BP0124645

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MASTER DEED OF

58 RUTLEDGE AVENUE

HORIZONTAL PROPERTY REGIME

THIS MASTER DEED CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15, CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS NOW CONSTITUTED SEE ARTICLE XIV OF THIS MASTER DEED

WARNING: AS SET FORTH HEREIN, DURING THE TRANSITION PERIOD DECLARANT HAS THE ABSOLUTE RIGHT TO MAKE EVERY SINGLE DECISION CONCERNING THIS MASTER DEED AND HAS THE IRREVOCABLE RIGHT COUPLED WITH AN INTEREST TO VOTE ON BEHALF OF ANY AND ALL UNIT OWNERS. THIS EFFECTIVELY GIVES DECLARANT TOTAL CONTROL OF THE ASSOCIATION, THE REGIME, THE BOARD OF DIRECTORS AND THE OFFICERS.

AT ANY TIME, DECLARANT CAN ASSIGN THESE RIGHTS TO THE ASSOCIATION AND/OR ANY ASSIGNEE AND BE RELIEVED FROM ANY RESPONSIBILITY THEREFOR. (SEE ARTICLE XII HEREIN.)

NOTWITHSTANDING, DECLARANT, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CHANGE THE VALUES OR MODIFY THE GENERAL COMMON ELEMENTS WITHOUT UNANIMOUS CONSENT OF ALL OF THE UNIT OWNERS THAT WOULD BE AFFECTED BY SUCH CHANGE.

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STATE OF SOUTH CAROLINA	)	MASTER DEED
	)	OF
	)	58 RUTLEDGE AVENUE
COUNTY OF CHARLESTON	)	HORIZONTAL PROPERTY REGIME

WHEREAS, Bunk Aviation, LLC (the "Declarant") has its principal place of business located at 58 B Rutledge Avenue, Charleston, SC 29401; and

WHEREAS, the Declarant is the owner of that certain real property more fully described in **Exhibit "A"** attached hereto located within the City of Charleston, County of Charleston, South Carolina (the "Land") and

WHEREAS, the Declarant now deems it appropriate to create a horizontal property regime for the Property by duly executing and recording this Master Deed in the Office of the RMC for Charleston County, South Carolina.

DECLARATION OF SUBMISSION OF PROPERTY TO A HORIZONTAL PROPERTY REGIME

NOW THEREFORE, Bunk Aviation, LLC, for itself and its successors and assigns, does hereby submit the Land described in **Exhibit A** which is attached hereto and incorporated herein by reference and the Property as herein defined togther with all personal property of the Declarant on the Property and used in connection with operation of the within Regime, and does hereby create a Horizontal Property Regime, to by styled 58 Rutledge Avenue Horizontal Property Regime, according to and subject to the terms and provisions of the Horizontal Property Act of the State of South Carolina Title 27, Chapter 31, Code of Laws of South Carolina, (1976), (sometimes referred to as the "Act") as it is now constituted, provided however, that such submission shall be and is made subject to the further conditions, provisions, and restrictions contained herein, including all exhibits attached hereto and incorporated herein by reference, all of which shall be covenants, conditions and restrictions which shall run with the land and shall bind and inure to the benefit of the Grantor, its successor and assigns and all subsequent Owners of any interest in the Property, their grantees, heirs, successors, executors, administrators, personal representatives, designees, or assigns.

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 required and have the following meanings:

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

"Articles of Incorporation"means the Articles of Incorporation of **58 Rutledge Avenue Property Owners Association, Inc**. filed with the Secretary of State of South Carolina, the same being attached hereto as **Exhibit "E"**.

"Assigned Value" means the value assigned to each Unit in accordance with **Exhibit "D"** 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.

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

"Association"means 58 Rutledge Avenue Road Property Owners Association, Inc. 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 Article of Incorporation attached hereto as **Exhibit "E"**.

"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 an existing or proposed structure or structures containing in the aggregate one or more Units comprising a part of the Regime.

"By-Laws" means the By-Laws of the association attached hereto as **"Exhibit F,"** as amended from time to time in accordance with the terms of the By-Laws and this Master Deed.

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

1. Easements through Units for conduits, ducts, plumbing, chimneys, wiring, and other facilities for the furnishing of utility services to Units and the Common Area; 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 Areas for maintenance, repair and replacements of the Units and Common Areas.

4. Installation for the furnishing of utility services to more than one Unit or to the

Common Areas 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 Unit, even though owned by the Association.

6. All other definitions and means of "General Common Elements" as set forth in Section 27-31-20 (f) (1-6), South Carolina Code of Laws (1976).

"Common Expense(s)" means (a) all expenses incident to the administration of the Association and maintenance, repair and replacement of the Common Area and the Limited Common Area, 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" means all the Property submitted to the provisions of the Act by this Master Deed.

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

"Declarant" or "Developer" means Bunk Aviation, LLC , its successors and assigns.

"Institutional Mortgage" will mean and refer to a first lien Mortgage (prior to all other Mortgage liens) or purchase money mortgage held by a bank, trust company, insurance company, or other recognized lending institutions, or by an institutional or governmental 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 Declarant, its affiliates, successors, or assigns.

"Land" means the Property which is described in **Exhibit "A"** attached hereto and shown on a survey attached hereto as Exhibit A-1.

"Limited Common Area" means that portion of the Common Area set aside and allocated for the exclusive use of one or more of the Unit Owners but fewer than all Unit Owners which Common Area is attached or is assigned, and will include that portion of any Common Area 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 if exclusive to a Unit; any balcony, deck or patio adjacent to the Unit; and any assigned parking spaces.

"Master Deed" means this document establishing and recording the Property of the

horizontal property regime, as amended from time to time.

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

"Mortgage" will mean and refer to a mortgage, security deed, deed of trust, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Unit.

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

"Owner" means the record owner, whether one or more persons or entities, 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 or a purchaser under an installment sale contract.

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

"Plans" mean and include the site plan and the floor plans of the building or buildings 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 amenities located thereon and certified by a licensed engineer or architect in accordance with the provisions of the Condominium Act.

"Property" means, collectively, the Land, the Buildings and all other improvements and structures located thereon or proposed to be constructed and submitted to the Regime hereunder, 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 or the Association, the By-Laws and the Rules and Regulations, all amended from time to time in accordance with the provisions thereof or in accordance with the laws of the State of South Carolina.

"Rules and Regulations" means the rules and regulations from time to time promulgated by the Board of Directors governing the use of the Common Areas 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. Eighty Four (84) months; or

2. Three (3) months after the Declarant, its principal, its principal's spouse,

lineal descendant, or entity of which at least 51% owned by the same, no longer owns a unit; or

3. Thirty (30) days after notice to the Board of Directors by Declarant or its principal, successor or assigns of its election to terminate the transition period.

"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 that part of the Property intended principally for residential use by an Owner, situate within the Unit boundaries described in **Exhibit "C"** attached hereto, as amended from time to time in accordance with the provisions of this Master Deed and constituting an "apartment" as defined in the Condominium Act. Each Unit will be identified in **Exhibit "C"** 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 Area. Units shall have the same meaning as "Apartments" in the Act.

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 Association and the Owners will be governed by the Regime documents, as the same may be amended from time to time.

Section 2.2 Membership. Each Owner of a Unit, including the Declarant, 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.

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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 or interest to such 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 Property and its administration, and specifying the maintenance and repair expenses of the Common Area 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 public accountant licensed in the State of South Carolina. Copies of these financial statements will be delivered by mail or personal delivery to each Owner.

