

MASTER DEED
FOR
OAKLEDGE ON CALHOUN
HORIZONTAL PROPERTY REGIME
Clemson, South Carolina

Developer:

HMS DEVELOPMENT, LLC

Prepared by:

Christopher G. Olson, Esquire

Law Offices of
OLSON, SMITH, JORDAN & COX, P.A.
600 College Avenue
Clemson, South Carolina 29631
(864)654-3680

This is the first page of the Master Deed for Oakledge on Calhoun Horizontal Property Regime. In the event other pages, including but not limited to, cover pages, indexes, or tables of contents, are placed in front of this page, those pages shall not be deemed the first page. This page and this page only shall be deemed the first page of the Master Deed for all legal purposes:

THE PARTIES AGREE THAT THE PROVISIONS OF THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., OF THE CODE OF LAWS OF SOUTH CAROLINA FOR 1976 (AS AMENDED) SHALL BE APPLICABLE TO THIS AGREEMENT, EXCEPT THAT WHERE THE TERMS OF THIS AGREEMENT CONFLICT WITH THE UNIFORM ARBITRATION ACT, THEN THE TERMS OF THIS AGREEMENT SHALL PREVAIL.

MASTER DEED

OF

Oakledge on Calhoun Horizontal Property Regime

Pickens County, Clemson, South Carolina

WHEREAS, HMS DEVELOPMENT, LLC, a South Carolina limited liability company is the sole owner of the land and improvements hereafter; and

WHEREAS, HMS DEVELOPMENT, LLC, wishes to submit the "Land" described on Exhibit A to a Horizontal Property Regime; and,

WHEREAS, First Citizens Bank and Trust Company, Inc. is the mortgage holder of the herein described property and have joined in the execution of this Master Deed.

NOW THEREFORE, HMS DEVELOPMENT, LLC, hereinafter referred to as the "Developer" as the sole owner of the land and improvements hereinafter described, does hereby make, declare, and publish its intention and desire to

submit, and does hereby submit, the lands and building hereinafter described, together with all of the other improvements thereon, including all easements, rights, and appurtenances thereto belonging to a Horizontal Property Regime (to be known as Oakledge on Calhoun Horizontal Property Regime, hereinafter called the Regime) in the manner provided for by the South Carolina Horizontal Property Act as amended, S.C. Code Annotated, §27-31-10, etc. 1976. In conformity with §27-31-30 and §27-31-100 of said Act, the Grantor sets forth the following particulars each of which supercedes and takes the place of the provisions of the original Master Deed and the provisions of the original Master Deed are hereby null and void.

GENERAL DEFINITIONS

Unless the context requires otherwise, the terms used in this Master Deed and in the other condominium documents shall have the following definitions:

ARTICLE I

Definitions

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

"Act" means the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976), as amended, Section 27-31-10 to Section 21-31-300, and as may be further amended from time to time.

"Assessment" means the amount assessed against an Owner and his Unit from time to time by the Association in the manner provided herein.

"Association" means Oakledge on Calhoun Homeowners Association, Inc., being an association of and limited to Owners of the Units located in the Regime in the form of a non-profit, non-stock membership association which has been incorporated in accordance with the Articles of Incorporation attached hereto as Exhibit G.

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

"Building" means a structure or structures containing in the aggregate two or more units comprising a part of the property.

"Bylaws" means the Bylaws of the Association attached hereto as Exhibit H, as amended from time to time.

"Common Expenses" means:

(a) all expenses incident to the administration, maintenance, repair and replacement of the General Common Elements and the Limited Common Elements, after excluding there from such expenses which are the responsibility of an Owner;

(b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners;

(c) expenses declared to be Common Expenses by the Act or the Regime Documents; and

(d) reasonable reserves established for the payment of any of the foregoing.

"Condominium" means that form of ownership established by the provisions of the Act under which space intended for independent use is owned by an Owner or Co-Owners in fee simple and the parts of the Property other than such independently owned spaces are owned by all such Co-Owners in undivided interests, which undivided interests are appurtenances to the respective independently owned spaces.

"Co-Owner" means an individual, person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which owns a Unit.

"Developer" means HMS DEVELOPMENT, LLC, a South Carolina limited liability company, its successors and assigns.

"General Common Elements" means and includes:

- (i) the land on which the building stands;
- (ii) the foundations, main walls, roofs, common walkways, driveways, parking areas, clubhouse, volleyball court, basketball court, and amenities area;
- (iii) yards and grounds, swimming pool and deck, and other landscape improvements;
- (iv) all devices or installations existing for common use; and,
- (v) all other elements of the property, in existence or to be constructed or installed, rationally of common use or necessary to its existence, upkeep, and safety; and,

"Horizontal Property Regime" means the legal entity provided for in the act.

"Land" means the certain real property described in Exhibit A attached hereto.

"Limited Common Elements" means and includes those common elements which are agreed upon by all of the co-owners to be reserved for the use of certain units to the exclusion of the other units such as decks, porches, entrances, and the like.

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

"Mortgage" means any (i) mortgage, deed of trust or other security instrument used for the purpose of subjecting real property to a lien or encumbrance as security for indebtedness.

"Mortgagee" means the holder, beneficiary or mortgagee under any Mortgage.

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

"Person" means an individual, corporation, partnership, association, trustee or other legal entity, or any combination thereof.

"Percentage Interest" means the percentage of undivided interest as shown on Exhibit F each Owner owns as tenant-in-common in the General Common Elements and Limited Common Elements; and "Total Percentage Interests" means the aggregate of all the Percentage Interests.

"Plans" means and includes the architectural plans of the Project which are filed as an attachment to this Master Deed, and certified by a licensed engineer and/or architect in accordance with the provisions of the Act.

"Project" means the Land, the buildings and all other improvements and structures located thereon, and all easements, rights and appurtenances belonging thereto, submitted to the Act by this Master Deed.

