

THIS MASTER DEED IS SUBJECT TO BINDING ARBITRATION
PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON /) MASTER DEED
) GEORGE AND SOCIETY
) HORIZONTAL PROPERTY REGIME

TO ALL WHOM THESE PRESENTS MAY COME:

WHEREAS, Twenty-One George Street, LLC (the "Developer") is a South Carolina limited liability company having its principal place of business located at 1401 Main Street, Suite 650, Columbia, South Carolina 29201; and

WHEREAS, the Developer is the owner of that certain real property (the "Land") more fully described in Exhibit "A" attached hereto located within the community known as Twenty-One George Street, which community includes certain improvements constructed by the Developer in the City of Charleston, Charleston County, South Carolina; and

WHEREAS, the Developer now deems it appropriate to organize a horizontal property regime by duly executing and recording this Master Deed in the Office of the Register of Mesne Conveyances ("RMC") for Charleston County, South Carolina; and

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Developer hereby submits the Land more fully described in Exhibit "A" attached hereto and all improvements located thereon, together with all easements, rights and appurtenances thereunto belonging, to the provisions of Sections 27-31-10 et seq. of the South Carolina Code of Laws (1976) and hereby creates thereon a horizontal property regime (sometimes termed "condominium ownership") to be known as GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME, subject to the following:

ARTICLE I

Definitions

Section 1.1 Definitions. Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20, South Carolina Code of Laws (1976), when used in this Master Deed or any amendment hereto, will have the meaning therein provided. The following words, as well as other defined terms set forth herein, when used in this Master Deed or any amendment or supplement hereto, unless the context requires otherwise, will be deemed to include the singular and plural forms as the context requires and have the following meanings:

"Annual Assessment Period" means the fiscal year of the Association established by the Association's Board of Directors.

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

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

"Association" means George and Society Horizontal Property Regime, being an association of and limited to Owners of the Units located in the Regime in the form of a nonprofit, non-stock membership association which will be incorporated in accordance with the Articles of Incorporation attached hereto as Exhibit "D". In exercising any right or easement granted or reserved to it or to its Board of Directors hereunder, such right or easement shall be deemed to extend to its duly authorized directors, officers, agents, employees and contractors.

"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 containing Units.

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

"Commercial Unit" means that part of the Project intended principally for commercial use as is permitted by applicable zoning, and situate within the Commercial Unit's boundaries described herein and constituting an "apartment" as defined in the Condominium Act.

"Common Elements" means all of the Regime property after excluding the Units, including the following:

1. Easements through the Units for conduits, ducts, plumbing, chimneys, wiring, and other facilities for the furnishing of utility services to Units and the Common Elements; provided, however, such easements through a Unit will be only according to the Plans for the Building, or as the Building is constructed unless otherwise approved by the Unit Owner.
2. An easement of support in every portion of a Unit which contributes to the support of a Building.
3. Easements through the Units and Common Elements for maintenance, repair and replacement of the Units and Common Elements.
4. Installation for the furnishing of utility services to more than one Unit or to the Common Elements or to a Unit other than the one containing the installation, which installation will include ducts, plumbing, wiring, and other facilities for the rendering of such services.
5. The tangible personal property required for the maintenance and operation of the Units, even though owned by the Association.

When used herein, "Common Elements" will be deemed to include any service provided by the Association in furtherance of the uses and purposes to which any of the aforesaid facilities are put.

"Common Expense(s)" means (a) all expenses incident to the administration of the Association and maintenance, repair and replacement of the 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 Condominium Act or the Regime Documents; and (d) reasonable reserves established for the payment of any of the foregoing.

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

"Developer" means Twenty-One George Street, LLC, a South Carolina limited liability company, its successors and assigns.

"Eligible Mortgagee" shall mean the holder of an Institutional Mortgage on a Unit that has requested notice as provided in this Master Deed.

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

"Land" means the Land which is described in Exhibit "A" attached hereto, as said exhibit may be amended from time to time in accordance with the provisions of this Master Deed.

"Limited Common Element" means that portion of the Common Elements set aside and allocated for the exclusive use of the Owner of the Unit to which attached or assigned, and will include that portion of any Common Elements that is pierced by the Unit's interior stairs, if any; the Unit's chimney structure and flue, if any; exterior stairs exclusively serving the Unit, if any; air conditioner units and condensers and hot water heaters located outside of the Unit, and the spaces occupied by same; and any balcony, deck or patio adjacent to, and exclusively serving, the Unit. The term shall specifically include the items discussed in Section 3.4.

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

"Member" means each Owner who is a member of the Association.

"Mortgage" will mean and refer to a mortgage, security deed, deed of trust, installment land sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Unit which is held by a bank, trust company, insurance company or the Developer.

"Mortgagee" will mean and refer to the holder of a Mortgage.

"Nonprofit Corporation Act" means and refers to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code Sections 33-31-101, et. seq., as amended.

"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.

"Percentage Interest" means the undivided percentage interest owned by each Owner as a tenant-in-common in the Common Elements. "Total Percentage Interest" means the aggregate of all the Percentage Interests.

"Plans" mean and include the site plan and the floor plans of the Project which are filed as an attachment to this Master Deed showing the boundaries of the Land, the horizontal and vertical location of the improvements and Common Elements of the Project thereon and certified by a licensed engineer or architect in accordance with the provisions of the Condominium Act.

"Project" means, collectively, the Land, the Building and all other improvements and structures located thereon, and all easements, rights and appurtenances belonging thereto, submitted to the Condominium Act by this Master Deed, as amended from time to time in accordance with the provisions hereof.

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

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

"Residential Units" means that part of the Project intended principally for residential use, and situate within the Residential Unit's boundaries described herein and constituting an "apartment" as defined in the Condominium Act.

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

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

1. Four (4) months after the conveyance in the ordinary course of business of seventy-five percent (75%) of the maximum number of Units to be contained in the Project to persons other than the Developer; or
2. Three (3) months following the date the Developer surrenders its authority to appoint and remove the entire Board of Directors and officers of the

Association under Section 13.1 below, by an express amendment to this Master Deed executed and filed of record by Developer; or

3. Three (3) years after the first Unit is conveyed.

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

"Unit" means both a Commercial Unit and a Residential Unit, situate within the Unit boundaries described in Exhibit "B" attached hereto and in the architect's plans incorporated in and made a part of Exhibit "B", as amended from time to time in accordance with the provisions of this Master Deed and each constituting an "apartment" as defined in the Condominium Act. Each Unit will be identified in the architect's plans incorporated in and made a part of Exhibit "B" attached hereto by a specific letter, number or combination thereof, which identification will be sufficient to identify the Unit for all purposes. "Unit" will also mean all the components of ownership held by an Owner, including not only the rights and interests of the Owner in and to the Unit, but also the rights of use of and the undivided interest in the Common Elements.

ARTICLE II

Administration

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

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

Section 2.3 Agreements. The Association will be and hereby is authorized to enter into such contractual arrangements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Regime, subject, however, to the following limitations:

- (a) Any Regime management agreement entered into during the Transition Period will provide that such contractual arrangement is subject to termination without cause at

any time after the expiration of the Transition Period without a penalty upon not more than ninety (90) days prior written notice from the Association, and failing to contain such a provision, the Association will not be bound directly or indirectly by such contractual arrangement following the expiration of such 90-day period.

Each Owner by acquiring or holding an interest in any Unit thereby ratifies and agrees to be bound by the terms and conditions of all such contractual arrangements entered into by the Board of Directors on behalf of the Association prior to the conveyance of the Unit to the Owner.

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

Section 2.5 Financial Statements. No later than 120 days after the close of any fiscal year of the Association, the Association will cause financial statements for such fiscal year to be prepared (but not necessarily certified) by a licensed accountant. Copies of the financial statements will be available to any Owner upon written request to the Association. The Association may charge a reasonable fee for copying such statements.

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

Section 2.7 Rules and Regulations. The Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Elements. Copies of the current Rules and Regulations will be furnished to Owners and lessees of Owners upon request.

Section 2.8 Professional Property Manager. The Board of Directors may retain a professional property management company to manage the day-to-day affairs of the Association.

Section 2.9 Collections and Remission of Optional Cable Television, Telephone and Other Charges; Master Utility Charges. In the event the Association at any time secures any optional cable, telephone or other service, including broadband communications access, the Association will be entitled to collect fees charged to those Unit Owners who elect to receive such optional service made available to the Unit Owners through the Regime and remit the same to the provider thereof on behalf of such Unit Owners. Such elective costs and expenses will not

be deemed a Common Expense hereunder, but will be charged to the Units Owners separately from their Assessment. Furthermore, the Board of Directors will pay any master utility meter charge, base cable to all Units, or other blanket utility fee for services to all Units not otherwise separately metered or charged to individual Units, including, but not limited to water service; provided, however, no base cable fee will be charged to the Commercial Unit unless the Owner of the Commercial Unit elects to have base cable service. Such master cost and expense will be a Common Expense hereunder; provided, however, in the event actual costs exceed the budgeted costs therefor, such unbudgeted excess may be prorated and charged to the Units Owners separately from their Assessment, and will not require payment thereof from any other budget line item surplus or a Special Assessment or other extraordinary measure of collection.

ARTICLE III

Property Rights

Section 3.1 Units. Each Unit will 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 Condominium Act and this Master Deed, will be entitled to the exclusive ownership and possession of his Unit.

Section 3.2 Description of Units. The dimensions, area and location of the Units are as set forth on Exhibit "B" attached hereto and are generally intended to include the following:

(a) Each Unit contains all space within the area bounded by the unfinished interior surface of the perimeter walls, windows, window frames, doors and door frames and trim, and the lowest floor and the uppermost ceiling of such Unit. Bearing walls located within the interior of a Unit are Common Elements, not part of the Unit, except the finished surfaces thereof. Each Unit includes the appliances and cabinetry located therein, and the carpeting and paint on such unfinished floors, ceilings and wall surfaces.

(b) Each Unit will include the heating, hot water and air conditioning apparatus exclusively serving the Unit whether or not located within the boundaries of the Unit.

(c) Notwithstanding the description of the boundaries set forth above, the Units shall be deemed to include the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that Unit even if partially outside the boundaries of the Unit; all windows, glass surfaces, and doors (including window and door frames and the hardware thereof) serving the Unit; all window screens and screens on any screened balcony; and any fireplace or stove hearth, facing brick, tile or firebox; provided, however, that a Unit shall not include any of the structural components of the Building or utility or service lines within the Unit but serving more than one Unit. In interpreting deeds and plans, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or plan, regardless of settling or lateral

movement of the Building, and regardless of minor variance between the boundaries shown on the plans or in a deed and those of the Unit.

(d) The ownership of each Unit shall include, and there shall pass with each Unit as an appurtenance thereto whether or not separately described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association. Every portion of a Unit and all Limited Common Elements contributing to the support of an abutting Unit shall be burdened with an easement of support for the benefit of such abutting Unit.

Section 3.3 Modification of Units. The Developer, on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute, at any time and from time to time and irrespective of whether the Transition Period has expired, one or more Units owned by Developer or its affiliates without the consent of the Association or any Owner other than those who may be directly affected; provided, however, that the total Assigned Values assigned to the Units so affected will not change even though the same may be reallocated among such changed Units. If Developer makes any changes in Units pursuant to this Section, such changes will be reflected by an amendment of this Master Deed which will be duly recorded in the Charleston County RMC. Such amendment will not require the consent of Owners other than the Developer.

(a) Additional Covenants and restrictions Applicable to Commercial Units. The Developer, so long as it or an affiliate of the Developer owns a Commercial Unit, shall have the sole right and power to impose other covenants, conditions and restrictions upon one or both Commercial Units, the ownership thereof and the operation of any commercial enterprise therein, and to cancel, delete, amend, add to or supplement any such covenants, conditions and restrictions upon the Commercial Unit. From and after the date the Developer or any affiliate of Developer no longer owns the Commercial Unit, any such other covenants, conditions and restrictions imposed upon the Commercial Unit by Developer shall not be cancelled, deleted, amended, added to or supplemented without the express written consent of the Owner of such Commercial Unit and the owner's joinder in any amendment of this Master Deed giving effect to such change.

Section 3.4 Common Elements and Limited Common Elements.

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

(b) Inseparability of Percentage Interests. The Percentage Interest in the Common Elements cannot be separated from the Unit to which it appertains and will be

automatically conveyed or encumbered with the Unit even though such Percentage Interest is not expressly mentioned or described in the deed or other instruments.

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

(d) Use of Common Elements. The Common Elements will 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 will, if any question arises, determine the purpose for which a part of the Common Elements is intended to be used. All Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Common Elements.

(e) Use of Limited Common Elements. Anything to the contrary contained herein notwithstanding, ownership of each Unit will entitle the Owner or Owners thereof to the exclusive use of the Limited Common Elements adjacent and appurtenant to such Unit, which exclusive use may be delegated by such Owner to persons who reside in the Unit. All Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Limited Common Elements. An Owner will be responsible for general maintenance and repair of the Limited Common Elements appurtenant to his Unit as set forth in Article VIII, Section 8.3 below.

(f) Reservation of Easements. The Common Elements will be subject to all easements and use and expansion rights reserved by the Developer hereunder, including, but not limited to, the right of the Developer to expand the Regime by construction of additional Units pursuant to Section 12.2(a).

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

Section 3.6 Limited Warranty From Developer. FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF COMPLETION OF CONSTRUCTION (BEING THE LATER OF SUBSTANTIAL COMPLETION UNDER THE CONSTRUCTION CONTRACT, OR THE DATE A CERTIFICATE OF OCCUPANCY IS ISSUED THEREFOR), THE DEVELOPER SHALL AT NO COST TO THE ASSOCIATION REPAIR OR REPLACE (IN THE DEVELOPER'S DISCRETION) ANY PORTIONS OF THE COMMON ELEMENTS (EXCEPT FIXTURES, ACCESSORIES AND APPLIANCES COVERED BY SEPARATE WARRANTIES OF THEIR RESPECTIVE MANUFACTURERS) WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR

IMPLIED, AND THE DEVELOPER DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DEVELOPER SHALL BE LIMITED TO SUCH REPAIR OR REPLACEMENT AND THE DEVELOPER SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATION. Each Owner, in accepting a deed from the Developer or any other party to a Unit, expressly acknowledges and agrees that this Section establishes the sole liability of the Developer to the Association and the Owners related to defects in the Common Elements and the remedies available with regard thereto. At the end of the one (1) year warranty period referred to hereinabove in this Section 3.6, the Developer will assign to the Association in writing all of its rights, claims, causes of action and demands which it has or which may thereafter accrue against all other people who may be responsible for the design and/or construction of the Common Elements.

(a) Association's Obligation. The Association will perform necessary and regular maintenance and take care of the Common Elements so as to prolong the life of the Common Elements' materials and construction.

ARTICLE IV

Assessments

Section 4.1 Creation of Lien and Personal Obligation for Assessments. Each Unit is and will 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, will be a permanent charge and continuing lien upon the Unit against which it relates, and will also be the joint and several personal obligation of each Owner of such Unit at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such Unit, and each and every Owner by acquiring or holding an interest in any Unit thereby covenants to pay such amounts to the Association when the same will become due; provided, however, that no Owner acquiring title to any Unit at a foreclosure sale of any Institutional Mortgage, his successors and assigns, will have any personal obligation with respect to the portion of any Assessments (together with late charges, interest, fees and costs of collection) related to such Unit, the lien for which is subordinate to the lien of the Institutional Mortgage being foreclosed as provided in Section 4.7. A Unit may be assessed as herein provided for Annual Assessments, Special Assessments and Specific Assessments.

Section 4.2 Annual Assessments. At least thirty (30) days prior to the Association's next succeeding Annual Assessment Period the Board will adopt a budget for the next succeeding Annual Assessment Period by estimating the Common Expenses to be incurred during such Annual Assessment Period, including a reasonable allowance for contingencies and

operating and replacement reserves, such budget to take into account the projected anticipated income which is to be applied in reduction of the amount to be collected as an assessment. The Common Expenses for property and liability insurance premiums may be separately assessed (an "Insurance Assessment"). The Insurance Assessment may, in the exercise of the Board's reasonable business judgment, be based upon a prepaid amount, estimated to cover the anticipated property and liability insurance premium at the next anniversary date of the policy or policies, or the Board may specially assess an Insurance Special Assessment pursuant to Section 4.3(a) below to cover any third-party financed premium as it becomes due. Upon adoption of the budget, a copy thereof will be delivered to each Owner. The Annual Assessment and any separately stated Insurance Assessment fixed against each Unit will be based upon the budget and in proportion to the respective Percentage Interests of each Unit subject to assessment, and the Board will give written notice to each Owner of the Annual Assessment fixed against his Unit for such next succeeding Annual Assessment Period; provided, however, the delivery of a copy of said budget will not be a condition precedent to an Owner's liability for payment of such Annual Assessment. In fixing the annual budget, the Board of Directors shall reflect in the budget the recommendations of a maintenance audit conducted by a professional inspector at such frequency as the Board shall determine, but not less frequently than every three (3) years. The Board shall provide the Developer with a copy of each such inspection report or maintenance audit findings within fifteen (15) days following receipt thereof by the Board. The Board shall not be relieved of its duty to contract for a maintenance audit, as aforesaid, by virtue of the Developer's inspections pursuant to Section 10.5 below.

The Annual Assessment will 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 will be the sole responsibility of such Owners;
- (b) Long distance telephone or electrical utility charges for each Unit, which will also be the sole responsibility of the Owners of such Units;
- (c) Ad valorem taxes assessed against Units;
- (d) Other charges or expenses related solely to individual use or occupancy of any Unit; or
- (e) Assessments charged directly to Owners pursuant to any master or umbrella declaration to which the Regime is subject.

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, and that each assessment will include the assessed value of the Unit and of the undivided interest of the Owner in the Common Elements; provided, however, that for the current calendar year, the ad valorem taxes will be based upon the condition of the Land as of January 1, and the Developer will be liable for that portion of the taxes applicable to the period prior to the recordation of this Master Deed. When current ad valorem taxes are due and payable, the remainder of the ad valorem taxes for the current calendar year will be prorated between the Developer and each Owner based upon the

Owner's Percentage Interest and based upon the number of days each owned the Unit as evidenced by the date of the Unit Deed. Any such taxes and governmental assessments upon the Project which are not so assessed will be included in the Association's budget as a recurring expense and will be paid by the Association as a Common Expense. Except as otherwise provided herein, each Owner is responsible for making his own return of taxes and such return will include such Owner's undivided interest in the Common Elements as such undivided interest is determined by law for purposes of returning taxes.

Annual Assessments charged by the Association will be rounded off to the nearest dollar.

EACH OWNER, IN ACCEPTING A DEED TO A UNIT FROM THE DEVELOPER OR ANY OTHER PERSON, HEREBY ACKNOWLEDGES THAT THE REGIME BUDGET AND ANNUAL ASSESSMENT THEREUNDER INITIALLY ESTABLISHED BY THE DEVELOPER, AND AS MAY BE MODIFIED OR AMENDED BY THE BOARD OF DIRECTORS OF THE ASSOCIATION, MAY BE INADEQUATE TO FUND, AS MAY BE NEEDED, THE COSTS AND EXPENSES OF PREPARING THE PROJECT FOR AN IMPENDING HURRICANE OR STORM, INCLUDING, BUT NOT LIMITED TO, INSTALLING AND REMOVING STORM SHUTTERS. IN THE EVENT THE REGIME IS REQUIRED TO INCUR COSTS AND EXPENSES PREPARING THE PROJECT FOR AN IMPENDING HURRICANE OR STORM IN EXCESS OF THE UNEXPENDED AMOUNT BUDGETED FOR A PARTICULAR YEAR, THE REGIME MAY BE REQUIRED TO VOTE A SPECIAL ASSESSMENT UNDER SECTION 4.3 BELOW AGAINST THE OWNERS TO RAISE THE REQUIRED FUNDS TO PAY SUCH EXCESS COSTS AND EXPENSES. FURTHERMORE, IN THE EVENT THE REGIME DOES NOT, FOR ANY REASON, APPROVE ANY SUCH SPECIAL ASSESSMENT, THE VALUE OF A UNIT MAY BE SUBSTANTIALLY AND MATERIALLY AFFECTED.

NOTHING HEREIN PROVIDED IS INTENDED, NOR SHALL IT BE DEEMED TO PROVIDE, THAT THE ASSOCIATION IS OBLIGATED TO INSTALL AND REMOVE ANY STORM SHUTTERS OR PLYWOOD WINDOW COVERING IN PREPARATION FOR ANY HURRICANE OR STORM. IN THE ABSENCE OF A SPECIFIC BUDGET ITEM THEREFOR OR THE ADOPTION OF A SPECIFIC RESOLUTION BY THE BOARD OF DIRECTORS TO SO PROVIDE SUCH SERVICE, EACH OWNER SHALL BE SOLELY RESPONSIBLE FOR PREPARING THE UNIT FOR AN IMPENDING HURRICANE OR STORM, INCLUDING, BUT NOT LIMITED TO, INSTALLING AND REMOVING STORM SHUTTERS OR PLYWOOD WINDOW COVERINGS. OWNERS SHALL NOT INSTALL PLYWOOD WINDOW COVERINGS OR CLOSE ANY INSTALLED STORM SHUTTERS UNLESS AND UNTIL THE NATIONAL WEATHER SERVICE ISSUES A HURRICANE WATCH OR

TROPICAL STORM WATCH, WITH ANTICIPATED DAMAGING
WINDS, COVERING CHARLESTON COUNTY, SOUTH CAROLINA.