Section 2.6 Access to Information. The Association will make available to Owner 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 2.6 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, clients, customers, invitees and guests, regarding the use and enjoyment of Units and Common Area. 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 mange 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. The Board of Directors will be entitled to collect fees charged to those Unit Owners who elect to receive any optional telephone service, television cable service, and/or other 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, basic cable to all Units, or other blanket utility fee for services to all units not otherwise separately metered or charged to individual Units. Such master cost and expenses will be a Common expense hereunder; provided, however, in the event actual costs exceed budgeted costs, such excess may be

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prorated and charged to the Units Owners separately from their Assessment, and will not require 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. All Unit Owners shall have a unrestricted perpetual right of ingress and egress to and from their Unit.

Section 3.2 Description of Units. The dimensions, area and location of the Units are as set forth on **Exhibit "C"** 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 Areas, 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. Plumbing and plumbing fixtures located within the Unit shall be a part of the Unit. If the units abovementioned are not used exclusively for a Unit then they will be considered General Common Elements.

Section 3.3 Modification of Units. In the interest of having Unit sizes as flexible and adaptable to the Declarant and the Owners of Units as possible, the Declarant, on behalf of itself, its successors and assigns, does hereby reserve the right to modify or reconstitute, at any time and from time to time, one or more Units owned by Declarant or its affiliates without the consent of the Association or any Owner, other than those who may be directly affected; provided, however, that the aggregate Percentage Interest assigned to the Units so affected will not change even though the same may be reallocated among such Units. If Declarant makes any changes in Units pursuant to this Section 3.3, such changes will be reflected by an amendment of this Master Deed which will be duly recorded in the Dorchester County RMC Office. Such amendment will not require the consent of Owners other than the Declarant and if such consent is required of an Owner of a Unit then such consent is hereby given to Declarant by said Owner upon acceptance by Owner of the Indenture Deed to his Unit (s). The cost of said amendment shall be the responsibility of the Declarant. An Owner of a Unit shall have the same right to modify or reconstitute his Unit, subject to the same terms and conditions set forth herein for the Declarant. An amendment to the Master Deed shall be signed by the President of the Association upon request by an Owner and said Owner shall be

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responsible for all cost of said amendment to the Master Deed.

Section 3.4 Common Area and Limited Common Area.

(a) Percentage Interest. The Owners will own the Common Area as tenants-in-common, with each unit having, appurtenant thereto, the Percentage Interest in the Common Areas set forth in Exhibit "D" attached hereto; provided, however, the use of the Limited Common Area 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 all Units as shown on **Exhibit "D"** by the aggregate Assigned Value of all Units as shown on **Exhibit "D."** The value assigned to any Unit in **Exhibit "D"** 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. The assigned value does not necessarily represent the pro rata square feet of the unit to that of all the units. The Percentage Interest will be adjusted by amendment to **Exhibit "D"** as part of an amendment to this Master Deed as future phases are added to the Regime, if any, or as Units are modified or reconstituted.

(b) Inseparability of Percentage Interests. The Percentage Interest in the Common Area 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 Area will remain undivided and no right to partition the same or any part thereof will exist except as provided in the Condominium Act, the By-Laws and this Master Deed.

(d) Use of Common Area. The Common Area 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 Area is intended to be used. All Owners and lessees of Owners, their families, clients, customers, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Common Area.

(e) Use of Limited Common Area. 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 Area assigned or adjacent to such Unit, which exclusive use may be delegated by such Owner to persons who occupy the Unit. All Owners and lessees of Owners, their families, clients, customers, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Limited Common Area. An Owner will be responsible for maintenance and repair of the Limited Common Area appurtenant to his Unit as set forth in Article VIII, Section 8.3 below.

(f) Spiral Staircase. The spiral staircase is a limited common element to those Units it serves. The Spiral Staircase shall be used for emergency purposes only. An easement for ingress/egress to the spiral staircase across the limited common areas assigned to Units A and D is reserved for emergency purposes only.

(g) Parking Spaces. There are five (5) off street parking spaces. Each unit has or will be assigned one (1) off street parking space. The maintenance of the parking spaces shall be

a common expense.

(g) Reservation of Easements and Use and Expansion Rights. The Common Areas will be subject to all easements and use rights, if any, reserved by the Declarant hereunder.

Section 3.5 Status of Title of Property. The Declarant represents to the Association and all the Owners that, as of the effective date hereof, the Declarant has marketable, fee simple title to the Property. The rights and interests of all Owners in and to the Property 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 Declarant hereunder;(iv) any mortgages Declarant may have granted on the land or one or more units and (v) applicable governmental regulations, including zoning laws, which may be imposed upon the Property from time to time.

Section 3.6 No Warranty From Declarant. THE DECLARANT GIVES NO WARRANTY OF ANY KIND AS TO THE CONDITION OF THE PROPERTY, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE DECLARANT 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.

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, its 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.

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 Expense 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. Upon adoption of the budget, a copy thereof will be delivered to each Owner. The Annual Assessment fixed against each Unit will be based upon said 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.

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) Assessment 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 Property 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 Area; provided, however, that for the current calender year, the ad valorem taxes may be based upon the condition of the Property as of January 1, and the Declarant 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 calender year will be prorated between the Declarant 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, governmental, or other assessments upon the Property 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 Area as such undivided interest is determined by law for purposes of returning taxes.

Section 4.3 Special Assessments. In addition to the Annual Assessments, the Board of Directors may levy in any calender 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 Area; provided, however, after the termination of the transition period that any such Special Assessment which in the aggregate exceeds twenty percent (20%) of the total Annual Assessments for such year will have the assent of Members representing a majority of the Members, voting 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.

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; provided, however, the developer or Board of Directors may elect to collect such assessments in increments longer than monthly (i.e. quarterly, semi annually, etc). Should the developer elect to collect such assessments in the longer increments all references herein to "monthly" as it relates to collection of the assessments shall be deemed to change the longer increment.

The obligations of Owners regarding the payment of monthly portions of the Annual Assessments 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 who has relied on the certificate to his detriment.

Section 4.5 Effect of Non-Payment of Assessment; the Personal obligation of the Owner; the Lien; Remedies of Association.

(a) If an Assessment is not paid on the date when due, as herein above provided, then such Assessment together with such late charges and interest thereon and any 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 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 judgement obtained by the Association against 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 is in default in the payment of any Annual or Special Assessment levied by the Association, the voting rights of the Owner and/or such Owner's family's, tenants', invitees', or guests' rights to use any common amenities may be suspended by the Board of Directors until such time as the Assessment has been paid.

Section 4.6 Declarant's Unsold Units. Anything contained in this Article IV to the contrary notwithstanding, so long as the Declarant owns any Unit for sale it may annually elect either to pay the regular Assessment for each such Unit or to pay the difference between the amount of Assessments collected on all other Units not owned by the Declarant and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than its regular Assessment. Furthermore, so long as the Declarant owns any Unit for sale, the Declarant may, but

will not be obligated to, reduce the regular Assessment for any year to be paid by Owners of Units, which may be a contribution to the Association, an advance against future regular Assessment due from said Owners, or a loan to the Association, in the Declarant's sole discretion. The amount and character (contribution, advance or loan) of such subsidy will be conspicuously disclosed as a line item in the budget and will be made known to the Owners. The payment of such subsidy in any year will under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

Section 4.7 Subordination of the Charges and Liens to Institutional 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 its 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 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 is filed for record and prior to the satisfaction, cancellation or foreclosure of such Institutional Mortgage.

(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 foreclosure sale.

Section 4.8 Reserves. The Board of Directors will establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Area. 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 4.9 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 who acquires title to his Unit from the Declarant or subsequent owner a Working Capital Assessment amounting to 3/12ths of the Annual Assessment then in effect, which Assessment will be due and payable at the time of transfer of a Unit to any other Owner. Each such Owner's share of working capital, as aforesaid, will be transferred to the Association at the time of closing the conveyance. Such sum is and will remain separate and distinct from the Annual Assessment and will

not be considered advance payment of the Annual Assessment.