"Property" shall mean and include the land which is or may be owned in fee simple by Grantor and which is herein or may hereafter be submitted to the provisions of the Act by this Master Deed and any amendments thereto, along with all improvements constructed thereon and all easements, rights and appurtenances belonging thereto, which comprise the Horizontal Property Regime established by this Master Deed, also being sometimes called the "Project."

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

"Regime Documents" means and includes this Master Deed, all Exhibits hereto, the documents of Incorporation of the Association, the Bylaws and the Rules and Regulations, all as amended from time to time.

"Residential Units" means that part of the Project restricted to residential use and intended for independent use by an Owner situated within the Unit Boundaries designated in Exhibit E.

"Rules and Regulations" means the rules and regulations from time to time promulgated by the Board of Directors governing the use of the General Common Elements, Limited Common Elements and Units.

"Site Plan" means and includes the survey of the Land and improvements attached hereto as Exhibit B showing the boundaries of the Land and the location of the Units and amenities of the Project thereon.

"Trustee" means a financial institution with trust powers or other business entity commonly accepted by private institutional mortgage investors in South Carolina, to act as a fiduciary for the benefit of the Association and the Owners which shall be designated by the Board of Directors to hold certain funds and provide services as provided herein.

"Unit" means that part of the Project intended for Independent use by an Owner situated within the Unit Boundaries designated in Exhibit E. Each Unit is identified in Exhibit B and/or Exhibit C by a specific number, which number shall be sufficient to identify the Unit for all purposes.

"Unit Estate" means all the components of ownership held by an Owner, including the rights and interests of the Owner in and to the Unit, the rights of use of the Limited Common Elements and the undivided interest in the General Common Elements and Limited Common Elements. Unless the context requires otherwise, all references to "Units" herein shall include the Unit Estate".

ARTICLE II

Administration

Section 2.1. The Association. The administration of the Regime shall be the responsibility of the Association which shall be made up of all the Owners of Units in the Regime. The Association

and the Owners shall be governed by this Master Deed and the Bylaws attached hereto as Exhibit H, as the same may be amended from time to time.

Section 2.2. Professional Management. Management of the Project may be conducted by a professional management company retained by the Association; provided, however, that the Association may enter into management contracts with reasonable compensation and termination provisions consistent with provisions generally prevailing for management contracts relating to condominium projects located in South Carolina.

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

Section 2.4. Access to Information. The Association shall make available to Owners and holders, insurers or government guarantors of any mortgage, current copies of the Regime Documents and the books, records, contractual arrangements and financial statements of the Association. "Available" means available for reasonable inspection, upon request, during normal business hours or under other reasonable circumstances. Any party entitled to the benefits of this Section 2.4 shall be permitted to designate one or more agents who shall be permitted to represent said party in connection with any and all reviews of the Regime Documents and books, records, contractual arrangements and financial statements of the Association.

Section 2.5. Financial Statements. No later than 120 days after the close of any fiscal year of the Association, the Association shall cause un-audited financial statements for such fiscal year to be prepared by a certified public accountant licensed in the State of South Carolina. Copies of these financial statements shall be provided free of charge to any party entitled to the benefits of Section 2.4 promptly upon request.

Section 2.6. Rules and Regulations. The Board of Directors shall be entitled to promulgate reasonable Rules and Regulations from time to time, which shall be binding upon the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units, the Limited Common Elements and General Common Elements. The initial Rules and Regulations of the Association are contained in Exhibit I attached hereto, and are subject to amendment. Copies of the current Rules and Regulations shall be furnished to Owners and lessees of Owners upon request.

ARTICLE III.
Property Rights

Section 3.1. Development Plan. The Developer has caused to be constructed or re-constructed on the Land four (4) residential building containing a total of twenty-two (22) Units and amenities in accordance with the Plans and the specifications for construction, copies of which shall remain on file in the office of the Association. The twenty-two (22) Units are as follows:

The first building contains three (3) Units numbered 101, 102 and 103. The second building consists of seven (7) Units numbered 201, 202, 203, 204, 205, 206 and 207. The ten (10) Units numbered 101 through 207 are two-story 2 bedroom Units with the ground floor containing a family room, a kitchen, a stairwell, a washer/dryer closet, and a half bath. The first floor contains approximately 539 square feet. The second floor of Units 101 through 207 consists of two bedrooms; one with a master bath and walk-in closet and the other with a bath and walk-in closet. The second floor consists of 509 square feet.

The third building consists of six (6) Units numbered 301 through 306. The fourth building consists of six (6) Units numbered 401 through 406. The twelve (12) Units numbered 301 through 406 are two-story Units. The first floor consists of a family room, a kitchen, a half bath, a storage area, a stair case, a master bedroom with a walk-in closet and a bath. The first floor contains approximately 671 square feet. Units 301 through 406 each contain a second floor containing 2 Bedrooms, a hallway and a washer/dryer closet; one bedroom with two (2) walk-in closets and a bath and the second bedroom with a walk-in closet and a bath. Each second floor contains 631 square feet.

Section 3.2. Units.

Each Unit Estate shall for all purposes constitute a separate parcel of real property which, subject to the provisions of this Master Deed, may be owned in fee simple and which may be conveyed, transferred, leased and encumbered in the same manner as any other real property. Each Owner, subject to the provisions of the Act and this Master Deed, shall be entitled to the exclusive ownership and possession of his Unit.

Section 3.3. General Common Elements and Limited Common Elements.

(a) Percentage Interest. The Owners shall own the General Common Elements and Limited Common Elements as tenants in common, with each Unit having appurtenant thereto the Percentage Interest in the General Common Elements and Limited Common Elements as set forth in Exhibit F attached hereto; provided, however, that the use of the Limited Common Elements shall be restricted as set forth in Section 3.3(e). The Percentage Interest appurtenant to each Unit has been determined by dividing the assigned value of the respective Unit as shown on

Exhibit F by the aggregate value of all of the Units as shown on Exhibit F. The value assigned to any Unit in Exhibit F shall not fix the market value of the Unit and shall only be utilized for purposes of computing the Percentage Interest appurtenant to the respective Unit.