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 (i) of supplementing the Annual Assessments if the same are inadequate to pay the Common Expenses and (ii) of defraying, in whole or in part, the cost of any reconstruction, repair, or replacement of the Common Elements; provided, however, that any such Special Assessment which in the aggregate exceeds twenty percent (20%) of the total budgeted Common Expenses, exclusive of insurance, for such year will be approved by a majority of the votes cast by Members in a written ballot, or in person or by proxy at a meeting at which a quorum is present, duly called for the express purpose of approving such Special Assessment.

(a) Insurance Special Assessment without Vote of Members. Notwithstanding the foregoing, the Board may, without a vote of the members, levy an Insurance Special Assessment to pay any premium charged to the Association in excess of the amount budgeted for insurance, or levy an Insurance Special Assessment to pay, when due, any third-party financed premium. If applicable, an Insurance Special Assessment shall only be assessed against Owners of Units for which the Board separately assesses an Insurance Assessment based upon the type of Building in which a Unit is located, as further described in Section 4.2 above.

Section 4.4 Date of Commencement of Annual Assessments; Due Dates. Although the Annual Assessment is calculated on a yearly basis for the Annual Assessment Period, each Owner of a Unit will 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 Annual Assessment Period.

The obligations of Owners regarding the payment of monthly portions of the Annual Assessment provided for in this Article IV will, as to each Unit, commence upon the recording of this Master Deed. The first monthly payment of the Annual Assessment for each such Unit will be an amount equal to the monthly payment for the Annual Assessment Period in progress on such commencement date, divided by the number of days in the month of conveyance, and multiplied by the number of days then remaining in such month.

The Association will, upon demand at any time, furnish any Owner liable for any such Assessment a certificate in writing signed by an Officer of the Association or the property manager of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificate. Such certificate will be conclusive evidence of payment of any Assessment stated to have been paid as to any person or entity that has relied on the certificate to his or its detriment.

Section 4.5 Individual Specific Assessments. Any expenses incurred by the Association because of the actions of one or more Owners or occupants of an Owner's Unit, or because of their failure to act, and with respect to which such expenses are chargeable thereto and recoverable therefrom pursuant to any provision of this Master Deed or rules and regulations adopted hereunder, and any fines as may be imposed against an Owner in accordance with this Master Deed will be specially assessed as a Specific Assessment against each such Owner and

the Owner's Unit. In addition, in the event that a specific Assessment is made for a judgment against the Association, such specific Assessment shall only be assessed against those who were Owners at the time the judgment was entered against the Association.

Section 4.6 Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If an Assessment is not paid on the date when due, as hereinabove provided in Section 4.4, then such Assessment together with such late charges and interest thereon and any costs of collection thereof as hereafter provided, will be a charge and continuing lien on the Unit to which it relates, and will bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, will remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner will nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities will be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

(b) Any Assessment which is not received within ten (10) days of the due date thereof, or within any established grace period, will incur a late charge of twenty-five (\$25.00) dollars or such greater amount as may be set by the Board of Directors. If so directed by the Board of Directors with respect to all late payments, Assessments and late charges will commence to accrue simple interest at the rate of eighteen percent (18%) per annum. In addition, in the event any Assessment is not received within thirty (30) days of the due date thereof, the Association will have the right to declare the balance of the Assessment for the Annual Assessment Period then in effect immediately due and payable upon written notice to the defaulting Owner.

(c) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue both such courses at the same time or successively. In any event, the Association will be entitled also to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any Unit or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the Unit after the commencement of the action and at its option the Association will be entitled to the appointment of a receiver to collect such rents. The Association will 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 will 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 recreational areas of the Common Elements may be suspended by the Board of Directors until such time as the Assessment has been paid.

Section 4.7 Developer's Unsold Units. The Developer shall pay the same Assessment amount for its unsold Units as any other Owner.

Section 4.8 Subordination of the Charges and Liens to Mortgages.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any holder of an Institutional Mortgage or his assigns placed on such Unit, and all Assessments with respect to such Unit having a due date on or prior to the date such Institutional Mortgage is filed for record have been paid. The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any Unit is also hereby made subordinate to a lien for taxes or other governmental assessments owed for such Unit ("Governmental Assessments"). The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due date subsequent to the date such Institutional Mortgage or Governmental Assessment is filed for record and prior to the satisfaction, cancellation or foreclosure of such Institutional Mortgage or the satisfaction or cancellation of such Governmental Assessment.

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

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

Section 4.9 Reserves. The Board of Directors will establish and maintain an adequate reserve fund for the periodic repair and replacement of the Common Elements. The Board of Directors will include amounts needed to maintain an adequate reserve fund in its estimation of

the Common Expenses for each fiscal year and will cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment.

Section 4.10 Working Capital Assessment. Notwithstanding anything to the contrary in this Master Deed, a working capital fund will be established for the Association by collecting from each Owner acquiring title to a Unit, whether from the Developer or from a previous Owner, a working capital amount equal to 2/12ths of the Annual Assessment then in effect, which Assessment will be due and payable at the time of transfer of the Unit. Each such Owner's share of working capital, as aforesaid, will be transferred to the Association at the time of closing the conveyance to the Owner. Such sum is and will remain separate and distinct from the Annual Assessment and will not be considered advance payment of the Annual Assessment. The working capital receipts may be used by the Association in covering operating expenses as well as any other expense incurred by the Association pursuant to this Master Deed and the Bylaws.

Section 4.11 Surplus Funds. All funds paid into the Association by the Owners which remain after payment for Common Expenses, prepayment of reserves or any other expense, cost or fee defined herein shall be paid to the Owners in proportion to their Percentage Interests or credited to them to reduce future assessments.

ARTICLE V

Insurance and Casualty Losses

Section 5.1 Hazard Insurance.

(a) The Association will 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 (x) land, foundation, excavation, or other items normally excluded from coverage; and (y) the items set forth in Section 5.1(a)(i) below. Such coverage will also insure supplies, equipment and other personal property of the Association. All policies of property insurance will be single entity condominium insurance coverage. The master insurance policy will 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 "special coverage" endorsement, where such is available. The policy will be in an amount equal to one hundred (100%) percent of the current replacement cost of the Project, exclusive of land, foundations, excavation, and other items normally excluded from coverage. A "deductible amount" may be included at the discretion of the Board of Directors if available and if a material savings, as determined by the Board in its sole discretion, in premium cost results therefrom, but the deductible amount will be considered a Common Expense and borne by the Owners affected by the insured casualty. A reserve may be established therefor. Endorsements for wind, flood and earthquake will be purchased and maintained as deemed necessary by the board and governmental regulations.

(i) In addition to the items identified in clause (x) of Section 5.1(a) above to be excluded, there shall be excluded from the Association's hazard insurance policy (A) all improvements and betterment made to Units by Owners at their expense; (B) personal

property of Owners and lessees of Owners, their families, invitees and guests; (C) the finished wood, vinyl, tile, carpet or other finish surface lying above the subfloor constituting the lower horizontal boundary of a Unit; (D) all paint, wallpaper, vinyl paper, tile, and other finish surface covering the unexposed surface of the wallboard or other surface comprising the perimeter walls enclosing a Unit; (E) all appliances; (F) all lighting and plumbing fixtures and all cabinetry and built-in improvements within a Unit. Insurance covering the items listed in clauses (A) through and including (F) of this Section 5.1(a)(i) shall be maintained by the Owner and proof of such insurance shall be provided to the Association by the Owner upon the Association's written request.

(b) The name of the insured under the master policy will be substantially as follows: "George and Society Horizontal Property Regime for the use and benefit of the Individual Owners of Units in George and Society Horizontal Property Regime." Loss payable provisions will 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, will be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Unit owned by such Owner. All policies will contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by Institutional Mortgage investors in the area in which the Project is located, and which appropriately names all Mortgagees or their servicer in such form as requested by such Mortgagees or their servicer.

(c) All policies will be written with a company 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 provisions) which could prevent Mortgagees or Owners from collecting insurance proceeds. Policies may not be cancelable, deemed nonrenewable or substantially modified by any party without at least thirty (30) days prior written notice to the Association and each Mortgagee which is listed as a scheduled holder of a first Mortgage in the insurance policy. Policies should also contain a "special condominium endorsement" or its equivalent which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners individually; the insurance is not prejudiced by any act or negligence of individual Owners which is not under the control of the Association or such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

(d) The Association will provide to Owners and/or Institutional Mortgagees requesting the same in writing a certificate of insurance, or a copy of the certificate of insurance, for the Regime, for which the Association may charge reasonable copying costs.

(e) Each Owner shall obtain at his sole cost and expense hazard insurance coverage on the items set forth in Section 5.1(a)(i) above, and may obtain additional insurance at his own expense; provided, however, that no Owner will 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 of 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 diminution in insurance proceeds otherwise payable under the Association's policies that results from the existence of any Owner's policy will be chargeable to the Owner who acquired such other insurance. Any Owner who obtains an individual insurance policy covering any portion of the Project, other than the personal property belonging to such Owner, will 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, betterment and personal property damaged and lost. In addition, any improvements made by an Owner within his Unit may be separately insured by the Owner under an "improvements insurance" policy or rider; provided, however, if an Association's policy provides such "improvements insurance," any diminution in the Association's insurance proceeds resulting from the existence of an Owner's "improvements insurance" will be chargeable to such Owner. Each Owner will be required to notify the Association of all improvements made by such Owner to his Unit, the value of which exceeds \$10,000.00.

(f) If any part of the Project's improvements are in a special flood hazard area designated as A, AE, AH, AO, AR, A1-A30, A-99, V, VE, V1-30, or VO on the Flood Insurance Rate Map, the Association shall maintain a master or blanket policy of flood insurance and provide for the premiums to be paid as a Common Expense.

Section 5.2 Liability Insurance. The Association will 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 Common Elements. Coverage limits will be in amounts generally required by private Institutional Mortgage holders for projects similar in construction, location and use to the Project; provided, however, that such coverage will be for at least \$1,000,000 for bodily injury, including death of persons, and property damage arising out of a single occurrence. Coverage under this policy will include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Common Elements and legal liability arising out of law suits related to employment contracts in which the Association is a party. If the policy does not include "severability of interest" in its terms, an endorsement will be included which precludes the insurer's denial of the claims of an Owner because of the negligent acts of the Association or another Owner. Such policy must provide that it cannot be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the insurance policy.

Section 5.3 Fidelity Bonds and Other Insurance. The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees, employees and manager of the Association and all other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Regime. The total amount of the fidelity bond coverage required will be based upon the best business judgment of the Board of Directors and will not be less than the estimated maximum funds, including reserve funds, in the custody of the Association or a professional management company, as the case may

be, at any given time during the term of each bond; provided, however, that in no event will the aggregate amount of such bonds be less than a sum equal to three (3) months of assessments on all Units unless at any time the State of South Carolina's statutory fidelity requirements differ in which case the South Carolina statutory requirements shall govern. Fidelity bonds will meet the following requirements: the Association will be named as an obligee; the bonds will contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and the bond will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of a premium) without at least ten (10) days prior written notice to the Association and each Mortgagee listed as a scheduled holder of a first Mortgage in the fidelity bond.

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

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

Section 5.4 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 will 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 will 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, including executing all documents required in connection therewith on behalf of the Owner.

Section 5.5 Trustee.

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

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

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

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

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

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

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

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

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

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 will 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 5.6, means repairing or restoring the damaged property to substantially the same conditions in which it existed prior to the fire or other casualty, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to the Project will be repaired unless repair or replacement would be illegal under any State or local health or safety statute or ordinance; provided, however, that any such damage which requires reconstruction will not be

undertaken if repair or reconstruction is disapproved by Owners holding eighty percent (80%) of the Percentage Interests, including 100% of the Owners whose units will not be rebuilt, vote to disapprove repair or reconstruction, by Referendum or at a duly held meeting of Members called for the purpose of disapproving the repair or reconstruction, which percentage will also constitute the quorum required for any such meeting. If the Project is not reconstructed, the insurance proceeds will be delivered in accordance with the provisions of Section 5.6(c) below. Except as otherwise provided, any such damage or destruction which renders any Unit untenable or uninhabitable, or any such damage or destruction to the Common Elements, will be repaired and reconstructed as promptly as practicable. No Mortgagee will have any right to restrict the use of insurance proceeds otherwise available for repair, reconstruction or rebuilding.

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

(i) the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project;

(ii) the insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and to the Owners of those Units to which said Limited Common Elements were allocated, or to their lienholders, as their interests may appear; and

(iii) the insurance proceeds remaining must be distributed to all of the Owners and their lienholders, as their interests may appear, in proportion to the Owner's Percentage Interests.

If the Unit Owners vote not to rebuild any Unit, that Unit's allocated Percentage Interest is automatically reallocated upon the vote not to rebuild or reconstruct as if the Unit had been condemned, as provided in Article VI below, and the Association shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations.

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, or if no insurance proceeds exist with respect to such damage or destruction, the Board of Directors will levy an Assessment against the Owners of damaged or affected Units in sufficient amounts to provide funds to pay costs in excess of insurance proceeds for repair or reconstruction. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction. That portion of such Assessments levied against each Owner will 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 Assessments provided for in subsection (a) of this Section 5.7 will be deposited by the

Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee will be disbursed as provided in Section 5.5.

ARTICLE VI

Condemnation

Section 6.1 Unit Condemnation With No Practical or Lawful Use Remaining. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, the award shall compensate the Unit Owner for his Unit and its interest in the Common Elements, whether or not any Common Element is acquired. Upon acquisition, unless the decree otherwise provides, that Unit's Assigned Value shall automatically be reallocated to the remaining Units in proportion to the respective Percentage Interests of those Units before the taking exclusive of the Unit taken, and the Association shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element.

Section 6.2 Condemnation of Part of Unit with Some Practical or Lawful Use Remaining. Except as provided in Section 6.1 above, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and of its Percentage Interest in the Common Elements, whether or not any Common Element is acquired. Upon acquisition, unless the decree otherwise provides, (1) that Unit's Assigned Value shall be reduced in proportion to the reduction in the size of the Unit, and (2) the portion of the Assigned Value divested from the partially acquired Unit shall automatically be reallocated to that Unit and the remaining Units in proportion to the respective Assigned Values of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced Assigned Value.

Section 6.3 Condemnation of Common Elements. If part of the Common Elements is acquired by eminent domain, the portion of the award not payable to Unit Owners under Section 6.1 above shall be paid to the Association and distributed in accordance with the provisions of Section 5.6 as if such condemnation were damage or destruction which will not be repaired or reconstructed. Any portion of the award attributable to the acquisition of a Limited Common Element must be apportioned among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

Section 6.4 Claims. The Board of Directors of the Association shall have exclusive authority to negotiate and settle on behalf of the Owners all claims arising from condemnation of any portion or all of the Units or Common Elements and the Owners hereby appoint the Board of Directors as their attorney in fact for this purpose.

ARTICLE VII

Architectural Control

Section 7.1 Approval Required for Changes and Interior Features. To preserve the original architectural appearance of the Project, the structural integrity thereof and the Unit designs, including architectural and engineering aspects therein, after the purchase of a Unit from the Developer, no construction, reconstruction or Unit modification of any nature whatsoever, except as specified in the Regime Documents, will be commenced or maintained upon or within, the Building, including without limitation within a Unit and a Limited Common Element, nor will there be any change, modification or alteration of any nature whatsoever of the design and appearance of any surfaces or facades, nor will any Owner paint any gate, fence or roof, nor will any Owner change the design or color of the exterior lights, nor will 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 will have been submitted to and approved in writing as to harmony of design, color and location in relation to the surrounding features by the Board of Directors and pursuant to original plans and specifications or Design Guidelines adopted therefor; provided, however, the Board of Directors shall not adopt any Design Guidelines or modify any Design Guidelines adopted by the Developer that will apply to the Commercial Unit without the written consent of the Owner of the Commercial Unit. Furthermore, such required approval by the Board of Directors shall extend to any interior features or aesthetic elements that are proposed to be changed. The failure of an Owner to secure the required approval of the Board of Directors as aforesaid, or to take such action, remedial or otherwise, as the Board of Directors shall at any time determine to be required hereunder shall be subject to the authority and enforcement powers of the Board of Directors as set forth Section 16.5(a) below. The Board of Directors may delegate the architectural review functions to a committee, but enforcement of all violations shall remain with the Board of Directors.

ARTICLE VIII

Maintenance

Section 8.1 Responsibility of Association. Except as specifically provided to the contrary herein, the Association will maintain, and repair and replace as necessary, the Common Elements in first class condition in accordance with proper maintenance procedures applicable thereto and will enforce all warranties with respect to the Common Elements. In addition, the Association will repair or replace all parts of the Common Elements as necessary. Except as otherwise provided herein, the cost of such will be charged to the Owners as a Common Expense. A Limited Common Element with respect to which an Owner has exclusive access and use shall be maintained pursuant to Section 8.3 below by such Owner.

Section 8.2 Access to Units. The Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, which term includes the Association manager, to have reasonable access to each Unit from time to time as may be necessary for the periodic inspection and application of termite and other bug control treatment for which the Association may contract, from time to time; to undertake such action as it may determine to prepare and

secure the Building and the Unit in anticipation of storm or hurricane, provided the Association shall be under no obligation to an Owner to do so; and for the inspection, maintenance, repair or replacement of any of the Common Elements accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to 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, or the Owner's allowed pets under Section 9.2, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and his Unit are subject. Each Owner will maintain, repair or replace at his own expense all portions of his Unit which may become in need thereof, including the heating and air-conditioning system components within such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-loadbearing walls, carpeting, drapes, doors, windows, screens, window and door hardware and other items within the Unit. Further, each Owner will, at his own expense, maintain, repair and replace, when necessary, that portion of the heating and air-conditioning system exclusively servicing his Unit which is located outside his Unit. Each Owner will maintain his unit at a temperature of no higher of 78° Fahrenheit in the summer in attempt to maintain a relative humidity level of less than 60%. Homes should be maintained a temperature of no less than 62° in the winter. Owners will not apply any vapor blocking materials or vinyl wall coverings to the exterior walls of their unit. Each Owner will, 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, and will conduct maintenance and repair thereto as necessary. If the Owner does not make those repairs required 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 will be assessed against the Owner and Unit owned by such Owner.

ARTICLE IX

Unit Restrictions

Section 9.1 Unit Restrictions.

(a) Residential Units. All Residential Units will be, and the same are hereby restricted exclusively, for residential use, provided, however, Residential a Unit may be used as a combined residence and executive or professional office by the Owner thereof so long as such use does not interfere with the quiet enjoyment by other Owners and does not include visitation by clients, or unreasonable levels of mail, shipping, storage or trash requirements. No immoral, improper, offensive or unlawful use will be made of any Residential Unit and no use or condition will 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, or which would constitute a violation of zoning requirements. All Residential Units will be kept in a clean and sanitary condition and no rubbish, refuse or garbage will be allowed to accumulate. No fire hazard will be allowed to exist and no use or condition will 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 will abide by all Rules and Regulations in effect from time to time governing the use of Residential Units.

(b) Commercial Unit. The Commercial Unit will be, and the same is hereby restricted exclusively, for such commercial uses as permitted by applicable zoning. The Commercial Unit shall not be occupied as living quarters. The Commercial Unit may be occupied during normal business hours. No immoral, improper, offensive or unlawful use will be made of the Commercial Unit and no use or condition will 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. The Commercial Unit will be kept in a clean and sanitary condition and no rubbish, refuse or garbage will be allowed to accumulate. No fire hazard will be allowed to exist and no use or condition will be permitted which will increase any rate of insurance related to the Project. In addition, the Owner and lessee of the Owner will abide by all Rules and Regulations in effect from time to time governing the use of the Commercial Unit, provided that any such rule shall first be approved by the Owner of the Commercial Unit prior to it becoming effective.

Section 9.2 Animals and Pets. No animals will be kept on any part of the Project, except that dogs, cats or other normal household pets may be kept by the respective Owners inside their respective Units; provided, however, and notwithstanding the generality of the foregoing, unless required by application of the Fair Housing Act or the Americans with Disabilities Act, the following types of dogs (whether pure bred or mix breed) are prohibited from being kept upon the Project unless such types of dogs are (i) not excluded from coverage under both the Association's liability insurance policy and the dog owner's liability insurance policy; and (ii) explicitly approved in writing by the Association: those known as Pit Bulls (American Staffordshire Terriers, American Pit Bull Terriers or Staffordshire Bull Terriers), Rotweillers, Doberman Pinschers, Chows, Presa Canarios, German Shepherds, and wolf hybrids. In addition to the foregoing, the Board of Directors shall have the following authorities and powers:

(a) The Board of Directors may prohibit the keeping of any dog with a prior history of causing bodily injury established through insurance claims records, or through the records of local public safety, law enforcement or other similar regulatory agency.

(b) The Board of Directors may, in its sole discretion, establish by rule that dogs of other breed are potential hazards to the Regime and its occupants, and may not be kept upon the Property.

(c) The Board of Directors may establish reasonable rules and regulations to insure that all permitted pets are properly licensed and inoculated for rabies and such other disease for which inoculation is customary for that breed of pet.