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 Property, including all of the units and fixtures installed at the time of purchase from the Declarant (and replacement thereof up to the value of those installed at the time of purchase from the Declarant) except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all improvements and betterment made to Units by Owners at their expense and not otherwise specifically included above; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. 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 "all risk" 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 Property, exclusive of land, foundations, excavation, and other items normally excluded from coverage. A "deductible amount" not to exceed the lesser of $50,000 or five percent (5%) of the policy face amount may be included at the discretion of the Board of Directors 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 Association regardless of the number of Owners directly affected by the loss and reserves will be established therefore.

(b) The name of the insured under the master policy will be substantially as follows: "**58 Rutledge Avenue Property Owners Association, Inc. for the use and benefit of the Individual Owners of Units in 58 Rutledge Avenue 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 Property 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, By-laws 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, By-laws 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 or substantially modified by any party without at least ten (10) 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 copies of all policies to Owners and/or Mortgagees requesting the same for a charge not to exceed reasonable copying cost.

(e) Each Owner 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 Property 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 Property, 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, 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 $5,000.00.

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 Area. Coverage limits will be in amounts generally required by private Institutional Mortgage holders for projects similar in construction, location and use to the Property; 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 Area 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 may obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees 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.

The Association may 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 5.4, 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 Property 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 5.6, 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 Area 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 Area; 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 Property 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 Area having the same vertical and horizontal boundaries

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as before.

(b) Any such damage or destruction to the Property will be repaired; provided, however, that any such damage which requires the reconstruction of the whole or more than fifty (50%) percent of the Property will not be undertaken unless members representing at least fifty-three percent (53%) of the total vote of the Association agree, voting in person or by proxy at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of disapproving such repair or reconstruction. If the Property is not reconstructed, all 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 untenantable or uninhabitable, or any such damage or destruction to the Common Area, 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 damage or destruction will not be repaired, reconstructed or rebuilt, then and in that event:

(i) The Property will be owned by the Owners as tenants-in-common;

(ii) The undivided interest in the Property of each Owner will be a percentage equal to the Percentage Interest appurtenant to the Unit theretofore owned by the Owner;

(iii) All liens affecting any of the Units will be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners of the respective Units;

(iv) The Property will be subject to an action for partition at the instance of any Owner, in which event the net proceeds of the sale will be deposited with the Trustee;

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

(vi) The proceeds from the sale of the Property, the liquidation of the assets of the Association and the insurance proceeds related to the damage or destruction to the Property will be considered one fund which, after paying the reasonable expenses of the Trustee, will be distributed to all the Owners and their respective Mortgagees as their interests may appear in percentages equal to the Percentage Interests of said Owners. Distributions to such Owners and their Mortgagees will be made pursuant to certificates provided for in Section 5.5.

ARTICLE VI

Condemnation

Section 6.1 General. Whenever all or any part of the Property will be taken by any

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

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

Section 6.3 Essential Areas. If the taking includes any portion of a Unit or the Common Area essential to the use of any Unit, then the award will be disbursed, and all related matters, including, without limitation, alteration of the Percentage Interests appurtenant to each Unit, will be handled, by (i) the Declarant, for so long as the Declarant has the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association, and (ii) thereafter, the Board of Directors in a just and equitable manner to all Owners; provided, however, that all action of the Board of Directors will be pursuant to and in accordance with a plan approved by Members representing at least fifty-three (53%) percent of the total votes of the Association voting in person or by proxy, at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving such in a duly recorded amendment to this Master Deed. In the event that such an amendment will not be recorded within ninety (90) days after the taking, then such taking will be deemed to be and will be treated as damage or destruction which will not be repaired or reconstructed as provided for in Section 5.6, whereupon the Regime will be terminated in the manner therein prescribed.

ARTICLE VII

Architectural Control

Section 7.1 Approval Required for Changes. To preserve the original architectural appearance of the Property, after the purchase of a Unit from the Declarant, its successors or assigns, no exterior construction of any nature whatsoever, except as specified in the Regime Documents, will be commenced or maintained upon any Building, including without limitation, the Limited Common Area, nor will there be any change, modification or alteration of any nature whatsoever of the design and appearance of any of the exterior 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

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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 exterior design, color and location in relation to the surrounding structures by the Board of Directors.

ARTICLE VIII

Maintenance

Section 8.1 Responsibility of Association. Except as specifically provided to the contrary herein, the Association will maintain the Common Area in first class condition in accordance with proper maintenance procedures applicable thereto and will enforce all warranties with respect to the Common Area. In addition, the Association will repair or replace all parts of the Common Area as necessary. Except as otherwise provided herein, the cost of such will be charged to the Owners as a Common Expense.

Section 8.2 Access to Units. The Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, to have reasonable access to each Unit from time to time as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Area accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area 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 pets, 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 for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-load bearing walls, carpeting, drapes, windows, window sills and casements, exterior doors, exterior door frames, privacy fences, screens 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, at his own expense, keep the Limited Common Area 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 (unless such maintenance and/or repairs as specifically charged to the Association pursuant to the terms and conditions of the Master Deed and/or Exhibits). 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.

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ARTICLE IX
Unit Restrictions

Section 9.1 Rules and Regulations. The Board may from time to time adopt or amend rules and regulations governing and restricting the use and maintenance of Common Areas, both General and Limited Common Areas; provided, however, that copies of the rules and the regulations shall be furnished each Owner prior to the time the same shall become effective.

Section 9.2 Owners Responsibility. The rules and regulations contained hereinafter shall be in effect until changed to or amended by the Board of Directors and/or the Association and shall apply to and be binding upon any Owner and tenants, lessees or guests. The Owner, tenants, lessees and guests shall obey the rules and regulations at all times and shall use their best efforts to see that they are observed in full by their families, guests, invitees, servants and persons over whom they may exercise control and supervision.

Section 9.3 Residential Use. All Units shall be used for private residential purposes exclusively, except such temporary non-residential uses as may be permitted by the Board of Directors from time to time. Furthermore, no Unit may be occupied by more than the permitted number of heads of households and their family pursuant to county and state zoning regulation and law. No improper, offensive or unlawful use shall be made of the Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of such Property shall be the same as the responsibility for the maintenance and repair of the Property concerned.

Section 9.4 Obstruction. The entrances, passages, corridors, stairways, and parking areas and other Common Areas or Limited Common Areas of the Project shall not be obstructed, encumbered or used for any purpose other than ingress and egress to and from the Project and/or Units and other purposes for which they are intended and no carriages, bicycles, mopeds, wagons, carts, chairs, benches, tables, toys or other objects, or things regardless of the nature thereof shall be left or stored therein.

Section 9.5 Persons. No person shall play or loiter in the public areas of the Project not specifically designated for such purpose(s).

Section 9.6 Storage. All personal property of an Owner shall be stored in their respective Residential Unit. No structures of a temporary character, trailers, tents, shacks, barns or other outbuildings shall be erected by any Owner or occupant on any portion of the Common Area.

Section 9.7 Articles. No garbage cans, supplies, bottles, or other articles shall be placed in the corridors, on the balconies, porches decks, patios, stairways, any Common Area or Limited Common Area of the Project, nor shall lines, cloths, or clothing, be exposed on any part of the windows, doors or balconies, decks, patios, or be exposed on any part of the Common Areas or Limited Common Areas unless written permission is obtained from the Association.

Section 9.8 Debris. Common Areas or Limited Common Areas shall be kept free of rubbish, debris, garbage or unsightly material.

