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THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO
THE SOUTH CAROLINA ARBITRATION ACT



MASTER DEED
OF
BEE STREET LOFTS
HORIZONTAL PROPERTY REGIME

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TX
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**MASTER DEED
OF
BEE STREET LOFTS HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED (this "Master Deed") is made this ____ day of May, 2006, by 150 BEE STREET, LLC, a South Carolina limited liability company, its successors and assigns, other than an Owner (as hereinafter defined) (the "Developer"), pursuant to the provisions of the SOUTH CAROLINA HORIZONTAL PROPERTY ACT, as amended, S.C. Code Ann. §27-31-10 *et seq.* (1976) (the "Act"), for the purpose of forming a condominium and establishing certain easements, covenants and restrictions to run with the land:

RECITALS:

A. Developer is the owner of certain real property (the "Land") located in the City of Charleston, Charleston County, South Carolina, more particularly described on Exhibit "A" annexed hereto on which will be located one (1) building containing eight (8) levels, such building containing no more than one hundred eight (108) Units (as defined in subsection 1.01(o)), and certain other improvements in accordance with the Plan (as defined in subsection 1.01(m)) included as Exhibit "C" annexed hereto of Bee Street Lofts Horizontal Property Regime (the "Condominium Property").

B. It is the desire and intent of the Developer, by recording this Master Deed, to establish a Condominium (as defined in the Act) to be known as BEE STREET LOFTS HORIZONTAL PROPERTY REGIME under the provisions of the Act and to impose upon the real property covered hereby mutually beneficial restrictions under a general plan for the benefit of all of the Units (as hereinafter defined) contained therein and the Owners thereof.

AGREEMENT:

Developer, upon recording hereof, does submit that certain real property situated in the City of Charleston, Charleston County, South Carolina, more particularly described on Exhibit "A" annexed to this Master Deed, together with the improvements thereon, and owned by the Developer in fee simple absolute to the provisions of the Act to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and in any other manner utilized subject to the provisions of the Act and subject to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Land and the division thereof into condominium ownership and all of which shall run with the land and shall be binding on all parties (including Owners) having or acquiring any right, title or interest in the Land or any part thereof, and shall be for the benefit of each Owner of any portion of the Land or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest to the Owners thereof.

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Certain terms as used in this Master Deed shall be defined as follows, unless the context clearly indicates a different meaning therefor:

(a) “Association” shall mean Bee Street Lofts Homeowners Association, Inc., a nonprofit corporation organized pursuant to the South Carolina Nonprofit Corporation Act, as amended, S.C. Code Ann. §§33-31-101 *et seq.* (1976), of which all Owners shall be members and which corporation shall administer the operation, management, maintenance, control and administration of the Condominium Property.

(b) “Board” shall mean the Board of Directors of the Association, elected pursuant to the Bylaws of the Association,

(c) “Bylaws” shall mean the set of Bylaws, a copy of which is annexed hereto as Exhibit “F”, recorded simultaneously with this Master Deed, providing for the self-government of the Condominium Property by the Association, and such amendments thereto as may be recorded from time to time.

(d) “Common Elements” shall mean and include the following:

(i) The Land;

(ii) The foundations, main walls, roofs, halls, lobbies, stairways, footings, structural slabs, columns, beams, supports, some of which may be designated as Limited Common Elements and entrance and exit or communication ways in existence or to be constructed or installed;

(iii) The basements, flat roofs, yards, and gardens, interior and exterior courtyards, clubhouse and other recreational areas, including but not limited to fitness rooms, pools, outdoor cafés and rooftop gardens, except as otherwise provided or stipulated;

(iv) The premises for the lodging of janitors or persons in charge of the Condominium Property, or for the maintenance and repair of the Condominium Property, except as otherwise provided or stipulated;

(v) The compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, central air conditioning, ventilation, heating, fire protection, security, sewer lines, flues, trash compactors, and the like, and all similar devices and installations existing for common use, but excluding all compartments or installations of utilities and services which exist for private use in the Units;

(vi) The elevators, garbage incinerators, mechanical equipment, garbage and storage areas designated as common and, in general, all devices or installations for common use;

(vii) All exterior surface parking spaces;

(viii) Greens, roadways, landscaping, and central mail boxes;

(ix) All easements, rights or appurtenances affecting or relating to the use of the Condominium Property; and

(x) All other elements of the Condominium Property (other than the Units), rationally of common use or necessary to the existence, upkeep, and safety of the Condominium Property.

(e) "Common Expenses" shall mean the expenses arising out of the ownership of the Common Elements for which the Owners are liable to the Association and shall include, but not be limited to, expenses of administration of the Condominium Property; expenses of insurance; expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation and betterment of the Common Elements and any portion of a Unit maintained by the Association; any valid charge against the Condominium Property as a whole; and expenses declared to be Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof.