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

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

(d) Use of General Common Elements: The General Common Elements shall be used in accordance with the intended purposes without hindering the exercise of or encroaching upon the rights of other Owners. The Board of Directors shall, if any question arises, determine the purpose for which a part of the General Common Elements is intended to be used. All Owners and lessees of Owners, their families, invitees and guests shall abide by all Rules and Regulations from time to time in effect governing the use of the General Common Elements.

(e) Limited Common Elements. Ownership of each Unit shall entitle the Owner or Owners thereof to the use of the Limited Common Elements adjacent and appurtenant to such Unit and so designated in Exhibit D, which exclusive use may be delegated by such Owner to persons who reside in his Unit. All Owners and lessees of Owners, their families, invitees and guests shall abide by all Rules and Regulations from time to time in effect governing the use of the Limited Common Elements.

Section 3.4. Status of Title to the Project. The Developer represents and warrants to the Association and all the Owners that as of the effective date hereof, the Developer has a reasonably safe, marketable title to the Land. The rights and interests of all Owners in and to the General Common Elements and Limited Common Elements shall be subject only to (i) liens for real estate taxes for 2007 and subsequent years; (ii) easements, conditions, covenants and restrictions existing against the property; and (iii) applicable governmental regulations, including zoning laws, which may be imposed upon the project from time to time; provided, however, that the Developer warrants that the foregoing do not unreasonably interfere with the use of the Project for residential purposes. In addition, the Developer warrants that it will pay all parties who have provided materials to or rendered services in connection with the construction of the Project in a timely manner and shall indemnify and hold the Association and the Owners harmless from all liens, claims or causes of action of persons who have supplied materials to or rendered services in connection with the construction of the project by Developer.

ARTICLE IV

Assessments

Section 4.1. Creation of Lien and Personal Obligation for Assessments. Each Unit Estate is and shall be subject to a lien and permanent charge in favor of the Association for the Assessments set forth herein. Each Assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall be a permanent charge and continuing lien upon the Unit Estate against which it relates, and shall also be the joint and several personal obligation of each Owner of such Unit Estate at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such Unit Estate, and each and every Owner by acquiring or holding an interest in any Unit Estate thereby covenants to pay such amount to the Association when the same shall become due.

Section 4.2. Annual Assessments. No later than forty-five (45) days prior to the end of each calendar year, the Board of Directors shall set the "Annual Assessments" by estimating the Common Expenses to be incurred during the immediately succeeding calendar year and shall prorate such Common Expenses among the Owners of the Units in accordance with their respective Percentage Interests and shall give written notice to each Owner of the Annual Assessment fixed against his Unit for such immediately succeeding calendar year; provided, however, that the Annual Assessment for the calendar year 2007 on the two-bedroom Units shall be \$175.00 per month per unit and on the three-bedroom Units shall be \$195.00 per month per unit. The Annual Assessments levied by the Association shall be collected as provided in Section 4.4.

The Annual Assessments shall not be used to pay for the following:

- (a) Casualty insurance of individual Owners on their possessions within the Units and liability insurance of such Owners insuring themselves and their families individually, which shall be the sole responsibility of such Owners;
- (b) Telephone, gas, or electrical utility charges for each Unit which shall also be the sole responsibility of the Owners of such Units;
- (c) Ad valorem taxes assessed against Units;
- (d) Private mortgage insurance.

It is anticipated that ad valorem taxes and other governmental assessments, if any, upon the Project will be assessed by the taxing authority upon the Unit Estate, and that each assessment will include the assessed value of the Unit and of the undivided interest of the Owner in the General Common Elements and the Limited Common Elements. Any such taxes and governmental assessments upon the Project which are not so assessed shall be included in the Association's budget as a recurring expense and shall be paid by the Association as a Common

Expense. Each Owner is responsible for making his own return of taxes and such return shall include such Owner's undivided interest in the General Common Elements and Limited Common Elements as such undivided interest is determined by law for purposes of returning taxes.

Section 4.3. Special Assessments. In addition to the Annual Assessments, the Board of Directors may levy in any calendar year "Special Assessments" for the purpose of supplementing the Annual Assessments if the same are inadequate to pay the Common Expenses and of defraying, in whole or in part, the cost of any reconstruction, repair, or replacement of the Limited Common Elements or the General Common Elements (including the necessary fixtures and personal property related thereto); provided, however, that any such Special Assessments shall have the assent of Owners representing a majority of the units, voting in person or by proxy, at a meeting at which a quorum is present, duly called for the express purpose of approving such Assessment. Written notice of such meeting shall be sent to all Owners not less than ten (10) days nor more than thirty (30) days in advance of the meeting, which notice shall set forth the purpose of the meeting. The period of the Special Assessments and manner of payment shall be determined by the Board.

Section 4.4. Date of Commencement of Assessments; Due Dates. Although, the Annual Assessment is calculated on a calendar year basis, each Owner of a Unit shall be obligated to pay to the Association or its designated agent such Assessment in equal monthly installments on or before the first day of each month during such calendar year.

Section 4.5. Effect of Non-Payment of Assessment; the personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If an Assessment is not paid on the date when due, as herein above provided, then such Assessment together with such late charges and interest thereon and any cost of collection thereof as hereafter provided, shall be a charge and continuing lien on the Unit Estate to which it relates, and shall bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the Owner to pay such Assessment, however, shall remain his personal obligation. Furthermore, such prior Owner and his successor in title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title.

(b) In the event any Assessment is not received before 5:00 P.M. on the date which is ten (10) days of the due date thereof, a late charge in the form of a service fee to be set by the Board of Directors shall be added to the Assessment and shall be due and payable on demand. In addition, in the event any Assessment is not received before 5:00 P.M. on the date which is thirty (30) days of the due date thereof, interest at the rate of fourteen (14%) per annum (not to exceed the highest lawful rate) shall be added to the Assessment and shall be due and payable on demand. Interest will continue to accrue until the Assessment is paid in full.