Section 9.9 Safety. Owners shall take reasonable precautions not to permit anything whatsoever to fall from his or her Unit nor shall he or she sweep or throw from the Unit or other part of the Project any dirt or substance into the corridors, halls, balconies, decks, patios or other similar areas in the Condominium.

Section 9.10 Garbage and Trash. Refuse, rubbish and garbage shall be disposed of in a manner provided for and not placed outside in the corridors, hallways, balconies, porches,decks, patios or stairways, etc. at any time or for any reason. No trash or garbage shall be placed in any common area except inside containers or dumpsters as may be provided by the Association. No trash, garbage, refuse or rubbish shall be placed next to any containers or dumpster(s) that may be provided by the Association.

Section 9.11 Windows. The Owners of any Unit shall, at his or her own expense, clean repair and maintain both interior and exterior surfaces of all windows. Drapes, shades, or other window coverings covering the windows in individual Units shall be conventional in nature. No flags, sheets, towels, or other materials not specifically designed for window covering shall be used for window coverings in the individual Units.

Section 9.12 Employees of the Association. Employees of the Association (if any) shall not be sent out of the Project by Owners at any time for any purpose other than at the direction of the Board of Directors. Neither shall employees of the Association come in and service or repair or replace items that are the responsibility of the Owner of a Unit while working for the Association.

Section 9.13 Fire Equipment. Each Unit shall maintain in working order standard residential Fire prevention and fire fighting equipment.

Section 9.14 Parking. The parking spaces, and facilities shall be used exclusively for parking of automobiles except upon written consent of the Board of Directors. Vehicles shall be parked only in appropriate marked and assigned spaces. Vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt. Except as herein provided, no trailers, boats, tractors, campers, wagons or trucks that exceed three-quarter ton or other commercial type motor vehicles shall be parked within the Project except vehicles while loading and unloading. No repair work on motor vehicles shall be allowed in the parking spaces except emergency repairs. Only legally registered and operating vehicles are permitted on the grounds of the Project.

Section 9.15 Noises. No Owner, his family, servants, employees, agents, visitors, guests, invitees, licenses, tenants or lessees shall make or permit any disturbing noises in the Common Area or Limited Common Area or his or her Unit. Nor shall any such person do or permit to be done anything that will interfere with the rights, comfort or convenience of the remaining Unit Owners or occupants. No Owner or occupant shall play any musical instrument, phonograph, radio, television, or sound amplifier in such a manner or volume so as to disturb or annoy any other Unit Owner or occupant. Wired stereo systems on the porch of any Unit is prohibited.

Section 9.16 Pets. Pets shall be kept or maintained on or about the Project only if the Owner is granted a conditional license to maintain not more than two (2) pets by the Association.

Such a license will be granted subject to the following conditions and reservation:

a. Acceptable Pets: Unless the Board of Directors grants a waiver of this condition, the only pets to be permitted on the Project property shall be dogs which are under thirty-five (35) pounds when fully grown and cats, small birds and fish.

b. It shall be the responsibility of the Owner to pay for any and all cost involved in restoring to the original new condition any damage caused to the Project property by a pet.

c. An Owner shall be financially responsible for any personal injury or personal property damage caused to any Owner, tenant, guest, employee of the Association, or to any member of the public as a result of the Owner's maintenance of a pet.

d. Pets must be carried in arms or on a leash when taken outside of a Unit.

e. Pets must not be curbed near the buildings, walkways, shrubbery, gardens, planting areas or public space. Each Owner shall be responsible for cleaning up or removing from the Property any pet waste.

f. Guests, tenants and visitors of an Owner shall not be permitted to bring any pets onto the Project property other than those allowed in Section 9.16a and at no time shall the total number of pets associated with any one unit exceed two (2).

g. The Board of Directors may, upon their sole determination, revoke or terminate the above conditional license if a pet is either vicious or is annoying other Unit Owners or occupants or is otherwise a nuisance.

Section 9.17 Advertising. No ads, signs, posters, or advertisement of any kind shall be posted on the walls, windows or doors in the interior or exterior of a Unit or the Common Area or Limited Common Area of the Project. Notwithstanding the above prohibitions, signs offering the Unit for rent or sale may be posted on the interior or exterior of a Unit or the Common Area or Limited Common Area in a form and in such location as approved by the Association.

Section 9.18. Leasing of Units. Units may be rented according to the following provisions:

a. Copies of all leases and reasonable contact information for each tenant or occupier shall be deposited with the Association.

b. Tenants shall abide by the Association's rules and regulations and failure to do so shall result in the immediate eviction of the offending tenant or tenants.

c. The lease for any Unit within the Project shall contain provisions to the effect that the rights of the tenant to use and occupy the Unit shall be subject to and subordinate in all respects to the provisions of this Master Deed and the By-Laws and to other reasonable rules and regulations imposed by the Association.

Section 9.19 Air Conditioning Units. No Owner shall install or cause to be installed window units or wall air conditioning units without the approval of the Board of Directors.

Section 9.20 Hazard. Nothing shall be done or maintained in any Unit or upon any Common Area or Limited Common Area which will increase the rate of insurance on any Unit or the Common Areas or Limited Common Areas, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any Unit which would be in violation of any law.

Section 9.21 Commercial Activities. No Unit or Common Area or Limited Common Area shall be used for commercial activities of any charter.

Section 9.22 Satellite Dishes or Other Wiring. No satellite dishes, radio, television, or CB installation or other wiring shall, hereafter, be installed on the exterior of the Building without the consent of the Board of Directors. Any installation or wiring made without consent is liable to be removed without notice and at the cost of the Owner for whom such wiring was installed.

Section 9.23 Exterior Walls, Balconies and Porches. No Owner shall paint, modify, attach to, or improve the exterior walls, balconies, or porches of his Unit except with the previous written consent of the Board of Directors of the Association. No bicycles or trash containers may be stored on the balconies, patios, or porches of Units. Outdoor furniture and barbecue grills may be stored on patios, or porches of Units if approved in advance by the Board of Directors in their sole discretion such approval may be subsequently revoked by the Board of Directors in their sole discretion.

Section 9.24 Awnings. No blinds, shades, glass, jalousies, ironwork, screen, awning, panels, flags, or covering shall be affixed or attached to the outside of the building or the exterior windows, doors, balconies, decks, patios or interior doors leading onto the corridors without the previous written consent of the Board of Directors of the Association.

Section 9.25 Time Sharing. Subject to applicable law, no time sharing or vacation time sharing plans are permitted to be entered into by any Owner or their agents, tenants, guests or invitees. Further, subject to applicable law, no Owner may sell his or her Unit on a time share plan (even though the purchaser received an undivided fee simple deed) or lease his or her Unit on a vacation time share leasing plan which otherwise means arranging, planning or similar device whereby membership agreement, lease, rental agreement, licenses, use agreement, security, or other means whereby a tenant and/or purchaser receives a right to use accommodations or a Unit or facilities or any of the above, but does not receive an undivided fee simple interest in the property for a specific period of time during any given year.

Section 9.26 Right of Access to a Unit. The Board of Directors or its designated agent may retain a key to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, replacement of any of the Common Areas therein or accessibility therefrom, or making emergency repairs therein necessary to prevent damage to the Common Areas, Limited Common Areas or other Units within the Condominium. No Unit Owner shall alter any lock or install new locks on any door of the premises without providing the Board of Directors a key.

Section 9. 27 Use of Common Areas. Each Owner, tenant, or occupant of a Unit may use the Common Areas for the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners, tenants or occupants.