(f) "Condominium Documents" shall mean this Master Deed and all Exhibits hereto, the Bylaws, the Articles of Incorporation of the Association, as the same shall be amended from time to time, and the Rules and Regulations of the Association.

(g) "Condominium Property" shall mean the Land and all improvements and structures erected, constructed or contained therein or thereon, including all buildings, and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act under this Master Deed as amended from time to time.

(h) "Limited Common Elements" shall mean and include any area designated as Limited Common Elements on the Plan and any amendment to the Plan and any areas defined in the Act as Limited Common Areas. The Limited Common Elements shall include among any other property so designated, garage parking space, any balconies, patios or terraces immediately accessible from the Unit, and the chutes, flues, wires, conduit, bearing walls, bearing columns or any other fixture serving or located within only that Unit. Any Owner's garage parking space located within the Condominium Property shall be a Limited Common Element of that Owner's Unit. Should any Limited Common Element ever be determined not to be a Limited Common

Element under the Act, the same shall be part of the Common Elements with an exclusive easement of use appurtenant to the Unit to which it was originally assigned as a Limited Common Element. If the Owner owns more than one Unit, he must designate to which Unit each garage parking space, if any, is appurtenant. Developer Retained Parking Space Easements (as subsequently defined) are freely transferable to Owners. Developer Provided Parking Space Easements (as subsequently defined) are not transferable. If an Owner sells his Developer Retained Parking Space Easement, and not the Unit to which the Developer Retained Parking Space Easement is appurtenant, the Developer Retained Parking Space Easement so sold will not thereafter be appurtenant to the selling Owner's Unit, but will thereafter be appurtenant to the buying Owner's Unit; and if the buying Owner owns more than one Unit, he must, concurrent with the transfer, designate the Unit to which the Developer Retained Parking Space Easement is appurtenant. Any designation required to be made hereunder must be in writing and in a form that may be recorded in the same office as the deed to the Owner's Unit. The designating Owner must (1) record the designation, and (2) provide a certified copy thereof to the Association.

(i) "Limited Common Expenses" shall mean the expenses arising from the maintenance or repair of the Limited Common Elements for which the Owners to which the Limited Common Elements attach shall be liable to the Association in the percentage amount as set forth in Exhibit "D" annexed hereto. Also, the Limited Common Expenses shall include the expenses related to the personnel necessary to maintain and clean the Limited Common Elements associated with the residential Units. The expenses related to the maintenance of the balconies or terraces may be assessed as a Limited Common Expense against the Owner whose Unit the balcony or terrace serves. Limited Common Expenses shall include, but not be limited to, the expenses of maintenance, operation, repair, replacement, rehabilitation, restoration, renovation, and betterment of the Limited Common Elements; and expenses declared to be Limited Common Expenses by the provisions of the Condominium Documents, as the same may be amended, from time to time, in accordance with the provisions thereof

(j) "Mortgage" shall mean a first lien Mortgage on one or more Units.

(k) "Mortgagee" shall mean a holder of a Mortgage who has given notice to the Association that it is the holder of a Mortgage affecting all or any part of the Condominium Property as hereinafter provided.

(l) "Owner" shall mean and refer to every person or entity who is a record owner of a Unit.

(m) "Plan" shall mean that certain Plan showing the Units, the Common Elements and the Limited Common Elements of the Condominium Property annexed hereto as Exhibit "C", and made a part hereof for all purposes as such Plan may from time to time be amended.

(n) "Rules and Regulations" shall mean those Rules and Regulations adopted from time to time by the Board that are deemed necessary for the enjoyment of the Condominium Property, provided they are not in conflict with the Act or the other Condominium Documents, annexed hereto as Exhibit "E".

(o) "Unit" shall mean the parts of the Condominium Property as set forth in the Plan intended for the exclusive ownership and possession by an Owner, together with the undivided interest in the Common Elements and the Limited Common Elements, if any, assigned to each Unit as herein provided. The term Unit as used herein shall have the same meaning as "Apartment" as defined in the Act. Each Unit is identified in a diagrammatic floor plan of the floor on which the Unit is situated as shown on the Plan and shall consist of the volumes or cubicles of space which lie between the lower upper and lateral or perimetrical boundaries described as follows:

(i) *Upper and Lower Boundaries:* The upper and lower boundaries extended to their planer intersections with the perimetrical boundaries as follows:

(1) The upper boundary shall be the plane of the upper surface of the material which constitutes the ceiling;

(2) The lower boundary shall be the plane of the upper surface of the subflooring material which serves as the Unit's floor. Any floor covering such as carpeting, vinyl, hardwood or ceramic tile is part of the Unit.

(ii) *Perimetrical Boundaries:* The perimetrical boundaries shall be the vertical planes of the exterior surfaces of the exterior windows and exterior doors, and the interior surfaces of the studs or raw walls of the perimeter wall of the Unit. All sheetrock, wall boards, including paint, wallpaper and light coverings extended to their planer intersections with each other and with the upper and lower boundaries are part of the Unit.

