STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

MASTER DEED

VILLAGE CREEK HORIZONTAL PROPERTY REGIME

This Master Deed is made, published and declared by A.V.E CONSTRUCTION CO., INC., a South Carolina Corporation (hereinafter referred to as "Grantor"), with its principal office and place of business in Charleston County, South Carolina, this 24th day of August, 1981.

ARTICLE I

SUBMISSION AND CREATION

Section 1. General. The purpose of this Master Deed is to establish pursuant to the Horizontal Property Act of the State of South Carolina a two (2) phased horizontal property regime to be known as Village Creek Horizontal Property Regime (hereinafter referred to as "Regime" and/or "Village Creek"). The Land and improvements to be submitted to the provisions of the Horizontal Property Regime Act and to the terms of this Master Deed are described in their totality herein. Declarant, by filing of record this Master Deed publishes and declares that the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of the Horizontal Property Act of the State of South Carolina and in accordance with the covenants, restrictions, encumbrances and obligations set forth in this Master Deed, all of which shall be deemed to be covenants and obligations running with the Land.

Section 2. Phased Development. Declarant intends to develop the Property hereafter described as a two (2) phased condominium Regime. The maximum number of Units in each of the two (2) phases shall be 60 Units in Phase I and 72 Units in Phase II for a total of one hundred thirty-two (132) Units, all as identified and described herein. Construction has commenced on Phase I and the estimated time for completion is November 1, 1981. Phase I consists of eight (8) Buildings, being Building Numbers 1, 2, 6, 11, 12, 15, 16, and 17.

At the option of Declarant, construction of Phase II, consisting of an additional seventy-two (72) Units, being located in Building Numbers 3, 4, 5, 7, 8, 9, 10, 13, and 14, shall commence no later than September 15, 1981. The estimated time for completion of Phase II is six (6) months. Declarant hereby reserves the right, in its sole discretion, to elect to develop or not to develop and to submit or not to submit to Condominium Ownership Phase II. A general description of the nature and proposed use of all Common Elements which the Declarant is constructing appears in other portions of this document and other exhibits of this Master Deed. Any such Common Elements associated with or constructed soley with Phase II will not substantially increase the proportionate amount of the Common Expense payable by existing Unit Owners and are considered of a minor, incidental nature. A chart showing the percentage of interest in the Common Elements of each Unit Owner at each phase of development, if the Declarant herein submitting the Property to Condominium Ownership elects to proceed with Phase II of development is attached hereto as Exhibit "G".

Section 3. Rights and Obligations. Declarant hereby acknowledges its obligation to submit herewith the within described Phase I Property to Condominium Ownership and hereby reserves its right to elect to proceed with part or all of Phase II, as required and/or permitted herein. The Unit Owners of Phase I and any additional phases dedicated to the Regime by Declarant as provided herein shall have the full legal rights and be obligated as allowed or required by South Carolina law. The Condominium Unit Owners, by purchasing and accepting a Unit of the Property, hereby acknowledge that further phase construction and dedication by Declarant shall diminish the percentage of ownership in the common property as described and provided for in chart Exhibit "G" attached hereto and in other applicable portions of this Master Deed. The Declarant shall add the additional Phase to the provisions hereof by filing of record an appropriate document signed by the Declarant and referencing this Master Deed. Upon the proper recordation thereof, the added Phase shall become an integral portion hereof as provided by the laws of this state and by this document.

Section 4. Reservations. Declarant hereby reserves unto itself, its successors and assigns, the following options to be exercised at its sole discretion, within the time limits set forth in Section 2 above, to wit:

(a) To develop or not to develop and to submit or not to submit to Condominium Ownership any, all, or portions of Phase II.

(b) To change or modify this document and its exhibits, subsequent contingent documents and their exhibits, and the designs, construction, type, order, number, value, and proportionate interest of subsequent Phases, buildings, or condominiums.

ARTICLE II

THE CONDOMINIUM PROPERTY

Section 1. Property. The term "Property" means and includes the land described in Exhibit "F" and all improvements and structures now existing or subsequently placed in future phases on the land and all easements, rights, and appurtenances belonging thereto.

Section 2. The Land. The land owned in fee simple by Declarant and hereby being submitted to the Phase I Regime is described in Exhibit "F" annexed hereto. The Land owned in fee simple by Declarant which may be developed as Phase II Property is described in Exhibit "F" annexed hereto. No additional lands shall be annexed to the Regime by the Declarant in conjunction with this phased developement. Access to the Land is by Anna Knapp Boulevard which connects to Highway 17 By-Pass Frontage Road.

Section 3. Buildings on the Land. There will be seventeen (17) wood frame buildings on the Land upon the completion of Phase I and Phase II. One of the buildings, Building #1, contains four (4) units, two (2) upstairs and two (2) downstairs. Four (4) of the buildings are or will be two and one-half (2½) stories, and twelve (12) of the buildings are or will be two (2) stories, each containing eight (8) single-family residential Units. In each building, except for Building #1, four (4) Units are upstairs and four (4) Units are downstairs.

Phase I consist of Buildings Numbers 1, 2, 6, 11, 12, 15, 16, 17 and Phase II will consists of Building Numbers 3, 4, 5, 7, 8, 9, 10, 13, 14.

The location of Phase I buildings and other improvements is shown on Exhibit "A" attached hereto and made a part and parcel hereof. The planned location, within reasonable construction tolerances,

of all Phase II buildings and other improvements to be constructed is shown on Exhibit "A" attached hereto and made a part and parcel hereof. Should any Phase II I buildings or other improvements be located other than as shown on Exhibit "A", Declarant reserves the right to amend said Exhibit.