Section 9.28 Enforcement. Any violations of any of these preceding restrictions shall be sufficient to bring judicial action against the violator. Action may be filed by the Board of Directors on behalf of the Owners and the Board shall have the powers and duties as are set forth in this Master Deed and the Charter and By-laws attached hereto. The Owner of the Unit that is the subject of any judicial action to enforce this section shall be responsible and promptly pay the costs of such enforcement action including a reasonable attorney's fee. The Board of Directors shall not be liable for failing or declining to enforce or bring judicial action to enforce the preceding restrictions. If the Board of Directors declines to bring such action an individual Owner may do so. Notwithstanding anything herein to the contrary and in addition to the remedies set forth above, the Board shall have the right to access and collect fines against any Owner who five (5) days after receipt of written notice of a violation continues to violate or whose family, tenant, invitees or guests continues to violate the provisions of this Article IX. The cessation of a violation and its subsequent recommencing shall not require a further five (5) day cure period prior to assessing and collecting fines. Any fine shall be collected and otherwise be assessed and collected as an assessment under Article IV hereof. The amount of any daily fine shall be determined by the Board of Directors but shall not exceed fifty and no/100 ($50.00) dollars per day (adjusted for inflation).

ARTICLE X

Easements

Section 10.1 Encroachments. If any portion of the Common Area encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Area 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 Area 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 Area upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Area 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. There is hereby granted a blanket easement upon, across, over and under all the Project for ingress, egress, installation, replacing, repairing and maintaining a master television antenna or CATV system and all utilities, including, but not limited to water, gas, sewers, telephones and electricity. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Project and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. In addition, the Board of Directors will be entitled to grant additional permits, licenses and easements over the Common Area for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

Section 10.4 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 10.5 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 performance of their respective duties. Except in the event of emergencies, the rights under this Section 10.5 will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

ARTICLE XI

Assigned Value and Voting Rights

Section 11.1 Units, Assigned Values, and Percentage Interests. The Schedule of Percentage Interests contained in **Exhibit "D"** 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. Such Percentage Interest shall be amended by amendment to this Master Deed, said amendments to include an amended **Exhibit "D"** as future phases are added to the Regime, if any, or as Units are modified or reconstituted as set forth in Section 3.3 of this Master Deed.

Section 11.2 Voting Rights. Members and the Declarant will be entitled to a vote in the Association and for all other purposes herein as set forth herein and in accordance with the provisions of the Association's Articles of Incorporation attached hereto as **Exhibit "E"** and the By-Laws of the Association attached as **Exhibit "F,"** and as the same may be hereafter amended.

(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, a copy of which will be delivered to the Secretary of the Association and will remain effective for all meeting until revoked by the Co-Owners in a similar writing or until such designation terminates pursuant to the terms of such writing.

ARTICLE XII

The Development Plan For The Property

Section 12.1 The Initial Development Plan. The Regime as constituted includes One (1) Building, as depicted on **Exhibit "B"** and the Common Area (including parking areas), as more fully described on **Exhibit "B"** attached hereto.

Section 12.2 Assignability or Termination of Rights at Any Time. At any time the Declarant will be entitled to assign or terminate any or all of the rights reserved to it in this Master Deed or the Exhibits hereto 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 or Vacation Multiple Ownership Plan as defined by the 1976

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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 Declarant.

ARTICLE XIII

Transition Provisions

Section 13.1 Appointment of Directors and Officers. At all times during the Transition Period, the Declarant will have the sole and exclusive right to appoint the 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 Declarant and veto the removal of any director or officer appointed by the Declarant.

Section 13.2 Special Meeting to Elect Board. Within sixty (60) days after the date on which Owners other than the Declarant 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 ten (10) days and not more than thirty (30) 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 Declarant to the extent reasonably requested by the Declarant 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 Declarant, Association, Owners, and any persons not otherwise subject to the Regime Documents who agree to submit to this Article 14 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving this Master Deed or the Regime, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime Documents or the Regime, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 14.2, are subject to 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 14.3:

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

(b) any suit by the Association or the Master 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 or Master Association until the matter may be resolved on the merits pursuant to Section 14.3 below; and

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

Any Bound 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. Any Bound Party having a Claim ("Claimant") against a Bound Party involving the Regime Documents or the Regime, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 14.2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the following procedures, and then only to enforce the results hereof.

(a) Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

1. the nature of the Claim, including applicable date, time, location, persons involved, Respondent's role in the Claim and the provisions of the Regime Documents or other authority out of which the Claim arises; and

2. what Claimant wants Respondent to do or not do to resolve the Claim; and

3. that Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

(b) Negotiation.

(i) Each Claimant and Respondent (the "Parties") will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, but not later than 30 days following the Notice, unless otherwise agreed by the Parties.

(ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the President of 58 Rutledge Avenue Property Owners Association, Inc. may appoint an attorney licensed to practice law in the State of South Carolina to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes his or her efforts will be beneficial to the Parties. Such an attorney will have been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments and will not have a conflict of interest with any of the Parties.

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(c) Final and Binding Arbitration. If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant will have 30 days within which to submit the Claim to binding arbitration under the auspices and the Commercial Arbitration Rules of the American Arbitration Association; and in accordance with the substantive and procedural laws of the state of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

(i) Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10) day period, or on or before any later day set by them by which to select an arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Charleston, South Carolina before a neutral person who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments, and who has no conflict of interest with any Party. The arbitrator may award any remedy or relief that a court of the State of South Carolina could order or grant, including, without limitation, specific performance of any obligation created under the Regime Documents, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Regime Documents.

(ii) In the event Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent is released and discharged from any and all liability to Claimant arising out of the Claim; provided, nothing herein will release or discharge Respondent from any liability to a person not a Party to the foregoing proceedings, or the mandatory requirements of this Section 14.3 with respect to any subsequently arising new dispute or claim by the Claimant which is identical or similar to the Claim previously deemed abandoned under this Section 14.3(c)(ii).

This Section 14.3 is an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the "Award") is final and binding on the Parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

Section 14.4 Allocation of Costs and Claims.

(a) Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Sections 14.3(a) and 14.3(b), including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of any attorney appointed by the Board pursuant to Section 14.3(b), whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Board is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses.

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(b) Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Section 14.3(c), the "Prevailing Party," as hereinafter defined, will receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of selection of the arbitrator under Section 14.3(c) to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of any attorney appointed by American Arbitration Association pursuant to Section 14.3(c), whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

(i) Not less than five (5) days prior to the first meeting with the arbitrator, a Party or Parties may file and serve on the other Party(ies) an offer of settlement, and within three (3) days thereafter the Party(ies) served may respond by filing and serving such Party(ies) its own offer of settlement. An offer of settlement will state that it is made under this section and will specify the amount, exclusive of interest and costs, which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of the Claim.

(ii) An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is filed and served on the Party(ies) making the offer twenty-four (24) hours prior to the first meeting with the arbitrator.

(iii) If an offer of settlement is rejected, it may not be referred to for any purpose at arbitration, but may be considered solely for the purpose of awarding costs and expenses of arbitration under Section 14.3(c).

(iv) If Claimant makes no written offer of settlement, the amount of the Claim offered in arbitration is deemed to be Claimant's final offer of settlement under this Section 14.4(b).

(v) If Respondent makes no written offer of settlement, Respondent's offer of settlement under this Section 14.4(b) is deemed to be zero.

(vi) The Party(ies) whose offer, made or deemed made, is closer to the Award granted by the arbitrator is considered the "Prevailing Party" hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of costs and expenses of arbitration.

