5.7. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 5.6 Special Meetings: After the first Annual Meeting of the Members, Special Meetings of the Members may be called at any time by the Chairman, by not less than twenty percent (20%) of all Owners, or by not less than fifty-one percent (51%) of the Directors. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the notice of such meeting.

Section 5.7 Notices of Meetings: Written or printed notice stating the time and place of a membership meeting, including Annual Meetings, and the purposes and items on the agenda, including the general nature of any proposed amendment to the Master Deed or these Bylaws, any budget changes, and any proposal to remove a director or officer, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of any such membership meeting.

Section 5.8 Sufficiency of Notices: Any notices required or otherwise given pursuant to these Bylaws shall be sufficient if given to an Owner either personally or by mail to the address of the Owner's Unit or to such other address as the Owner of a Unit may designate in writing to the Association. Notice to a resident Owner shall be deemed given upon deposit in the mail depository of such Owner's Unit. Notice given to any one tenant in common or other joint Owner of a Unit shall be deemed notice to all Owners of the subject Unit. An Owner may waive any notice required before or after the date and time stated in the notice. An Owner's attendance at a meeting waives objection to lack of notice unless the

Owner objects to the holding of the meeting or the transaction of business at the beginning of the meeting.

Section 5.9 Voting Lists: The Association shall keep and maintain a current list of all Owners, current addresses, and total number of votes to which such Owner is entitled. Such list shall be available to any Owner for inspection and copying both before and after any meeting of the membership.

Section 5.10 Quorum: Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners entitled to cast fifty-one percent (51%) of the votes which may be cast at any meeting of the Association shall constitute a quorum at all meetings of the Owners. If a quorum is not present or represented at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented. The Owners at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Owners to leave less than a quorum.

Section 5.11 Voting Rights: The total number of votes of the Owners shall be as set forth in Exhibit "C" attached to and incorporated into the Master Deed. If fee simple title to any Unit is owned of record by more than one person or entity, all such persons or entities shall be Members of the Association, but the vote with respect to any such jointly owned Unit shall be cast as a single undivided vote as the Owners of the Unit shall determine among themselves. In no event shall the vote which may cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention of this Section 5.11 that there be no "splitting" of votes that may be cast by any Owner or Owners.

Section 5.12 Proxies: Owners may vote either in person or by agents duly authorized by written proxy executed by the subject Owner or by his duly authorized attorney-in-fact. A proxy is not valid after the earlier of (a) the term stated therein or (b) the expiration of eleven (11) months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary-Treasurer or Assistant Secretary-Treasurer either during or prior to the meeting in question. An Owner may not revoke a proxy given pursuant to this Section 5.12 except by written notice of revocation delivered to the Secretary-Treasurer or Assistant Secretary-Treasurer. All of the above provisions concerning voting by joint Owners shall apply to the vote cast for any one Unit by two or more proxy holders.

Section 5.13 Majority-Vote: The casting of a majority of the total Unit votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is stipulated by these Bylaws, the Master Deed, the Articles of Incorporation of the Association, or the Act.

Section 5.14 Actions Without Meeting: Any action which may be taken at a meeting of the Owners may be taken without a meeting if consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary-Treasurer and inserted in the minute book of the Association.

ARTICLE VI BOARD OR DIRECTORS

Section 6.1 General Powers: The business and affairs of the Association shall be managed by the Board, or by the Standing Committees of the Board (identified hereinafter) to the extent of their powers as set forth hereinafter, or by such committees as the Board may establish pursuant to Article VII of these Bylaws to the extent of the powers so delegated to such committees. In no event, however, shall the Board have any power to act on behalf of the Association to amend the Master Deed, to terminate the Condominium, to elect Directors, or to determine the qualifications, powers and duties, or terms of office of Directors. The Board may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 6.2 Number, Term and Qualification: The initial Board shall consist of three (3) Directors appointed by Declarant. During the Declarant Control Period, the Board shall consist of three (3) Directors, and Declarant may appoint and remove all Directors. Effective as of the expiration of the Declarant Control Period, the Board shall be composed of five individual Owners, three (3) of whom shall be elected by the Owners at the next Annual Meeting or at a Special Meeting called for such purpose, one (1) of whom shall be the Chairman of the Residential Owners Standing Committee (identified in Article VIII), and one (1) of whom shall be the Chairman of the Commercial Owners Standing Committee (identified in Article VIII). Following the expiration of the Declarant Control Period, only Owners shall be eligible to serve as Directors. The three (3) Directors who shall be elected by the Owners at the next Annual Meeting or at a Special Meeting called for such purpose shall consist of one Director who shall be elected for a term of three (3) years, one Director who shall be elected for a term of two (2) years, and one Director who shall be elected for a term of one (1) year. Upon expiration of the original terms, vacancies shall thereafter be filled for terms of three (3) years. Elections for expiring terms shall be held at the next succeeding Annual Meeting. Directors may succeed themselves in office.