As indicated on Exhibit "A", the buildings are numbered consecutively as 1 through 17, building #1 being to the left approximately Four Hundred Seventy (470') feet from the intersection of Anna Knapp Boulevard and Village Creek Lane.

All Phase I and Phase II buildings are, or will be, within reasonable construction tolerances, identical, being, in general, wood frame construction with stucco foundation.

The Buildings' exteriors are as shown, within reasonable construction tolereances, on the model elevations Exhibits "D" & "E", attached hereto and made a part and parcel hereof.

Exhibit "G" indicates a breakdown of the Units contained in each Building, planned throughout the two (2) phases together with their designated Unit number and model type. The first digit of each number indicates the building number and the last digit of each Unit number indicates its location within the Building, with numbers 1 through 4 being downstairs Units and numbers 5 through 8 being upstairs Units, except for Building #1, wherein Units 1 and 2 are downstairs and Units 3 and 4 are upstairs.

The Declarant does hereby, by duly executing this Master Deed, submit the Land referred to as Phase I, more particularly described in Exhibit "F", together with its Buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property"), to the provisions of the Horizontal Property Act of South Carolina, and does hereby create with respect to the Property a Horizontal Property Regime in two (2) phases that shall be known as Village Creek Horizontal Property Regime to be governed by and subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina.

Section 4. Units. Upon completion of Phase I and Phase II, there will be one hundred thirty-two (132) Units contained in the Buildings, all of which are to be used for residential purposes only. The Units are all capable of individual utilization on account of having their own exits to the Common Elements of the Property, and they will be sold to one or more Owners, each Owner's obtaining a particular and exclusive property right thereto and also an undivided

interest in the General and Limited Common Elements of the Property, as hereinafter listed in Article 3, Sections 1 & 2, necessary for their adequate use and enjoyment.

The Condominium Units and all other improvements constructed on the Condominium Property are set forth in detail in Exhibits "B" & "C", attached hereto and made a part hereof. Each Condominium Unit is described in said Exhibits "B" & "C" in such manner that there can be determined therefrom the identification, location, dimensions and size of each Unit, as well as the Common Elements and Limited Common Elements (e.g., screened porches, patios, decks, balconies, courtyards, etc.) appurtenant thereto.

Each Unit is of a configuration designated as Model Type A, B, C, D, E or F.

(a) Model Type A Unit. There will be 34 Model Type A Units. These Units are, within reasonable construction tolerances, identical and are one-level downstairs Units. Type A is shown in detail on Exhibit "B" attached hereto.

Model Type A, a first-floor two bedroom Unit, contains an entrance hall/foyer which is located approximately in the center of the Unit, which hall/foyer divides the living/kitchen side of the Unit from the bedroom/bath side. Immediately after entering the foyer/hall, to the left is a coat closet and on the opposite side of the hall/foyer is the main entrance to the kitchen. The "T" shaped hall/foyer contains two (2) utility closets, one with a flush door which houses the air handling equipment and the hot water heater, and the other with bifold doors which is equipped with washer and dryer connections.

To the right (or left in the mirror image or reverse Unit) of the hall/foyer is the entrance to the living room which contains a prefabricated metal fireplace with a slate hearth. The screened porch, which is divided from the living room by sliding glass doors, contains a lockable storage closet at one end. The dining room, which is located parallel with the screened porch is entered from the living room on one side and from the kitchen on the other side.

The kitchen contains a refrigerator, dishwasher, garbage disposal, drop-in electric range, range hood, customized cabinets with pantry and formica counter tops, and a stainless steel double-compartment sink. There is a five-foot opening over the sink which provides bisibility from the kitchen to the living room.

To the extreme left of the foyer/hall is the bedroom and bathroom area. Bathroom #1, located on the opposite side of the hall from the washer/dryer closet, contains a vanity with sink, commode and a stall shower. Between bathroom #1 and bedroom #1 is a linen closet.

Bedroom #1 contains a large closet with bifold doors, rod and shelf. Bedroom #2 has a walk-in closet with bifold doors, rods and shelves, and next to the closet is bathroom #2 which contains a commode, tube with overhead shower and a vanity with sink. Each bathroom contains a lamp and ventillating fan.

(b) Model Type B Unit. There will be upon completion of Phase II, thirty-four (34) Model Type B Units. These are, within reasonable construction tolerances, identical and are one-level upstairs Units. Model Type B is shown in detail on Exhibit "B" attached hereto. Model Type B, a second floor two bedroom Unit, is identical to Model Type A described in subparagraph (a) above, except that both bedrooms contain sliding doors leading to a dec/balcony instead of a fenced-in courtyard.

(c) Model Type C Unit. There will be upon completion of Phase II, thirty-two (32) Model Type C Units. These are, within reasonable construction tolerances, identical and are one-level downstairs Units. Model Type C is shown in detail on Exhibit "B" attached hereto. Model Type C, a first-floor two bedroom Unit, is identical to Model Type A described in subparagraph (a) above, except that the living room does not contain a fireplace.