(c) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit Estate to which it relates or pursue both such courses at the same time or successively. In any event, the Association shall be entitled also to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Owner, by his acceptance of a deed or other conveyance to a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. The Association shall have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may be relieved from liability from the Assessment provided for herein by abandonment of his Unit or otherwise.

(d) During any period in which an Owner shall be in default in the payment of any Annual or Special Assessment levied by the Association, the voting rights of the Owner and the rights of the Owner and lessees of the Owner, their families, invitees and guests, to use and enjoy the General Common Elements, except for ingress and egress to the Owner's Unit, may be suspended by the Board of Directors until such time as the Assessment has been paid.

Section 4.6. Subordination of the Charges and Liens to Mortgages.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees and costs of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any mortgagee or his assigns placed on such Unit Estate if, but only if, all such Assessments with respect to such Unit Estate having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due date subsequent to the date such mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such mortgage.

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

Section 4.7 Reserves. The Board of Directors shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the General Common Elements and Limited Common Elements. The Board of Directors shall include amounts needed to maintain an adequate reserve fund in its estimation of the Common Expenses for each fiscal year and shall

cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment.

Section 4.8. Working Capital Assessment. Notwithstanding anything to the contrary in this Master Deed, a working capital fund shall be established for the Association by collecting from each Owner who acquires title to his Unit from the Developer a Working Capital Assessment amounting to 2/12ths of the Annual Assessment then in effect, which Assessment shall be due and payable at the time of transfer of each Unit to the respective Owner.

ARTICLE V

Insurance and Casualty Losses

Section 5.1. Hazard Insurance.

(a) The Association shall obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy or policies of property insurance covering the entire Project, except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all improvements and betterments made to Units by Owners at their expense; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. Such coverage shall also insure supplies, equipment and other personal property of the Association and fixtures, equipment and other personal property inside Units which are transferred as a part of the Unit. All policies of property insurance shall be single entity condominium insurance coverage. The master insurance policy shall afford, at a minimum, protection against loss or damage by fire and other perils normally covered by standard extended coverage endorsements; and all other perils which are customarily covered with respect to condominium projects similar in construction, location and use, including all perils normally covered by a standard "all risk" endorsement, where such is available. The policy shall be in an amount equal to 100 per cent of the current replacement cost of the Project, exclusive of those items set forth herein and of land, foundations, excavation, and other items normally excluded from coverage; and "agreed value" and "inflation guard" endorsements shall also be obtained, if available. A "deductible amount" not to exceed amounts permitted in applicable provisions of the Federal to National Mortgage Association Lending Guide may be included at the discretion of the Board of Directors, but the deductible amount shall be considered a Common Expense and borne by the Association regardless of the number of Owners directly affected by the loss.

(b) The Board of Directors shall cause to be conducted an annual insurance review for the purpose of determining the full insurable value of the entire Project, including all buildings, Units, Limited Common Elements and the General Common Elements without respect to the depreciation of improvements on the Land (with the exception of improvements and betterments by the respective Owners at their expense) by one or more qualified persons. The information obtained from this review shall be utilized in connection with satisfaction of the insurance required hereof.

- (c) The name of the insured under the master policy shall be substantially as follows: for the use and benefit of the individual Owners of Units in Oakledge on Calhoun Horizontal Property Regime. Loss payable provisions shall be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's mortgagee as the interests of such parties may appear. Each Owner and his respective mortgagee, if any, shall be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Unit owned by such Owner. All policies shall contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in South Carolina, and which appropriately names all mortgagees or their servicers in such form as requested by such mortgagees or their servicers.
- (d) All policies shall be written with a company licensed to do business in the State of South Carolina, holding a general policyholder rating of "A" or better by Best's Insurance Reports and in a financial category of Class VI or better in Best's Key Rating Guide. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, Owners, mortgagees or the designees of mortgagees; (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policy holders' or members; or (iii) the policy includes any limiting clause (other than insurance conditions) which could prevent mortgagees or Owners from collecting insurance proceeds. Policies may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and each mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy. Policies also shall contain a "special condominium endorsement" or its equivalent which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners individually; the insurance is not prejudiced by any act or omission or negligence of individual Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.
- (e) The Association shall provide copies of all policies to Owners and/or mortgagees requesting the same for a charge not to exceed reasonable copying costs. In addition, the Association shall cause to be provided evidence of insurance forms which provide the following: a minimum of ten (10) days notice to each Mortgagee which is listed as a scheduled holder of a first mortgage in the insurance policy prior to cancellation, non-renewal or any change adverse to the interests of the mortgagee; the amount of types of coverage afforded; indicate by descriptive name any special endorsements made a part of the master policy; and be executed by an authorized company representative.
- (f) Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the Owners and their mortgagees, may realize under any insurance policy which the Association may have in force on the Project

at any particular time. Any Owner who obtains an individual insurance policy covering any portion of the Project, other than the personal property belonging to such Owner, shall file a copy of such policy with the Association within thirty (30) days after purchasing such insurance. Each Owner at his own expense may obtain on his Unit or the contents thereof, title insurance, homeowner's liability insurance, theft and other insurance covering improvements, betterments and personal property damaged and lost. Each Owner shall be required to notify the Association of all improvements made by such Owner to his Unit, the value of which exceeds \$1,000.00.

Section 5.2. Flood Insurance. If any part of the improvements located in the Project is determined to be in a special flood hazard area, the Association shall obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy of flood insurance made available under the National Flood Insurance Program covering the Project for so much thereof as may be covered under the available policies of insurance. Coverage of such policy shall not be less than the lesser of (i) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property; or (ii) 100 per cent of the current "replacement cost" of all such buildings and other insurable property. Such policy shall be in a form which meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator.