Each Unit shall include all non-structural interior partition walls located within the boundaries of the Unit except such part as may comprise part of the Common Elements; the decorated surfaces of all boundary walls, ceilings and floors, including wallpaper, paint, interior brick surface, lathe, wallboard, plaster, carpeting, flooring and other finishing materials; all immediately visible fixtures, appliances, cabinets, and water and sewer pipes located within the boundaries of the Unit and serving only the Unit; the mechanical systems and installations providing electrical power, gas, water, heating and air conditioning service to the Unit, including the individual compressor even though such equipment may be located outside the boundaries of the Unit, provided that no pipes, wires, conduits, ducts, flues, shafts and other facilities situated within such Unit and forming a part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of such Unit; and provided further

that no bearing wall providing structural support and located within the boundaries of the Unit shall be deemed part of the Unit.

Units include those one hundred eight (108), one-, two-, or three-bedroom designated dwelling areas designed especially for the purposes of habitation by individuals and the undivided interest in the designated Common Elements and Limited Common Elements on the Condominium Property, all of which are separately differentiated by number as indicated in Exhibit "C" to this Master Deed. The general description and number of each Unit, which are constructed or to be constructed on the Condominium Property, expressing its area, general location, and any other data necessary for its identification, also appears in Exhibit "C". The Units, which are individual residences, include living room, kitchen area, including appliances therein, bathroom(s), bedrooms(s), closets and similar areas, and their associated Limited Common Elements (which consist of the central air conditioning unit(s) (HVAC System) located on the exterior of the Condominium Property and the balconies or porches, if any, located on the exterior of the Condominium Property as shown in Exhibit "C"). There are eighteen (18) Units per floor on the 3rd through 8th floors of the building on the Condominium Property. The Units are generally described below. (See Exhibit "C" for more detailed descriptions for each Unit)

A Units: These Units contain approximately 806 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living/dining area, and foyer.

B Units: These Units contain approximately 933 square feet in heated space. These Units have one (1) bedroom, one (1) bath, kitchen, living/dining area, and foyer.

C Units: These Units contain approximately 951 square feet in heated space. These Units have one (1) bedroom, one and one half (1 ½) baths, kitchen, living/dining area, and foyer.

D Units: These Units contain approximately 964 square feet in heated space. These Units have one (1) bedroom, one and one half (1 ½) baths, kitchen, living/dining area, and foyer.

E Units: These Units contain approximately 1,046 square feet in heated space. These Units have one (1) bedroom, one and one half (1 ½) baths, kitchen, living/dining area, and foyer. These Units have the bedroom and bath on the left and kitchen on your right as you enter from the hallway. Each of these Units has a Limited Common Element balcony of approximately 36 square feet.

F Units: These Units contain approximately 1,164 square feet in heated space. These Units have two (2) bedrooms, two (2) baths, kitchen, living/dining area, and foyer.

G Units: These Units contain approximately 1,495 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

G2 Units: These Units contain approximately 1,470 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

G3 Units: These Units contain approximately 1,514 square feet in heated space (except unit 813, which contains 1,458 square feet). These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

G4 Units: These Units contain approximately 1,519 square feet in heated space (except unit 805, which contains 1,458 square feet). These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

H Units: These Units contain approximately 1,549 square feet in heated space (except Unit 301, which contains 1,567 square feet and Unit 801, which contains 1,500 square feet). These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

H2 Units: These Units contain approximately 1,477 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

I Units: These Units contain approximately 1,609 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

I2 Units: These Units contain approximately 1,609 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

J Units: These Units contain approximately 2,030 square feet in heated space (except Unit 303, which contains 2,050 square feet). These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

J2 Units: These Units contain approximately 1,959 square feet in heated space. These Units have two (2) bedrooms, two and one half (2 ½) baths, kitchen, living/dining area, and foyer.

K Units: These Units contain approximately 2,053 square feet in heated space (except Unit 310, which contains 2,057 square feet and Unit 810, which contains 1,913 square feet). These Units have three (3) bedrooms, three and one half (3 ½) baths, kitchen, living/dining area, and foyer.

ARTICLE II

PROPERTY SUBJECT TO THIS MASTER DEED

Section 2.01 Description of Improvements and Identification of Units. The Condominium Property, as shown on the Plan, which contains a graphic description of the improvements in which the Units are located, identifying each Unit by a number and/or letter so that no Unit bears the same designation as any other Unit, all in sufficient detail to identify the Common Elements, the Limited Common Elements and each Unit and their relative locations and approximate dimensions, is the property subject to this Master Deed.