Section 6.3 Election of Directors: All elections of Directors shall be by written ballot. Persons receiving the highest number of votes in accordance with Section 5.11 of these Bylaws shall be elected. Cumulative voting is not permitted.

Section 6.4 Removal: Any Director may be removed by Declarant, with or without cause, during the Declarant Control Period. Any Director, other than a Director appointed by Declarant, may be removed from the Board, with or without cause, by a vote of at least sixty-seven percent (67%) of the total Unit votes entitled to be cast by all Owners present and entitled to vote at any meeting of the Membership at which a quorum is present, provided that the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Directors are so removed, their successors as Directors may be elected by the membership at the same meeting to fill the unexpired terms of the Directors so removed.

Section 6.5 Vacancies: A vacancy occurring in the Board during the Declarant Control Period may be filled by Declarant. Thereafter, a vacancy occurring in the Board may only be filled by a majority of the remaining Directors, though less than a quorum; but a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an Annual Meeting, or at a Special Meeting of Members called for that purpose, or by unanimous consent of the Members without meeting. Following the expiration of the Declarant Control Period, the Members may elect a Director at any time to fill any vacancy not filled by the Board.

Section 6.6 Officers: The Board shall elect from among its membership a Chairman, a Vice-Chairman, and a Secretary/Treasurer at the first meeting of the Board each year, which individuals shall serve in such capacities as officers of the Board and of the Association. No Director shall simultaneously hold more than one office. Each officer shall hold office until his death, resignation, removal or until his successor is elected and qualified. The Chairman shall preside at all meetings of the Board and perform such other duties as may be set forth in these Bylaws or as directed by the Board from time to time. Prior to election of a Chairman and/or in the event that the Chairman is not present at any meeting of the Board, the Vice-Chairman shall preside.

Section 6.7 Chairman: The Chairman shall be the chief executive officer of the Association and shall preside at all meetings of the Members and of the Board. He shall see that the orders and resolutions of the Board are carried out, he shall sign all written instruments regarding the Common Elements and co-sign all promissory notes on behalf of the Association, if any; and he shall have all of the general powers and duties which are incident to the office of chairman, president, or chief executive officer of a corporation organized under the Nonprofit Corporation Act in the supervision and control of the management of the Association in accordance with these Bylaws.

Section 6.8 Vice-Chairman: The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of that office, and shall in addition perform such other duties and have such other powers as the Board shall prescribe.

Section 6.9 Secretary-Treasurer: The Secretary-Treasurer shall keep the minutes of all meetings of Members and of the Board, have charge of all books and papers as the Board may direct,

see to the issuance of all notices from the Association or the Board to the Owners, have the responsibility for the Association's funds and securities, receive and give receipts for monies due and payable to the Association from any source whatsoever, deposit all monies in the name of the Association in such banks or other depositories as the Board shall designate, keep full and accurate financial records and books of account showing all Association receipts and disbursements, prepare all required financial statements, report all Owners who are delinquent in the payment of any Assessments, co-sign promissory notes on behalf of the Association, prepare a proposed annual budget (to be approved by the Board) and the other reports to be furnished to the Owners as required in the Master Deed, and in general perform all duties incident to the Offices of Secretary and Treasurer of a corporation organized under the Nonprofit Corporation Act.

Section 6.10 Compensation: No Director shall receive any compensation from the Association for acting as such; provided, however, that each Director shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board, in its sole discretion, from compensating a Director for unusual and extraordinary services rendered on the basis of the value of the services rendered.