(d) The Board of Directors may require that an Owner execute a written indemnification and hold harmless agreement in favor of the Regime and the Regime's management company, in form and content satisfactory to counsel for the Board, prior to bringing the Owner's pet upon the Property.

(e) The Board of Directors may, in the exercise of its reasonable business judgment, prohibit the keeping of any pet it believes creates a health hazard, is a nuisance or otherwise unreasonably disturbs the peaceful possession and quiet enjoyment of any other portion of the Project by other Owners and lessees of Owners, their families, invitees and guests.

(f) The Board may establish reasonable rules to limit the number of allowed pets. Pets shall be kept on a leash at all times when outside of a Unit, and shall be under personal control when outside a unit, on the Common Elements, patios, balconies, etc; and the Owner shall clean up after his or her pet.

(g) The Board shall have the right at any time and in its sole and absolute discretion to require the Owner of a particular pet to remove such pet from the Regime if such pet is determined by the Board to be in violation of these restrictions.

(h) The Board shall have the power to levy fines for violation of these pet restrictions or of any additional rule or regulation adopted by the Board therefor, and any such fine or the cost of the Association to repair any damages to Common Elements caused by a pet shall be assessed against the Owner and Unit as a specific Assessment.

If, for any reason whatsoever, the Association needs to detain, incarcerate, capture, or tranquilize any animal or animals which may roam free, and it is found that said animals are the property of an Owner, then all fees necessary to cover such detainment, incarceration, capture, or tranquilization shall be levied against the Owner of said animal.

Notwithstanding the use of the word, "Owner" hereunder, the terms and provisions hereof shall extend to an Owner's family members, guests, tenants, lessees, and the Owner shall be fully responsible hereunder for the pets thereof on the same basis as the Owner would be for its owned pets.

Section 9.3 Antennas. No television antenna, radio receiver, or other similar device will be attached to or installed on any portion of the Regime by an Owner, except as required by the Telecommunications Act of 1996 and implementing rules therefor issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, the Developer and the Association, and their successors and assigns, will not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Regime.

Section 9.4 Leasing of Units. An Owner of a Residential Unit will have the right to lease or rent his Residential Unit; provided, however, that all leases and rental contracts will be for an initial term of six (6) months or more and will be in writing and will require the lessee to abide by all conditions and restrictions placed on the use and occupancy of the Residential Unit and the Common Elements by the Regime Documents. The Board of Directors will have the right to approve the form of all such leases and rental contracts at any time if it elects to do so. Permitted occupancy by a tenant or renter under any such approved form of lease or rental contract is subject to continuing approval of the Board thereunder, which may be removed at any time by the Board for any violation by any such tenant or renter of the Rules and Regulations of

the Association. Every Owner who leases a Residential Unit does hereby name, constitute and appoint the Board of Directors, by and through its duly acting President or Association property management company, its agent to prosecute in the name of the Owner and in the Owner's behalf any all actions for violations of this Master Deed and the Rule and Regulations of the Association, including, but not limited to, an action for eviction. Lease, rental or license agreements with respect to the Commercial Unit shall not be subject to any such restriction or approval of the Board, and this provision may not be amended without the consent of the Owner of all the Commercial Unit.

Section 9.5 Signs. Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including, but not limited to, "For Rent," "For Sale," and other similar signs, shall be erected by an Owner, the Association, or any agent, broker, contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any window, or within a Residential Unit and viewable through any window, or on the exterior of any improvements or on any unimproved portion of property located within the Project, except pursuant to written design standards and applicable rules of placement adopted therefor by the Developer during the Transition Period, and as the same may be amended, from time to time thereafter by the Board of Directors. Notwithstanding the foregoing, the restrictions of this Section 9.6 shall not apply to the Developer or to any person having the prior written approval of the Developer. In addition, the Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Elements in accordance with architectural design standards adopted therefor and approved by governmental authority with jurisdiction thereof.

(a) Commercial Unit Signage. The design and placement of signage identifying the business conducted at the Commercial Unit shall be in accordance with the applicable zoning ordinances. The Board of Directors shall have no jurisdiction over the placement of any signage identifying the business conducted at the Commercial Unit.

Section 9.6 Grills. With regard to the Buildings, the use of individual grills (charcoal, gas or electric) will be allowed if such activity is permitted by local ordinance, is permitted under the Association's insurance coverage, and if so permitted, does not result in a material increase in insurance premium, as determined by the Board in its sole discretion.

ARTICLE X

Easements

Section 10.1 Encroachments. If any portion of the Common Elements encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Elements as a result of settling or shifting of a Building or variances from the Plans, an easement will exist for the encroachment and for the maintenance of the same so long as the Building stands. If any Building, any Unit, and/or any adjoining part of the Common Elements will be partially or totally destroyed as a result of fire or other casualty or a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such

rebuilding, will be permitted, and valid easements for such encroachments and the maintenance thereof will exist so long as the subject Building will stand.

Section 10.2 Easement for Air Space. The Owner of each Unit will have an exclusive easement for the use of the air space occupied by said Unit as it exists at any particular time and as said Unit may be altered or reconstructed from time to time pursuant to this Master Deed.

Section 10.3 Utilities, etc. During the Transition Period, the Developer, and thereafter the Association, shall have an appurtenant, transferable easement upon, across, over and under all the Project for ingress, egress, installation, replacing, repairing and maintaining a master television antenna or CATV system and all utilities, including, but not limited to water, sewer, telephone and electricity, and other forms of telecommunication and technology cabling, now existing or developed in the future. Such easements shall be for the purpose of granting 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 will be entitled to grant additional permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

Section 10.4 Easement for Construction. During the Transition Period, the Developer, and thereafter the Association, shall have an appurtenant, transferable easement to enter upon and cross over the Common Elements for purposes of ingress and egress to all portions of the Project; to use portions of the Common Elements and in the case of the Developer, any Units owned by the Developer for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project; and to maintain and correct drainage of surface, roof or storm water.

Section 10.5 Easement for Inspection by Developer. Notwithstanding anything herein to the contrary, Developer and persons designated by the Developer will have an easement to enter upon and cross over the Common Elements for purposes of ingress and egress to all portions of the Project; as well as an easement for reasonable access to each Unit as the Developer may find desirable, for the inspection of the whole or any portion of the Project, its Units and Common Elements, the components and structural parts thereof, as well as the their maintenance requirements and the maintenance performed thereon to the date of any such inspection. Nothing herein shall require the Developer to perform any such inspection, but if the Developer does undertake any such inspection, Developer shall provide to the Board of Directors a copy of its findings or the inspection report produced therefrom. Nothing herein shall relieve the Board from engaging a professional inspector to perform a maintenance audit as part of the Board's budgeting process under Section 4.2 above.

Section 10.6 Easement for Sales Purposes. Developer and persons designated by the Developer will have an easement to maintain one or more sales offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Elements while the Developer is selling Units in the Project or any contemplated expansion thereof. Developer reserves the right to place models, management offices and sales offices in

any Units owned by Developer and on any portion of the Common Elements in such number, of such size and in such locations as Developer deems appropriate. So long as Developer will be selling Units in the Project or any contemplated expansion thereof, Developer will have the right to restrict the use of a reasonable number of parking spaces, for purposes including, but not limited to, the providing of spaces for use by prospective Unit purchasers, Developer's employees and others engaged in sales, maintenance, construction or management activities.

Section 10.7 No View Easements. No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

Section 10.8 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 upon the Project or any part thereof in the proper and lawful performance of their respective duties. Except in the event of emergencies, the rights under this Section 10.8 will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

Section 10.9 Unit Access. Each Unit Owner shall have the unrestricted right of ingress and egress to and from the Unit Owner's Unit. This right shall be perpetual and shall pass with the Unit as transfers of ownership of the Unit occur. In addition, the conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of any individual Percentage Interest in the Common Elements will be void unless the Unit to which that Percentage Interest is allocated is also transferred.

ARTICLE XI

Assigned Value and Voting Rights

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

Section 11.2 Voting Rights. Members and the Developer will be entitled to a vote in the Association and for all other purposes herein in accordance with the provisions of the Association's Articles of Incorporation attached hereto as Exhibit "D" and the By-Laws of the Association attached as Exhibit "E," and as the same may be hereafter amended. Each Owner may cast as that Owner's vote hereunder that number of votes to which the Owner is entitled, as shown on Exhibit "C."

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

all meetings until revoked by the co-Owners in a similar writing or until such designation terminates pursuant to the terms of such writing.

(b) Prorata Voting. Notwithstanding the assignment of votes based upon the Owner's Percentage Interest and as reflected in Exhibit "C" hereto, and as further allowed pursuant to Section 3.6(a) of the Bylaws, at the option of the Board of Directors and as a convenience to the Association, any vote of the Association may be taken on an alternative basis under which each Owner shall be entitled to one vote for each Unit owned. Any vote by the Association which is conducted pursuant to this Section 11.2(b) shall be re-counted pursuant to the assigned votes set forth on Exhibit "C" upon the prompt petition to the Board of Directors by any Owner and if the outcome falls within the statistical margin of error for being altered by virtue of the use of this alternate means of counting votes.

ARTICLE XII

The Development Plan For The Project

Section 12.1 Overall Plan. The overall development plan for the Regime is as one condominium regime of two (2) Buildings, one (1) Building having fifty-five (55) Residential Units and one (1) Commercial Unit; and one (1) Building having sixteen (16) Residential Units and one (1) Commercial Unit, a total of seventy-three (73) Residential Units and two (2) Commercial Units. At the date of filing this Master Deed, the Regime is composed of only one (1) Building, Building 1, containing fifty-five (55) Residential Units, one (1) Commercial Unit and the Common Elements, as more fully described in Exhibit "B," attached hereto.

Section 12.2 Reservation of Right to Expand Regime. At any time during the Transition Period, the Developer will be entitled to expand the Regime to the planned seventy-one (71) Residential Units and two (2) Commercial Units, and added to the Regime in accordance with these expansion rights as provided in this Section 12.2.

(a) Expansion; Conversion of Common Elements to Create a New Building and Units. The Developer is entitled, but not obligated, to expand the Regime during the Transition Period by constructing additional Units on the Common Elements and to submit portions thereof as Limited Common Elements of such additional Units, and to submit said improvements to the Regime, by filing an amendment to this Master Deed (including amendments to the Exhibits, including Exhibit "C" to reflect the required change in the Percentage Interests pursuant thereto. Improvements as shall be so constructed by Developer shall be consistent with the quality and structure type of those constructed at the time this Master Deed is filed of record in the RMC, although additional Units may be laid out in different configurations or plans and different classes of accessory Units may be provided. An amendment will be executed solely by the Developer. An amendment will be effective upon recording such amendment in the Charleston County RMC.

Section 12.3 Developer's Reservation of Right to Modify Owned Units. As provided in Section 3.3 above, the Developer shall have the right, so long as it owns any Unit, to modify each such Unit, provided, however, the aggregate Percentage Interest assigned to the Units so affected will not change. The Developer shall effect such modification by an amendment

executed solely by the Developer for itself and as attorney in-fact for all Owners. An amendment will be effective upon recording such Amendment in the Charleston County RMC.

Section 12.2 Assignability of Rights. The Developer will be entitled to assign the rights reserved in this Article XII to any person or entity by an instrument recorded in the RMC Office for Charleston County.

Section 12.3 Multiple Ownership. No Unit in the Regime will be used for or subject to any type of Vacation Time Sharing Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, *et. seq.*, or any subsequent laws of this State dealing with that or similar type of ownership by a Unit Owner without the prior written consent of the Developer and, after the Transition Period, the Board of Directors.

ARTICLE XIII

Transition Provisions

Section 13.1 Appointment of Directors and Officers. At all times during the Transition Period, the Developer will have the sole and exclusive right to appoint the entire Board of Directors and officers of the Association, fill any vacancy of the Board or officers caused by the withdrawal of any director or officer appointed by the Developer and veto the removal of any director or officer appointed by the Developer. Upon the expiration of the Transition Period, the Developer will retain the right to appoint one (1) director. The right to appoint one (1) director following the Transition period will continue for as long as the Developer holds for sale in the ordinary course of business more than five percent (5%) of the total number of Units included in the Regime.

Section 13.2 Special Meeting to Elect Board. Within sixty (60) days after the date on which Owners other than the Developer become entitled pursuant to Section 13.1 above to elect members of the Board of Directors of the Association, the Association will call, and give not less than thirty (30) days' and not more than forty (40) days' notice of, a special meeting of the Members to elect the Board of Directors.

Section 13.3 Cooperation. The Association will cooperate with the Developer to the extent reasonably requested by the Developer during and after the Transition Period to promote the orderly development and marketing of the Units planned for the Project.

Section 13.4 Controlling Provisions. In the event of any inconsistency between this Article XIII and the other provisions of the Regime Documents, this Article XIII will be controlling and binding on all parties having an interest in the Regime.

ARTICLE XIV

Alternative Dispute Resolution

Section 14.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Developer, Association, and Owners (collectively, the "Parties" and singularly, a "Party"), agree that any dispute, controversy or claim among them, including counterclaims and

crossclaims, whether based upon contract, tort, statute, common law or otherwise (collectively, a "Dispute"), arising from or relating directly or indirectly to the Regime Documents or the Project (but not matters applicable solely to the Master Association or the Master Covenants), including, without limitation, Disputes relating to the design and construction of the Project, or any portion thereof, or interpretation, application or enforcement of the Regime Documents, except for "Exempt Claims" under Section 14.2, are subject to arbitration, as defined by the South Carolina Arbitration Act and the Federal Arbitration Act, in lieu of civil proceedings and governed by the procedures set forth in Section 14.3.

Section 14.2 Exempt Claims. The following Claims ("Exempt Claims") are exempt from the provisions of Section :

(a) any suit by the Association against a Party to enforce any Assessments or other charges hereunder; and

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association until the matter may be resolved on the merits pursuant to Section 14.3 below; and

(c) any suit between Owners which does not include the Developer or the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Regime and the Project; and

(d) any suit in which an indispensable party is not a Party, provided that any suit involving a Dispute between or among the Developer, the Association, one or more Owners, the Project architect, engineer or other design professional, and the Project construction contractor shall be resolved by non-jury trial, the Parties expressly hereby waiving all resort to trial-by-jury of any and all issues otherwise so triable

(e) any suit which otherwise would be barred by any applicable statute of limitation; and

(f) any suit involving a matter which is not an Exempt Claim under (a) or (b) above, but as to which matter the Party against whom the Claim is made waives the mandatory provisions of Section 14.3 below.

Any Party having an Exempt Claim may submit it to the alternative Dispute resolution procedures set forth in Section 14.3, but there is no obligation to do so.

Section 14.3 Mandatory Procedures for Non-Exempt Claims.

(a) Parties to be Joined. The Parties agree to arbitrate all Disputes with each other and with the Project architect, engineer or other design professional, and the Project construction contractor to the extent those entities have agreed to participate in and be subject to arbitration of all Disputes.

(b) Mediation. Prior to arbitration, if the Dispute cannot be settled through direct discussions, the Parties shall endeavor to resolve the Dispute between themselves, as well as between the Parties and the Project architect, engineer or other design professional, or the Project construction contractor, by participating in a mediation before a mediator mutually agreed upon by the Parties.

(c) Arbitration. Any Dispute that cannot be settled by negotiation or mediation shall be settled by binding arbitration before a single arbitrator, mutually agreed upon by the Parties, who is an attorney with substantial experience in the subject matter of the Dispute. Arbitration will be governed by the commercial or construction arbitration rules of the American Arbitration Association (AAA), whichever is applicable, but will not be administered by the AAA unless the Parties so agree.

(d) The Arbitrator. If the Parties cannot agree on a single arbitrator, each Party will pick an arbitrator who is an attorney with substantial experience in the subject matter of the Dispute. Those two arbitrators will then pick a third arbitrator who is an attorney with substantial experience in the subject matter of the Dispute, and the panel of three (3) arbitrators will decide the arbitration. If there is an impasse in the selection of arbitrators, any Party may make a motion to compel arbitration with the circuit court for Charleston County, South Carolina and ask the court to resolve the selection of arbitrators.

(e) Arbitrability. The issue of whether or not a Dispute is within the scope of this arbitration requirement (or "arbitrability") will be decided by an arbitrator or arbitrators selected pursuant to the terms of this Article XIV.

(f) Situs of Mediation and Arbitration. All mediation and arbitration proceedings will be conducted in Charleston County, South Carolina. The participating Parties shall share the costs and expenses of mediation and arbitration, other than the Parties' respective legal fees, equally.

(g) Judgment on the Award. Judgment on the award rendered by the arbitrator(s) shall be final and binding, shall not be appealable, and may be entered in any court having jurisdiction, as provided in the applicable state and federal statutes.

Section 14.6 Litigation. No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless approved by seventy-five percent 75% or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members called for the purpose of approving the proceeding, which percentage will also constitute the quorum required for any such meeting. This Section will not apply, however, to i) actions brought by the Association to enforce the collection of assessments, including the foreclosure of liens, as well as the enforcement of other provisions of the Regime Documents, except where it is asserted that the Developer is in violation of any provision of the Regime Documents other than a violation of its requirement to pay Assessments; ii) proceedings involving challenges to ad valorem taxation; iii) counterclaims brought by the Association in proceedings instituted against it; or iv) actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section will not be amended unless the amendment is approved by both the Developer and the requisite

percentage of votes of Members of the Association, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the alternative dispute resolution provisions of this Article XIV, if applicable.

Section 14.7 Miscellaneous Alternative Dispute Resolution Provisions.

(a) Conflicting Provisions. Any conflict or discrepancy between the terms and conditions set forth in this Article and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein will control.

(b) TIME IS OF ESSENCE. All periods of time set forth herein or calculated pursuant to provisions of this Article will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

ARTICLE XV

Rights of Eligible Mortgage Holders

Section 15.1 Introduction. This Section establishes certain standards and covenants that are for the benefit of Eligible Mortgagees. This Section is supplemental to, and not in substitution for, any other provisions of the Master Deed, the Bylaws of the Association and the Articles of Incorporation of the Association (the "Constituent Documents"), but in the event of conflict in the application to Eligible Mortgagees of this Article XV and other provisions of this Master Deed, this Article shall control. Unless the Board of Directors shall vote to suspend this provision, the Board shall periodically amend this Section from time to time, to be consistent with generally applicable requirements of the Federal National Mortgage Association governing mortgagee approval requirements.

Section 15.2 Eligible Mortgagees. Wherever in the Constituent Documents the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of the Institutional Mortgagees holding or insuring first lien Mortgages on Units which have provided to the Association written requests, stating their names and addresses and the street addresses of the Units to which their Mortgages relate, to receive written notice of the matters for which they are entitled to vote, and which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to first Mortgages held by Eligible Mortgagees.

Section 15.3 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee;

(b) Any delinquency in the payment of Assessments owed by an Owner whose Unit is subject to a first Mortgage held, insured, or guaranteed, by such Eligible Mortgagee, which remains unpaid 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;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.4; and

(e) Any judgment rendered against the Association.

Section 15.4 Consents Required; Constituent Documents' Changes. Notwithstanding any lower requirement permitted by the Constituent Documents or the Nonprofit Corporation Act, no amendment of any material provision of the Constituent Documents by the Owners described in this Section 15.4 may be effective without the vote of sixty-seven percent (67%) or more of the votes of the entire Association, by Referendum or at a duly held meeting of Members (which percentage will also constitute the quorum required for any such meeting), or any greater vote required in the Constituent Documents or the Nonprofit Corporation Act, and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Constituent Documents). The foregoing approval requirements do not apply to amendments effected by the exercise of any rights of the Developer to amend the Constituent Documents until expiration of the Transition Period. Consent of an Eligible Mortgagee is deemed granted if no denial is received within thirty (30) days after the Eligible Mortgagee receives notice of the proposed changes. Material provisions requiring such Members' vote and Eligible Mortgagees' approval include, but are not limited to, any provision affecting:

- (a) Assessments, assessment liens, or subordination of assessment liens;
- (b) Voting rights;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the Common Elements or Limited Common Elements except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees, which hold Mortgages on such Units, must approve such action;
- (f) Rights to use Common Elements and Limited Common Elements;
- (g) Boundaries of Units except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding mortgages on such Unit or Units must approve such action;
- (h) Expansion or contraction of the Regime, or the addition, annexation or withdrawal of property to or from the Regime, except pursuant to Developer's right to do so expand the Regime pursuant to any provision of this Master Deed;

- (i) Insurance or fidelity bonds;
- (j) Leasing of Units;
- (k) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (l) Establishment of self-management when professional management had been required previously by the Constituent Documents or by an Eligible Mortgagee;
- (m) Restoration or repair of the Property after a hazard damage or partial condemnation in a manner other than that specified in the Constituent Documents;
- (n) Termination of the legal status of the Regime after occurrence of substantial destruction or condemnation; and
- (o) Any provision that expressly benefits Eligible Mortgagees.