Section 2.02 Amendment of Condominium Plan. Developer reserves the right to change the interior design and arrangement of any Unit, to alter the boundaries between Units and to increase or decrease the number of Units so long as the Developer owns the Units so altered. Changes in the boundaries between the Units, as hereinbefore provided, shall be reflected by an amendment to the Plan, and if necessary, an amendment to this Master Deed. An amendment to the Plan or this Master Deed reflecting an alteration of the boundaries of the Units owned by Developer need be signed and acknowledged only by the Developer and need not be approved by the Owners and Mortgagees, whether or not such approval may elsewhere be required herein; provided, however, that any change which shall result in a change in the undivided interest in Common Elements or Limited Common Elements or a change in the share of Common Expenses or Limited Common Expenses with respect to Owners of Units other than Developer at the time of such change or which shall result in the alteration of boundaries of Units (other than the common walls separating the Units owned by the Developer) may not be made without an amendment of this Master Deed approved by the Owners and Mortgagees in the manner elsewhere required herein.

Section 2.03 Balconies, Patios or Terraces. Each Owner shall be entitled to an exclusive easement for the use of any exterior balcony, patio or terrace directly accessible from his Unit, but such right shall not entitle an Owner to construct anything thereon or to change any structural part thereof. The balcony, patio or terrace shall be deemed to be a Limited Common Element appurtenant to the Unit(s) from which it is directly accessible, and costs and expenses related to the balconies, patios or terraces shall be assessed against the Owner to whose Unit the balcony, patio or terrace attaches as a Limited Common Element.

Section 2.04 Garage Parking Spaces. Each Owner shall be entitled to an exclusive easement for the use of one (1) garage parking space (the "Developer Provided Parking Space Easement"), but such right shall not entitle an Owner to construct anything thereon or to change any structural part thereof. At the initial closing of each Unit, the Developer shall designate which Developer Provided Parking Space Easement, as numbered in Exhibit C, corresponds to such Unit to be sold. The Developer Provided Parking Space Easement shall be deemed to be a Limited Common Element appurtenant to the Unit to which it is initially assigned. In the event that an Owner sells his Unit, the selling Owner shall convey the Developer Provided Parking Space Easement to the purchaser of his Unit. Notwithstanding any other provision to the contrary, the Developer hereby reserves unto itself the exclusive easement for the use of fifty-eight (58) undesignated garage parking spaces for a period of three (3) years from the date hereof (the "Developer Retained Parking Space Easements") and the right to convey to Unit Owners who wish to purchase additional garage parking spaces the Developer Retained Parking Space Easements. At the end of such three (3) year period, the Developer shall assign its rights to the remaining Developer Retained Parking Space Easements, if any, to the Association. Neither the Developer nor any Unit Owner shall grant Developer Retained Parking Space Easements to any person who is not a Unit Owner or the Developer. After the earlier of (1) the date that the Developer has granted all Developer Retained Parking Space Easements to Unit Owners or (2) the end of above-described the three-year period, any Owner may place his name on a waiting list administered by the Association. The Owners whose names appear on the list shall have the right of first offer, in the order that

their names appear on the list, to purchase any Developer Retained Parking Space Easement which is then listed for sale by the grantee of any Developer Retained Parking Space Easement, which may include the Developer. Should the Owner whose name appears on the list fail to exercise his right of first offer, the name of the Owner so failing shall fall to the bottom of the list, and the next Owner whose name then appears on the list shall have a right of first offer to purchase the Developer Retained Parking Space Easement. The name of any Owner who exercises his right of first offer will be removed from the list, or at his election, his name will be placed at the end of the list. Any Owner who also holds a Developer Retained Parking Space Easement must sell his Developer Retained Parking Space Easement concurrent with the sale of his Unit to the Owners on the list, as provided above; provided, however, if no Owner should purchase the selling Owner's Developer Retained Parking Space Easements, the selling Owner must sell the Developer Retained Parking Space Easements to the purchaser of his Unit. Use of all garage parking spaces shall be in accordance with the Condominium Documents. The garage parking spaces are shown on the Plan annexed hereto as Exhibit "C".

Section 2.05 Easements and Restrictions. The Units, Common Elements and Limited Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established in the Condominium Documents governing the use of the Units, Common Elements and Limited Common Elements in setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements. The Unit, Common Elements and Limited Common Elements are further declared to be subject to all matters of record now affecting the Condominium Property, including, but not limited to, restrictions, easements, conditions and limitations. Additional easements established hereunder include the following:

(a) Utility Easements. Utility easements are reserved throughout the whole of the Condominium Property, including Units, as may be required for utility services (including, without limitation, water, sewer, gas, electricity, telephone and broadband/television cable) in order to adequately serve the Condominium Property.

(b) Utility Equipment. There may be utility equipment which is appurtenant to the Units, but which is located on the Common Elements. An easement is hereby reserved in favor of each Unit for the purpose of placement, maintenance, repair and replacement of said utility equipment by Developer and the Owners of the Unit; provided that no utility equipment shall be placed on any part of the Common Elements or Limited Common Elements other than the present location unless the written approval of the Association shall have been first obtained.