Section 6.11 Loans to Directors and Officers: No loans shall be made by the Association to its Directors or officers. The Directors who vote for or assent to the making of a loan to a Director or officer of the Association, and any Directors or officers participating in the making of such Loan, shall be individually, jointly and severally liable to the Association for the amount of such loan until the loan is repaid in full.

Section 6.12 Liability of Directors: To the fullest extent permitted by the provisions of the Nonprofit Corporation Act, each Director is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Director or an officer. Such indemnity shall be subject to approval by the Owners only when such approval is required by the Nonprofit Corporation Act. The Association shall pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding on account of the Director's service as a director of the Association prior to the final disposition of the proceeding, to the fullest extent permitted by the provisions of the Nonprofit Corporation Act.

Section 6.13 Meetings of the Board:

A. Regular Meetings: Regular Meetings of the Board shall be held, without further notice, at such hour and address as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

B. Special Meetings: Special Meetings shall be held when called by the Chairman, or by any Director, after not less than three (3) nor more than thirty (30) days written notice to each Director.

C. Notices of Special Meetings: The notice provided for herein may be waived by written instrument signed by those Directors who do not receive said notice. Except to the extent otherwise required by law, the purpose of a special meeting of the Board need not be stated in the notice. Notices shall be deemed sufficient if given in accordance with Section 5.8. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting unless the Director gives a written statement at the meeting to the Chairman or other presiding officer objecting to the transaction of any business because the meeting is not lawfully called and gives such notice prior to the vote on any resolution.

D. Approved Meeting Place: All Board meetings shall be held in Anderson County, South Carolina.

E. Quorum: A majority of the Directors then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

F. Vote: Each Director shall have one (1) vote. Provided that a quorum is present for a Board meeting, all matters requiring Board approval shall be decided by a majority of those voting.

Section 6.14 Action Without Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board. Said written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 6.15 Presumption of Assent: A Director who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 6.16 Powers and Duties: The Board shall have the authority to exercise all powers and duties of the Association necessary for the administration of the affairs of the Condominium except such powers and duties as by law or by the Condominium Documents may not be delegated by the Owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

A. Operation, care, upkeep and maintenance of the Common Elements to the extent such operation, care, upkeep, and maintenance is not the obligation of the Owners;

B. Determination of the funds required for operation, administration, maintenance and other affairs of the Condominium and collection of the Common Expenses from the Owners, as provided in the Condominium Documents;

C. Employment and dismissal of personnel (including without limitation the Manager) necessary for the efficient operation, maintenance, repair, and replacement of the Common Elements;

D. Adoption of rules and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Elements;

E. Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

F. Obtaining insurance as required or permitted under the terms of the applicable provisions of the Master Deed;

G. Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining annual independent reviews of the financial records of the Association from the Association's certified public accountant; furnishing the annual reports; and furnishing current budgets, all of which shall be kept in accordance with generally accepted accounting practices and all of which shall be kept available for examination by all Owners or their duly authorized agents or attorneys, at convenient hours on working days;

H. Keeping a complete record of the minutes of all meetings of the Board and Membership in which minute book shall be inserted actions taken by the Board and/or Members by consent without meeting;

I. Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed;

J. Enforcing, on behalf of the Association, the obligations and assessments provided in the Master Deed, including, but not limited to, the institution of civil actions to enforce payment of the Assessments as provided in the Master Deed, the institution of actions to foreclose liens for such Assessments in accordance with the terms of the Act, the imposition of charges for late payment of Assessments, and after notice and an opportunity to be heard, levying reasonable fines not to exceed One Hundred Fifty and No/100 Dollars (\$150.00) for violations of the Master Deed, Bylaws and rules and regulations of the Association;

K. Making of repairs, additions, and improvements to or alterations or restoration of the Condominium in accordance with the other provisions of these Bylaws and the Master Deed, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding;

L. Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Master Deed, or the rules and regulations hereinafter promulgated governing use of the Common Elements;

M. Paying all taxes and assessments which are or may become liens against any part of the Condominium, other than the Units, and to assess the same against the Owners in the manner herein provided;