(d) Model Type D Unit. There will be upon completion of Phase II, twenty-four (24) Model Type D Units. These are within reasonable construction tolerances, identical and are one-level upstairs Units. Model Type D is shown in detail on Exhibit "B" attached hereto. Model Type D, a second-floor two bedroom Unit, is identical to Model Type C described

Section 2. No Partition. No Unit Owner shall have the right to bring action for partition or division, except as provided in Articles IX and X. The Common Elements shall remain undivided and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or described in the deed or other instrument.

Section 3. Awarding the Percentage of the Undivided Interest. The percentage of the undivided ownership interest in the Common Elements shall not be changed except with the unanimous consent of all the Owners expressed in Amendment to this Deed duly recorded.

Section 4. Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements for their intended purposes in common with all other Unit Owners. Each Unit Owner shall have also a non-exclusive easement appurtenant to his Unit for ingress and egress over the Common Element for Owners to and from his Unit, which shall extend to the family members, guests, agents and servants of the Unit Owner. All the rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the By-Laws of the Association, and all Rules and Regulations adopted by the Association pursuant to the By-Laws.

Section 5. Operation and Maintenance. The maintenance, repair, replacement, management, operation, and use of the Common Elements shall be the responsibility of the Board, and the expenses incurred for such purposes shall be assessed as Common Expense. The Board may, however, delegate these duties to a mangement firm.

ARTICLE V

COMMON EXPENSES

Section 1. Each Unit Owner shall bear in proportion to his respective interest in the Common Elements set out in Exhibit "G" the following expenses:

Section 1.1 Those expenses of operating, maintaining, improving, repairing and replacing the Common Elements, provided however, that when such expenses are necessitated by (i) the failure of an Owner to perform the maintenance required by the By-Laws or by any lawful Regulation, (ii) the willful act, neglect, or abuse of an Owner or (iii) an uninsured

loss, all of such losses shall be borne by the Owner.

Section 1.2. Expenses incurred in operating, maintaining, improving, repairing, insuring, replacing, etc., the swimming pool and tennis courts and other associated amenities.

Section 1.3. Expenses incurred in providing public liability insurance and hazard insurance in accordance with the provisions of this Master Deed and the By-Laws.

Section 1.4. Expenses incurred in administering the affairs of the Association including salaries, wages, fees and any other compensation paid to a management firm for said purposes.

Section 1.5. Contributions to provide sufficient reserves to make such general reserves to operate the Condominium property and to administer the offices of the Association.

Section 1.6. Contributions to provide sufficient reserves to make such major repairs and replacements to the Common Elements as may be required from time to time.

Section 1.7. Contributions to provide for any other costs related to the operation of the Condominium property or administration of the office of the Association which are declared by this Master Deed to be Common Elements and any valid charge against the Condominium property as a whole.

Section 2. Assessments. All assessments for Common Elemtns shall be fixed by the Board and made payable at such time as the Board determines but not less frequently than quarterly.

Section 3. Liability of Unit Owner. The liability of each Owner for the Common Expenses shall be limited to the amount which he is assessed from time to time in accordance with the Act, this Master Deed and the By-Laws. No Unit Owner may exempt himself from liability for Common Expenses by waiving the use of enjoyment of the Common Elements or by abandoning his Unit.

Section 4. Lien upon Unit. All assessments of the Association for the share of Common Expenses chargeable to any Unit which are unpaid after becoming due shall constitute a lien against such Unit prior and superior to all other liens except: (1) liens for property taxes upon

the Unit in favor or any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. The lien of such assessments may be foreclosed by the Board acting in behalf of the Association in the same manner as a mortgage upon real property. In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit during pendency of the foreclosure action, and a receiver may be appointed to collect the rentals during such period. The Board, in behalf of the Association, may bring suit for judgments against the Unit Owner in the amount of delinquent assessments. In the event of foreclosure or suit for money judgment, a reasonable amount may be added to the sum due for attorneys' fees and other costs of collection. The lien created by this section shall cover rentals accruing during the pendency of the foreclosure action and any reasonable amount of attorneys' fees and other costs of collection.

Section 5. Sales of Units. Upon the sale or conveyance of a Unit, all unpaid assessments against a Unit Owner for his pro-rata share of Common Expenses shall first be paid out of the sale price or by the purchaser or grantee in preference over any other assessments, charges, or liens, except the following:

Section 5.1. Lien for taxes and special assessments upon the Unit which are unpaid.

Section 5.2. Payments due under mortgages upon the Unit which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the mortgagee of a Unit acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Association upon the Unit so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title. The unpaid assessments accruing during such period shall be deemed Common Expenses collectable from all Unit Owners, including such purchaser, his successors, heirs, and assigns. The provisions of this Section, however, shall not release any Unit Owner from personal liability for unpaid assessments.

ARTICLE VI

VILLAGE CREEK OWNERS' ASSOCIATION

Section 1. Formation. Each Condominium Unit Owner shall be a member of Village Creek Owners' Association, an incorporated association. The Association shall be managed by a Board of Directors elected by and from the Condominium Unit Onwers. Each Owner shall be a shareholder of the Corporation and his percentage of stock ownership in the Corporation shall be equal to his percentage of ownership in the Common Elements.

Section 2. By-Laws. The affairs of the Association and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the By-Laws, a copy of which is attached hereto as Exhibit "H" . The By-Laws of the Association may be amended from time to time, but only in the manner expressly provided herein in the By-Laws and this Master Deed.