(c) Easements for Ingress and Egress. The Common Elements shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement of way over all roads, parking areas, walkways, halls, stairways, elevators, and other common areas in favor of all Owners for all proper and normal purposes and for the furnishing

of services and facilities for which the same are reasonably intended for the enjoyment of said Owners, subject to all restrictions in the Condominium Documents.

(d) Easement for Use of Leased or Acquired Property. Each Owner shall have a nonexclusive easement for use of any property hereafter acquired by the Association for the common benefit of the Owners by purchase, lease or otherwise for all normal and proper purposes for which the same are reasonably intended, subject to all restrictions in the Condominium Documents.

(e) Easements for Encroachments. To the extent that any Unit, Common Element or Limited Common Element encroaches on any other private element, Common Element, or Limited Common Element, whether by reason of any deviation from the Plan in the original construction, repair, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement shall exist for the encroachment and/or the maintenance of the same, so long as the encroaching Unit, Common Element or Limited Common Element stands. This easement, however, shall not relieve an Owner of liability for his or his agent's negligence, intentional acts or willful and intentional misconduct in causing the encroachment. In the event any Unit, any adjoining Unit, or any adjoining Common Elements or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements or Limited Common Elements upon any Unit, or encroachment of any Unit upon any other Units, Common Elements or Limited Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

(f) Easement of Support. Each Unit and the Common Elements and Limited Common Elements shall have an easement of support from every other Unit, Common Elements or Limited Common Elements which provide such support.

(g) Easement for Use of Limited Common Elements. Each Owner of the Limited Common Elements shall have an easement for the repair, maintenance and upkeep of the Limited Common Elements and for ingress and egress to and from the Limited Common Elements for so long as the Limited Common Elements exist. The aforesaid easement shall be for the benefit of each Owner to which the Limited Common Element is appurtenant.

(h) Easements Appurtenant to Units. The easements and other rights created herein for the Owners shall be appurtenant to the Unit of that Owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided even though no specific reference to such easements and rights appear in such instrument. The Owners do hereby designate the Developer and/or the Association as their lawful attorney-in-fact to execute any and all instruments on their

behalf for the purpose of creating all such easements as are contemplated by the provisions hereof.

Section 2.06 Ownership of Common Elements. Each Owner shall own an undivided interest in the Common Elements with all other Owners, and, except as otherwise limited in the Condominium Documents, shall have the right to use the Common Elements for all purposes incident to the use and occupancy of the Unit as herein provided, without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units. The extent or amount of such ownership shall be expressed by a percentage relating to each Unit and shall remain constant, unless changed in accordance with the provisions of Section 2.02 hereof or by the unanimous approval of all Owners and Mortgagees affected hereby. The percentage ownership in the Common Elements relating to each Unit is set forth on Exhibit "D" annexed hereto.

Section 2.07 Rights in or to Limited Common Elements. The Limited Common Elements appurtenant to the Unit shall be as described by the Act and as shown on the Plan. The Owners of such Units shall have the exclusive right to use the Limited Common Elements designated as appurtenant thereto. Each Owner of a Unit to which the Limited Common Element is appurtenant shall have the right to use the Limited Common Element for all purposes incident to the use and occupancy of his Unit as herein provided without hindering or encroaching upon the lawful rights of the other Owners, which rights shall be appurtenant to and run along with the Units to which the Limited Common Elements are attached.

ARTICLE III

ORGANIZATION AND MANAGEMENT

Section 3.01 Management of the Condominium Property. Operation and administration of the Condominium Property shall be performed by the BEE STREET LOFTS HOMEOWNERS ASSOCIATION, INC., a South Carolina nonprofit corporation. The powers and duties of the Association shall include those set forth in the Act, the South Carolina Nonprofit Corporation Act and the Condominium Documents, as the same may be amended from time to time.

Section 3.02 Members. The members of the Association shall consist of all record Owners of the Units. Change of membership in the Association shall be established by recording in the public records of Charleston County, South Carolina, the deed or other instrument establishing record title to a Unit in the Condominium Property, and the delivery to the Association of a certified copy of such instrument. The Owner designated by such instrument shall become a record Owner and a member of the Association. Membership of the prior Owner shall thereby be terminated. All present and future Owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of the Condominium Documents, as may be amended from time to time. The votes for a Unit shall be cast by the record Owner thereof or the duly authorized proxy of the record Owner in the manner provided in the Bylaws.

Section 3.03 Bylaws. The Bylaws of the Association are annexed hereto as Exhibit "F" to this Master Deed, and may be amended from time to time as set forth therein.