N. Hiring attorneys, accountants, and other professionals;

O. Maintaining and repairing any Unit, if such maintenance or repair is required by the Master Deed or is necessary in the discretion of the Board to protect the Common Elements or any other Unit or if the Owner of such Unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Owner, provided that the Board shall levy a special Assessment against such Owner for the costs of said maintenance or repair;

P. Entering any Unit when necessary in connection with any maintenance or construction for which the Association is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association and such expenses shall be treated as a Common Expense; and entering any Unit for the purpose of correcting or abating any condition or situation deemed by the Board to be an emergency;

Q. Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the Chairman, the Vice-Chairman, or the Secretary-Treasurer, and countersigned by one other Director;

R. Furnishing certificates setting forth the amounts of unpaid assessments that have been levied upon a Unit to the Owner or Mortgagee of such Unit, or a proposed purchaser or Mortgagee of such Unit, and imposing and collecting reasonable charges therefor; and

S. Exercising any other powers and duties reserved to the Association exercisable by the Board pursuant to the Master Deed, the Articles of Incorporation, these Bylaws, or the Act.

Section 6.17 Independent Manager: The Board may employ or enter into a management contract with any independent individual, firm or entity it deems appropriate and in the best interest of the Association concerning the routine management and administration of the Condominium. The Board may delegate to such Manager such duties and responsibilities in the management of the Property as the Board deems appropriate; provided, however, that the Board may not delegate to the Manager the complete and total responsibilities and duties of the Association in violation of the Act or the Nonprofit Corporation Act. The Manager's contract shall be for a term not to exceed three (3) years, renewable by agreement between the Board and such Manager for successive one-year terms; provided, however, that any such contract shall provide that it is terminable by the Association, without cause, upon not less

than ninety (90) days' prior written notice and without payment of any penalty, and upon such lesser time as the Board shall determine in the event of cause. The Board shall have authority to fix the reasonable compensation for the Manager. The Manager shall at all times be answerable to the Board and subject to its direction.

ARTICLE VII COMMITTEES

Section 7.1 Creation: The Board, by resolutions adopted by a majority of the number of Directors then holding office, may create such committees as they deem necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium. Each committee so created shall have such authorities and responsibilities as the Directors deem appropriate and as set forth in the resolutions creating such committee. The Board shall elect the members of each such committee, provided that each committee shall have in its membership at least one (1) Director.

Section 7.2 Vacancy: Any vacancy occurring on a committee shall be filled by the Board at a regular or special meeting.

Section 7.3 Removal: Any member of a committee may be removed at any time with or without cause by the Board at a regular or special meeting.

Section 7.4 Minutes: Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

Section 7.5 Responsibility of Board Members: The designation of committees and the delegation thereto of authority shall not operate to relieve the Board or any Director of any responsibility or liability imposed upon it or him by law.

If action taken by a committee is not thereafter formally considered by the Board, a Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

ARTICLE VIII STANDING COMMITTEES

Section 8.1 Standing Committees: There shall be two permanent Standing Committees of the Association, which shall be known as the Commercial Owners Standing Committee and the Residential Owners Standing Committee.

Section 8.2 Composition of Standing Committees: The members of the Commercial Owners Standing Committee shall consist of three (3) Owners of Commercial Units, selected at the Annual Meeting of the Association by a majority vote of the total Commercial Unit votes. The members of the Residential Owners Standing Committee shall consist of three (3) Owners of Residential Units, selected at the Annual Meeting of the Association by a majority vote of the total Residential Unit votes. For purposes of this Section, "Owners" shall consist of individuals who are either Owners of Units or are stockholders, trustees, members, or partners of Owners of Units that are owned by entities.

Section 8.3 Term and Qualifications: During the Declarant Control Period, the members of both Standing Committees shall be appointed by Declarant. During the Declarant Control Period, Declarant may appoint and remove Standing Committee members. Effective as of the expiration of the Declarant Control Period, the members of each Standing Committee shall be selected at the next Annual Meeting of the Association or, as otherwise directed by the Board, at Special Meetings of the Commercial Unit Owners only and of the Residential Unit Owners only, with one member of each Standing Committee to be elected for a term of three (3) years, one member of each Standing Committee to be elected for a term of two (2) years, and one member of each Standing Committee to be elected for a term of one (1) year. Upon expiration of the original terms, vacancies shall thereafter be

filled for terms of three (3) years. Elections for expiring terms shall be held at the next succeeding Annual Meeting. Committee members may succeed themselves in office.