Section 3. Voting. On all matters relating to the Association or to the Condominium Property upon which a vote of the Condominium Unit Owners is taken, the Condominium Unit Owner shall vote in proportion to his respective interest in the Common Elements as set forth in Exhibit "G", Any motion shall carry if it received the affirmative vote of a simple majority of Condominium Unit Votes, unless a different majority is specified in this Master Deed or in the By-Laws. A simple majority of the Condominium Unit votes shall consist of fifty-one (51%) per cent of the total interest in the Common Elements.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Association in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Condominium Unit Owners.

Section 5. Management Firm. The responsibility for administration of the Condominium Property may be delegated by the Association to a professional management firm. By proper resolution of the Association, such a management firm may be authorized to assume any of the functions, duties, and powers assigned to the Board of Directors in the By-Laws or in this Master Deed unless otherwise limited in the Master Deed or the By-Laws.

ARTICLE VII

EASEMENTS, COVENANTS AND RESTRICTIONS

Section 1. Use of Property. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and may use the Common Elements in accordance with the purpose for which they were intended without hindering or infringing upon the lawful rights of other Owners. The Board of Directors shall resolve any question regarding the intended use of the Common Elements.

Section 2. Future Easements. The Board of Directors may grant easements for the benefit of the Property and each Unit Owner by the acceptance of the deed to his Unit grants to the Board of Directors an irrevocable power of attorney to execute, deliver and record for and in the name of each Unit Owner, such instruments as may be necessary and proper to the granting of such easements.

Section 3. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur as a result of (i) the settling or shifting of the land or any improvements, (ii) the repair, alteration, construction or reconstruction of the Common Elements made by or with the consent of the Association, (iii) the repair or construction of a Unit following damage by a fire or other causalty or, (iv) condemnation or emient domain proceedings, a valid easement shall exist for such encroachment and for its maintenance.

Section 4. Right of Access. The Association shall have the irrevocable right to be exercised by the Manager or the Board of Directors, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.

Section 5. Support. Each Unit and Common Element shall have an easement for lateral and subjacent support from every other Unit or Common Element.

Section 6. Owners: Ingress and Egress. Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all Common Elements subject to such reasonable Rules and Regulations as may imposed by the Board of Directors. Each Unit is hereby burdened with and subjected to the easement for ingress and egress through all Common Elements for persons lawfully using or entitled to use the same.

Section 7. Utility Easements. Each Unit Owner shall have a non-exclusive easement appurtenant to his Unit for the use in common with other Unit Owners, of all pipes, wires, ducts, flues, cables, conduits, public utility lines, etc., and other Common Elements located in any other Unit or within the Common Elements serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, flues, cables, conduits, public utility lines, etc., and other Common Elements serving the Units which are located in such Units.

Section 8. Public Unitity Easements. The Condominium Property is subject to easements for access, ingress and egress and to utility easements for installation, operation and maintenance of electric and telephone distribution lines and for installation, operation and maintenance of water and sewer lines. The Board may grant easements and relocate exisiting easements for installation of utilities as such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is adverse to the Condominium Property or of doubtful benefit, the Board may grant such easements when duly authorized by a vote of the Association.

Section 9. Easement to Facilitate Sales. All Units in the Common Elements shall be subject to an easement in favor of the Declarant to facilitate sales and for the purpose of facilitating construction of the Units. Further the Declarant shall have the right to use any Unit as models, management offices or sales offices for so long as Declarant owns any Unit.

Section 10. Easements-Declarant's Right to Grant. The Declarant shall have the right until the Declarant has conveyed all Units in the

Condominium to Unit Owners other than the Declarant, to grant, reserve or terminate easements and rights of way through, under, over and across the Property for construction purposes and for the installation and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities.

Section 11. Use Restrictions. The use of the Property shall be subject to the following restrictions:

1. All Units shall be used for residential purposes only; provided, however, until such time as Declarant no longer owns any Unit, Declarant may use one or more Units as a "sales model." Subsequent to that time, no Unit shall be used by anyone, including the Owner, as a "sales model," "open house," or "sales office." This shall not, however, restrict any Owner or his agent from reasonable access to his Unit for the purpose of showing the Unit to prospective purchasers.

2. No Unit Owner shall create or permit excessive noise, smoke, or offensive orders, or any nuisance or unreasonably interfere with the use and enjoyment of the Property by any other person entitled to the same. No person shall maintain on the property and no Owner shall permit within his Unit any condition which is unreasonably hazardous to the life, health or property of any other person.

3. No residents of the Property shall post any advertisements or posters of any kind in or on the Property except as authorized by the Association.

4. Hanging garments, rugs, or similar objects from the windows or any of the facades of the Property, or on any of the Common Elements is prohibited.

5. Throwing of garbage or trash outside the disposal installation provided for such purposes in the service areas is prohibited.

6. No boats or trailers of any type shall be kept on the Common Elements except in the areas designated for same by the Board.

7. No persons shall make any additions to or perform any work upon the Common Elements or otherwise alter the Common Elements without the express authorization of the Board of Directors. No Owner shall alter or permit the alteration of the external appearance in any manner whatsoever of any portion of his Unit or of the Common Elements without the express approval of the Board of Directors.

8. No Owner shall maintain or permit large animals to be kept in his Unit and no animals whatsoever will be allowed on the Common Elements unless on a leash and accompanied by a person of discretion. The maximum number of pets per unit shall be two (2).

9. No Owner shall place or permit to be placed anything or object whatsoever on the Common Elements without prior permission of the Association. This prohibition

includes but is not limited to potted plants and/or shurbs, flower beds, etc. The Common Elements shall also be kept clean of any other obstruction such as bicycles, tricycles, boxes, etc.