Section 14.5 Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Section 14.3(b) and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party thereafter fails to comply with the Award, then any other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Section 14.3. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all the Parties pro rata) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

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 the Declarant or, if after the transition period, Members representing at least fifty-three (53%) percent of the total vote of the Association entitled to vote at a regular or special meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the proceeding. This Section will not apply, however, to actions brought by the Association to enforce the provisions of this Master Deed (including, without limitations, the foreclosure of liens); the imposition and collection of Assessments; proceedings involving challenges to ad valorem taxation; counterclaims brought by the Association in proceedings instituted against it; or 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 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 negotiation and arbitration provisions of this Article 14, 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 14 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 14 will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

ARTICLE XV

General Provisions

Section 15.1 Adherence to Provisions of Master Deed, By-Laws and Rules and Regulations. Every Owner who rents his Unit must post inside his Unit a list of the Rules and Regulations of the Association. Any rental agency handling 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 15.2 Amendment. Amendments to this Master Deed, except as herein expressly provided to the contrary, 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.

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(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 By-Laws and this Master Deed upon the vote of Members holding at least seventy-five percent (75%) of the total vote in the Association; provided, however, that if the Association will vote to amend the By-Laws 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 at least seventy-five percent (75%) of the total vote in the Association and, provided further, if such proposed amendment is during the transition period the written consent of the Declarant to such amendment is obtained. The President of the 58 Rutledge Avenue Property Owners Association, Inc. shall sign all amendments to the Master Deed unless the Declarant or an Owner of a Unit is specially authorized to do so in its own right.

(c) Nondiscrimination. Irrespective of the foregoing, no amendment will (i) alter the Percentage Interest applicable to each Unit (except as permitted in accordance with Articles VI and XII and Sections 3.3 and 11.1 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 Mortgage Holders and Eligible Insurer/Guarantors 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 Area.

(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 a majority of the Board may effect an appropriate corrective amendment.

(e) Recording. A copy of each amendment provided for in this Section 15.2 will be certified by the Association as having been duly adopted and will be effective when recorded.

Section 15.3 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 Sections 12.1 and 12.2 of this Master Deed.

(b) Destruction. In the event it is determined in the manner provided in Section 5.6 that the Project will not be repaired or reconstructed after casualty, the Regime will be terminated and the Regime Documents revoked. The determination not to repair or reconstruct after casualty will be evidenced by a certificate of the Association certifying as to the facts effecting the termination.

(c) Condemnation. In the event that any part of a Unit, or the Common Area essential to the use of any Unit will be taken by an authority having the power of eminent domain

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and the consent of Members representing at least fifty-three (53%) percent of the total votes of the Association as provided in Section 6.3 to a plan for continuation of the Regime will not be expressed in an amendment to this Master Deed duly recorded within ninety (90) days after such taking, the Regime will be terminated and the Regime Documents revoked. Such taking will be evidenced by a certificate of the Association certifying as to the facts effecting the termination.

Section 15.4 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 Declarant and all Owners and Claimants of the Project or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns.

Section 15.5 Enforcement. Each Owner will comply strictly with the By-Laws 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 Area 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.

Section 15.6 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 15.7 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 15.8 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 15.9 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, Declarant of Declarant'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 Declarant 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

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designation of voting rights in Declarant 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 Declarant 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 at the end of the transition period. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Declarant herein provided, which will run with the land.

Section 15.10 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 Declarant or the Association from time to time to expressly evidence the foregoing.

ARTICLE XVI

Exhibits

Section 16.1 Exhibits Attached. The following Exhibits are attached hereto and incorporated verbatim in this Master Deed by reference as fully as if set forth herein.

Description	Identification
Legal Description of the Land	A
Site Survey	A-1
Narrative Description of the Units	B
Elevations, Floor Plans and Unit Boundaries	C
Schedule of Assigned Values and Percentage Interests	D
Articles of Incorporation of the Association	E
By-Laws of the Association	F
Disclosure of Physical Condition of the Building	G

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IN WITNESS WHEREOF, Declarant has caused this Master Deed to be executed to be effective as of this 1 day of June, 2009.

WITNESS:

Bunk Aviation, LLC

By: Andre Bauer
Its: Member/Manager

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STATE OF SOUTH CAROLINA)
) **PROBATE**
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness who being duly sworn, says that s/he saw the within-named Bunk Aviation, LLC by Andre Bauer, its Member, deliver the within-written Master Deed and that s/he with the other witness whose signature appears above witnessed the execution thereof.

1st Witness

SWORN to before me this
1 day of June, 2009

Notary Public for South Carolina
My Commission Expires: 11-7-18

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EXHIBIT A

ALL those two certain pieces or parcels of land, with the buildings and improvements thereon, situate, at the southeast corner of Rutledge Avenue and Beaufain Streets, and known in the present numbering of said streets as No. 58 Rutledge Avenue and No. 103 Beaufain Street, said lots having such size, shape and dimensions as are shown by a plat thereof made by Gedney M. Howe, Surveyor, on May 29, 1937, and designated in the red lines shown on the plat by the letters A B C E D F A on said plat and being recorded in the RMC Office for Charleston County in Plat Book E, at Page 116.

BUTTING AND BOUNDING to the North on Beaufain Street, to the East on property now or formerly of J. Edwin Schachte, to the South on property now or formerly of Frank Crawford and E.H. Poulnot; and to the West on Rutledge Avenue.

SAVING AND EXCEPTING from the above described premises the Eastern portion of said lot as described in the Deed of Julian Jarvis Sweeney to Frederick L. Jarvis dated August 10, 1938 and recorded February 6, 1939 in said RMC Office in Book H39, at Page 813.

Said Lot 58 being conveyed is shown on a plat prepared by W.L. Stephens, Jr., PE & RLS, dated May 23, 1988 and entitled, "SURVEY OF #58 RUTLEDGE AVENUE, CITY OF CHARLESTON, SOUTH CAROLINA ABOUT TO BE CONVEYED TO ALLAN E. WITT AND PATRICIA J. WITT", recorded as and Exhibit to Deed recorded in Book R175, page 428, in the RMC Office for Charleston County, SC.

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EXHIBIT "B"

Narrative Description of the Units

58 Rutledge Avenue Horizontal Property Regime

58 Rutledge Avenue Horizontal Property Regime, consists of One (1) three (3) story wood siding building containing the 5 Units described below.

Unit A, 58 Rutledge Avenue Horizontal Property Regime is a first floor unit containing approximately 701 square feet. Unit A consists of one bedroom, one bath, living room, kitchen and hall.

Unit B, 58 Rutledge Avenue Horizontal Property Regime is a second floor unit containing approximately 1,238 square feet. Unit A consists of two bedroom, two and one-half baths, living room, and kitchen.

Unit C, 58 Rutledge Avenue Horizontal Property Regime is a third floor unit containing approximately 684 square feet. Unit A consists of one bedroom, one bath, and living room/kitchen.

Unit D, 58 Rutledge Avenue Horizontal Property Regime is a first floor unit containing approximately 977 square feet. Unit A consists of two bedrooms, one bath, living room, kitchen and hall.

Unit E, 58 Rutledge Avenue Horizontal Property Regime is a second floor unit containing approximately 469 square feet. Unit A consists of one bedroom, one bath, living room, and kitchen.

Reference to area as Common Areas, General Common Area or Limited Common Area in this paragraph will be in addition to and read in conjunction with the further designations of Common Areas, General Common Areas and Limited Common Areas set out in other portions of this Master Deed and the survey and floor plans making up Exhibit "B" and the balance of this Exhibit "C". All landscaped areas outside the building and the concrete walls are General Common Areas. The asphalt parking spaces are Limited Common Elements with one space assigned to each unit. The concrete patios and balconies are Limited Common Elements.

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EXHIBIT C

ELEVATIONS, FLOOR PLANS AND UNIT BOUNDARIES

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EXHIBIT "D"

Schedule of Assigned Values and Percentage Interests

Each Unit Owner owns, in addition to his, her or its Unit, an interest in the Common Areas of the Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Unit in relation to the value of the Units as a whole. Such percentage interest in the Common Areas of each Unit Owner shall vary. Additional Units in additional phases, if any, submitted to the Regime shall have their interest in the Common Areas computed as set forth above and an amendment to this Exhibit "D" shall be attached to any amendment to the Master Deed submitting additional Units.