ARTICLE IV

ASSESSMENTS

Section 4.01 Authority of the Association and Liability of the Owners. The Association is given the authority to administer the operation and the management of the Condominium Property, it being recognized that the delegation of such duties to one entity is in the best interest of all Owners. To provide the funds necessary for such proper operation, the Association is hereby granted the right to make, levy, and collect annual assessments against all Owners to pay Common Expenses and such other expenses which the Association is authorized to incur under the terms and conditions of this Master Deed. The Association is also authorized to make, collect and levy assessments against Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Owner, his family members, guests, invitees or tenants for damages of any nature and for penalties for violations of the Rules and Regulations. In furtherance of said grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation and management of the Condominium Property, the following provisions shall be effective and binding upon all Owners.

Section 4.02 Assessments.

(a) All assessments for the payment of Common Expenses shall be levied annually against all Owners, and unless specifically otherwise provided for in this Master Deed, each Owner of a Unit and his Unit shall bear the same percentage share of such assessment as the percentage share of ownership as shown on Exhibit "D", for the undivided interest in the Common Elements appurtenant to the Unit. The assessments for Common Expenses shall be payable over the course of the year in advance monthly installments commencing on the date of purchase of a Unit or in such other installments and at such times as may be determined by the Board.

(b) Assessments for the payment of Limited Common Expenses may be levied against the Owners of those Units to which the Limited Common Elements are appurtenant if the Board determines that it is the most equitable method of assessment for Limited Common Expenses. The Limited Common Expenses may also be included in Common Expenses and assessed in the same proportion as Common Expenses if the Board chooses this method of assessment. The assessments for Limited Common Expenses, if any, shall be payable in such installments and at such times as may be determined by the Board.

(c) The Association may assess the Owners of Units for the repair and maintenance of various components of the Common Elements or Limited Common Elements based on the usage of any component of the Common Elements or Limited

Common Elements. Such assessments shall not be included in the assessment for Common Expenses, but shall be payable in such manner and at such times as may be determined by the Board.

Section 4.03 Annual Budget. Within sixty (60) days prior to the beginning of each fiscal year, the Board shall adopt an annual budget for such fiscal year, and such budget shall project the amount of funds for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Property, including reasonable allowances for contingencies and reserves therefor, in accordance with the Act and this Master Deed. Said budget shall take into account any projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. Within thirty (30) days after adoption of such annual budget by the Board, copies of said budget shall be made available to each Owner.

Should the Board at any time determine in the sole discretion of said Board that the assessments levied are or may prove to be insufficient for any reason including emergencies and non-payment of any Owner's assessment, the Board shall have authority to levy such additional assessments as it shall deem necessary in accordance with the applicable provisions of the Condominium Documents and the Act.

Section 4.04 Omission of Assessment. The omission by the Association, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Master Deed, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 4.05 Detailed Records. The Association shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements, Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Owner or his representative, upon thirty (30) days advance written request to the Association. The Association shall, no later than the thirtieth (30th) day following receipt of an Owner's request to review the records and vouchers, make same available to the Owner's review between the hours of 10:00 a.m. and 4:00 p.m. Monday through Friday, excluding federal and local holidays, at the location where the records are kept, whether on the Condominium Property or otherwise.

Section 4.06 Payment of Common Expenses and Limited Common Expenses by Owners. All Owners shall be obligated to pay any assessment for Common Expenses and Limited Common Expenses adopted by the Board pursuant to the terms of this Article IV. No Owner may exempt himself from liability for his contribution toward Common Expenses or Limited Common Expenses by waiver of the use or enjoyment of any of the Common Elements, Limited Common Elements or by abandonment of his Unit. No Owner shall be

liable for the payment of any part of the Common Expenses or Limited Common Expenses assessed against his Unit subsequent to a sale or other conveyance by him of such Unit; however, each Owner remains liable for any assessment made prior to the date on which such Owner sells his, her or its Unit, until such assessment, including any interest thereon, has been fully paid. Additionally, the purchaser of a Unit shall be jointly and severally liable with the selling Owner for all unpaid assessments, including any interest thereon, against the selling Owner up to the time of conveyance. Whenever any Unit may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with the other provisions of this Master Deed, the Association, upon written request of the Owner or purchaser of such Unit, shall furnish to the Owner, the purchaser or any proposed Mortgagee (within the time period prescribed by the Act) a statement verifying the status of the payment of any assessment which shall be due and payable to the Association by the Owner of such Unit and the other information required by the Act. Any purchaser or proposed Mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Association shall be bound by such statement. In the event that a Unit is to be sold or mortgaged when any assessment is outstanding against the Owner of such Unit and such assessment due the Association is in default, the purchase or mortgage proceeds shall first be paid by purchaser or Mortgagee to the payment of any delinquent assessment or installment due the Association before the payment of the proceeds to or on behalf of the selling Owner.