10. No outside radio or television antennas shall be placed or erected on the Common Elements without permission of the Board.

11. Vehicles belonging to an Owner or to a member of his family, or guest, tenant or employee of Owner shall be parked only in designated parking areas. No vehicle which cannot operate on its own power shall remain in the Regime property for more than twenty-four (24) hours, and no repair of vehicles shall be made within the Regime property. No vehicles larger than one-half (½) ton shall be permitted.

Section 9. Amended and Additional Regulations and Restrictions. The Board of Directors may adopt and amend from time to time such reasonable Regulations and Restrictions governing the operation and use of the Property as it may deem necessary or desirable. It shall not be necessary to record Regulations newly adopted or the amendment or repeal of existing Regulations, but no Owner shall be bound by any newly adopted amendment or repeal of any existing Regulations until copy of the same has been delivered to him.

Section 10. Enforcement. The Board of Directors shall enforce the terms of the Act, Master Deed and the By-Laws and the Regulations promulgated pursuant thereto by taking appropriate action to correct any violations. In addition to any other remedy to which the Association or any Owner may be entitled, the Board of Directors may impose against an Owner reasonable fines not to exceed a total of Twenty-Five ($25.00) Dollars per day for any violation of the terms of the Act, the Master Deed, and the By-Laws or Regulations promulgated pursuant hereto. Such fines shall be collected by individual Assessment for each day in which violation occurs or continues and each violation may be deemed a separate offense.

Section 11. Responsibility of Owners. The Owner shall be deemed responsible for conduct of his household or his tenants, agents, guests and pets. The responsibility of the Owner shall not relieve any member of his household or any of his tenants, agents or guests for any liability to the Association or to an Owner for their own acts.

ARTICLE VIII

INSURANCE

Section 1. Hazard Insurance. The Board shall insure the Condominium Property against loss or damage due to fire, lightning, windstorm, hail, flood, and earthquake, in the amount equal to the maximum insurable replacement of value of the Condominium Property as determined by its annual appraisal. The Board shall have the authority also to insure against such other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover the entire Condominium Property, exclusive only of the contents and furnishings of the individual Units.

Section 1.1. All hazard insurance policies obtained by the Board shall designate the Board as the loss payee and as the Insurance Trustee for the benefit of all Unit Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Master Deed, or to its substitute as hereinafter provided in Section 6.

Section 1.2. All hazard insurance policies obtained by the Board shall provide for the issuances of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgageee bearing a standard mortgagee endorsement, if requested.

Section 1.3. If obtainable, all hazard insurance policies upon the Condominium Property shall include provisions waiving; (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Unit Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owners upon the contents and furnishings of their Units.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public insurance with limits and provisions as it deems

desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

Section 3. Workmen's Compensation Insurance. The Board, as necessary, shall obtain Workmen's Compensation Insurance to meet the requirements of law.

Section 4. Premium. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

Section 5. Insurance by Unit Owner. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, decorations, and furnishings within his own Unit and the additions and improvements made by him to the Unit. Each Unit Owner shall be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation to claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guest; and (ii) any right of the insurer to contribution or pro-ration because of the master hazard policy.

Section 6. Substitution of Insurance Trustee. The Board, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Charleston County, South Carolina. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

ARTICLE IX

RECONSTRUCTION AND REPAIR

Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this

3K U 1 ? 6 1 6 3 8 3

Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged, the insurance indemnity received by the Board shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements, unless otherwise unanimously agreed by the Owners. The remaining portion of the Condominium Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds from insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed, repairs shall be conducted in the following manner:

Section 1.1. Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Unit Owners holding seventy-five (75%) per cent or more of the total interest in the Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Unit Owners whose Units are affected by the alterations unanimously consent.

Section 1.2. The Board shall promptly obtain estimates of the costs required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for bonds as the Board deems necessary.

Section 1.3. If the insurance proceeds paid to the Board are insufficient to cover the costs of reconstruction, the deficiency shall be paid as a special assessment by the Unit Owners whose Units are directly affected by the damage in proportion to the damage done in their respective Units.

Section 1.4. The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse

payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association.

Section 2. Insurance Trust. In the event of a casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following manner:

Section 2.1. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interest in the Common Elements which are appurtenant to each of the Units.

Section 2.2. Insurance proceeds paid on account of loss or damage to less than all of the Units when the damage is to be restored shall be held for the Unit Owners of the damaged Units in proportion to the costs of repairing each damaged Unit.

Section 2.3. Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Unit Owners, the share of each being equal to the undivided share in the Common Elements appurtenant to his Unit.

ARTICLE X

TERMINATION

Section 1. Casualty or Condemnation. If two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article IX.

Section 2. Voluntary Termination. This Horizontal Property Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record Owners of title to the Unit and the record Owners of mortgages upon the Units agree in writing to termination unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and mortgagees.

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

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any tenant in common or any lienor, in which event the net proceeds from the judicial sale shall be divided among all tenants in common in porportion to their respective interests in the Common Elements and paid to each tenant in common and mortgagee.

ARTICLE XI

RIGHTS OF DECLARANT

Section 1. Rights and Powers. Declarant is the initial owner of each Unit and shall be entitled to exercise all rights appurtenant thereto until such time as Declarant has conveyed title to the Unit to another person. Until Sept. 1, 1982, or until Declarant no longer owns any Unit, whichever shall first occur, Declarant shall be entitled to exercise,

without the consent of the Owners, all powers granted to the Owners or to the Board of Directors by the Act, this Master Deed or the By-Laws, and any action taken by the Owners or by the Board of Directors during such time shall be valid only if approved by Declarant. Declarant shall be entitled to withhold approval of any such action for any reason.