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

- (a) The conveyance or encumbrance of the Common Elements or any portion thereof, as to which at least a sixty-seven percent (67%) approval by Eligible Mortgagees is required. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements for the benefit of the Regime shall not be deemed a conveyance or encumbrance within the meaning of this clause;
- (b) The restoration or repair of the Property after damage or a partial condemnation in a manner other than that specified in the Constituent Documents;
- (c) The termination of the legal status of the Regime for reasons other than substantial destruction or condemnation, as to which at least sixty-seven percent (67%) approval by Eligible Mortgagees is required;
- (d) The alteration of any partition or creation of any aperture between adjoining Units when Unit boundaries are not otherwise being affected, in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;
- (e) The merger of the Association with any other common interest community;
- (f) The granting of any easements, leases, licenses and concessions through or over the Common Elements excluding, however, any utility easements serving or to serve the Regime and excluding any leases, licenses or concessions for no more than one year;

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

(h) Any action taken not to repair or replace the Property.

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

Section 15.6 Change From Monthly Assessment. The Association may not change the period for collection of regularly budgeted Common Expenses Assessments to other than monthly without the consent of all Eligible Mortgagees.

Section 15.7 Developer's Reserved Rights. No rights reserved by the Developer may be voluntarily abandoned or terminated by the Developer unless all persons holding security interests in the Developer's reserved rights consent to the abandonment or termination.

Section 15.8 Inspection of Books. The Association shall permit any Eligible Mortgagee to inspect the books and records of the Association during normal business hours.

Section 15.9 Financial Statements. The Association shall provide any Eligible Mortgagee, which submits a written request, with a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if the number of Units is 50 or more, or if the number of Units is less than 50 and no audited statement is otherwise required under the Constituent Documents, any Eligible Mortgagee may have an audited statement prepared at its own expense.

Section 15.10 Enforcement. The provisions of this Article XV are for the benefit of Eligible Mortgagees and their successors, and may be enforced by any of them by any available means, at law, or in equity.

Section 15.11 Attendance at Meetings. Any representative of an Eligible Mortgagee may attend any meeting that a Unit Owner may attend.

ARTICLE XVI

General Provisions

Section 16.1 Adherence to Provisions of Master Deed, Bylaws and Rules and Regulations. Rules and Regulations of the Association shall be provided to every renter of a Unit. Any rental agency handling an Owner's rental must further agree to abide by the Rules and Regulations and will be responsible for informing persons renting through its agency of any breaches of the Rules and Regulations by said persons and for taking any and all necessary corrective action. Should a particular agency or person continue not to take corrective action against the renters it has contracted with, or refuse to cooperate with the Association in the enforcement of its Rules and Regulations or other 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. Any fines will be added to and become a part of the Assessment against the Unit and Owner.

Section 16.2 Amendment. Amendments to this Master Deed, except as herein expressly provided to the contrary, including, but not limited to amendments pursuant to Article XII which may be made without the consent or approval of either the Board or the Members, will be proposed by the Board of Directors in accordance with the following procedure:

(a) Notice. Notice of the subject matter of the proposed amendment or amendments will 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 Members holding sixty-seven percent (67%) or more of the total vote in the Association; provided, however, that if the Association will vote to amend the Bylaws in any respect, such amendment will be set forth in an amendment to this Master Deed and will be valid only when approved by Members holding more than fifty percent (50%) of the total vote in the Association.

(c) Nondiscrimination. Irrespective of the foregoing, no amendment will (i) alter the Percentage Interest applicable to each Unit (except as permitted in accordance with Article VI and Article XI hereof); or (ii) discriminate against any Owner or against any Unit or class or group of Units, unless in each instance all Owners adversely affected thereby and their respective Eligible Mortgagees expressly consent thereto in writing. Notwithstanding any Rule or Regulation or other restriction, the Board of Directors of the Association will make reasonable accommodations in its Rules and Regulations or other restrictions as may be necessary to afford a handicapped person equal opportunity to use and enjoy his Unit and the Common Elements, and in furtherance thereof is authorized and empowered to assign Common Element parking spaces for handicap parking generally or to assign same to a person for exclusive use as handicap parking.

(d) Necessary Amendments. Notwithstanding any other provisions of this Master Deed to the contrary, if any amendment is necessary in the judgment of the Board to cure any ambiguity or to correct or supplement any provisions of the Regime Documents that are defective, missing or inconsistent with any other provisions thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary Mortgage market lenders, guarantors or insurers with respect to condominium projects, then at any time and from time to time the Board may effect an appropriate corrective amendment so long as written objection to such amendment is not received from Members representing at least fifty-one percent (51%) of the total votes of the Association within twenty (20) days after written notice of the proposed amendment is given to all Members.

(e) Recording. A copy of each amendment provided for in this Section will be certified by the Association as having been duly adopted and will be effective when recorded.

(f) Approval of the Developer. In recognition of the fact that certain provisions of this Master Deed are for the benefit of the Developer, no amendment in derogation of any right reserved or granted to the Developer by provisions of this Master Deed may be made without the written approval of the Developer.

(g) Transition Period Amendments by Developer. Notwithstanding any other provision of this Master Deed to the contrary, during the Transition Period the Developer may amend the Regime Documents without the necessity or requirement of having to give notice to or obtain the consent of the Association or any Owner in order to give effect to the Developer's development and operational plan for the Regime, or to correct or clarify any term or provision of the Regime Documents which, in the exercise of its reasonable judgment, is required or desirable to conform to the requirements of the Condominium Act.

Section 16.3 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, subject to the Rights of Eligible Mortgage Holders provisions of Article XV of this Master Deed.

(b) Due to Destruction or Condemnation. In the event of the destruction of the entire Project and a vote not to rebuild, or in the event of taking by eminent domain of the entire Project, the Regime will be terminated and the Regime Documents revoked. The determination not to repair or reconstruct after casualty, or the taking of the entire project by eminent domain will be evidenced by a certificate of the Association certifying as to such facts effecting the termination.

Section 16.4 Covenants Running With the Land. All provisions of this Master Deed will 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 will bind and inure to the benefit of the Developer and all Owners and claimants of the Project or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns.

Section 16.5 Enforcement. Each Owner will 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 will be grounds for an action to recover sums due, for damages or injunctive relief, or for all three, 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 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 will in no event be deemed a waiver of the right to do so thereafter.

(a) Authority and Enforcement. Subject to the provisions of Section 16.5(b) hereof, upon the violation of this Master Deed, the Bylaws, or any rules and regulations duly

adopted hereunder, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (1) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (2) to suspend an Owner-Member's right to vote in the Association, or (3) to suspend an Owner's or Unit occupant's right to use any of the Common Elements. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Elements will not be terminated hereunder. An Owner or Unit's occupant will be subject to the foregoing sanctions in the event of such a violation by such Owner or Unit's occupant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

(b) Procedure. Except with respect to the failure to pay Assessments, the Board will not impose a fine in excess of \$100 per occurrence of the event or condition giving rise to the imposition of a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Project for violations of the Master Deed, By-Laws, or any rules and regulations of the Association, unless and until the following procedure is followed:

(i) Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

(A) The alleged violation;

(B) The action required to abate the violation; and

(C) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Master Deed, the By-Laws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

(ii) Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice will contain:

(A) The nature of the alleged violation;

(B) The time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;

(C) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and

(D) The proposed sanction to be imposed.

(iii) Hearing. The hearing will be held in executive session of the Board of Directors pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if the officer, director, or other individual who delivered such notice enters a copy of the notice together with a statement of the date and matter of delivery. The notice requirement will be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

The \$100 fine limitation herein provided shall be increased, but not decreased, by changes in the CPI, as measured from the month and year in which this Master Deed is recorded in the ROD. "CPI" shall mean the Consumer Price Index, as published by the Bureau of Labor Statistics of the United States Department of Labor, or comparable index if the Consumer Price Index is discontinued.

Section 16.6 Severability. All provisions of this Master Deed and all of the Regime Documents will be construed in a manner which complies with the Act and South Carolina law to the fullest extent possible. If all or any portion of any provision of this Master Deed or any other Regime Documents will be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision hereof or thereof, and such provision will be limited and construed as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

Section 16.7 Gender or Grammar. The singular whenever used herein will 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, will in all cases be assumed as though in each case fully expressed. In addition, the use of the terms "herein" or "hereof" will mean this Master Deed and not merely the Article, Section or Paragraph in which such term is utilized.

Section 16.8 Headings. All Article and Section headings are utilized merely for convenience and will not restrict or limit the application of the respective Articles or Sections.

Section 16.9 Powers of Attorney. By acceptance of a deed or other conveyance of an interest in a Unit, all Members do hereby grant, and if further required, do agree to vote in a manner to provide to, and to ratify and confirm retention by, Developer of Developer's rights under this Master Deed, including, without limitation, the right to amend this Master Deed in accordance with the provisions hereof. In connection with this voting agreement, each member appoints Developer as proxy for such member with full power of substitution to vote for the member on all such matters on which the member may be entitled to vote, and with respect to which there is a reservation or designation of voting rights in Developer under this Master Deed, and with all powers which the member would possess if personally present at any meeting of members. Such appointment will be, upon acceptance of a deed or other conveyance by the member and without the necessity of further action by the Developer or the member, a power coupled with an interest and will be irrevocable. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Member is recorded in the Charleston County RMC office. This irrevocable proxy will automatically terminate thirty (30)

days after the conveyance in the ordinary course of Developer's business of Units representing ninety percent (90%) of the Assigned Values of all the Units shown in Exhibit "C" of this Master Deed. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Developer herein provided, which will run with the land.

Section 16.10 Unit Deeds. In accepting a deed to any Unit, the grantee will be deemed to have accepted and agreed to all terms and conditions contained in this Master Deed and the Exhibits, as amended, and further agrees to execute any and all documents reasonably requested by the Developer or the Association from time to time to expressly evidence the foregoing.

Section 16.11 Conflicts. In the case of any conflict between the Articles of Incorporation and the Master Deed, the Articles of Incorporation shall control; in the case of any conflict between the Master Deed and the Bylaws, the Master Deed shall control; and in the case of any conflict between the Master Deed and any required term or condition imposed by the Condominium Act upon the Association and/or the governance of the Regime that is at variance with the Master Deed and is a mandatory provision of the Condominium Act, the provisions of the Condominium Act shall control.

ARTICLE XVII

Exhibits

Section 17.1 Exhibits Attached. The following Exhibits are attached hereto and incorporated verbatim in this Master Deed by reference as fully as if set forth herein.

<u>Description</u>	<u>Identification</u>
Legal Description of the Land	A
Site Plan and Floor Plans	B
Schedule of Assigned Values and Percentage Interests	C
Articles of Incorporation of the Association	D
Bylaws of the Association	E

[SIGNATURE PAGE ATTACHED]

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed to be effective as of this 16th day of May, 2007.

WITNESS:

TWENTY-ONE GEORGE STREET, LLC,
a South Carolina limited liability company

By: George Street Manager, LLC

Its: Manager

Janette L. Gay
Witness No. 1

By: Janet K. Saffran
Name: JANET K. SAFFRAN
Title: AUTHORIZED AGENT

Mary Elizabeth Bennett
Witness No. 2

BK W625PG639

STATE OF SOUTH CAROLINA)

COUNTY OF Charleston)

I, MAR. Elizabeth Bennett, a Notary Public for SC, do hereby
certify that Twenty-One George Street, LLC, a South Carolina limited liability company, by
George Street Manager, LLC, its manager, by Janet K. Safian, its
Authorized Agent, personally appeared before me this day and acknowledged the due
execution of the foregoing instrument.

Witness my hand and seal this 16 day of May, 2007.

MAR. Elizabeth Bennett (SEAL)

Notary Public for SC

My commission expires: 1.28.12

Exhibit "A"**Legal Description of****The Development Land**

ALL that certain piece, parcel or lot of land, together with improvements thereon, situate, lying and being in the City of Charleston, County of Charleston, State of South Carolina, and being more fully shown and designed as "AREA 44,040 SQ.FT. - Y.W.C.A. PARKING LOT" on a plat entitled "PREMISES KNOWN AS NO. 78 SOCIETY STREET OWNED BY YOUNG WOMEN'S CHRISTIAN ASSOCIATION" by J. O'Hear Sanders, Jr., dated June 12, 1978 and recorded in Plat Book AL at Page 42 in the Office of the RMC for Charleston County.

LESS AND EXCEPTING from the above parcel, that certain piece, parcel or lot of land, together with improvements thereon, and being that certain portion of the No. 25 George Street containing approximately 0.08 acres adjacent to No. 21 George Street and described more particularly as follows: BEGINNING at a point located on the southern boundary of No. 21 George Street and running in a northwesterly a distance of 154.61 feet to a point, said point being the Point of Beginning; thence continuing S19°42'11" E for a distance of 87.39 feet to a point; thence turning and running in a southwesterly direction S71°49'44"W a distance of 41.9 feet to a point; thence turning and running in a northeasterly direction N71°23'12"E a distance of 41.77 feet to the point of Beginning, said measurements being more or less.

TMS No.: 457-04-04-005

RESERVING, NEVERTHELESS, in, on, over, under and through the parcel described above ("Burdened Parcel") for the benefit of the parcel described below ("Benefited Parcel"), and for the successors and assigns of the Burdened Parcel, non-exclusive, perpetual assessments to allow for reasonable access, ingress and egress for pedestrian and vehicular traffic; the running of utility lines and the right for existing structures on the Benefited Parcel to encroach on the Burdened Parcel. Grantor also reserves for the benefit of the Benefited Parcel the right to construct new improvements within any set back area benefiting the Burdened Parcel. The benefited Parcel is described as follows:

BEGINNING at a point located on the southern boundary of No. 21 George Street and running in a northwesterly a distance of 154.61 feet to a point; thence continuing N19°41'11"E for a distance of 87.39 feet to a point; thence turning and running in a southwesterly direction S71°49'44"W a distance of 41.9 feet to a point; thence turning and running in a northwesterly direction N20°19'19"W a distance of 87.32 feet to a point; thence turning and running in a northeasterly direction N71°23'12"E a distance of 41.77 feet to the point of Beginning, said measurements being more or less.

This Master Deed is subject, however, to the following:

1. Any encroachments, easements, party walls, conflicts in boundary line, shortage or variation in area or measurements, and/or any facts that a correct survey and/or a physical inspection of the premises would disclose.
2. Rights or claims of parties in possession not shown in public records.
3. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
4. Roadways, streams or easements, or claims of easements, if any, not shown by the public records, riparian rights and the title to any filled-in lands.
5. Easement granted to South Carolina Electric & Gas Company from Young Women's Christian Association dated March 9, 1964 and recorded March 30, 1964 in the Office of the ROMS for Charleston County in Deed Book Y-79, at page 9.
6. Easement granted to South Carolina Electric & Gas Company from Young Women's Christian Association of Charleston, S.C. (d/b/a Christian Family Y) dated June 30, 1983 and recorded October 19, 1983 in the Office of the ROMS for Charleston County in Deed Book K-133, at page 188.
7. Right of ingress, egress and parking use of four spaces after 5:00 pm in the parking lot lying to the east of the subject premises granted to Dolly S. Robinson as stipulated in deed from Young Women's Christian Association of Charleston to Dolly S. Robinson dated June 19, 1978 and recorded August 4, 1978 in the Office of the ROMS for Charleston County in Deed Book 0-116, at page 352.
8. Matters of survey shown on a plat prepared for Estates Management Company, prepared by Alexander C. Peabody, PLC, Niemeyer & Peabody, LLC (undated) and showing No. 21 George Street (YWCA); and southern portion of Lot No. 25 George Street (Handball Courts), including, without limitation, the following:
 - (a) Overhead power lines;
 - (b) Power poles;
 - (c) Gas meter;
 - (d) Chain link and wood fencing; and
 - (e) Sign.
9. Easement between The Washington Light Infantry of Charleston, South Carolina and Twenty-one George Street, LLC, dated September 7, 2005, and recorded September 12, 2005, in Book N553, page 31, Charleston County Records.
10. Right of Way Easement granted to South Carolina Electric and Gas Company from Twenty-one George Street, LLC, recorded December 12, 2005, in Book 0565, page 237, Charleston County Records.

11. Property Line and Construction Agreement by and between Trinity United Methodist Church and Twenty-one George Street, LLC, dated December 19, 2005, and being unrecorded.

12. Utilities, Signage, Construction, Maintenance, and Access Easement Agreement from Twenty-one George Street, LLC to Southern Twenty-five, LLC dated April 16, 2007, and recorded in Book ____, page ____, Charleston County Records.

Exhibit "B"

Site Plan and Floor Plans

GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME

NOTE

Exhibit "B" is composed of the matters set forth below and the attached as-built survey showing the location of Building 1, and appended elevation certificate for Building 1. Exhibit "B" also includes an attached set of floor plans for Building 1, which shows graphically the dimensions, area and location of each Unit therein, and the dimensions, area and location affording access to each Unit.

As to each Unit: All built-in kitchen appliances, the refrigerator, air conditioner units and condensers and hot water heater located in each Unit are part of the Unit in which they are located and are not Common Elements. The balcony, deck, patio or porches adjacent to each Unit, including the railing thereof, are Limited Common Elements and are subject to restrictions as set forth elsewhere in this Master Deed.

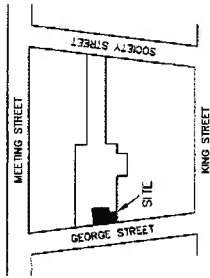
Reference to area as Common Elements or elements in this paragraph will be in addition to and read in conjunction with the further designations of Common Elements and elements set out in other portions of this Master Deed and the survey and floor plans making up the balance of this Exhibit "B". The parking level is a Common Element.

BK W625P6644

As-Built Survey and Elevation Certification

Attached Hereto

W52596645



**VICINITY MAP
NOT TO SCALE**

THE SUBJECT PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA, ZONE A7. ELEVATION OF 15, AND AS DETERMINED FROM FEMA FIRM PANEL MAP #433412-0022 D LAST REVISED NOVEMBER 5, 1988.

UNLESS OTHERWISE NOTED, ALL IRON PINS (S) ARE #5 REBAR. UNLESS OTHERWISE NOTED, ALL IRON PINS (O) ARE #5 REBAR.

THE COMMERCIAL AREA SHOWN HEREON IS CONFINED WITHIN THE EXISTING STRUCTURE LOCATED AT 21 GEORGE STREET. THE AREA SHOWN IS INTENDED TO BE A CONDOMINIUM COMPLEX WITH BUT VERTICALLY LIMITED TO THE FLOOR AND BUT HAVE DIFFERENT VERTICAL LOCATIONS. THERE ARE CONDOMINIUM UNITS ABOVE THIS SITE THAT OCCUPY THE SAME HORIZONTAL LOCATION. THE CONDOMINIUM UNITS ARE NOT TO BE VERTICALLY ELEVATION BETWEEN THE FINISHED FLOOR OF THE CONDOMINIUM UNITS AND THE FINISHED FLOOR OF THE CONDOMINIUM UNITS. THE CONDOMINIUM UNITS ARE NOT TO BE VERTICALLY ELEVATION BETWEEN THE FINISHED FLOOR OF THE CONDOMINIUM UNITS AND THE FINISHED FLOOR OF THE CONDOMINIUM UNITS.

ELEVATIONS BASED ON "CHARLESTON" BENCHMARK AND IS REFERENCED TO MVD 29 DATUM.

GRAPHIC SCALE



BOUNDARY SURVEY

PREPARED FOR:

TWENTY-ONE GEORGE STREET, LLC

DESCRIPTION:

21 GEORGE STREET ~ UNIT G0101

LOCATED IN THE CITY OF CHARLESTON, CHARLESTON COUNTY, SOUTH CAROLINA

DATE: APRIL 11, 2007

JOB # 2004-015/COMMERCIAL-S-B-2007.DWG

FB # 597, 598, 603

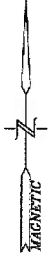
THE SAME BEING SHOWN ON A PLAT PREPARED BY ALEXANDER C. FARMER, P.L.S., DATED JULY 8, 2003.

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL OF PRACTICE FOR LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL OF PRACTICE FOR LAND SURVEYING IN SOUTH CAROLINA. THERE ARE NO VISIBLE ENCUMBRANCES OR PROJECTIONS OTHER THAN SHOWN.