The values set forth are for the sole purpose of complying with the Act and do not necessarily reflect the market value of the Unit or of the property of the Regime and shall in no way inhibit or restrict the fixing of a different value or sales price by a Unit Owner to his, her or its Unit in any type of acts or contracts.

UNITS	ASSIGNED VALUE	PERCENTAGE INTEREST
A	$17,230.00	17.23%
B	$24,000.00	30.43%
C	$30,430.00	16.81%
D	$11,530.00	24.00%
E	$16,810.00	11.53%
Totals	$100,000.00	100%

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EXHIBIT "E"

ARTICLES OF INCORPORATION

FOR

58 RUTLEDGE AVENUE PROPERTY OWNERS ASSOCIATION, INC.

(A South Carolina Nonprofit Corporation)

Article 1. Name. The name of the corporation is **58 Rutledge Avenue Property Owners Association, Inc**. ("Association").

Article 2. Nonprofit Corporation. The Association is formed as a nonstock, nonprofit, mutual benefit corporation under the laws of the State of South Carolina, Title 33, Charter 31, Article 1, Code of Laws of South Carolina, 1976.

Article 3. Principal Office. The mailing address of the initial office of the Association is located in Charleston County, South Carolina at the following address: 58 B Rutledge Avenue, Charleston, SC 29401.

Article 4. Registered Agent and Address. The Association hereby appoints **ANDRE BAUER**, whose address is **58 Rutledge Avenue, Charleston, SC 29401.** as its lawful statutory agent upon whom all notices and processes, including service of summons, may be served, and which when served, shall be lawful, personal service upon this corporation. The Board may, at any time, appoint another agent for such purpose and filling of such appointment shall revoke this or any other previous appointment of such agent.

Article 5. Definitions. All capitalized terms used herein which are not defined shall have the same meaning as set forth in that certain **Master Deed of 58 Rutledge Avenue Horizontal Property Regime** recorded, or to be recorded, in the public records , as it may be amended (the "Master Deed"), unless the context indicates otherwise.

Article 6. Purposes. The purposes for which the Association is formed are:

(a) to be and constitute the Association to which reference is made in the Master Deed, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified in the Master Deed and the By-Laws, and as provided by law; and

(b) to provide an entity for the furtherance of the interest of the Owners.

Article 7. Powers. The powers of the Association shall include and be governed by the following provisions:

(a) the Association shall have all of the common law and statutory powers conferred

upon nonprofit corporations under South Carolina law and all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, By-Laws, or the Master Deed, including without limitation, the power:

(i) to fix, collect and enforce payment, by any lawful means, of assessments and other charges to be levied against the Units;

(ii) to manage, control, operate, maintain, repair and improve the Property for which the Association by rule, regulation, covenant, or contract has a right or duty to provide such services;

(iii) to enforce covenants, conditions or restrictions affecting any Property to the extent the Association may be authorized to do so under the Master Deed or By-Laws;

(iv) to engage in activities which will actively foster, promote and advance the common interest of all Owners of Units subject to the Master Deed;

(v) to buy or otherwise acquire, sell, dedicate for public use or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, own, hold, use, operate, grant easements and otherwise deal in and with real and personal property of all kinds and any right or interest therein for any purpose of the Association, subject to such limitations as may be set forth in the Master Deed or By-Laws;

(vi) to borrow money for any purpose, subject to such limitations as may be set forth in the Master Deed or By-Laws;

(vii) to enter into, make, perform and enforce contracts of every kind and description including insurance and to do any and all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation or other entity or agency, public or private;

(viii) to act as agent, trustee, or other representative of other corporations, firms or individuals, and as such to advance the business or ownership interest in such corporations, firms or individuals;

(ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Master Deed; and

(x) to provide any and all services to the Condominium or Association as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other rights or powers which may now or hereafter be permitted by law. The powers specified in each of the paragraphs of this Article are independent powers, not to be restricted by

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reference to or inference from the terms of any other paragraph of this Article.

(b) The Association shall make no distributions of income to its Members, directors, or officers.

Article 8. Members.

(a) The Association shall be a membership corporation without certificates or shares of stock. The Owner of each Unit shall be a Member of the Association and shall be entitled to vote in accordance with the terms of the Master Deed and the By-Laws. The manner of exercising voting rights shall be as set forth in the Master Deed and in the By-Laws of the Association.

(b) Change of membership in the Association shall be established by recording in the public records a deed or other instrument establishing record title to real property subject to the Master Deed. Upon such recordation, the Owner designated by such instrument shall become a Member of the Association and the membership of the prior Owner shall be terminated.

(c) The share of a Member in the privileges, rights and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as appurtenance of its Unit.

Article 9. Dissolution. The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the approval of Members holding at least seventy-five percent (75%) of the votes in the Association, or such higher percentage as may be required by the South Carolina Horizontal Property Act, South Carolina Code of Laws (1976), Section 27-31-10, et seq., as amended, and the written consent of the Declarant so long as the Declarant owns any property subject to the Master Deed or which may be unilaterally subjected to the Master Deed by the Declarant. Upon dissolution, the assets shall be distributed to the Association's Members, or if the Association has no Members, to those persons to whom the Association holds itself out as benefitting or serving.

Article 10. Directors and Officers.

(a) The business and affairs of the Association shall be conducted, managed and controlled by the Board of Directors. The initial Board shall consist of three directors. The number of directors may be increased in accordance with the By-Laws.

(b) The method of election, removal, and filling of vacancies on the Board of Directors and the term of office of the directors and officers shall be as set forth in the By-Laws.

(c) The Board of Directors may delegate its operating authority to such corporation, individuals and committees as it, in its discretion, may determine.

Article 11. By-Laws. The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided for in the By-Laws. The quorum required for meetings of Members and directors shall be set forth in the Master Deed

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and By-Laws.

Article 12. Liability of Directors, Officers and Committee Members. To the fullest extent that South Carolina law, as it exist on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, officers and committee members, no director, officer or committee member of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director, officer or committee member. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director, officer or committee member for or with respect to any acts or omissions of such director, officer or committee member occurring prior to such amendment or repeal.

Article 13. Amendments.

(a) The Board of Directors may amend these Articles without Member approval for specific purposes permitted under South Carolina law.

(b) The Developer may unilaterally amend these Articles at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.

(c) Other amendments to these Articles of Incorporation may be adopted by the approval of Members holding at least seventy-five percent (75%) of the total votes in the Association, and the written consent of the Declarant so long as the Declarant owns any property subject to the Master Deed or which may unilaterally be subjected to the Master Deed by the Declarant; provided, no amendment may be in conflict with the Master Deed; and provided, further, no amendment shall be effective to impair or dilute any rights of Members that are governed by the Master Deed. For so long as required under South Carolina law, notice of any amendment to these Articles shall be sent to Members by registered mail or published in a newspaper in Dorchester County, South Carolina not less than five days before the time set for the vote on such amendment.

Article 14. Incorporator. The name and address of the incorporator of the Association is:

Andre Bauer
58 Rutledge Avenue
Charleston, SC 29403

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation, this 1st day of June, 2009.

Andre Bauer

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EXHIBIT "F"

BY-LAWS

OF

58 RUTLEDGE AVENUE PROPERTY OWNERS ASSOCIATION, INC.

WARNING: AS SET FORTH HEREIN, DURING THE TRANSITION PERIOD DECLARANT HAS THE ABSOLUTE RIGHT TO MAKE EVERY SINGLE DECISION CONCERNING THESE BY-LAWS AND HAS THE IRREVOCABLE RIGHT COUPLED WITH AN INTEREST TO VOTE ON BEHALF OF ANY AND ALL UNIT OWNERS. THIS EFFECTIVELY GIVES DECLARANT TOTAL CONTROL OF THE ASSOCIATION, THE REGIME, THE BOARD OF DIRECTORS AND THE OFFICERS.