ARTICLE XII

AMENDMENTS

Section 1. By Owners. This Master Deed and the By-Laws may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3) of the total interest in the Common Elements, subject to the following conditions:

(a) No amendment by the Owners shall alter the dimensions of a Unit or the percentage of the interest in the Common Elements appurtenant thereto without the consent of the Owner of such Unit; and

(b) No amendment by the Owners shall be effective prior to Sept. 1, 1982 without the consent of the Declarant so long as Declarant owns any unit.

Section 2. By Declarant. Declarant reserves unto itself and its successors and assigns, including any purchasers at any foreclosure sale of Property, the right to amend this Master Deed, the By-Laws, the Plat and the Plans at any time prior to Sept. 1, 1983 without the consent of the other Owners, for any lawful purpose, including the right to describe by number, type, location, dimensions, etc., buildings and units hereinafter constructed as part of the Property.

Section 3. By Board of Directors. If this Master Deed, or the Plat and the Plans, as the same may hereafter be amended from time to time, do not accurately describe the Property, including all Units constructed or being constructed as of Sept. 1, 1982, the Board of Directors shall be empowered to amend this Master Deed, or the Plat and the Plans at any time after Sept. 1, 1982, without the consent of the Unit Owner or Declarant as may be required to describe accurately the Property, including all Units then constructed or being constructed. Any such amendment by the Board of Directors shall be presumed to describe the Property accurately, and the Declarant shall have no right to commence construction of new Apartments or to commence any other work upon the Property if not described

in or authorized by this Master Deed following such amendment. Such power to amend shall include the power to amend this Master Deed to state the actual value of the Property based upon the values as hereinabove set forth by the value of the Property as a whole.

Section 4. Power of Attorney. Each Owner shall be deemed by his acceptance of this deed to a Unit to have consented to the powers of amendment herein reserved by Declarant and to any amendments previously or thereafter executed by Declarant pursuant thereto. Each Owner shall further be deemed by his acceptance of a deed to a Unit to have appointed Declarant his attorney-in-fact to give, execute and record the consent of said Owner to any and all amendments to this Master Deed which Declarant may wish to execute to the power herein reserved.

Section 5. Recording. No amendment to this Master Deed shall be effective unless and until recorded in accordance with the act.

ARTICLE XIII

DEFINITIONS

As used in this Master Deed and By-Laws and Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

(1) "The Property", means the total of land ("Land") described in Exhibit "F"; the buildings constructed or to be constructed, situated as shown on the Plat of the Condominium Property contained in Exhibit "A"; the proposed one hundred thirty two (132) Condominium Units which are or may be enclosed within such buildings as described in Article II of this Master Deed and which are portrayed graphically on the Plans contained in Exhibits "B&C"; and all other improvements and property, real, personal, and mixed, situate upon or appurtenant to the land, which are or which may be made a part of Village Creek Horizontal Property Regime.

(2) "Master Deed", means this instrument, as it may be from time to time amended.

(3) "Association", means Village Creek Association, Inc., an incorporated association composed of all Unit Owners, which said Association

is responsible for the operation of the condominiums. During any period when a Management Agreement is in effect, any rights or responsibilities of the Association shall also be the rights and responsibilities of the Management Firm under said Management Agreement, except as otherwise restricted in the Master Deed or By-Laws of the Association.

(4) "By-Laws" means the By-Laws of the Village Creek Association, Inc., as may be from time to time amended.

(5) "Common Elements" means the portions of the Condominium Property not included in the Units. Common Elements shall include the tangible personal property required for maintenance and operation of the Condominium, even though owned by the Association.

(6) "Limited Common Elements" means and includes those Common Elements which are reserved for the use of a certain Unit or Units, to the exclusion of all other Units.

(7) "Condominium" means that form of ownership of Condominium Property under which Units or improvements are subject to ownership by one or more Owners, and there is appurtenant to each Unit, as part thereof, an undivided share in the Common Elements.

(8) "Horizontal Property Act" means and refers to the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina 1976, as amended, and all references to the "Horizontal Property Act" adopted and enacted from time to time.

(9) "Common Expenses" means the expenses for which the unit Owners are liable to the Association.

(10) "Common Surplus" means the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenue on account of the Common Elements, over and above the amount of Common Expenses.

(11) "Condominium Property" means and includes the land in a Condominium, whether or not contiguous, and all improvements thereon, and all easements and rights appurtenant thereto, intended for use in connection with the Condominium.

(12) "Assessment" means a share of the funds required for the payment of Common Expenses which, from time to time, are assessed against the Unit Owners.

(13) "Condominium Parcel" or "Parcel" means a Unit, togther with the undivided share in the Common Elements which are appurtenant to the Unit.

(14) "Condominium Unit", "Unit" or "Dwelling Unit" is a Unit referring to each of the separate and identified Units delineated in the Plat attached to the Master Deed as Exhibit "A"; and when the context permits, the Condominium Unit includes such Unit, including its share of the Common Elements appurtenant thereto.

(15) "Unit Owner," "Owner of a Unit" or "Parcel Owner" means the Owner of a Condominium Unit in fee simple.

(16) "Declarant," "Developer" or "Grantor" means A.V.E. Construction Co., Inc., a South Carolina Corporation, its successors and assigns.