Section 5.3. Liability Insurance. The Association shall obtain, maintain and pay the premiums, as a Common Expense, upon a policy of comprehensive general liability insurance coverage covering at a minimum all of the General Common Elements and Limited Common Elements. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use to the Project; provided, however, that such coverage shall be for at least \$1,000,000.00 for bodily injury, including death of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the General Common Elements, and legal liability arising out of Workmen's Compensation laws. All mortgagees, upon written request, may be listed as scheduled holders of first mortgages in the insurance policy. Such policy must provide that it is not canceled or substantially modifiable, by any party, without at least ten (10) days prior written notice to the Association and each party listed as a scheduled holder of a mortgage in the insurance policy.

Section 5.4. Authority to Adjust Loss. The exclusive authority to negotiate, settle and otherwise deal in all respects with Insurers and adjust all losses under policies provided for herein shall be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and mortgagees; provided, however, that all Owners and mortgagees having an interest in such loss shall be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of

substitution, to act on behalf of the Owner as fully as the Owner could act in person on all matters related to the authority granted in this Section 5.5, including executing all documents required in connection therewith on behalf of the Owner.

Section 5.5 Trustee.

- (a) The Board of Directors shall from time to time designate a Trustee who shall serve the Association and the Owners and their mortgagees (as their interests may appear) as provided herein. The Trustee shall be entitled to receive reasonable compensation for services rendered which shall be a Common Expense of the Association.
- (b) All insurance policies obtained by the Association shall be deposited with the Trustee. The insurance policies shall name the Association and the Trustee as loss payees. Immediately upon the Receipt by the Association of any insurance proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and deliver the instrument to the Trustee. The Trustee shall not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor shall the Trustee have any obligation to inspect the Project to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.
- (c) Among other things, the duties of the Trustee shall be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their mortgagees, and disburse the proceeds as hereinafter provided.
- (d) Proceeds of insurance policies received by the Trustee shall be disbursed as follows:
- (i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be paid to the Association for the benefit of all Owners and their mortgagees, if any.
 - (ii) If it is determined, as provided in Section 5.7, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.
 - (iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements.
 - (iv) If the damage or destruction is to the General Common Elements and/or to the Limited Common Elements, and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Trustee from the records of the Association to have the largest interest in or lien upon such General Common Elements and/or Limited Common Elements; and if the damage or destruction is to one or

more Units and is to be repaired or reconstructed, said certificate shall also be signed by the mortgagee or mortgagees having an interest in or lien upon such Unit or Units; provided, however, that all mortgagees requested to sign certificates shall be obligated to execute the same so long as repair or reconstruction or rebuilding is progressing in a reasonable manner. The Trustee shall not incur liability to any Owner, mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

Section 5.6 Damage and Destruction.

(a) Immediately after all or any part of the Project covered by insurance is damaged or destroyed by fire or other casualty, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 5.7., means repairing or restoring the damaged property to substantially the same condition in which it existed immediately prior to the fire or other casualty, with each Unit, the General Common Elements and the Limited Common Elements having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to the Project shall be repaired unless all the Owners unanimously agree in writing not to repair, reconstruct or rebuild in accordance with the provisions of the Act; provided, however, that any such damage which requires the reconstruction of the whole or more than two-thirds (2/3) of the Building as defined herein, shall not be compulsory unless all the Owners unanimously agreed in writing to repair, reconstruct or rebuild. If not reconstructed, the indemnity shall be delivered in accordance with the provisions of Paragraph (c) of this Section 5.7 Except as otherwise provided, any such damage or destruction which renders any Unit untenable or uninhabitable, or any such damage or destruction to the General Common Elements or Limited Common Elements, shall be repaired and reconstructed as promptly as practicable. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired, reconstructed or rebuilt.

(c) In the event that it is determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired, reconstructed or rebuilt, then and in that event:

- (i) The Project shall be deemed to be owned by the Owners as tenants in common.
- (ii) The undivided interest in the Project of each Owner shall be a percentage equal to the Percentage Interest appurtenant to the Unit theretofore owned by the Owner.
- (iii) All liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners of the respective Units.
- (iv) The Project shall be subject to an action for partition at the instance of any Owner, in which event the net proceeds of the sale shall be deposited with the Trustee.

(v) The Association shall proceed to satisfy all of its liabilities and convert all of its assets to cash which shall be deposited with the Trustee.

(vi) The proceeds from the sale of the Project, the liquidation of the assets of the Association and the Insurance proceeds related to the damage or destruction to the Project shall be considered one fund which, after paying the reasonable expenses of the Trustee, shall be distributed to all the Owners and their respective mortgagees as their interests may appear in percentages equal to the respective undivided interest in the Project of said Owners. Distributions to such Owners and their mortgagees shall be made pursuant to certificates provided for in Section 5.6.

Section 5.7 Insufficient Proceeds to Repair.

(a) If the damage or destruction for which the insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall levy a Special Assessment against the Owners of damaged or affected Units in sufficient amounts to provide funds to pay such excess costs of repair or reconstruction.

Additional Special Assessments may be made at any time during or following the completion of my repair or reconstruction. That portion of such Assessments levied against each Owner shall be equal to that percentage computed by dividing the Percentage Interest appurtenant to such Owner's Unit by the aggregate Percentage Interests appurtenant to all Units damaged or affected.

(b) Any and all sums paid to the Association under and by virtue of those Special Assessments provided for in Paragraph (a) of this Section shall be deposited by the Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee shall be disbursed as provided in Section 5.6.

ARTICLE VI

Condemnation

Section 6.1. General. Whenever all or any part of the Project shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof; provided, however, that the exclusive right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of the General Common Elements and Limited Common Elements shall be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Section 6.1., including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking shall be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award made therefor shall be disbursed by the Trustee, as hereinafter provided in this Article VI.