Section 4.07 Working Capital. At the time that title is conveyed to a Unit Owner by the Developer, the Owner shall contribute to a working capital reserve established by the Association an amount equal to three (3) times that Unit's monthly assessment. Such funds shall be used solely for initial operating and capital expenses of the Association. Subsequent to the initial sale of a Unit, any and every time that title is conveyed by an Owner to a subsequent Owner, the subsequent Owner shall contribute to a working capital reserve established by the Association a sum equal to three (3) times that Unit's monthly assessment. Such funds shall be used solely for the capital expenses of the Association.

Section 4.08 Default in Payment of Assessments; Lien and Enforcement.

(a) The payment of any assessment or installment thereof due the Association shall be in default if such assessment or any installment thereof is not paid to the Association on or before the due date, as established by the Board, for such payment. When in default, the delinquent assessment or delinquent installment due the Association shall bear interest at the maximum legal rate or 12%, whichever is greater, until such delinquent assessment or installment and all interest due thereon has been paid in full. The Association shall have a lien against Units for delinquent assessments. Said lien shall secure and does secure the monies due for all assessments then or thereafter levied against the Unit, and such lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing the Association. Said lien shall also secure all costs and expenses, including late penalties and reasonable attorneys' fees incurred by the Association in collecting delinquent assessments and enforcing the lien upon the Unit and its appurtenant undivided interest in the Common Elements or Limited Common Elements. The lien granted to the Association may be

foreclosed in the same manner as real estate mortgages in the State of South Carolina but the Association shall give reasonable advance notice of its proposed action to the Owner, the Mortgagee and all other lienholders of record of the Unit. The lien granted to the Association shall further secure such advances for taxes and payment on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to protect and preserve its lien, and the Association shall further be entitled to interest at the maximum legal rate or 12%, whichever is greater, on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any Unit or who may be given or acquire a mortgage, lien or other encumbrance thereon are hereby placed on notice of the lien rights granted to the Association and shall acquire such interest in any Unit expressly subject to the lien.

(b) The lien herein granted to the Association shall be effective from and after the time of recording in the Office of the Register Mesne Conveyance of Charleston County, South Carolina, this Master Deed of Bee Street Lofts Horizontal Property Regime and no further recordation of any claim of lien for assessment under this Section 4.08 is required. Such lien shall include only assessments which are due and payable when the action to enforce the lien is commenced plus late penalties and penalties imposed by the Association for Rules and Regulations violations, interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided.

Section 4.09 Election of Remedies. Institution of a suit at law to collect payment of any delinquent assessments shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection by foreclosure of any sums remaining owing to it. Nor shall proceeding by foreclosure to effect such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association. The Association shall be entitled to bid at any sale held in connection with the foreclosure of the assessment lien and may apply as cash credit against its bid all sums secured by the lien enforced.

ARTICLE V

MAINTENANCE AND OPERATION OF THE CONDOMINIUM PROPERTY

Section 5.01 The Association's Obligation to Repair. The Association acting through the Board shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Owners as a Common Expense:

(i) The Common Elements which by definition excludes the surfaces of all interior walls floors, ceilings, entrance doors, and windows of a Unit;

(ii) Incidental damage caused to a Unit by any work done by the Association; and

(iii) Portions of Common or Limited Common Elements contained in the Units contributing to the support of the building, including outside walls and load bearing columns, excluding, however, interior wall, ceiling and floor surfaces.

The Association shall be responsible for the maintenance, repair and replacement of the exterior doors and windows of the Unit, including the door frames, the window frames and related structures, all of which are part of the Unit, the cost of which may be assessed against the Owner as a special assessment. The Association acting through the Board also shall be responsible for the maintenance, repair and replacement of the Limited Common Elements, the cost of which may be charged as a Limited Common Expense to all Owners to which said Limited Common Elements being maintained repaired or replaced attaches. The Association shall inspect the Condominium Property at least annually for repair and maintenance requirements, and shall promptly undertake the repair and maintenance thereof.

This Section 5.01 shall not relieve an Owner of liability for damage to the Common Elements, Limited Common Elements, a Unit of another person, adjacent property or any other property caused by the Owner, his family members, guests, invitees, lessees or licensees as a consequence of an accident or the negligence, recklessness or willful misconduct of such person. The cost of repair for any damage so caused by the Owner, his family members, guests, invitees, lessees or licensees, shall be a special assessment against the Owner.

Section 5.02 Each Owner's Obligation to Repair.

(a) Except for those portions of the Condominium Property which the Association is required to maintain and repair, each Owner shall, at such Owner's expense, maintain his Unit in good tenantable condition and repair, and shall be responsible for the repair, maintenance and replacement, if necessary, of the following items in his Unit:

(i) The fixtures and equipment in his Unit, including the refrigerator, stove and all other appliances within the Unit; drains, sinks, plumbing and plumbing fixtures and connections within the Unit and serving only the Unit; electrical panels, wiring, outlets and electric fixtures within the Unit; interior doors, interior surfaces of the window frames, screening and glass; and interior surface of all exterior doors; all wall coverings including paint, wallpaper and light coverings; and all floor coverings, including carpeting, hardwood, vinyl and ceramic tile within a Unit.