(17) "Occupant" means the person or persons, other than the Unit Owner, in possession of the Unit.

(18) "Condominium Documents" means this Master Deed, the By-Laws and all Exhibits annexed hereto, as the same may be amended from time to time.

(19) "Board of Administration" or "Board of Directors" or "Board" means the representative body responsible for administration of the Association.

(20) "Management Agreement" means and refers to that certain Agreement which provides for the management of the Condominium Property.

(21) "Management Firm" means and refers to the entity identitifed as the Management Firm in the Management Agreement, its successors and assigns. The Management Firm shall be responsible for the Management of the Condominium Property as provided in the Management Agreement.

(22) "Association Properties" means such property as is owned by the Association from time to time in accordance with the terms of this Master Deed.

(23) "Percentage Interest" means the number assigned to each Unit by Exhibit "G" of this Master Deed which establishes each Unit's interest in the common Elements, Common Expenses and Common Profits and votes in the Unit Owner's Association.

(24) Unless the context otherwise requires, all other terms in this Master Deed shall be assumed to have the meaning attributed to the said term by the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina 1976, as amended, as of the date of this Master Deed..

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 1. Conflict. This Master Deed is made and declared in compliance with the Horizontal Property Act of the State of South Carolina. In the event of any conflict between this Master Deed and the provisions of the Horizontal Property Act, the provisions of the statute shall control.

Section 2. Application. All Unit Owners, tenants of Unit Owners, employees of Owners and tenants, or any other person that may in any manner use the Property or any part thereof, shall be subject to the Act and to this Master Deed and the By-Laws.

Section 3. Compliance. Each Owner shall comply strictly with the By-Laws, with the Regulations, and with the convenants, conditions and restrictions set forth or referred to in this Master Deed or in the deed to his Unit. Failure to comply shall be grounds of civil action to recover sums due for damages or injunctive relief, or both, maintainable by the Manager or the Board of Directors or on behalf of the Association or, in a proper case, by any aggrieved Owner.

Section 4. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability or effect of

the remaining provision; and in such event, all other provisions shall continue in full force the same as if the invalid provisions had not been included.

Section 5. Waiver. No provisions of this Master Deed shall be deemed to have been aborgated or waived by reason of any failure to enforce it, regardless of the number of violations or breaches which may have occurred.

Section 6. Captions. Captions are insered in this Master Deed for convenience only and are not to be used to interpret the provisions of this instrument.

Section 7. Gender and Number. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Section 8. Exhibits. All exhibits to this Master Deed shall be an integral part of this instrument.

Section 9. Acceptance of Deed to a Unit. The acceptance of a deed of conveyance, the entering into of a lease, or any other occupancy or use of a Unit shall constitute (a) an acceptance and ratification of the provisions of the Master Deed by such Owner, tenant or occupant and (b) an acknowledgement by the Owner, tenant or occupant that the Declarant makes no implied or express warranties relating to the Unit or to Common Elements except for such warranties as are contained in the general warranty deed conveying the same.

IN WITNESS WHEREOF, A.V.E. Construction Co., Inc., has caused these presents to be executed in its name by Albert V. Estee, its President, and its corporate seal affixed this 24th day of August, 1981.

IN THE PRESENCE OF:

A.V.E. CONSTRUCTION CO., INC.

Albert V. Estee, President (SEAL)

BK J 126 PG 303

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me Cynthia L. Richter who being duly sworn, deposes and says that (s)he saw the within named A.V.E. Construction Co., Inc., by Albert V. Estee, its President, sign and seal the within Master Deed, and the said Corporation, by said officer, as its act and deed, did deliver the same; and that (s)he with James A. Hufham, III witnessed the execution thereof.

Cynthia L. Richter

SWORN to before me this 24th day of August, 1981.