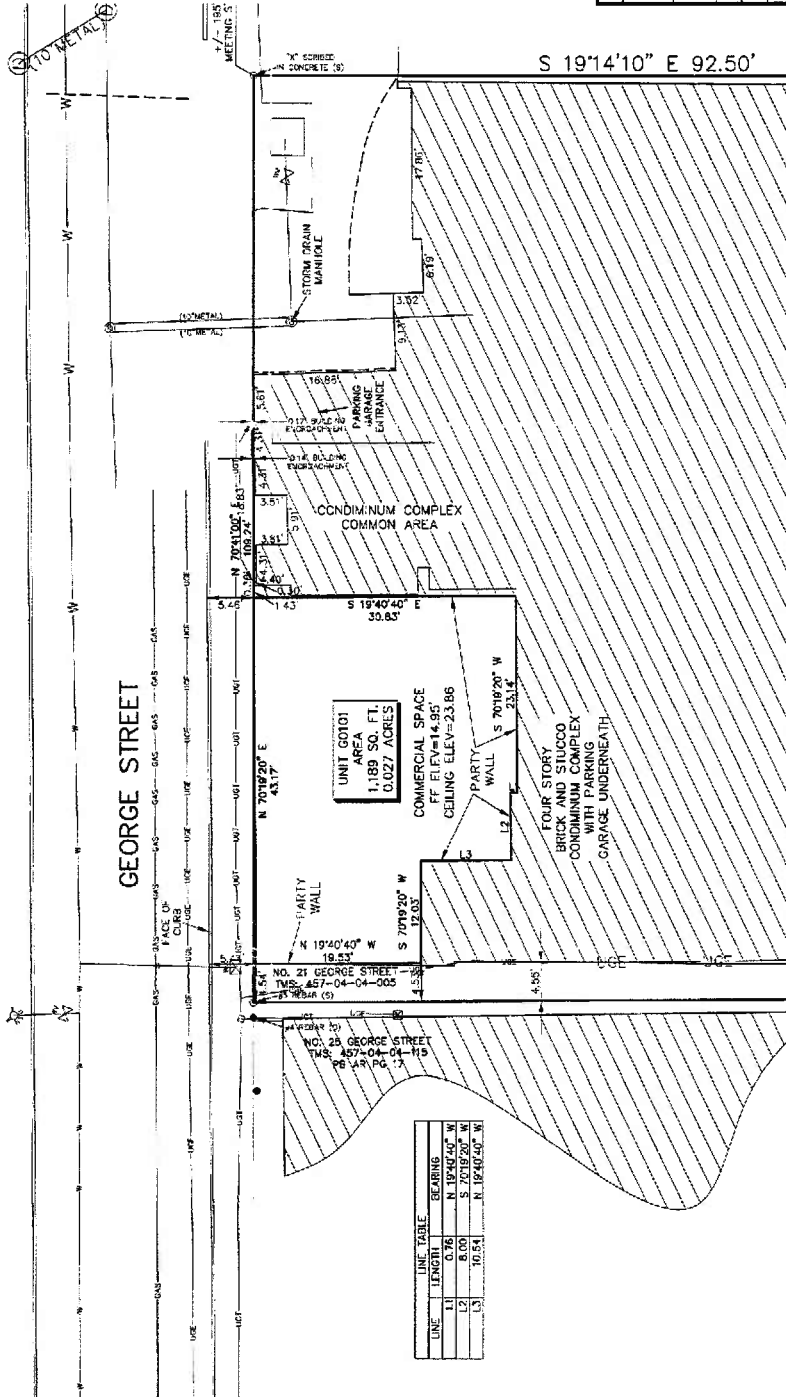
COA # 006603

J. ROBERT WALKER III, P.L.S. 14332

SCOLS # 14332



GEORGE STREET



LINE	LENGTH	BEARING
L1	0.76	N. 19°40'40" W.
L2	8.00	S. 70°19'20" W.
L3	10.54	N. 19°40'40" W.

LEGEND:

- = WATER METER
- = POWER POLE
- = STORM DRAIN LINE
- = SANITARY SEWER LINE
- = OVERHEAD ELECTRIC LINE
- = UNDERGROUND ELECTRIC LINE
- = WIRE FENCE
- = WOOD FENCE
- = CHAIN LINK FENCE
- (S) = SET
- (O) = R/W
- = #5 REBAR (S)
- = #5 REBAR (O)
- ⊙ = STORM DRAIN MANHOLE
- ⊕ = SAN. SEWER MANHOLE
- = CATCH BASIN
- ⊗ = FIRE HYDRANT
- [] = ADDRESS

BAK H625PG646
ELEVATION CERTIFICATE

OMB No. 1660-0008
Expires February 28, 2009

Important: Read the instructions on pages 1-8.

SECTION A - PROPERTY INFORMATION		For Insurance Company Use:
A1. Building Owner's Name George & Society POA		Policy Number
A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 21 GEORGE STREET City CHARLESTON State SC ZIP Code 29401-1433		Company NAIC Number
A3. Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.) CHARLESTON COUNTY PARCEL NUMBER 4570404005		
A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.) RESIDENTIAL		
A5. Latitude/Longitude: Lat. 32-47-03.12 N Long. 79-56-00.94 W		Horizontal Datum: <input type="checkbox"/> NAD 1927 <input checked="" type="checkbox"/> NAD 1983
A6. Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.		
A7. Building Diagram Number 7		
A8. For a building with a crawl space or enclosure(s), provide a) Square footage of crawl space or enclosure(s) _____ sq ft b) No. of permanent flood openings in the crawl space or enclosure(s) walls within 1.0 foot above adjacent grade 0 c) Total net area of flood openings in A8.b 0 sq in		A9. For a building with an attached garage, provide: a) Square footage of attached garage 38986 sq ft b) No. of permanent flood openings in the attached garage walls within 1.0 foot above adjacent grade 2 c) Total net area of flood openings in A9.b 43.491 sq in

SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION

B1. NFIP Community Name & Community Number CITY OF CHARLESTON 455412		B2. County Name CHARLESTON		B3. State SC	
B4. Map/Panel Number 45019C0516	B5. Suffix J	B6. FIRM Index Date NOVEMBER 17, 2004	B7. FIRM Panel Effective/Revised Date NOVEMBER 17, 2004	B8. Flood Zone(s) AE	B9. Base Flood Elevation(s) (Zone AO, use base flood depth) 13.0

B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in Item B9.

☐ FIS Profile ☒ FIRM ☐ Community Determined ☐ Other (Describe) _____

B11. Indicate elevation datum used for BFE in Item B9: ☒ NGVD 1929 ☐ NAVD 1988 ☐ Other (Describe) _____

B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or Otherwise Protected Area (OPA)? ☐ Yes ☒ No
Designation Date _____ ☐ CBRS ☐ OPA

SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)

C1. Building elevations are based on: ☐ Construction Drawings* ☐ Building Under Construction* ☒ Finished Construction

*A new Elevation Certificate will be required when construction of the building is complete.

C2. Elevations - Zones A1-A30, AE, AH, A (with BFE), VE, V1-V30, V (with BFE), AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO. Complete Items C2.a-g below according to the building diagram specified in Item A7.

Benchmark Utilized CHARLESTON Vertical Datum NGVD 29

Conversion/Comments _____

Check the measurement used.

- | | | |
|---|-------|---|
| a) Top of bottom floor (including basement, crawl space, or enclosure floor) | 12.35 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| b) Top of the next higher floor | 22.75 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| c) Bottom of the lowest horizontal structural member (V Zones only) | 21.45 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| d) Attached garage (top of slab) | 12.35 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| e) Lowest elevation of machinery or equipment servicing the building (Describe type of equipment in Comments) | 12.35 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| f) Lowest adjacent (finished) grade (LAG) | 12.49 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |
| g) Highest adjacent (finished) grade (HAG) | 15.14 | <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only) |

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION

This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. I certify that the information on this Certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.

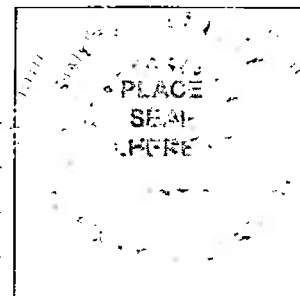
☐ Check here if comments are provided on back of form.

Certifier's Name J. Henry Walker, III License Number SCPLS No. 14532

Title Owner Company Name Walker Surveying Services, Inc.

Address 936 South Broad Street City Camden State SC ZIP Code 29020

Signature  Date March 12, 2007 Telephone 803-425-0702



IMPORTANT: In these spaces, copy the corresponding information from Section A.	For Insurance Company Use:
Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 21 George Street	Policy Number
City Charleston State SC ZIP Code 29020	Company NAIC Number

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (CONTINUED)

Copy both sides of this Elevation Certificate for (1) community official, (2) insurance agent/company, and (3) building owner.

Comments 1) Latitude and Longitude scaled in from Google Earth program.

2) The building consist of two different structures, Society and George, on top of a parking garage. The parking garage now has office space that fronts onto George Street. The finish floor elevation for the office space is 14.95'.

Signature 

Date April 20, 2007

☐ Check here if attachments**SECTION E - BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED) FOR ZONE AO AND ZONE A (WITHOUT BFE)**

For Zones AO and A (without BFE), complete Items E1-E5. If the Certificate is intended to support a LOMA or LOMR-F request, complete Sections A, B, and C. For Items E1-E4, use natural grade, if available. Check the measurement used. In Puerto Rico only, enter meters.

- E1. Provide elevation information for the following and check the appropriate boxes to show whether the elevation is above or below the highest adjacent grade (HAG) and the lowest adjacent grade (LAG).
- a) Top of bottom floor (including basement, crawl space, or enclosure) is _____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.
- b) Top of bottom floor (including basement, crawl space, or enclosure) is _____ ☐ feet ☐ meters ☐ above or ☐ below the LAG.
- E2. For Building Diagrams 6-8 with permanent flood openings provided in Section A Items 8 and/or 9 (see page 8 of Instructions), the next higher floor (elevation C2.b in the diagrams) of the building is _____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.
- E3. Attached garage (top of slab) is _____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.
- E4. Top of platform of machinery and/or equipment servicing the building is _____ ☐ feet ☐ meters ☐ above or ☐ below the HAG.
- E5. Zone AO only: If no flood depth number is available, is the top of the bottom floor elevated in accordance with the community's floodplain management ordinance? ☐ Yes ☐ No ☐ Unknown. The local official must certify this information in Section G.

SECTION F - PROPERTY OWNER (OR OWNER'S REPRESENTATIVE) CERTIFICATION

The property owner or owner's authorized representative who completes Sections A, B, and E for Zone A (without a FEMA-issued or community-issued BFE) or Zone AO must sign here. The statements in Sections A, B, and E are correct to the best of my knowledge.

Property Owner's or Owner's Authorized Representative's Name

Address

City

State

ZIP Code

Signature

Date

Telephone

Comments

☐ Check here if attachments**SECTION G - COMMUNITY INFORMATION (OPTIONAL)**

The local official who is authorized by law or ordinance to administer the community's floodplain management ordinance can complete Sections A, B, C (or E), and G of this Elevation Certificate. Complete the applicable item(s) and sign below. Check the measurement used in Items G8. and G9.

- G1. ☐ The information in Section C was taken from other documentation that has been signed and sealed by a licensed surveyor, engineer, or architect who is authorized by law to certify elevation information. (Indicate the source and date of the elevation data in the Comments area below.)
- G2. ☐ A community official completed Section E for a building located in Zone A (without a FEMA-issued or community-issued BFE) or Zone AO.
- G3. ☐ The following information (Items G4.-G9.) is provided for community floodplain management purposes.

G4. Permit Number	G5. Date Permit Issued	G6. Date Certificate Of Compliance/Occupancy Issued
-------------------	------------------------	---

G7. This permit has been issued for: ☐ New Construction ☐ Substantial ImprovementG8. Elevation of as-built lowest floor (including basement) of the building: _____ ☐ feet ☐ meters (PR) Datum _____G9. BFE or (in Zone AO) depth of flooding at the building site: _____ ☐ feet ☐ meters (PR) Datum _____

Local Official's Name

Title

Community Name

Telephone

Signature

Date

Comments

☐ Check here if attachments

OK H625PG648

Building Photographs

See Instructions for Item A6.

Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 21 George Street	For Insurance Company Use:
City Charleston State SC ZIP Code 29401-1433	Policy Number
	Company NAIC Number

If using the Elevation Certificate to obtain NFIP flood insurance, affix at least two building photographs below according to the instructions for Item A6. Identify all photographs with: date taken; "Front View" and "Rear View"; and, if required, "Right Side View" and "Left Side View." If submitting more photographs than will fit on this page, use the Continuation Page, following.



BK W625PG649

Building Photographs

Continuation Page

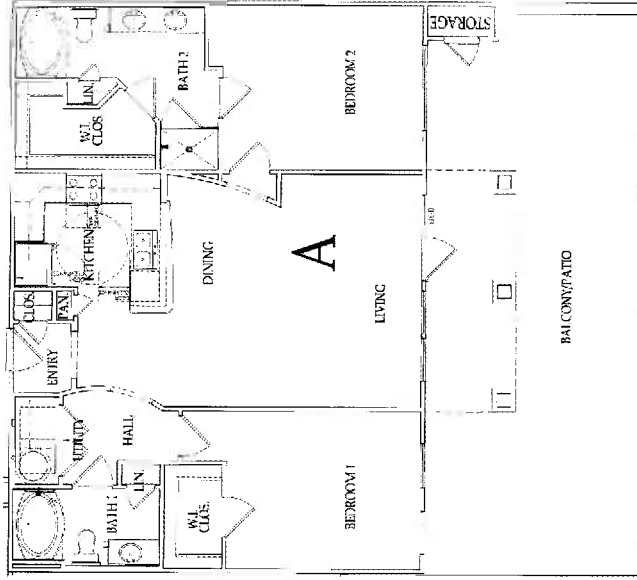
Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. 21 George Street	For Insurance Company Use:
City Charleston State SC ZIP Code 29401-1433	Policy Number
If submitting more photographs than will fit on the preceding page, affix the additional photographs below. Identify all photographs with: date taken; "Front View" and "Rear View"; and, if required, "Right Side View" and "Left Side View."	



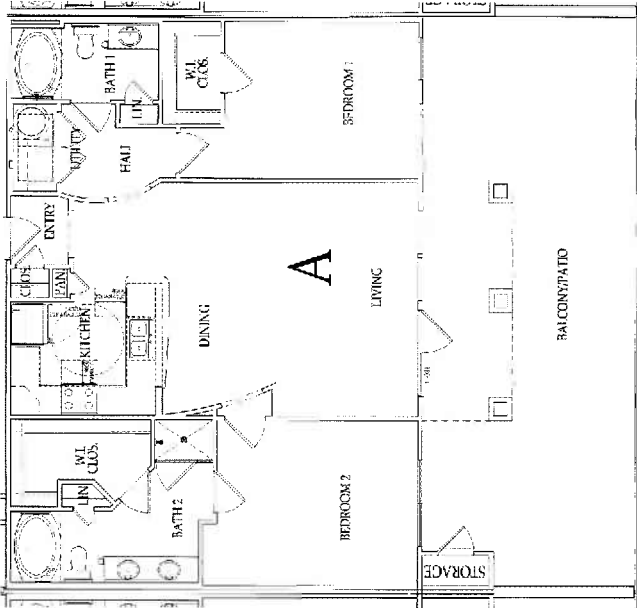
OK W625PG650

Floor Plans

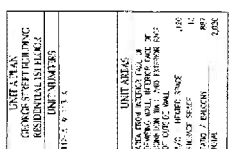
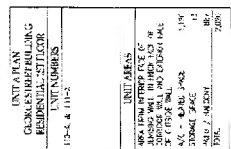
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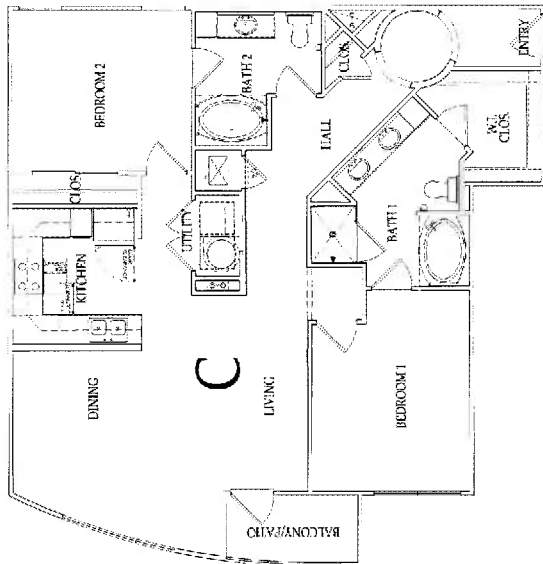
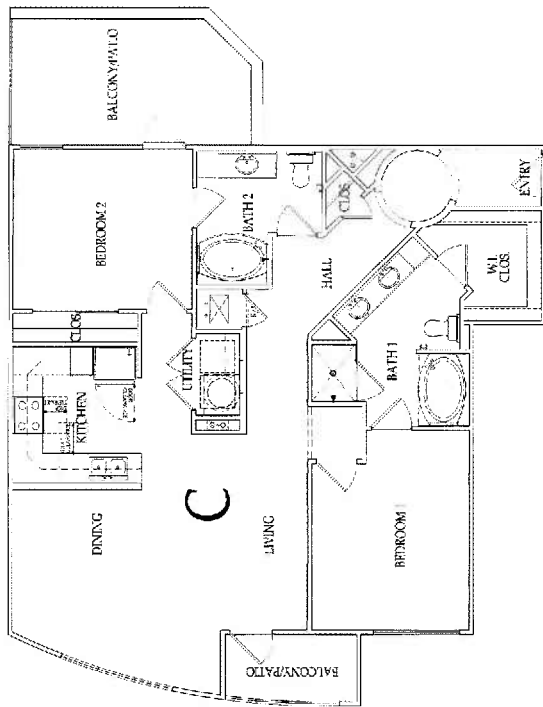


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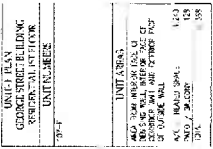
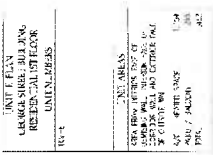
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GURCE'S BUILDING	1. NEW BUILDING
MUSTALISTE	2. NEW BUILDING
UNIT 3: AREAS	3. NEW BUILDING
UNIT 4: AREAS	4. NEW BUILDING
UNIT 5: AREAS	5. NEW BUILDING
UNIT 6: AREAS	6. NEW BUILDING
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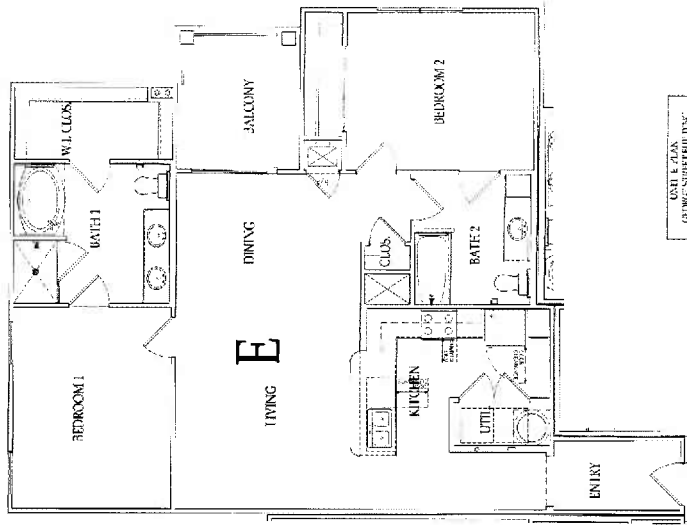
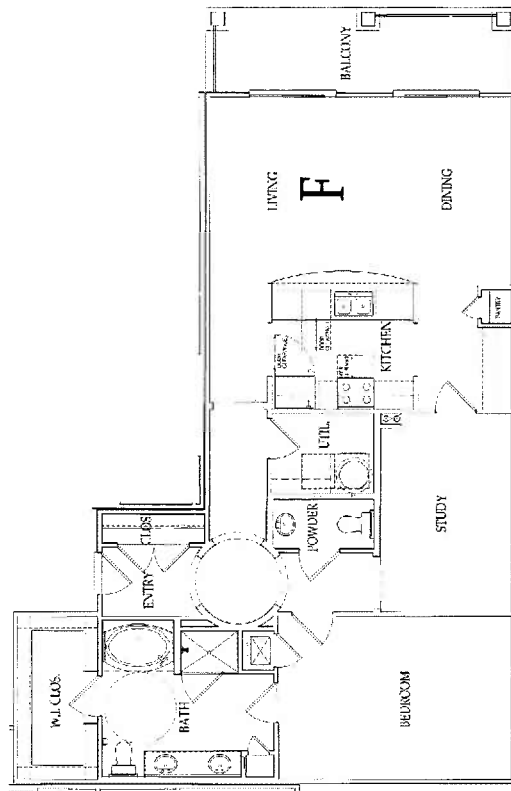