Section 8.4 Elections of Committee Members: All elections of Standing Committee members shall be by written ballot. Persons receiving the highest number of votes for each Standing Committee in accordance with Sections 5.11 and 8.2 of these Bylaws shall be elected as members of such Standing Committee. Cumulative voting is not permitted.

Section 8.5 Removal: Any Standing Committee member may be removed by Declarant, with or without cause, during the Declarant Control Period. Any Standing Committee member, other than a Standing Committee member appointed by Declarant, may be removed from a Standing Committee, with or without cause, by a vote of at least sixty-seven percent (67%) of the total Residential Unit votes or Commercial Unit votes, as the case may be, entitled to be cast by all Residential Owners or Commercial Owners (as the case may be) present and entitled to vote at any meeting of the Residential Owners or Commercial Owners (as the case may be) at which a quorum is present, provided that the notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Standing Committee members are so removed, their successors as Standing Committee members may be elected by the Commercial Owners or the Residential Owners, as the case may be, at the same meeting to fill the unexpired terms of the Standing Committee members so removed.

Section 8.6 Vacancies: A vacancy occurring in a Standing Committee during the Declarant Control Period may be filled by Declarant. Thereafter, a vacancy occurring in a Standing Committee may only be filled by a majority of the remaining Standing Committee members. Following the expiration of the Declarant Control Period, the Members may elect a Director at any time to fill any vacancy not filled by the Board.

Section 8.7 Chairman: Each Standing Committee shall elect annually from among its membership a Chairman. The Chairman shall be a Director of the Association, and shall preside at meetings of and carry out all functions of the Standing Committee.

Section 8.8 Standing Committee Meetings: Regular meetings of each Standing Committee shall be held, without further notice, on a quarterly basis at such day and hour and at such location as shall be fixed from time to time by the Standing Committee. Special Standing Committee meetings may further be called by any Standing Committee member upon not less than five (5) nor more than thirty (30) days' notice to the other Standing Committee members. A majority of the Standing Committee members shall constitute a quorum for the transaction of any business by the Standing Committee. A majority vote of the Standing Committee members present at a meeting at which a quorum is present shall constitute the act or decision of the Standing Committee. The Standing Committees shall further have the right to take any action in the absence of a meeting which could be taken at a meeting by obtaining the written approval of all Standing Committee members.

Section 8.9 Commercial Owners Standing Committee Rights and Duties: The Commercial Owners Standing Committee shall advise the Board on all matters involving the Commercial Units and shall be the advocate of the Commercial Owners as a group in all matters coming before the Board. The Commercial Owners Standing Committee shall propose to the Board the portion of the annual Assessments and any Special Assessment that shall be allocable to the Commercial Units, taking into consideration, among other matters, increased insurance premiums, etc. Notwithstanding the foregoing, the Board may elect to allocate Assessments at a uniform rate without respect to the use of each Unit. The Commercial Owners Standing Committee shall have the right to take any actions on behalf of the Owners of the Commercial Units that are not inconsistent with the terms of the Master Deed, these Bylaws, or the Act, or any resolutions or other decisions of the Board

Section 8.10 Residential Owners Standing Committee Rights and Duties: The Residential Owners Standing Committee shall advise the Board on all matters involving the Residential Units and shall be the advocate of the Residential Owners as a group in all matters coming before the Board. The Residential Owners Standing Committee shall propose to the Board the portion of the annual Assessments and any Special Assessment that shall be allocable to the Residential Units. Notwithstanding the foregoing, the Board may elect to allocate Assessments at a uniform rate without respect to the use of each Unit. The Residential Owners Standing Committee shall have the right to take

any actions on behalf of the Owners of the Residential Units that are not inconsistent with the terms of the Master Deed, these Bylaws, or the Act, or any resolutions or other decisions of the Board.