Section 6.2. Non Essential Areas. If the taking does not include any portion of any Unit or any portion of the General Common Elements or Limited Common Elements essential to the continued occupancy of any Unit, then the Board of Directors shall be permitted to replace any non-essential improvements to the extent deemed appropriate and the Trustee shall disburse the proceeds of such awards in the same manner as herein above provided for and in connection with the repair, reconstruction or rebuilding of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

Section 6.3. Essential Areas. If the taking includes any portion of a Unit, or the General Common Elements or Limited Common Elements essential to the use of any Unit, then the award shall be disbursed, and all related matters, including, without limitation, alteration of the Percentage Interests appurtenant to each Unit, shall be handled by the Board of Directors in a just and equitable manner to all Owners; provided, however, that all action of the Board of Directors shall be pursuant to and in accordance with a plan approved by Owners representing at least sixty-seven (67%) percent of the Total Percentage Interests in a duly recorded amendment to this Master Deed. In the event that such an amendment shall not be recorded within 90 days after the taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Section 5.7., whereupon the Regime shall be deemed terminated in the manner therein prescribed.

ARTICLE VII

Architectural Control

Section 7.1. Approval Required for Changes. To preserve the original architectural appearance of the Project, after the purchase of a Unit from the Developer, its successors or assigns, no exterior construction (except such construction performed by the Developer) of any nature whatsoever, except as specified in the Regime Documents, shall be commenced or maintained upon any building, including without limitation, the Limited Common Elements, nor shall there be any change, modification or alteration (except such changes, modifications or alterations performed by the Developer) of any nature whatsoever of the design and appearance of any of the exterior surfaces, or facades, nor shall any Owner paint any gate, fence or roof, nor shall any Owner change the design, or color of the exterior lights, nor shall any Owner install, erect or attach to any part of the exterior any addition or change until after the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors.

ARTICLE VIII

Maintenance

Section 8.1. Responsibility of Association. Except as specifically provided to the contrary herein, the Association shall maintain the General Common Elements and Limited Common Elements in first class condition; and shall repair or replace, at its expense, all parts of the General Common Elements and Limited Common Elements as necessary. The cost of such shall be charged to the Owners as a Common Expense subject to the provisions of Section 8.3.

Section 8.2. Access to Units. The Association shall have the irrevocable right, to be exercised by the Board of Directors or its agent, to have access to each Unit from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the General Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General Common Elements, Limited Common Elements, or the other Units.

Section 8.3. Responsibility of Owner. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Article VIII is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner of a Unit shall maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the hot water heater and heating, ventilation and air-conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load bearing walls, carpeting, drapes, windows, screens and other items within the Unit. Further, each Owner of a Unit shall, at his own expense, maintain, repair, and replace, when necessary, that portion of the heating, ventilation and air conditioning system servicing his Unit which is located outside his Unit, the deck/patio, screened porch and storage area for such Unit, and all doors and windows for such Unit; each Owner shall, at his own expense, keep the Limited Common Elements to which his Unit has exclusive access and to which he has exclusive use clean and neat. If the Owner does not make those repairs to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof shall be assessed against the Owner and Unit owned by such Owner.

ARTICLE IX

Unit Restriction

Section 9.1. Residential Purposes. All Units shall be, and the same hereby are, restricted exclusively to residential use. No immoral, improper, offensive or unlawful use shall be made of any Unit and no use or condition shall be permitted which is a source of unreasonable noise or interference with the peaceful possession and quiet enjoyment of any other portion of the Project by other Owners or lessees of Owners, their families, invitees and guests. All Units shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate. No fire hazard shall be allowed to exist and no use or condition shall be permitted which will increase any rate of insurance related to the Project. In addition, all Owners and lessees of Owners, their families, invitees and guests shall abide by all Rules and Regulations in effect from time to time governing the use of Units.

Section 9.2. Construction and Sale Period. Anything contained herein to the contrary notwithstanding, it shall be permissible for the Developer to maintain, during the period of construction and sale of Units, upon such portion of the Project as the Developer may deem necessary, such facilities as in the sole opinion of the Developer may be reasonably required, convenient or incidental to the construction and sale of Units, including, but without limitation, business offices, storage areas, signs, model units and, sales offices.

Section 9.3. Animals and Pets. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the General Common Elements, except that dogs, cats, or other household pets, not collectively to exceed two (2), may be kept in Units, subject to Rules regulating the number of pets per Unit and other matters adopted by the Association, provided that they are not kept, bred or maintained for any commercial purpose; and provided further that any such pet causing or creating a nuisance or disturbance shall be permanently removed from the Condominium Property subject to these restrictions upon thirty (30) days prior written notice from the Board of the Association.

Section 9.4 Exterior Antennas. No exterior television or radio antennas shall be placed on any portion of the Project without prior written approval of the Board of Directors.

Section 9.5 Leasing of Units. Any Owner shall have the right to lease or rent his Unit. All leases or rental agreements shall be in writing and shall be specifically subject to the Regime Documents. Oakledge on Calhoun Horizontal Property Regime is intended for single families and is specifically not intended for student rentals. No unit may be leased, occupied or rented to more than one (1) person per bedroom.

ARTICLE X Easements

Section 10.1. Encroachments. If any portion of the General Common Elements and/or Limited Common Elements encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the General Common Elements and/or Limited Common Elements as a result of settling or shifting of a building, an easement shall exist for the encroachment and for the maintenance of the same so long as the building stands. If any building, any Unit, any adjoining part of the General Common Elements and/or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements and/or Limited Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the General Common Elements and/or Limited 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 subject building shall stand.

Section 10.2. Utilities, etc. There is hereby granted a blanket easement upon, across, over and under all the Project for ingress, egress, installation, replacing, repairing, and maintaining a master television antenna system and all utilities, including, but not limited to, water, gas, sewers, cable television, telephones and electricity, such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Project and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. In addition, the Board of Directors shall be entitled to grant additional permits, licenses and easements over the General Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

Section 10.3. Other. There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter and right of entry upon the Project or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this section 10.3 shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

Section 10.4. Authority to Grant Easements. The Association has the authority to execute, acknowledge, deliver, and record on behalf of the Unit Owners, easements, rights-of-way, licenses and similar interests affecting the General Common Elements.