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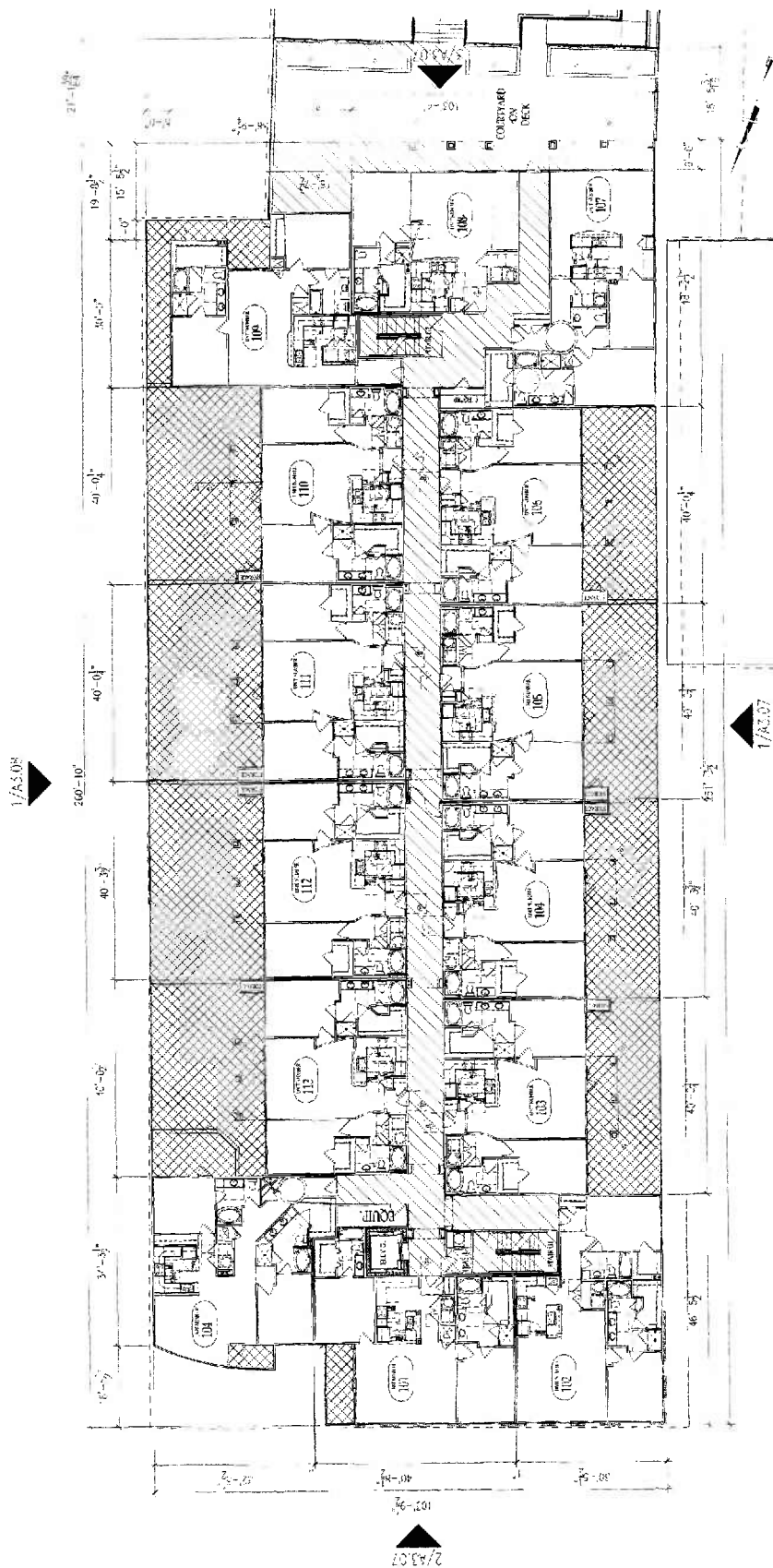
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Condominium Documents: 05-11-2007

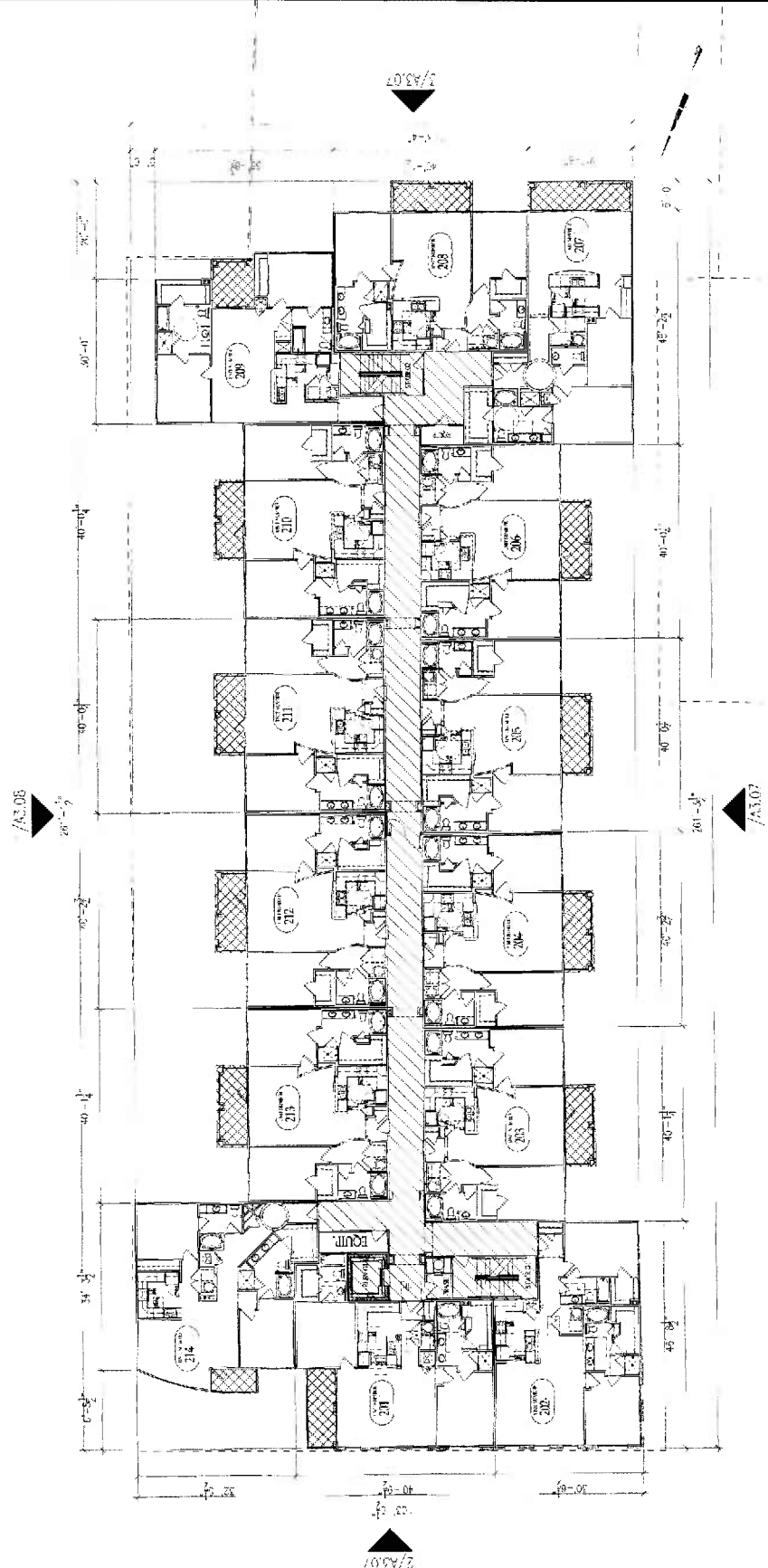
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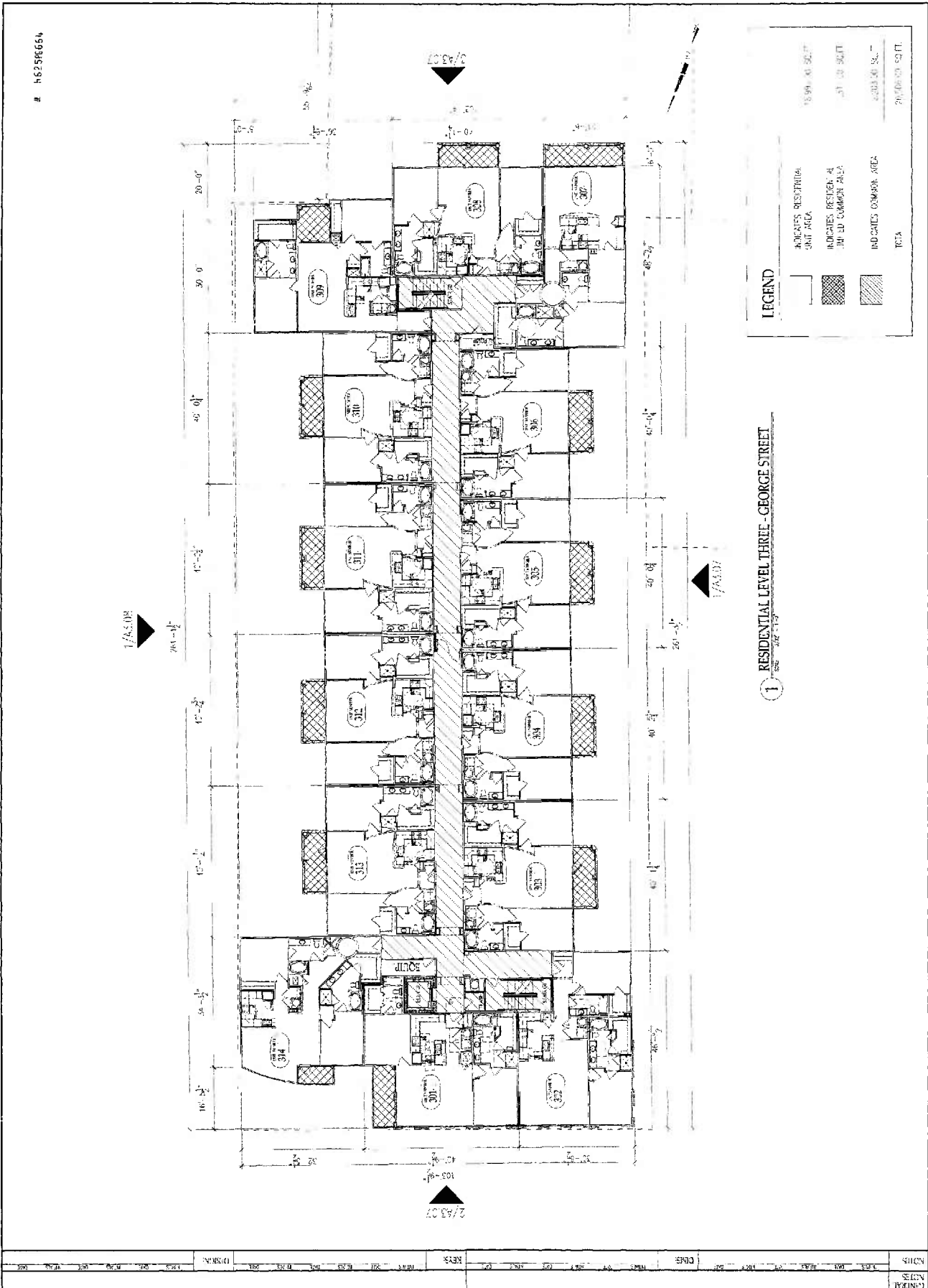
1 RESIDENTIAL LEVEL ONE - GEORGE STREET
540 357 - 1-0

	PURCHASE RESERVES	RESERVE RESULT OF THE PURCH.	PURCHASE CUMUL. AREA	TOTAL
	017.56%			



RESIDENTIAL LEVEL TWO - GEORGE STREET

LEGEND		6.3-60.0 SQ. FT.		117.30-50 FT.		52.5-100 SQ. FT.		204.30-52.5 FT.	
	INMATES RESIDING IN AREA		INMATES RESIDING IN - D COMMON AREA		INMATES COMMON AREA	TOTAL			



GENERAL
NOTES

DATE: 05-11-2007
BY: J. W. STEINBERG
CHECKED: J. W. STEINBERG
PROJECT: 21 GEORGE STREET CONDOMINIUM DOCUMENTS

NOTES:
1. ALL DIMENSIONS ARE IN FEET AND INCHES.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
4. ALL DIMENSIONS ARE TO EXTERIOR UNLESS OTHERWISE NOTED.
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DISCUSS: 1. ALL DIMENSIONS ARE IN FEET AND INCHES.
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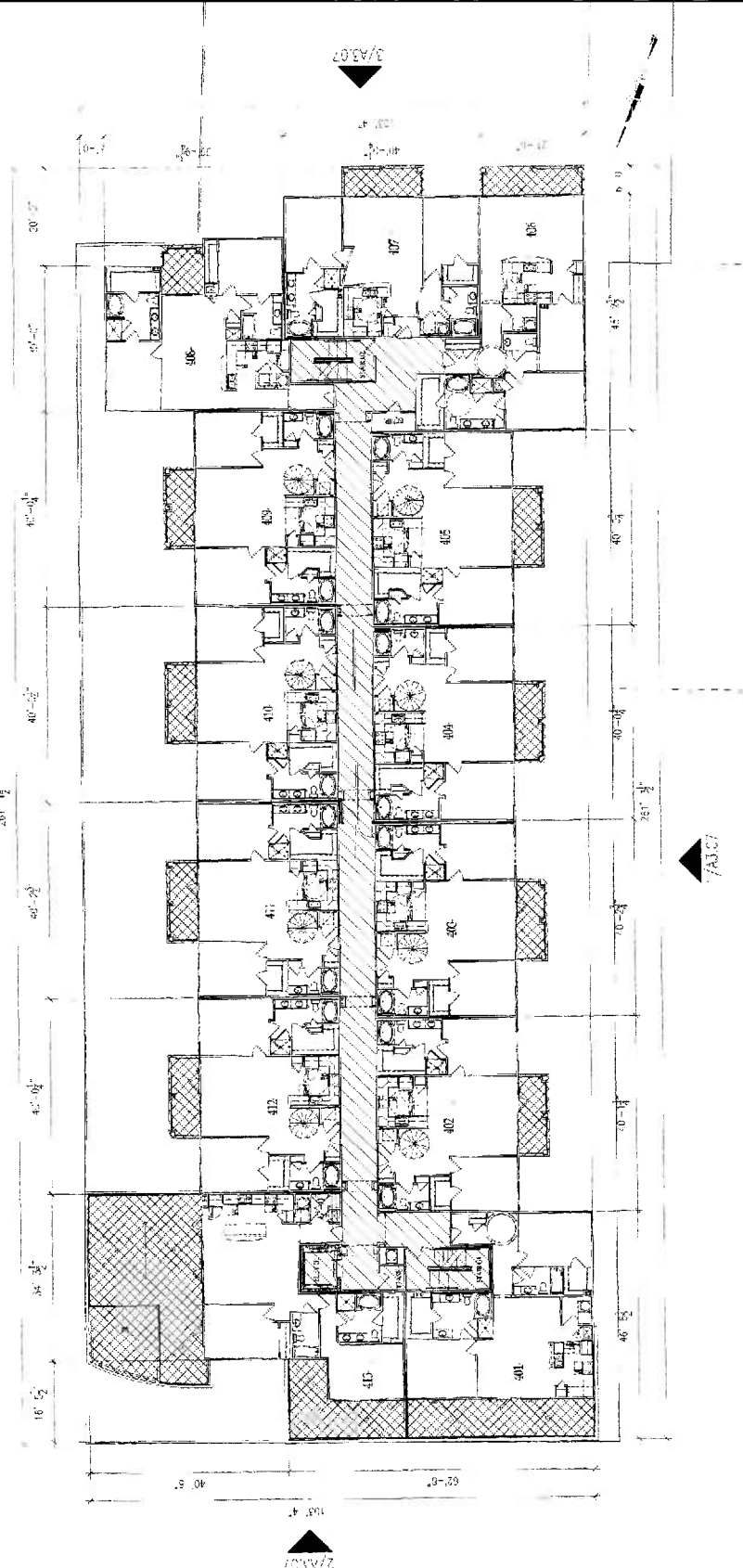
DATE: 05-11-2007
BY: J. W. STEINBERG
CHECKED: J. W. STEINBERG
PROJECT: 21 GEORGE STREET CONDOMINIUM DOCUMENTS

DATE: 05-11-2007
BY: J. W. STEINBERG
CHECKED: J. W. STEINBERG
PROJECT: 21 GEORGE STREET CONDOMINIUM DOCUMENTS

LEGEND

RESIDENTIAL UNIT AREA	11,439.00 SQ. FT.
RESIDENTIAL UNIT COMMON AREA	9,574.00 SQ. FT.
INDICATES COMMON AREA	2,728.00 SQ. FT.
TOTAL	23,741.00 SQ. FT.

1 RESIDENTIAL LEVEL FOUR - GEORGE STREET



1/A3.05
261 1/2"

21 George Street Condominium Documents

Charleston, South Carolina

Steinberg Design Collaborative LLP

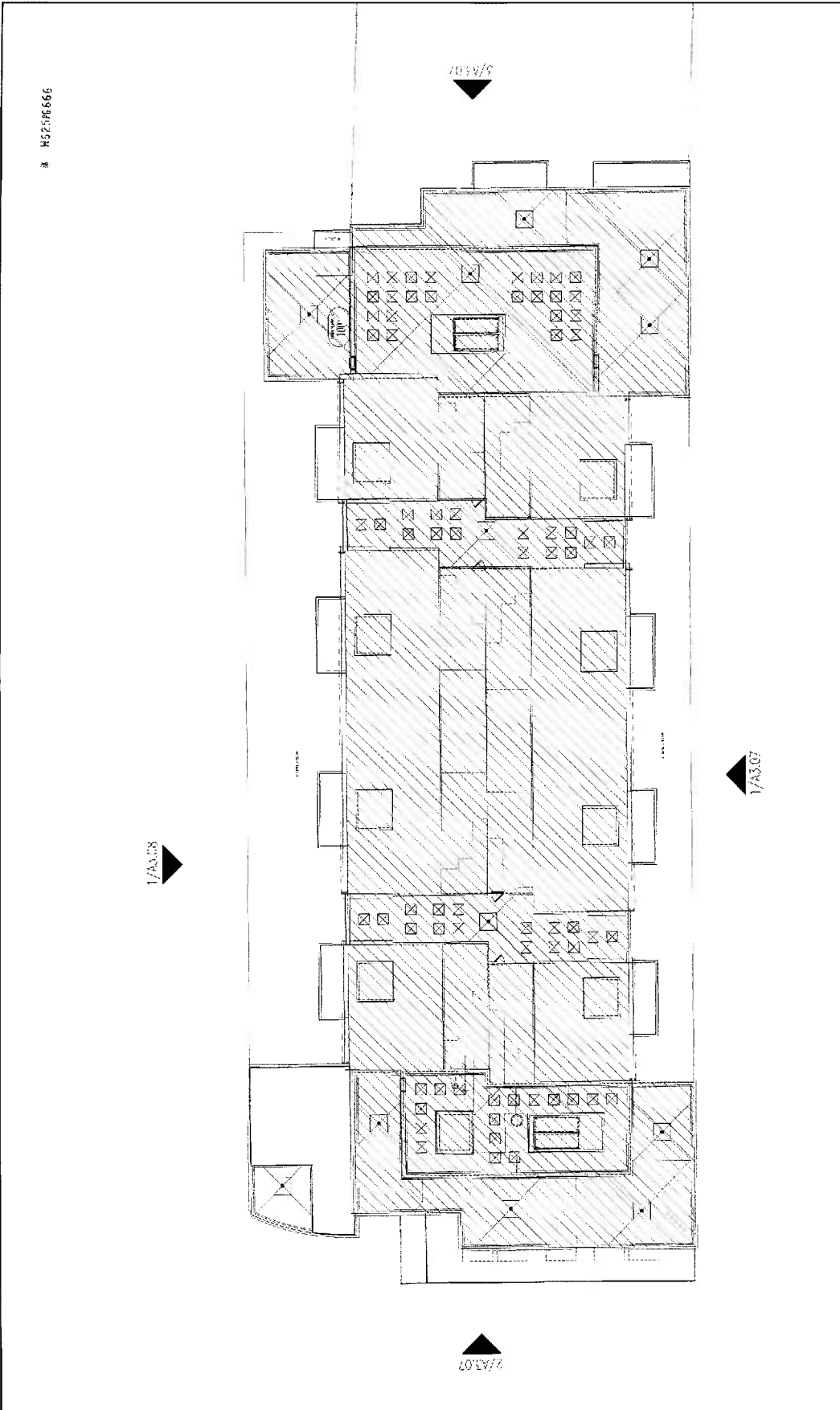
1000 1/2 South Main Street, Suite 200
Charleston, South Carolina 29401
Phone: 843.723.1111
Fax: 843.723.1112
www.steinbergdesign.com

STEINBERG DESIGN COLLABORATIVE LLP

1000 1/2 South Main Street, Suite 200
Charleston, South Carolina 29401
Phone: 843.723.1111
Fax: 843.723.1112
www.steinbergdesign.com

STEINBERG DESIGN COLLABORATIVE LLP

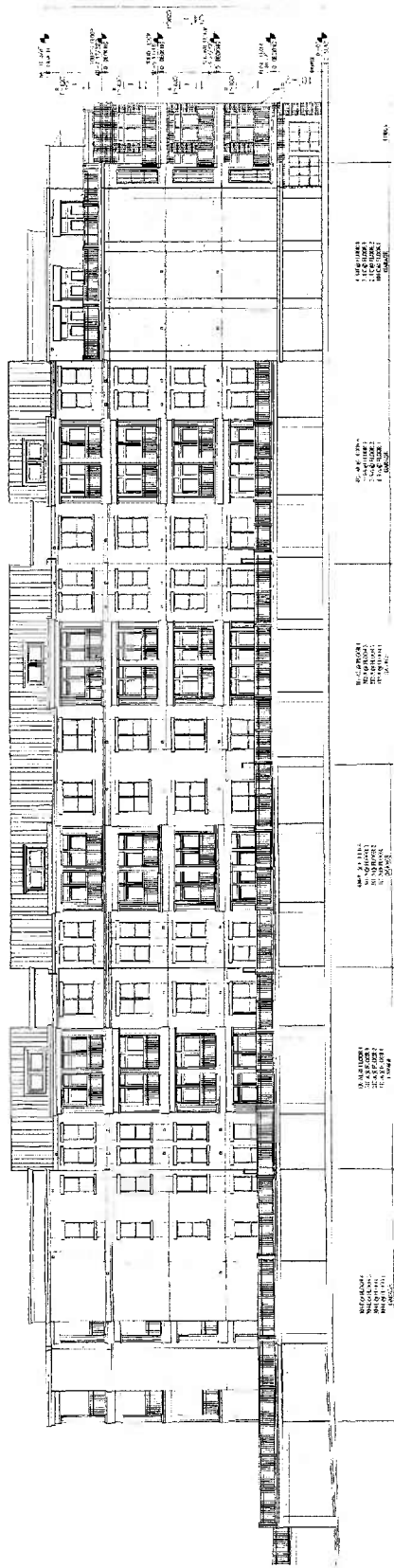
1000 1/2 South Main Street, Suite 200
Charleston, South Carolina 29401
Phone: 843.723.1111
Fax: 843.723.1112
www.steinbergdesign.com



LEGEND

[Hatched Pattern]	INDICATES RESIDENTIAL UNIT AREA	0.0000 SQ. FT.
[Cross-hatched Pattern]	INDICATES RESIDENTIAL LIMITED COMMON AREA	0.0000 SQ. FT.
[Diagonal Hatched Pattern]	INDICATES COMMON AREA	0.0000 SQ. FT.
TOTAL		0.0000 SQ. FT.