ARTICLE IX OPERATION OF THE PROPERTY

Section 9.1 Determination of Common Expenses and Fixing of the Common Charges: The Board shall from time to time, and at least annually, prepare and adopt a proposed budget for the Condominium, determine the amount of the Common Expenses payable by the Owners to meet the proposed budget of the Condominium, and allocate and assess such proposed Common Expenses among the Owners in the manner provided in Article X of the Master Deed, all in accordance with the procedure set forth in this Article of these Bylaws, but subject to the limitations set forth in Article XV of the Master Deed. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of the Master Deed. The Common Expenses shall also include such amounts as the Board deems necessary for the operation and maintenance of the Property, including without limitation, an amount for working capital of the Condominium; an amount for a general operating reserve; an amount for a reserve fund for losses due to insurance deductibles; an amount for a reserve fund for repair and replacement of the Common Elements; and such amounts as may be necessary to make up any deficit in the Common Expenses for any prior year.

Section 9.2 Submission of Budget to Owners: Within ten (10) days after adoption of each proposed annual budget for the Condominium, the Board shall provide a copy of the budget and any accompanying information deemed pertinent by the Board to all Owners, which shall be accompanied by a notice setting a date for a meeting of the Owners to consider ratification of the budget, which shall be no less than ten (10) nor more than thirty (30) days thereafter. Notwithstanding any other provisions of these Bylaws, there shall be no requirement that a quorum be present at such meeting. Notwithstanding any other provision of these Bylaws, the proposed budget shall be deemed ratified unless at the called Meeting the Owners reject the budget by a majority vote of the total Unit votes. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 9.3 Special Assessments: The Association, acting through the Board, may levy a special Assessment during any calendar year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement comprising or to comprise a portion of the Common Elements, including fixtures and personal property, or for any other proper Association purpose; provided, however, that any such special Assessment must be approved by the affirmative vote of sixty-seven percent (67%) of the total Unit votes cast in person or by proxy at a meeting duly held in accordance with the provisions of these Bylaws.

Section 9.4 Initial Assessment Collection: Declarant, as the agent of the Association, shall collect from each initial purchaser of a Unit at the time of closing of the Owner's Unit purchase from Declarant an "Initial Capital Assessment" equal to twice the Unit's projected monthly Assessment. Such funds shall not be considered an advance payment of any Assessments. Declarant will deliver the funds so collected to the Association to provide the necessary working capital for the Association, and the Association may use such funds for certain prepaid items, initial equipment and supplies, organizational expenses and other start-up costs, and for such other purposes as the Board may from time to time determine.

Section 9.5 Payment of Common Expenses: All Owners shall be obligated to pay the Assessments allocable to the Owners' Units at such time or times as are set forth in the Master Deed or as determined by the Board. No Owner shall be liable for the payment of any part of any Assessments against his Unit assessed subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Master Deed and applicable restrictions of record) of such Unit. A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Common Expenses assessed against such Unit prior to the acquisition by the purchaser of such Unit without prejudice to the purchaser's rights to recover from the seller the amounts paid by the purchaser therefor.

Section 9.6 Collection of Assessments: The Board shall take prompt action to collect any Assessments which remain unpaid for more than thirty (30) days from the due date for payment thereof. The Board shall notify the holder of any Mortgage on a Unit (of which it has notice) for which any Assessments remain unpaid for more than sixty (60) days from the due date for payment thereof and in any other case where the Owner of such Unit is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days.

Section 9.7 Default in Payment of Assessments, Remedies: In the event of default by any Owner in paying to the Board any Assessments allocable to the Owner's Unit, such Owner shall be obligated to pay a late charge of \$50.00, or at such other uniform rate or in such other uniform amount which may be determined from time to time by the Board in accordance with Section 9.10 of the Master Deed, and to pay interest on such Assessments from the due date thereof at the rate of fifteen percent (15%) per annum, together with all expenses, including reasonable attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid Assessments, and such late charges thereon as the Board may levy in accordance with the terms of the Master Deed. The Board shall have the right and duty to attempt to recover such Assessments, together with interest thereon, late charges, and the expenses of the proceedings, including reasonable attorneys' fees, in an action to recover a money judgment for the same brought against such Owner, or by foreclosure of the lien on such Unit in like manner as a Mortgage foreclosure. In the event of the failure of an Owner to pay any Assessment imposed hereunder for more than thirty (30) days after such Assessment shall become due, in addition to the other remedies available under the Condominium Documents and the Act, the Board shall have the right to declare all other Assessments with respect to such Owner's Unit that are to fall due during the then current fiscal year of the Association to be immediately due and payable.