(ii) The plumbing, heating, air conditioning and electrical systems serving only that Unit, whether located within or without the boundary of that Unit, including the fuse boxes, wiring, flues, and all other plumbing, electrical, gas or mechanical systems. In the event any such system or a portion thereof is within another Unit or requires access to another Unit, the repair, maintenance or replacement thereof shall be performed by the Association, and the cost thereof shall constitute an assessment against the Owner responsible therefor.

(b) Each Owner agrees as follows:

(i) To perform all maintenance, repairs and replacements which are his obligations under subsection (a) of this Section 5.02;

(ii) To enter into a maintenance agreement with a reputable heating and air conditioning professional, which shall provide for the performance of biannual inspections, maintenance and repair to the air conditioning system servicing his Unit;

(iii) To pay all utilities as herein provided and all taxes levied against his Unit;

(iv) Not to make, or cause to be made, repairs to any plumbing, heating, ventilation or air conditioning systems located outside his Unit but required to be maintained by him under subsection 5.02(a)(ii), except by licensed plumbers, electricians or heating and air conditioning professionals authorized to do such work by the Association or its delegate;

(v) Not to make any addition or alteration to the Unit or to the Common Elements or Limited Common Elements or to do any act that would impair the structural soundness, safety or overall design scheme of any part of the Condominium Property or that would impair any easement or right of an Owner without the prior written consent of the Association and all Owners affected thereby;

(vi) Not to make any alteration, addition, improvement, decoration, repair, replacement or change to the Common Elements, Limited Common Elements, or to any outside or exterior portion of the Unit, excluding any alteration or additions made pursuant to the procedure described in subsection (v) above and including, but not limited to, altering in any way exterior doors, affixing shutters to the exterior of windows or painting any part of the exterior part of the Unit, without the prior written consent of the Association; provided that if such consent is granted, the Owner shall use only a contractor approved by the Association, who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association, and the Owner shall be liable for all damages to another Unit or to the Common Elements or Limited Common Elements caused by any contractor employed by such Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident, or otherwise; and

(vii) To promptly report to the Association any defects or needed repairs for which the Association is responsible.

(c) The Association shall be obligated to answer any request by an Owner for any required approval of a proposed addition, alteration or improvement (by painting or

otherwise) within forty-five (45) days after such request; but its failure to do so within the stipulated time shall not constitute a consent of the Association to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the requesting Owner, and not by the Association. The Association will not incur any liability on the part of the Board or any of them or the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim of injury to a person or damage to property arising therefrom. The review by the Association under this Section 5.02 shall in no way make the Association liable for any alterations, additions, or improvements by any Owner. Rather, such review is for purposes of aesthetics and control only. The Board shall have the right to appoint a committee to make recommendations to the Board regarding any request for review; however, the Board is not obligated to appoint a committee and is not obligated to follow the recommendation of such committee. The provisions of this Section 5.02 shall not apply to Units owned by the Developer until a deed for such Unit has been delivered to a purchaser other than Developer.

Section 5.03 Alterations, Additions and Improvements by the Association.

Except in the case of loss or damage to the Common Elements or Limited Common Elements as contemplated by Article VIII of this Master Deed, the Association shall not make any material structural alterations, capital additions or capital improvements to the Common Elements or Limited Common Elements (other than for the purpose of replacing, restoring or rehabilitating portions of the Common Elements or Limited Common Elements which is in accordance with this Master Deed) unless the same is authorized by the Board. The cost of the foregoing shall be assessed against the Owners of Units as provided in Article IV hereof except as otherwise provided in this Section 5.03. Where any alterations or additions as aforesaid are exclusively or substantially exclusively for the benefit of the Owners requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Owners exclusively, or substantially exclusively, benefiting therefrom, and the assessment shall be levied in such proportions as may be determined to be fair and equitable by the Board. Where such alterations or additions exclusively, or substantially exclusively, benefit Owners requesting the same, said alterations and additions shall be made only when authorized by the Board and ratified by not less than 75% of the total votes of the Owners exclusively, or substantially exclusively, benefiting therefrom. Alterations, improvements or repairs of an emergency nature may be made upon authorization by a vote of the majority of the Directors available for consultation if the same is necessary and in the best interest of the Owners.

Section 5.04 Utilities. Each Owner shall be required to pay all charges for utilities serving his Unit, including without limitation electricity, cable television, broadband service, and telephone service, used or consumed in his Unit. The utilities serving the Common or Limited Common Elements only shall be separately metered and paid by the Association as a Common or Limited Common Expense. The Association shall have authority, however, with regard to any utility, to use a common meter, pay the cost of such utilities used or consumed in the Units, and have the costs thereof apportioned among the Units based upon the Common or Limited Common Expense liability, use of the utility, or any other formula the