1 BUILDING ROOF PLAN - GEORGE STREET



1 EAST ELEVATION - GEORGE STREET
DATE: 2/26 - 11-12

Exhibit "C"**Schedule of Assigned Values and Percentage Interests**

This is a schedule of Assigned Values and Percentage Interests in the Common Elements appurtenant to Units in George and Society Horizontal Property Regime. There will be two (2) Buildings developed in two (2) phases. At the date hereof, the Developer has completed construction of one (1) Building, Buildings 1, containing fifty-five (55) Residential Units and one (1) Commercial Unit, and being development Phase I. The Developer has reserved the right to develop and add as Phase II Building 2, which will contain sixteen (16) Residential Units and one (1) Commercial Unit. The Assigned Value is for purposes of calculating a Percentage Interest only and has no relationship to the actual value of each Unit.

George and Society Horizontal Property Regime				
	Unit Numbering	Assigned Value	Percentage Interest	Votes
21 George St. Building 1	101	\$1,200	1.77778%	6.00
	102	\$1,200	1.77778%	6.00
	103	\$1,200	1.77778%	6.00
	104	\$1,200	1.77778%	6.00
	105	\$1,200	1.77778%	6.00
	106	\$1,200	1.77778%	6.00
	107	\$1,300	1.92593%	6.50
	108	\$900	1.33333%	4.50
	109	\$1,200	1.77778%	6.00
	110	\$1,200	1.77778%	6.00
	111	\$1,200	1.77778%	6.00
	112	\$1,200	1.77778%	6.00
	113	\$1,200	1.77778%	6.00
	114	\$1,200	1.77778%	6.00
	201	\$1,200	1.77778%	6.00
	202	\$1,200	1.77778%	6.00
	203	\$1,200	1.77778%	6.00
	204	\$1,200	1.77778%	6.00
	205	\$1,200	1.77778%	6.00
	206	\$1,200	1.77778%	6.00
	207	\$1,300	1.92593%	6.50
	208	\$1,200	1.77778%	6.00
	209	\$1,200	1.77778%	6.00
	210	\$1,200	1.77778%	6.00
	211	\$1,200	1.77778%	6.00
	212	\$1,200	1.77778%	6.00

George and Society Horizontal Property Regime				
	Unit Numbering	Assigned Value	Percentage Interest	Votes
	213	\$1,200	1.77778%	6.00
	214	\$1,200	1.77778%	6.00
	301	\$1,200	1.77778%	6.00
	302	\$1,200	1.77778%	6.00
	303	\$1,200	1.77778%	6.00
	304	\$1,200	1.77778%	6.00
	305	\$1,200	1.77778%	6.00
	306	\$1,200	1.77778%	6.00
	307	\$1,300	1.92593%	6.50
	308	\$1,200	1.77778%	6.00
	309	\$1,200	1.77778%	6.00
	310	\$1,200	1.77778%	6.00
	311	\$1,200	1.77778%	6.00
	312	\$1,200	1.77778%	6.00
	313	\$1,200	1.77778%	6.00
	314	\$1,200	1.77778%	6.00
	401	\$1,200	1.77778%	6.00
	402	\$1,300	1.92593%	6.50
	403	\$1,300	1.92593%	6.50
	404	\$1,300	1.92593%	6.50
	405	\$1,300	1.92593%	6.50
	406	\$1,300	1.92593%	6.50
	407	\$1,200	1.77778%	6.00
	408	\$1,200	1.77778%	6.00
	409	\$1,300	1.92593%	6.50
	410	\$1,300	1.92593%	6.50
	411	\$1,300	1.92593%	6.50
	412	\$1,300	1.92593%	6.50
	413	\$1,200	1.77778%	6.00
	100	\$600	0.88889%	3.00
		\$67,500	100.00014%	337.50

Building 2, containing sixteen (16) Residential Units and one (1) Commercial Unit, may be submitted by the Developer as Phase II. When Phase II is added, the total Assigned Values of Phase I and Phase II and constituting the George and Society Horizontal Property Regime and the Percentage Interest of each Unit may be determined. In determining the Percentage Interest of each Unit, a formula is employed using the Assigned Value of each Unit set forth in this

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Exhibit "C", as amended when Phase II is added, as the numerator and the total Assigned Values of all Units (including Phase II being submitted and Phase I submitted herewith) as the denominator. The resulting fraction will then be expressed as a percentage rounded to the nearest .00001. The total Assigned Values assigned to Building 1 submitted as Phase I, as well as the total Assigned Values assigned to Building 2 that may be constructed and submitted as Phases II will be in accordance with the following schedule.

Total Assigned Values in Building 1 Submitted Herewith	\$ 67,500
Total Assigned Values in Proposed Building 2	<u>25,500</u>

Total Assigned Values of the Project, When Both Phases Are Constructed and Submitted	<u>\$ 93,000</u>
--	------------------

As an example, when Building 2 composed of 16 Residential Units and one (1) Commercial Unit, is added as Phase II, the total Assigned Values in Phase I (\$67,500) would be added to the additional Assigned Values in Phase II (\$25,500), so that, following submission the total Assigned Values in Phases I – II would be \$93,300.00. To determine the Percentage Interest of Residential Unit 23 when Phase II is added to Phase I and those phases constitute the entire Regime, the following formula would be used:

ASSIGNED VALUE	<u>\$ 1,400</u>	=	1.50538%
TOTAL ASSIGNED VALUES	<u>\$93,000</u>		

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Exhibit "D"

Articles of Incorporation

Attached Hereto

JUN 29 2006

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA
**NONPROFIT CORPORATION
ARTICLES OF INCORPORATION
GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME**

1. The name of the nonprofit corporation is **GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME**
2. The initial registered office of the nonprofit corporation is: **1401 Main Street, Suite 650, Columbia, Richland County, South Carolina 29201**

The name of the registered agent of the nonprofit corporation at that office is:
JANET K. SAFRAN.

I hereby consent to the appointment as registered agent of the corporation.

Janet K. Safran
Agent's Signature

3. Check (a), (b), or (c) whichever is applicable. Check only one box.
 - a. ☐ The nonprofit corporation is a public benefit corporation.
 - b. ☐ The nonprofit corporation is a religious corporation.
 - c. ☒ The nonprofit corporation is a mutual benefit corporation.
4. Check (a) or (b), whichever is applicable:
 - a. ☒ This corporation will have members.
 - b. ☐ This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is: **1401 Main Street, Suite 650, Columbia, Richland County, South Carolina 29201**
6. If this nonprofit corporation is either a public benefit or religious corporation (box a. or b. of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.
 - a. ☐ Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government. for a public purpose. Any such asset not so disposed of

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FILED: 06/29/2006

GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME

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Mark Hammond

South Carolina Secretary of State

shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

- b. ☐ Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to: _____
7. If the corporation is a mutual benefit corporation (box "c" of ¶ 3. is checked), complete either (a) or (b), whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.
- a. ☒ Upon dissolution of the mutual benefit corporation the remaining assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.
- b. ☐ Upon dissolution of the mutual benefit corporation the [remaining] assets, consistent with law, shall be distributed to _____
8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code, the applicable comments thereto, and the instructions to this form):
- a. **Purpose.** This Association does not contemplate pecuniary gain or profit to the members hereof, and the specific primary purposes for which it is formed are to provide for management, administration, maintenance, preservation and architectural control of the Units, residential Buildings and Common Areas within a certain tract of property situate in the City of Charleston, Charleston County, South Carolina, and to promote the health, safety and welfare of all the residents within the property and any additions thereto or expansions thereof as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to that certain Master Deed of George and Society Horizontal Property Regime, hereinafter, the "Master Deed," recorded or to be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina by Twenty-One George Street, LLC (the "Developer").
- b. **Right to Appoint Directors and Officers.** The Developer under the Master Deed shall have the right to appoint or to control the removal of any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) four months after the conveyance by the Developer in the ordinary course of business of seventy-five percent of the total number of Units to be contained in all phases of the Project to persons other than the Developer or a successor Developer;

or (ii) three months following the date the Developer surrenders the authority as a Class "B" Member of the Association to appoint and remove directors and officers of the Association by an express amendment to the Master Deed executed and filed in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina by the Developer; or (iii) three years after the first Unit is conveyed. Upon the expiration of the items listed above, the Developer will retain the right to elect at least one director. This right will continue for as long as the Developer holds for sale in the ordinary course of business more than five percent (5%) of the total number of Units included in the Regime.

- c. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in a Unit which is subject to the Master Deed (including the Developer) shall be a member of the Association. Until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to Section 13.1 of the Master Deed, the Developer and its successors and assigns, other than as an owner of a Unit, shall be a member of the Association. The membership of each Unit owner shall be appurtenant to and may not be separated from ownership of a Unit and ownership of a Unit shall be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. Any person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be a member of this Association.

- d. **Voting Rights.** The Association shall have two classes of voting membership. Members are divided into classes for the sole purpose of computing voting rights and shall not vote as a class.

Class A. Class A members of the Association shall be all owners of Units (including the Developer). A Class A Member shall be entitled to one vote for each Unit owned.

Class B. The Class B member shall be the Developer or its designated assign, in its capacity other than as an Owner of a Unit. The Class B member shall be entitled to three votes for each vote held by Class A members until the expiration of the Developer's right to appoint directors and officers of the Association pursuant to Section 13.1 of the Master Deed. Thereafter, the Class B member shall exercise votes only as to its Class A memberships.

- e. **Cumulative Voting.** The Association elects not to have cumulative voting.

9. The name and address (with zip code) of each incorporator is as follows (only one is required):

Name	Address (with zip code)
Twenty-One George Street, LLC	1401 Main Street, Suite 650, Columbia, S.C. 29201

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

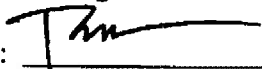
None named.

11. Each incorporator must sign the articles.

Twenty-One George Street, LLC,
a South Carolina limited liability company

By: George Street Manager, LLC

Its: Manager

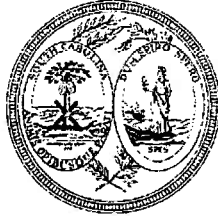
By: 

Name: Robert M. Mundy, Jr.

Title: Sole Member

The State of South Carolina

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Office of Secretary of State Mark Hammond

Certificate of Incorporation, Nonprofit Corporation

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME, a nonprofit corporation duly organized under the laws of the State of South Carolina on June 29th, 2006, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable, or other eleemosynary purpose.

Now, therefore, I Mark Hammond, Secretary of State, by virtue of the authority in me vested by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great
Seal of the State of South Carolina this
29th day of June, 2006.

A handwritten signature of Mark Hammond in cursive script, written over a horizontal line.

Mark Hammond, Secretary of State

Note: This certificate does not contain any representation concerning fees or taxes owed by the Corporation to the South Carolina Tax Commission or whether the Corporation has filed the annual reports with the Tax Commission. If it is important to know whether the Corporation has paid all taxes due to the State of South Carolina, and has filed the annual reports, a certificate of compliance must be obtained from the Tax Commission.

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H625PG678
CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

MAY 03 2007

NONPROFIT CORPORATION
ARTICLES OF AMENDMENT
FOR

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME

Pursuant to the provisions of § 33-31-1005 of the 1976 South Carolina Code, as amended, the applicant delivers to the Secretary of State these Articles of Amendment.

1. The name of the nonprofit corporation is George and Society Horizontal Property Regime.
2. The date the corporation was incorporated is June 29, 2006.
3. On April 30, 2007, the corporation's incorporator, in the absence of directors or members pursuant to Section 33-31-1002(b) of the 1976 South Carolina Code, as amended, adopted the following amendment to the Articles of Incorporation of George and Society Horizontal Property Regime:

- (1) Section 8 of the Articles of Incorporation is hereby deleted in its entirety and the following is substituted as Section 8:

Capitalized Words. The use of capitalized words herein shall have the meanings attributed to them in the Master Deed of George and Society Horizontal Property Regime, hereinafter the "Master Deed," recorded or to be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina.

- a. **Purpose.** This Association does not contemplate pecuniary gain or profit, and the specific, primary purposes for which it is formed are to provide for management, administration, maintenance and preservation of George and Society Horizontal Property Regime Property and the Common Elements thereof, all according to the Master Deed. No part of the net earnings of the Association shall inure to the benefit of any person, other than for acquiring, constructing, or providing management, maintenance, and care of Association property, and other than by a rebate of excess Association fees and assessments, if any.

b. **Right to Appoint Directors and Officers.**

- (i) The Developer under the Master Deed shall have the right to appoint or remove any or all members of the Board of Directors and any or all officers of the Association until such time as the first of the following dates: (i) three (3) years after the first Unit is conveyed; (ii) four (4) months after the conveyance in the ordinary course of business of seventy-five percent (75%) of the maximum number of Units to be contained in all phases of the Project and shown in Exhibit "C" to the Master Deed; or (iii) three (3) months following the date the

070603-0140 FILED: 05/03/2007
GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME
Filing Fee: \$10.00 ORIG

Mark Hammond

South Carolina Secretary of State

Developer surrenders its authority to appoint and remove the entire Board of Directors and officers of the Association under Section 13.1 of the Master Deed by an express amendment thereto executed and filed in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina by the Developer.

(ii) After the expiration of the Developer's right to appoint under subparagraph (i) above, and notwithstanding anything contained herein to the contrary, the Developer shall, nevertheless and so long as it holds five (5) percent of the maximum number of Units to be contained in all phases of the Project and shown in Exhibit "C" to the Master Deed for sale in the ordinary course of business, have the right to appoint one (1) member of the Board of Directors.

- c. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in a Unit that is subject to the Master Deed (including the Developer) shall be a Member of the Association. The membership of each owner of a Unit shall be appurtenant to and may not be separated from ownership of the Unit and ownership of a Unit shall be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed, the membership in the Association that is appurtenant thereto shall automatically pass to such transferee, notwithstanding any failure of the transferor to endorse to his transferee any certificates or other evidences of such membership. Any person or entity who holds an interest in a Unit merely as security for the performance of an obligation shall not be a Member of this Association.
 - d. **Voting Rights.** All Owner-Members, including the Developer (as defined in the Master Deed), shall be entitled to such number of votes assigned to the Owner's Unit as shall be set forth in Exhibit "C" to the Master Deed, which are calculated by reference to the Owner's Percentage Interest in the Regime. In the absence of a Owner-Member's actual presence at any meeting at which a vote is to be taken, or representation thereat by proxy or by delivery of a written ballot, if so provided by the Board, the Owner-Member shall be deemed present and the Board of Directors shall have the power and authority to vote for and in behalf of such Owner-Member deemed to be present at such meeting. Notice of the meeting shall provide the manner in which the Board will cast the votes of absent Members that are deemed present as aforesaid.
- 4. On April 30, 2007, in the absence of directors, the sole incorporator of the corporation unanimously approved this amendment to the Articles of Incorporation.
 - 5. Approval of the amendment by the members is not required pursuant to Section 33-31-1002(b) of the 1976 South Carolina Code, as amended.

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6. Approval of the amendment by some person or persons other than the members, the board, or the incorporators is not required pursuant to Section 33-31-1030 of the 1976 South Carolina Code, as amended.

Date: April 30, 2007

GEORGE AND SOCIETY HORIZONTAL
PROPERTY REGIME, a South Carolina nonprofit
corporation

By: Twenty-One George Street, LLC, a South Carolina
limited liability company
Its: Sole Incorporator

By: George Street Manager, LLC
Its: Manager

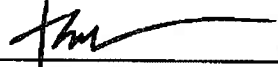
By: 
Name: Robert M. Mundy, Jr.
Title: Sole Member

Exhibit "E"

8X

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By-Laws of the Association

Attached Hereto

BK W625PG682

**GEORGE AND SOCIETY HORIZONTAL
PROPERTY REGIME**

Bylaws

BY-LAWS

BK W625PG683

GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME

TABLE OF CONTENTS

<u>Articles & Sections</u>	<u>Page</u>
Article I NAME AND LOCATION	1
1.1 Name and Location.	1
Article II DEFINITIONS	1
2.1 Incorporation.	1
2.2 The Master Deed.	1
Article III MEETING OF MEMBERS AND VOTING	2
3.1 Annual Meeting.	2
3.2 Special Meetings.	2
3.3 Notice and Place of Meetings.	2
3.4 Quorum.	3
3.5 Ballots and Representative Voting.	3
(a) Written Ballots.	3
(b) Proxies.	4
3.6 Membership and Voting.	4
(a) Approval by Members.	5
3.7 Developer's Right to Disapprove Board and Committee Decisions.	5
3.8 Eligibility to Vote.	6
3.9 Record Dates.	6
(a) Record Dates Established by the Board.	6
(b) Failure of Board to Fix a Record Date.	7
3.10 Action Without Meeting.	7
3.11 Conduct of Meetings.	7
Article IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE	8
4.1 Number.	8
4.2 Term of Office.	8
4.3 Removal; Vacancies.	8
4.4 Compensation.	9
4.5 Indemnification of Corporate Agents.	9
Article V NOMINATION AND ELECTION OF DIRECTORS	9
5.1 Nomination.	9
5.2 Election.	9
Article VI MEETINGS OF DIRECTORS	9
6.1 Regular Meetings.	9
6.2 Special Meetings.	10
6.3 Quorum.	10

6.4	Executive Session.....	10
6.5	Telephone Meetings.....	10
6.6	Waiver of Notice.....	10
6.7	Notice of Adjourned Meeting.....	10
6.8	Action Without Meeting.....	11
6.9	Notices Generally.....	11
Article VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS		12
7.1	Duties.....	12
(a)	Maintenance.....	12
(b)	Insurance.....	12
(c)	Discharge of Liens.....	12
(d)	Assessments.....	12
(e)	Expenses and Obligations.....	12
(f)	Records.....	12
(g)	Supervision.....	12
(h)	Enforcement.....	12
(i)	Review of Financial Records.....	13
(j)	Reserve Account Withdrawal Restrictions.....	13
(k)	Reserve Account Fund Management.....	13
(l)	Reserve Studies.....	13
7.2	Powers. The Board of Directors shall have power to:.....	13
(a)	Manager:.....	13
(b)	Adoption of Rules; Set Aside Common Element Parking for Handicap.....	13
(c)	Assessments, Liens and Fines.....	13
(d)	Enforcement (Notice and Hearing).....	14
(e)	Contracts.....	14
(f)	Delegation.....	14
(g)	Appointment of Trustee.....	14
(h)	Borrowings.....	14
(i)	Other Powers.....	15
7.3	Prohibited Acts.....	15
Article VIII OFFICERS AND THEIR DUTIES		15
8.1	Enumeration of Officers.....	15
8.2	Election of Officers.....	15
8.3	Term.....	15
8.4	Special Appointments.....	15
8.5	Resignation and Removal.....	15
8.6	Vacancies.....	16
8.7	Duties of the Officers.....	16
(a)	President.....	16
(b)	Vice President.....	16
(c)	Secretary.....	16
(d)	Treasurer.....	16
Article IX COMMITTEES		16

9.1 Appointment.....	16
Article X BOOKS AND RECORDS.....	17
10.1 Inspection by Members.	17
10.2 Rules for Inspection.	17
10.3 Inspection by Directors.	17
10.4 Documents Provided by Board.	17
Article XI MISCELLANEOUS.....	18
11.1 Amendments.....	18
11.2 Conflicts.	18
11.3 Fiscal Year.....	18

BYLAWS**GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME****ARTICLE I****NAME AND LOCATION****1.1 Name and Location.**

The name of the corporation is GEORGE AND SOCIETY HORIZONTAL PROPERTY REGIME, hereinafter referred to as the "Association." The principal office of the Association shall be located at the Project, or at such other place as may be designated by the Board.

ARTICLE II**DEFINITIONS****2.1 Incorporation.**

The definitions contained in the Master Deed are incorporated by reference herein.

2.2 The Master Deed.

"Master Deed" shall mean and refer to the Master Deed of George and Society Horizontal Property Regime recorded in the Office of the Register of Deeds ("ROD") for Charleston County, South Carolina, and subsequent amendments thereto. The Master Deed has been executed and recorded pursuant to the South Carolina Horizontal Property Act, S.C. Code Section 27-31-10, et. seq. (1976, as amended). The terms and conditions of the Master Deed, including, but not limited to, provisions of the Master Deed prescribing duties, responsibilities and powers concerning property and Association administration and management; member voting; levying assessments for the maintenance, repair and replacement of general and limited common elements of the Regime; adoption of Rules and Regulations; imposition of fines; remedies for violations of covenants, conditions and restrictions of the Master Deed and these Bylaws; mandatory and voluntary alternative dispute resolution; reconstruction of the Regime and application of insurance proceeds in the event of a casualty loss are hereby incorporated in these Bylaws by reference, and shall apply, pursuant to and as may be required by the Horizontal Property Act, as if fully set forth herein. Conflicting provisions of the Articles of Incorporation, these Bylaws and the Master Deed shall be resolved pursuant to Section 11.2 below of these Bylaws.