Section 9.8 Lien and Personal Obligations: All Assessments provided for in this Article, together with late charges, interest and expenses, including reasonable attorneys' fees, as provided for herein, shall be a charge on and a continuing lien upon the Unit against which the Assessment is made, which such lien shall be prior to all other liens excepting only (i) assessments, liens and charges for real estate taxes due and unpaid on the Unit and (ii) all sums unpaid on Mortgages and other liens and encumbrances duly recorded against the Unit prior to the filing with the Office of the Register of Deeds for Anderson County of a Notice of such lien. Such lien shall become effective when a notice thereof has been filed in the office of the Office of the Register of Deeds for Anderson County in the same manner as the filing of a Mortgage, provided that such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of more than thirty (30) days after the same shall become due. Such notice of lien shall also secure all Assessments against the Unit becoming due thereafter until the lien has been satisfied. The lien for unpaid Assessments shall not be affected by the sale or transfer of the Unit, except in the case of a foreclosure of a Mortgage, in which event the purchaser at foreclosure shall not be liable for any Assessments against such Unit that became due prior to the date of acquisition of title by such purchaser.

Section 9.9 Abatement and Enjoyment of Violations by Owner: The violation of any rule or regulation adopted by the Board or the breach of any provisions of the Bylaws or the Master Deed, shall give the Board the right and power, upon giving reasonable notice to the affected Owner and in addition to any other rights set forth in the Master Deed, these Bylaws or at law or in equity: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; provided, however, that the Board shall be obligated to institute judicial proceedings before any item of construction can be altered or demolished; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Owner; and/or (c) after notice and opportunity to be heard, to levy reasonable fines as an Assessment against the Unit.

**ARTICLE X
AMENDMENTS**

The provisions of Article XIII of the Master Deed shall apply fully to any amendments proposed to these Bylaws to the same extent and subject to the same limitations therein as though republished herein in full.

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Severability: Invalidation of any covenant, condition, restriction or other provisions of the Master Deed or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 11.2 Successors Bound: The rights, privileges, duties and responsibilities set forth in the Condominium Documents, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

Section 11.3 Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 11.4 Nonprofit Corporation: No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or the members of the Board, or any other private individual either during its existence or upon dissolution except as reasonable compensation paid or distributions made in carrying out its declared nonprofit purposes as set forth in the Articles of Incorporation of the Association and these Bylaws.

Certificate of Secretary- Treasurer

I hereby certify that I am the duly elected and acting Secretary-Treasurer of **Chiquola Condominium Owners Association, Inc.**, and that the foregoing Bylaws, comprising 12 pages, constitute the Bylaws of said corporation as duly adopted by the Board of Directors.

Date

Brian Wilson, Secretary-Treasurer

JOINDER AND CONSENT

FOR VALUE RECEIVED, the undersigned _____ (the "Lender"), as owner and holder of the following documents from B & B Development of Anderson, LLC (the "Borrower") dated _____, and recorded in the Office of the Register of Deeds for Anderson County on _____ (the "Loan Documents"):

Mortgage, Security Agreement and Fixture Financing Statement – Mortgage Book _____ at Page _____;

Assignment of Leases and Rents – Deed Book _____ at Page _____;

UCC-1 Financing Statement – File # _____;

hereby joins in and consents to the foregoing Declaration (Master Deed) of Chiquola Horizontal Property Regime (the "Master Deed") as fully as if a party thereto, and agrees to the conversion of the "Property" described in the Loan Documents to horizontal ownership in accordance with the terms and provisions of the Master Deed, and agrees that the portion of the Property described in the Loan Documents that is converted by the Master Deed to the condominium created thereby shall henceforth consist of and include all of the "Units" that are identified and described in the Master Deed.

Executed this _____ day of _____, 2007.

Witnesses:

BY: _____

ITS: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON)

ACKNOWLEDGMENT

BEFORE ME, on this day, personally appeared _____, who, being the duly authorized _____ of _____, the Lender, acknowledged that he executed the foregoing instrument on behalf of the Lender as its free act and deed for the uses and purposes therein expressed.

Sworn to and subscribed before me this _____ day of _____, 2007.

Notary Public for South Carolina

My Commission Expires: _____