ARTICLE XI

Assigned Value and Unit Vote

Section 11.1. Unit and Property Values. The schedule of Percentage Interests contained in Exhibit F attached hereto shows the assigned value of each Unit as of the date of this Master Deed and the Percentage Interest appurtenant to such Unit for all purposes. The value of the Project Is equal to the total value of all Units, which includes the value of the appurtenant Percentage Interests in the General Common Elements and Limited Common Elements.

Section 11.2. Unit Votes. Owners shall be entitled to one vote for each Unit owned in the Association and for all other purposes. When a Unit is owned by more than one person, the owners of that Unit must agree among themselves how their combined vote will be cast.

ARTICLE XII

Rights Related to Mortgagees

Section 12.1. Notice of Action. Upon written request to the Association from any first mortgage holder ("Eligible Mortgage Holder") or any insurer or government guarantor of a first mortgage ("Eligible Insurer/Guarantor"), identifying the name and address of the holder, insurer or guarantor and the Unit Estate number or address, such Eligible Mortgage Holder or Eligible Insurer/Guarantor shall be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects any material portion of the Project or any Unit Estate on which there is a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer/Guarantor, as applicable;
- (b) any delinquency in the payment of Assessments or other charges owed by any Owner of a Unit Estate subject to a first mortgage held, insured or guaranteed by such Eligible Holder or Eligible Insurer/Guarantor which remains uncured for a period of sixty (60) days;
- (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (d) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as are specified in section 12.2 hereafter.

Section 12.2. Special Voting Rights of Eligible Mortgage Holders. To the extent permitted by the Act, any action with respect to the Regime, including, but not limited to, amendment of the Regime Documents, restoration or repair of the Project after partial or total condemnation or casualty loss, or termination of the legal status of the Regime under the Act, requiring the vote of the Owners shall also require the consent of the Eligible Mortgage Holders holding mortgages on Units which represent at least fifty-one (51%) per cent of the aggregate number of Units subject

to liens of mortgages of Eligible Mortgage Holders; provided, however, that in the case of termination of the legal status of the Regime not made as a result of destruction, damage, or condemnation, the applicable percentage shall be sixty-seven (67%) per cent instead of fifty-one (51%) per cent.

Section 12.3. Failure to Provide Negative Response. For purposes of section 12.2 hereinabove, an Eligible Mortgage Holder who receives a written request to approve action of the Owners in accordance with section 12.2 shall be deemed to have consented to such action unless the Eligible Mortgage Holder provides a negative written response to the Association within 30 days of the date of receipt by the Eligible Mortgage Holder of the written request.

ARTICLE XIII

General Provisions

Section 13.1. Adherence to Provisions of Master Deed, Bylaws and Rules and Regulations. Every Owner who rents his Unit must post inside his Unit a list of the Rules and Regulations of the Association. Any rental agency handling his rentals must further agree to abide by the Rules and Regulations and shall be responsible for informing and correcting any breaches of the policies by persons renting through its agency. Should a particular agency or person continue not to take corrective action against the renters he has contracted with, or refuse to cooperate with the Association in the enforcement of its Rules and Regulations along with provisions of the Regime Documents, the Association may require the Owner to cease using the services of that particular rental agency. Refusal to do so may result in fines against the Owner in an amount to be determined by the Board of Directors.

Section 13.2. Amendment. Amendments to this Master Deed, except as herein expressly provided to the contrary, shall be proposed by the Board of Directors or by any member of the Association in accordance with the following procedure:

(a) Notice. Notice of the subject matter of the proposed amendment or amendments shall be included in the notice of the meeting of the Association at which such proposed amendment or amendments are to be considered;

(b) Adoption. The Master Deed may be amended at any time and from time to time at a meeting of the Association called in accordance with the Bylaws and this Master Deed upon the vote of Owners representing at least sixty-seven (67%) per cent of the total number of units; provided, however, that if the Association shall vote to amend the Bylaws in any respect, such amendment shall be set forth in an amendment to this Master Deed and shall be valid only when approved by a vote of Owners representing at least sixty-seven (67%) percent of the total number of Units;

(c) **Recording.** A copy of each amendment provided for in this Section 14.2 shall be certified by the Board of Directors of the Association as having been duly adopted and shall be effective when recorded.

Section 13.3. Termination. The Regime may be terminated and the Project removed from the provisions of the Act in the following manner:

(a) **Agreement.** All of the Owners may remove the Project from the provisions of the Act by an instrument to that effect, duly recorded;

(b) **Destruction.** In the event it is determined in the manner provided in Section 5.7 that the Project shall not be repaired or reconstructed after casualty, the Regime will be terminated and the Regime Documents revoked. The determination not to repair or reconstruct after casualty shall be evidenced by a certificate of the Association certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded;

(c) **Condemnation.** In the event that any part of a Unit, or the Limited Common Elements or General Common Elements essential to the use of any Unit shall be taken by an authority having the power of eminent domain and the consent of Owners representing at least sixty-seven (67%) per cent of the total number of Units to a plan for continuation of the Regime shall not be expressed in an amendment to this Master Deed duly recorded within ninety (90) days after such taking, the Regime shall be terminated and the Regime Documents revoked. Such taking shall be evidenced by a certificate of the Association certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded.

Section 13.4. Covenants Running With the Land. All provisions of this Master Deed shall be construed to be covenants running with the land, and with every part thereof and interest therein, including, but not limited to every Unit and the appurtenances thereto; and each and every provision of this Master Deed shall bind and inure to the benefit of all Owners and claimants of the Project or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns.

Section 13.5. Enforcement. Each Owner shall comply strictly with the Bylaws and with the Rules and Regulations of the Association, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed and in the deed to his Unit. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Association or by any aggrieved Owner. In addition, the rights of any

Owner or lessee of an Owner, their families, invitees or guests to use and to enjoy the General Common Elements and Limited Common Elements may be suspended by the Board of Directors for continued violation of the Rules and Regulations. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 13.6. Severability. Invalidation of any covenant, condition, restriction or the Rules and Regulations of this provision of this Master Deed, the Bylaws or the Rules and Regulations shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 13.7. Gender or Grammar. The singular whenever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed. In addition, the use of the terms "herein" or "hereof" shall mean this Master Deed and not merely the Article, Section or Paragraph in which such term is utilized.