Notary Public for South Carolina
My Commission Expires: 1-6-86

BK U 126PG303

EXHIBIT "G"
TO MASTER DEED OF
VILLAGE CREEK HORIZONTAL PROPERTY REGIME

	BUILDING NUMBER	UNIT NUMBER	UNIT TYPE	VALUE	PHASE I%	PHASE I & II%
	1	101	A	$45,000	1.6544	.74751
PHASE I	1	102	A (Reverse)	45,000	1.6544	.74751
	1	103	B	45,000	1.6544	.74751
	1	104	B (Reverse)	45,000	1.6544	.74751
	2	201	A	45,000	1.6544	.74751
	2	202	C	45,000	1.6544	.74751
	2	203	C (Reverse)	45,000	1.6544	.74751
	2	204	A (Reverse)	45,000	1.6544	.74751
	2	205	B	45,000	1.6544	.74751
	2	206	D	45,000	1.6544	.74751
	2	207	D (Reverse)	45,000	1.6544	.74751
	2	208	B (Reverse)	45,000	1.6544	.74751
	6	601	A	45,000	1.6544	.74751
	6	602	C	45,000	1.6544	.74751
	6	603	C (Reverse)	45,000	1.6544	.74751
	6	604	A (Reverse)	45,000	1.6544	.74751
	6	605	B	45,000	1.6544	.74751
	6	606	D	45,000	1.6544	.74751
	6	607	D (Reverse)	45,000	1.6544	.74751
	6	608	B (Reverse)	45,000	1.6544	.74751
	11	1101	A	45,000	1.6544	.74751
	11	1102	C	45,000	1.6544	.74751
	11	1103	C (Reverse)	45,000	1.6544	.74751
	11	1104	A (Reverse)	45,000	1.6544	.74751
	11	1105	B	45,000	1.6544	.74751
	11	1106	D	45,000	1.6544	.74751
	11	1107	D (Reverse)	45,000	1.6544	.74751
	11	1108	B (Reverse)	45,000	1.6544	.74751
	12	1201	A	45,000	1.6544	.74751
	12	1202	C	45,000	1.6544	.74751
	12	1203	C (Reverse)	45,000	1.6544	.74751
	12	1204	A (Reverse)	45,000	1.6544	.74751
	12	1205	B	45,000	1.6544	.74751
	12	1206	D	45,000	1.6544	.74751
	12	1207	D (Reverse)	45,000	1.6544	.74751
	12	1208	B (Reverse)	45,000	1.6544	.74751
	15	1501	A	45,000	1.6544	.74751
	15	1502	C	45,000	1.6544	.74751
	15	1503	C (Reverse)	45,000	1.6544	.74751
	15	1504	A (Reverse)	45,000	1.6544	.74751
	15	1505	B	45,000	1.6544	.74751
	15	1506	D	45,000	1.6544	.74751
	15	1507	D (Reverse)	45,000	1.6544	.74751
	15	1508	B (Reverse)	45,000	1.6544	.74751
	16	1601	A	45,000	1.6544	.74751
	16	1602	C	45,000	1.6544	.74751
	16	1603	C (Reverse)	45,000	1.6544	.74751
	16	1604	A (Reverse)	45,000	1.6544	.74751
	16	1605	B	45,000	1.6544	.74751
	16	1606	D	45,000	1.6544	.74751
	16	1607	D (Reverse)	45,000	1.6544	.74751
	16	1608	B (Reverse)	45,000	1.6544	.74751
	17	1701	A	45,000	1.6544	.74751
	17	1702	C	45,000	1.6544	.74751
	17	1703	C (Reverse)	45,000	1.6544	.74751
	17	1704	A (Reverse)	45,000	1.6544	.74751

	BUILDING NUMBER	UNIT NUMBER	UNIT TYPE	VALUE	PHASE I%	PHASE I & II%
	17	1705	B	45,000	1.6544	.74751
	17	1706	F	55,000	2.022	.91362
PHASE I	17	1707	F (Reverse)	55,000	2.022	.91362
CONTINUED	17	1708	B (Reverse)	45,000	1.6544	.74751
	TOTAL			$2,720,000	100.000%*	

*100.0000 per cent rounded off.

	BUILDING NUMBER	UNIT NUMBER	UNIT TYPE	VALUE	PHASE I%	PHASE I & II%
	3	301	A	$45,000		.74751
PHASE II	3	302	C	45,000		.74751
	3	303	C (Reverse)	45,000		.74751
	3	304	A (Reverse)	45,000		.74751
	3	305	B	45,000		.74751
	3	306	D	45,000		.74751
	3	307	D (Reverse)	45,000		.74751
	3	308	B (Reverse)	45,000		.74751
	4	401	A	45,000		.74751
	4	402	C	45,000		.74751
	4	403	C (Reverse)	45,000		.74751
	4	404	A (Reverse)	45,000		.74751
	4	405	B	45,000		.74751
	4	406	E	55,000		.91362
	4	407	E (Reverse)	55,000		.91363
	4	408	B (Reverse)	45,000		.74751
	5	501	A	45,000		.74751
	5	502	C	45,000		.74751
	5	503	C (Reverse)	45,000		.74751
	5	504	A (Reverse)	45,000		.74751
	5	505	B	45,000		.74751
	5	506	D	45,000		.74751
	5	507	D (Reverse)	45,000		.74751
	5	508	B (Reverse)	45,000		.74751
	7	701	A	45,000		.74751
	7	702	C	45,000		.74751
	7	703	C (Reverse)	45,000		.74751
	7	704	A (Reverse)	45,000		.74751
	7	705	B (Reverse)	45,000		.74751
	7	706	E	55,000		.91362
	7	707	E (Reverse)	55,000		.91362
	7	708	B (Reverse)	45,000		.74751
	8	801	A	45,000		.74751
	8	802	C	45,000		.74751
	8	803	C (Reverse)	45,000		.74751
	8	804	A (Reverse)	45,000		.74751
	8	805	B	45,000		.74751
	8	806	D	45,000		.74751
	8	807	D (Reverse)	45,000		.74751
	8	808	B (Reverse)	45,000		.74751
	9	901	A	45,000		.74751
	9	902	C	45,000		.74751
	9	903	C (Reverse)	45,000		.74751
	9	904	A (Reverse)	45,000		.74751
	9	905	B	45,000		.74751
	9	906	D	45,000		.74751

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the Unit Owners, their attorneys, accountants and authorized agents during general business hours on business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once each year by an independent auditor retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(m) Notify a mortgagee of any default hereunder by the Unit Owner of the Unit subject to such mortgage, if such default continues for a period exceeding thirty (30) days.

(n) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that the consent of at least two-thirds (2/3) in number and in percentage interest of all Unit Owners, obtained either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to borrow any sum in excess of Two Thousand Five Hundred ($2,500.00) Dollars. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subsection (n) is not repaid by the Association, a Unit Owner who pays to the creditor a percentage of the total amount due equal to his percentage interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit, and the Association shall not be entitled to assess his Unit for payment of the remaining amount due such creditor.