ARTICLE III**MEETING OF MEMBERS AND VOTING****3.1 Annual Meeting.**

The first meeting of the Members, whether an annual or a special meeting, shall be held on such day and at such time as the Board, upon majority vote, shall determine and which shall occur not more than twelve (12) months following the date of the close of the sale of the first Unit in the Regime. Subsequent annual meetings of the Members shall be held thereafter at an hour and place within thirty (30) days of the same month and day of such first meeting, as set by the Board.

3.2 Special Meetings.

Special meetings of the Members shall be promptly scheduled at any time by the Board upon vote of a majority of the Board of Directors or upon written request of the President. A special meeting of the Members shall be called upon written demand delivered to the Secretary by the Members representing five percent (5%) of the total voting power of the Association, notice of which shall be by written notice to all Members within thirty (30) days of the Secretary's receipt of the demand. For purposes of determining the five percent (5%), the record date shall be thirty (30) days before delivery of the written demand. Upon the failure of the Association to send notice of a special meeting within thirty (30) days following delivery of written demand as aforesaid, any Member signing the demand may set the time and place of the special meeting and give notice thereof to all Members in accordance with the Nonprofit Corporation Act.

3.3 Notice and Place of Meetings.

Unless otherwise provided in the Master Deed, the Articles of Incorporation, in these By-Laws, or in the Nonprofit Corporation Act, written notice of each meeting of the Members, annual or special, shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of written demand of Members representing five percent (5%) of the total voting power of the Association, written notice of such meeting shall be given not more than thirty (30) days after written demand is delivered to the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting, and shall provide for voting by proxy. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal: (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the Members; or (c) amending the Articles of Incorporation. Meetings shall be held within the Project or at a meeting place within the same county, as close to the Project as possible.

Notice of a meeting of Members need not be given to any Member who signs a waiver of notice, upon a written ballot, or in person or by proxy, either before or after the

meeting. The waiver must be delivered to the Association for inclusion in the minutes or filing with the corporate records. Attendance of a Member at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the Member attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Objection by a Member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

3.4 Quorum.

Unless otherwise provided herein, in the Master Deed, the Articles of Incorporation, or the Nonprofit Corporation Act, the presence of Members representing a majority of the Percentage Interests, casting votes in a written ballot, or voting in person or by proxy at a meeting duly called, shall constitute a quorum for the transaction of business; provided, however, in the absence of a Member's actual presence or representation by proxy or by delivery of a written ballot, if so provided by the Board, the Member shall be deemed present and the Board shall have the power and authority to vote for and in behalf of such Member deemed to be present. Notice of the meeting shall provide the manner in which the Board will cast the votes of absent Members that are deemed present as aforesaid. The Members present at a duly called or held meeting at which a quorum may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than such required quorum, provided that Members representing twenty percent (20%) of the total votes of the Association remain present in person and/or by proxy. Except as otherwise provided in the Master Deed or in these Bylaws, any action taken shall be approved by a majority of the votes cast by the number of Members required to constitute such quorum. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established by this Section 3.4. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.3.

3.5 Ballots and Representative Voting.

(a) Written Ballots.

Any vote of Members on a matter that would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the votes cast by ballot represent or exceed the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be

counted in the vote to be taken; and (5) state that in the event a ballot is not returned, either voting for or against the matter, the Board of Directors shall cast such vote in behalf of such Member in the manner set forth in the ballot solicitation. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

(b) Proxies.

All of the provisions of this Section 3.5(b) are subject to Section 16.9 of the Master Deed. To the extent that a provision set forth in this Section is inconsistent with Section 16.9 of the Master Deed, the provisions of Section 16.9 of the Master Deed shall control. At all meetings of Members, each Member may vote by ballot, if so provided by the Board, or may vote in person or by proxy. The appointment form of proxy shall be in writing and received by the Secretary before the appointed time of the meeting. Every proxy appointment shall automatically cease upon conveyance by the Member of his Unit, or upon receipt of written notice by the Secretary of the death or judicially declared incompetence of a Member prior to the counting of the vote, upon revocation of the appointment of the proxy in accordance with the Nonprofit Corporation Act, or upon the expiration of eleven (11) months from the date of the proxy. Unless the proxy appointment form otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. Any proxy appointment form distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon set forth in the notice of the meeting. The appointment shall provide that, where the Member specifies a choice, the vote shall be cast by the proxy in accordance with that choice. The form shall also identify the person or persons acting as the proxy and the length of time it will be valid. In addition, voting by a proxy shall comply with any other applicable requirements of the Nonprofit Corporation Act. The Member's signed proxy appointment form shall be delivered to the Secretary by hand delivery, by U.S. mail, and by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

3.6 Membership and Voting.

All Owners, including the Developer (as defined in the Master Deed), shall be entitled to such number of votes assigned to the Owner's Unit as shall be set forth in Exhibit "C" to the Master Deed, which are calculated by reference to the Owner's Percentage Interest in the Regime. When more than one (1) person holds an interest in any Unit, all such persons shall be Members. The vote for such Unit shall be exercised as they among themselves determine as provided in the Master Deed, but in no event shall more than the assigned vote be cast with respect to any Unit. In the absence of a Member's actual presence or representation by proxy or

by delivery of a written ballot, if so provided by the Board, the Member shall be deemed present and the Board shall have the power and authority to vote for and in behalf of such Member deemed to be present, a further provided in Section 6.10 of these Bylaws below.

(a) Approval by Members.

Except as otherwise provided in the Master Deed, the Articles of Incorporation, these By-Laws, or the Nonprofit Corporation Act, any action by the Association which must have the approval of the Members before being undertaken shall require voting approval by a majority of the votes cast by Members at which the required quorum is present. An abstention shall be counted as a negative vote in calculating the majority.

(b) Prorata Voting.

Notwithstanding the assignment of votes based upon the Owner's Percentage Interest and as reflected in Exhibit "C" to the Master Deed, and as further provided in Section 11.2(b) of the Master Deed, and if such vote assignment otherwise provides disproportionate votes among the Owners, at the option of the Board of Directors and as a convenience to the Association, any vote of the Association may be taken on an alternative basis under which each Class A Member shall be entitled to one vote for each Unit owned. Any vote by the Association which is conducted pursuant to this Section 3.6(b) and Section 11.2(b) of the Master Deed shall be re-counted pursuant to the assigned votes set forth on Exhibit "C" to the Master Deed upon the prompt petition to the Board of Directors by any Class A Member and if the outcome falls within the statistical margin of error for being altered by virtue of the use of this alternate means of counting votes.

3.7 Developer's Right to Disapprove Board and Committee Decisions.

This Section (b) may not be amended during the Transition Period, as defined in the Master Deed, without the express written consent of the Developer.

(a) During the Transition Period, the Developer shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section (b). This veto power shall be exercisable only by the Developer, its successors, and assigns who specifically take this power in a recorded instrument.

(b) No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(i) In the absence of the physical presence of any employee of the Developer who waives written notice, the Developer shall have been given written notice of each meeting and the actions approved at the meeting of the Board or any committee. Such written notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time; and

(ii) The Developer shall have and is hereby granted a veto power over any such action, policy, or program approved by any committee or the Board of Directors and to be taken by any committee or Board or the Association or any individual member of the

Association if Board, committee, or Association approval is necessary for said action. This veto may be exercised by the Developer, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions of these Bylaws. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

3.8 Eligibility to Vote.

Voting rights attributable to Units shall not vest until the Association has levied Assessments against those Units. Only Members in good standing shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's Unit and not subject to any suspension of voting privileges as a result of disciplinary proceeding conducted in accordance with the Master Deed. A Member's good standing shall be determined as of the record date established in accordance with Section 3.9. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing. Votes allocated to Units owned by the Association are not eligible to vote and may not be cast.

3.9 Record Dates.

(a) Record Dates Established by the Board.

For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the Nonprofit Corporation Act. The record dates established by the Board pursuant to this Section shall be as follows:

(i) Record Date for Notice of Meetings.

In the case of determining those Members entitled to notice of a meeting, the record date shall be no more than ninety (90) nor less than ten (10) days before the date of the meeting;

(ii) Record Date for Voting.

In the case of determining those Members entitled to vote at a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

(iii) Record Date for Action by Written Ballot Without Meeting.

In the case of determining Members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(iv) Record Date for Other Lawful Action.

In the case of determining Members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

(v) "Record Date" Means as of the Close of Business.

For purposes of this subparagraph (a), a person holding a membership as of the close of business on the record date shall be deemed the Member of record.

(b) Failure of Board to Fix a Record Date.

If the Board, for any reason, fails to establish a record date, rules set forth in the Nonprofit Corporation Act shall apply:

3.10 Action Without Meeting.

Any action that may be taken at any annual or special meeting of Members (except the election of Directors) may be taken without a meeting in accordance with the provisions of the Nonprofit Corporation Act. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice.

3.11 Conduct of Meetings.

Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. Notwithstanding any other provision of law, notice of meetings of the Members shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with the Nonprofit Corporation Act. Any Member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formulation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

ARTICLE IV**BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE****4.1 Number.**

A Board of Directors, all directors of which must be Members of the Association, or an officer, director, employee or agent of a Member, including Developer, shall manage the affairs of the Association. The initial Board of Directors shall consist of three (3) Directors who shall be appointed by the Developer. The Developer shall have the sole right to appoint and remove any member or members of the Board of Directors of the Association pursuant to the Master Deed until the expiration of the Transition Period. Within sixty (60) days after the expiration of the Transition Period, the Members shall elect five (5) Directors. The Association shall call, and give not less than thirty (30) days' and not more than sixty (60) days' notice of, such special meeting of the Members to elect the Board of Directors, or the date on which the Association shall count the written ballots distributed to the Members with such notice or the election of the Board of Directors. Each year thereafter, the Members shall elect such number of Directors as shall exist whose terms are expiring.

4.2 Term of Office.

The election of Directors shall be by plurality, the number of nominees equal to the number of vacancies to be filled receiving the greatest number of votes being elected. However, at the meeting of the Association following expiration of the Transition Period held to elect five (5) Directors or the date following expiration of the Transition Period when written ballots are to be counted for the election of such Directors pursuant to Section 4.1, the two (2) nominees receiving the highest number of votes will each be elected for a term of two (2) years, and the next three (3) nominees receiving the highest number of votes will each be elected for a term of one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve for a term of two (2) years. Unless vacated sooner, each Director shall hold office until the Director's term expires and a successor is elected.

4.3 Removal; Vacancies.

A Director appointed by the Developer may only be removed by the Developer, otherwise, a Director may be removed from office, with or without cause, at any regular or special meeting of the Members by sixty-seven percent (67%) of the votes of the Members voting by written ballot, if so provided by the Board, or voting in person or by proxy at a meeting at which a quorum is present. A successor to any removed Director may be elected at the same meeting at which the vacancy is created by the removal of the Director. A Director whose removal is proposed to be voted upon at any meeting shall be given notice of the proposed removal not less than 10 days prior to the date of the meeting and shall be given an opportunity to be heard at the meeting. In the event of death or resignation of a Director, the vacancy shall be filled by majority vote of the Board at a duly held meeting, or by the sole remaining Director. A successor Director shall serve for the unexpired term of his or her predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

4.4 Compensation.

No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties, including, but not limited to, travel expenses.

4.5 Indemnification of Corporate Agents.

The Association shall indemnify any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under the Nonprofit Corporation Act, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was not entitled to indemnification under this provision.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 Nomination.

The Board, or a committee appointed by the Board in its sole discretion, shall make nomination for election to the Board of Directors from the membership, and if the election is to take place at a meeting and not solely by written ballot, nominations may also be made from the floor at the meeting. The Board shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to Members and to solicit votes.

5.2 Election.

The first election of the Board shall be conducted as set forth in Section 4.1. At such election the Members or their proxies may cast as many votes as they are entitled to exercise under the provisions of the Master Deed. The persons receiving the largest number of votes shall be elected. No cumulative voting shall be permitted. Voting for Directors at a meeting shall be by secret written ballot. Voting for Directors may also be conducted by written ballot pursuant to Section 3.5(a).

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Regular Meetings.

Regular meetings of the Board of Directors shall be held at least annually at such place within the Project, and at such hour as may be fixed from time to time by resolution of the Board. If a larger meeting room is required than exists with the Project, the Board shall select a room as close as possible to the Project. Should a regularly scheduled meeting fall upon a legal

holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

6.2 Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) Directors. Notice of the special meeting shall specify the time and place of the meeting and the nature of the special business to be considered.

6.3 Quorum; Vote of the Board.

A majority of the Directors then in office (but not less than two (2)) shall constitute a quorum for the transaction of business by the Board of Directors. Every act performed or decisions made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Executive Session.

The Board may, with approval of a majority of the Directors present at a meeting in which a quorum for the transaction of business has been established, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel and matters involving contracts of which the Association is a party, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.5 Telephone Meetings.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. An explanation of the action shall be filed with the minutes of the proceedings of the Board.

6.6 Waiver of Notice.

The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minute. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.7 Notice of Adjourned Meeting.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal

notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.8 Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.9 Notices Generally.

Notice of any meeting of the Board of Directors, whether regular or special, shall be given to each Director by one (1) of the following methods; (i) by personal delivery; (ii) written notice by first class mail, postage prepaid; (iii) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; (iv) by telegram, charges prepaid; or (v) by facsimile transmission to the fax number of the Directors or to e-mail address of the Directors, with proof of transmission and receipt thereof being retained in the minutes of the meeting. All such notices shall be given or sent to the Director's address, telephone number, fax number or e-mail address as shown on the records of the Association. Such notice shall be sent to all Directors not less than seventy-two (72) hours prior to the scheduled time of the meeting, provided, however, notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile transmission or e-mail shall be delivered, telephoned, given to the telegraph company, faxed or e-mailed, as the case may be, at least seventy-two (72) hours before the time set for the meeting. Notice of any meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

6.10 Vote of Board in Behalf of Absent Members Deemed Present.

With respect to all matters intended to be put before the members for vote at any regular or special meeting, the Board of Directors shall by majority vote determine the manner in which the Board will cast votes for and in behalf of absent Members deemed present pursuant to Section 3.4 above.

6.11 Parliamentary Procedure at Meetings.

All meetings of the Board shall be conducted in accordance with the general principles of parliamentary procedure. The provisions of the most recent edition of Robert's Rules of Order shall govern any procedural matter for which no other provision has been made.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 **Duties.**

It shall be the duty of the Board of Directors to:

(a) **Maintenance.**

Perform the maintenance described in the Master Deed;

(b) **Insurance.**

Maintain insurance as required by the Master Deed;

(c) **Discharge of Liens.**

Discharge by payment, if necessary, any lien against the Common Elements and assess the cost thereof to the Member or Members responsible for the existence of the lien;

(d) **Assessments.**

Fix, levy, collect and enforce Assessments as set forth in the Master Deed;

(e) **Expenses and Obligations.**

Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

(f) **Records.**

Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members, at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board and committees, and a record of its Members giving their names and addresses and classes of membership;

(g) **Supervision.**

Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(h) **Enforcement.**

Enforce these Bylaws and the Master Deed;

(i) Review of Financial Records.

Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or additions to, these major components that the Association is obligated to maintain.

(j) Reserve Account Withdrawal Restrictions.

Require that at least two (2) signatures are needed for the withdrawal of monies for the Association's reserve accounts, at least one (1) of which shall be that of a member of the Board. One (1) signature may be that of the Association's manager or such manager's designee.

(k) Reserve Account Fund Management

The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

(l) Reserve Studies.

At least every five (5) years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

7.2 Powers. The Board of Directors shall have power to:(a) Manager:

Employ a manager as provided in the Master Deed;

(b) Adoption of Rules; Set Aside Common Element Parking for Handicap.

Adopt rules in accordance with the Master Deed, including rules setting aside Common Element parking spaces as handicap parking only, and adopt rules limiting the number of cars that will be permitted to be parked in the Common Element parking spaces;

(c) Assessments, Liens and Fines.

Levy and collect Assessments and impose fines as provided in the Master Deed.

(d) Enforcement (Notice and Hearing).

Enforce these Bylaws and/or the Master Deed, provided that at least fifteen (15) days' prior notice of any charges (other than Assessment) or potential discipline or fine and the reasons therefor are given to the Member affected, and that an opportunity is provided for the Member to be heard, orally or in writing not less than five (5) days before the effective date of the discipline or fine (subject to Section 16.5 of the Master Deed and the limitations of such Section), said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Member as shown on the Association's records.

(e) Contracts.

Contract for goods and/or services in accordance with the Master Deed.

(f) Delegation.

Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to procure insurance, make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Master Deed or rules and regulation promulgated by the Board, or to make a decision to levy monetary fines, impose special Assessments against individual Units, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy Annual or Special Assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

(g) Appointment of Trustee.

Appoint a trustee as provided in the Master Deed.

(h) Borrowings.

Borrow money (1) for the purpose of improving the Regime, or any portion thereof, (2) for constructing, repairing, maintaining or improving any facilities located or to be located within the Regime, (3) for providing services authorized herein, and, (4) to give as security for the payment of any such loan a mortgage or other security instrument conveying all or any portion of the Common Elements; provided, however, that the lien and encumbrance of any such security instrument given by the Association will be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Developer, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

(i) Other Powers.

In addition to any other power contained herein or in the Master Deed, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Nonprofit Corporation Act.

7.3 Prohibited Acts.

The Board shall not take any actions prohibited of it under the Master Deed except with the vote or written consent of a majority of the Members other than Developer.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers.

The officers of this Association shall be a President and Secretary, who shall at all times be members of the Board of Directors, a Vice President, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers.

The Developer shall have the sole right to appoint and remove officers during the Transition Period. Thereafter, all officers shall hold office at the pleasure of the Board.

8.3 Term.

The Board shall elect the officers of this Association annually and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments.

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal.

Any officer may be removed from office (but not from the Board, if the officer is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties of the Officers.

(a) President.

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a South Carolina nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

(b) Vice President.

The Vice President shall act in the place of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary.

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with the addresses, and shall perform such other duties as required by the Board. The ministerial functions of the Secretary in recording votes, keeping minutes, sending notices, and keeping the records of names and addresses of Members may be delegated to an Association manager.

(d) Treasurer.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall keep proper books of account; and shall prepare and shall distribute budgets and statements. The ministerial functions of the Treasurer in sending Assessment notices, receiving and depositing Assessments, keeping books and ledgers of account, and preparing and distributing budgets and statements may be delegated to an Association manager.

ARTICLE IX

COMMITTEES

9.1 Appointment.

An Architectural Review Committee may be appointed as provided in the Master Deed. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. No committee, regardless of Board resolution, may: (1) take any

final action on matters which, under the Nonprofit Corporation Act also requires Members' approval; (2) fill vacancies on the Board of Directors or in any committee; (3) amend or repeal Bylaws or adopt new Bylaws; (4) amend or repeal any resolution of the Board of Directors; (5) appoint any other committees of the Board of Directors or the members of those committees; (6) approve any transaction to which the Association is a party and in which one (1) or more Directors have a material financial interest.

ARTICLE X

BOOKS AND RECORDS

10.1 Inspection by Members.

The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the Members, of the Board (including drafts and summaries), and of committees shall be made available for inspection and copying by any Member of the Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place within the Project as the Board shall prescribe. Board minutes shall be available to Members within thirty (30) days of the meeting, and shall be distributed to any Member upon request and upon reimbursement of the costs in making that distribution.

10.2 Rules for Inspection.

The Board shall establish reasonable rules with respect to:

- (i) Notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (ii) Hours and days of the week when such an inspection may be made;
- (iii) Payment of the cost of reproducing copies of documents requested by a Member.

10.3 Inspection by Directors.

Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Association.

10.4 Documents Provided by Board.

Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide an Owner with a copy of the governing documents of the Regime, a copy of the most recent budget and statements of the Association, and a true statement in writing from an authorized representative of the Association as to the amount of the Association's current Annual and Special Assessments and fees, as well as any Assessments

levied upon the Owner's interest which, as of the date of the statement, are or may be made a lien upon the Owner's Unit. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

ARTICLE XI

MISCELLANEOUS

11.1 Amendments.

Prior to close of the sale of the first Unit, Developer may amend these Bylaws. After sale of the first Unit these Bylaws may be amended, only as provided in the Master Deed or in the Nonprofit Corporation Act.

11.2 Conflicts.

In the case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Master Deed and these Bylaws, the Master Deed shall control; and in the case of any conflict between these Bylaws and any required term or condition imposed by the Horizontal Property Regime Act upon the Association and/or the governance of George and Society Horizontal Property Regime that is at variance with the Bylaws and is a mandatory provision of such Act, the provisions of the Horizontal Property Regime Act shall control.

11.3 Fiscal Year.

Unless directed otherwise by the Board, the fiscal year of the Association shall begin on the first day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

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Charleston County, SC

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