Section 13.8. Headings. All Article and Section headings are utilized merely for convenience and shall not limit or enlarge the application of the respective Articles or Sections.

Section 13.9 Powers of Attorney. All powers of attorney for which provisions have been made in this Master Deed are special limited powers coupled with an interest and irrevocable.

ARTICLE XIV

Exhibits

Section 14.1. Exhibits Attached. The following Exhibits are attached hereto and incorporated verbatim in this Master Deed by reference as fully as if set forth herein.

Description	Identification
Legal Description of the Land	A
Site Plan	B
Floor Plans	C
Description of Limited Common Elements	D
Description of Unit Boundaries	E
Schedule of Assigned Values and Percentage Interests	F
Declaration for Incorporation of Association	G
Bylaws of the Association	H
Rules and Regulations	I

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed this _____ day of June, 2007.

HMS DEVELOPMENT, LLC
A S.C. Limited Liability Company

BY: _____

First Citizens Bank and Trust, Inc.

BY: _____

MORTGAGE HOLDER

STATE OF SOUTH CAROLINA)

Probate

COUNTY OF PICKENS)

Personally appeared before me the undersigned witness and made oath that (s)he saw the within-named sign, seal and as their acts and deed, deliver the within written instrument for the uses and purposes therein mentioned, and that (s)he with the other witness witnessed the execution thereof.

Sworn to before me this _____ day of June, 2007.

(L.S.)

Notary Public for South Carolina

My Commission Expires: _____

EXHIBIT A

Exhibit "A"

**LEGAL DESCRIPTION OF THE LAND
OAKLEDGE ON CALHOUN HORIZONTAL PROPERTY REGIME**

All that certain piece, parcel or lot of land situate, lying and being in the State of South Carolina, County of Pickens, Township of Clemson, being bounded by Calhoun Street on the South; Elm Street on the East and Cothran Road on the North, and being more particularly shown on a plat prepared by Clemson Engineering Services, R. Jay Cooper, P.E. & L.S. #4682, dated March 29, 2006 entitled "Plat prepared for HMS Development" filed of record with the Register of Deeds for Pickens County, South Carolina in Plat Book 551 at page 4, and having the metes and bounds, courses and distances as upon said plat appear.

This being the same property conveyed unto HMS Development, LLC by deed of Leslie W. Walden and David K. Hoover dated April 27, 2006 and recorded May 23, 2006 in the Office of the Register of Deeds for Pickens County, South Carolina in Book 1005 at page 284.

ALSO: All that certain piece parcel or tract of land lying and being situate in the State of South Carolina, County of Pickens, within the corporate limits of the City of Clemson, located on the corner of Calhoun Street and Cochran Road, containing 1.42 acres, more or less, and being shown more particularly on a plat prepared by R. Jay Cooper, P.E. and L.S. #4682, dated February 25, 1997 and recorded in Plat Book 260, at Page 16B, records of Pickens County, South Carolina, reference to which is invited for a more complete and accurate description.

This being the same property conveyed unto HMS Development, LLC by deed of LeBear Enterprises, a SC Partnership dated June 12, 2006, and recorded June 15, 2006 in the Office of the Register of Deeds for Pickens County, South Carolina in Book 1012 at Page 185.

EXHIBIT D
DESCRIPTION OF LIMITED COMMON ELEMENTS

"Limited Common Elements" means and includes those common elements which are agreed upon by all of the co-owners to be reserved for the use of certain units to the exclusion of the other units. This would include entrances, a rear patio shown for Units 101 through 207 together with a porch for Units 301 through 406 shown on the building plans.

EXHIBIT E

DESCRIPTION OF UNIT BOUNDARIES

The Unit Boundaries of each Unit shall be the unfinished interior surfaces of all perimeter walls, ceilings and floors of the Unit, and any vents, doors, windows and such other structural elements that are originally regarded as enclosures of space; the result being that each Unit shall consist of all interior dividing walls and partitions (including the space occupied by such walls or partitions); the decorated interior surfaces of perimeter walls, floors and ceilings, consisting, as the case may be, of wall paper, paint, carpeting, tiles and any and all other finishing materials affixed or installed as a part of the physical structure of the Unit; and all fixtures, appliances and mechanical systems and equipment installed in each Unit and the hot water heater and heating, ventilation and air-conditioning system which is intended for the sole and exclusive use of said Unit. No pipes, wires, conduits, or other public utility lines or installations connecting a part of the over-all systems designated for the service of any other Unit, nor any of the structural members of portions of the buildings shall be deemed to be a part of any individual Unit.

EXHIBIT F
 SCHEDULE OF ASSIGNED VALUES AND PERCENTAGE INTERESTS
 OAKLEDGE ON CALHOUN HORIZONTAL PROPERTY REGIME

UNIT NO.	ASSIGNED VALUATION	ASSIGNED % INTEREST
101	209,900	0.04117462434
102	209,900	0.04117462434
103	209,900	0.04117462434
201	209,900	0.04117462434
202	209,900	0.04117462434
203	209,900	0.04117462434
204	209,900	0.04117462434
205	209,900	0.04117462434
206	209,900	0.04117462434
207	209,900	0.04117462434
301	249,900	0.04902114637
302	249,900	0.04902114637
303	249,900	0.04902114637
304	249,900	0.04902114637
305	249,900	0.04902114637
306	249,900	0.04902114637
401	249,900	0.04902114637
402	249,900	0.04902114637
403	249,900	0.04902114637
404	249,900	0.04902114637
405	249,900	0.04902114637
406	249,900	0.04902114637
Total:	\$ 5,097,800	0.999999999