AT ANY TIME, DECLARANT CAN ASSIGN THESE RIGHTS TO THE ASSOCIATION AND/OR ANY ASSIGNEE AND BE RELIEVED FROM ANY RESPONSIBILITY THEREFOR.

NOTWITHSTANDING, DECLARANT, ITS SUCCESSORS AND ASSIGNS, SHALL NOT CHANGE THE VALUES OR MODIFY THE GENERAL COMMON ELEMENTS WITHOUT UNANIMOUS CONSENT OF ALL OF THE UNIT OWNERS THAT WOULD BE AFFECTED BY SUCH CHANGE.

ARTICLE 1.

Name, Purpose, Principal Office and Definitions

1.1. Name. The Name of the corporation is **58 Rutledge Avenue Property Owners Association, Inc.** a non-profit corporation existing under the laws of South Carolina (the "Association").

1.2. Purpose. The corporation has been organized for the purpose of administering a horizontal property regime established pursuant to the Horizontal Property Regime Act of South Carolina (the "Act").

1.3. Principal Office. The principal office of the Association shall be located in the State of South Carolina. The Association may have such offices, either within or outside of the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.4. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that **Master Deed of 58 Rutledge Avenue Horizontal Property Regime** filed in the RMC Office for Dorchester County, South Carolina, as it may be amended (the "Master Deed"), unless the context indicates otherwise.

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ARTICLE 2.

Association: Membership, Meetings, Quorum, Voting , Proxies

2.1. Membership. An Owner of a Unit shall automatically become a Member of the Association as more fully set forth in the Master Deed, the terms of which pertaining to membership are incorporated by this reference. If title to a Unit is held by more than one (1) person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) weighted vote per Unit, which vote shall be appurtenant to such Unit and weighted in accordance with the percentage of undivided interest in the Common Elements attributable to each Unit , as shown on **Exhibit "D"** of the Master Deed. In the event an Owner is a corporation, partnership, trust or other legal entity not being a natural person or persons, then any natural person designated by the entity shall be eligible to represent such entity or entities in the affairs of the Association. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

2.2. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board, either within the Condominium or as convenient as is possible and practical.

2.3. Annual Meetings. The first annual meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least Fifty percent (50%) of the total vote in the Association.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the

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Members either before or after a meeting. Attendance at a meeting by a Member or the Member's proxy shall be deemed waiver by such member of notice of the time, date and place thereof, unless such Member or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding at least Sixty-six percent (66%) of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than ten (10) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice for reconvening the meeting shall be give to Members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of the Members shall be as set forth in the Master Deed and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

2.9. Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership or trust, through any officer, director, partner or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law. All proxies shall be in writing specifying the Unit(s) for which it is given, signed by the Members or its duly authorized attorney in fact, dated and filed with the Secretary of the Association prior to any meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it is given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or written revocation, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.10. Quorum. Except as otherwise provided in these By-Laws or Master Deed, the presence, in person or by proxy, of Members representing fifty-three percent (53%) of the total votes in the Association shall constitute a quorum at all meetings of the Association. The vote of the Members present and eligible to vote representing fifty-three percent (53%) of the weighted vote present and eligible to vote shall constitute a decision of the Association.

2.11. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all transactions occurring at such meeting.

2.12. Action Without a Meeting. Any action required or permitted by law to be taken at

a meeting of the Members may be taken without a meeting, without prior notice and without a vote, if written consent specifically authorizing the proposed action is signed by all Members entitled to vote thereon. Such consent shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days of receiving authorization for any action by written consent, the Secretary shall give notice to all Members summarizing the material features of the authorized action.

ARTICLE 3.

Board of Directors: Powers, Meetings

A. Composition and Selection.

3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Declarant, the directors shall be Owners, designees of owners or eligible Members; provided, however, no Owner shall be eligible to serve as a director if any assessment for such person's Unit is delinquent. In the case of a Member who is not a natural person, any officer, director, partner, employee or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by the Declarant.

3.2. Numbers of Directors. The Board of Directors shall consist of up to three (3) directors, as provided in Section 3.4 below.

3.3. Nomination and Election of Directors. Except with respect to directors appointed by the Declarant, directors shall be nominated from the floor or may be nominated by a nominating committee, if such a committee is established by the Board of Directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Each Owner may cast the entire vote assigned to his, her, its Unit for each position to be filled. There shall be no cumulative voting. The number of candidates equal to the number of positions to be filled receiving the great number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.4. Election and Terms of Office.

(a) The initial Board shall consist of one(1) to three (3) directors to be appointed by the Declarant.

(b) Upon termination of the Declarant's right to appoint directors as provided in the Master Deed, the number of directors shall be set at three (3), and the Association shall hold an election at which the Members shall be entitled to elect all three (3) directors, with the two (2) directors receiving the largest number of votes being elected for a term of two (2) years and one (1) director being elected for a term of one (1) year.

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Upon the expiration of the term of office of each initial director elected by the Members, a successor shall be elected to serve a term of two (2) years, and all subsequent terms shall be for two (2) years. The directors elected by the Members shall hold office until their respective successors have been elected.

3.5. Removal of Directors and Vacancies. After the transition period any director elected by the Members may be removed, with or without cause, by Members holding Seventy-five percent (75%) of the votes entitled to be cast for his or her election. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Declarant. The Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by the Declarant.

B. Meetings.

3.6 Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Membership shall be held within ten (10) days thereafter at such time and place as the Board shall fix.

3.7 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as a majority of the directors shall determine, but at least one such meeting shall be held each year.

3.8 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any two of the directors.

3.9 Notice. Notice of the time and place of a regular meeting shall be communicated to the directors not less than four (4) calendar days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than forty eight (48) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and,

in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person in the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (iv) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; or (v) telegram, charges prepaid. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal delivery, telephone, telecopier or telegraph shall be deemed communicated when delivered, telephoned, telecopied or given to the telegraph company.

3.10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or whenever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) 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 minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

3.11. Telephonic Participation in a Meeting. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board or committee by means of conference telephone or similar communication equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.12. Quorum of Board of Directors. At all meetings of the Board of Directors, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors, unless otherwise specifically provided by the By-Laws or the Master Deed. 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 at least the Majority of the required quorum for that meeting. If any meeting of the Board of Directors cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than ten (10) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing at least Seventy-five percent (75%) of the total votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board of Directors prior to entering into such

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contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.15. Open Meetings. Subject to the provisions of Section 3.16, all meetings of the Board of Directors shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session, and exclude Members to discuss matters of a sensitive nature.

3.16. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.17. Powers. The Board of Directors shall have all the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Master Deed, these By-Laws, the Articles, and as provided by law. The Board of Directors may do or cause to be done all acts and things as are not directed by the Master Deed, Articles, these By-Laws, or South Carolina law to be done and exercised exclusively by the membership generally.

3.18. Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Master Deed, an annual budget establishing each Owners share of the Common Expenses;

(b) levying and collecting such assessments from the Owners, as set forth in the Master Deed;

(c) providing for the operation, care, upkeep, and maintenance of those portions of the Condominium as provided in the Master Deed;

(d) designating, hiring and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which

it shall approve and using such funds to operate the Association; provided, any reserve funds may be deposited, in the director's best judgement, in depositories other than banks;

(f) making and amending rules in accordance with the Master Deed;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, replacements and improvements to or alterations of the Common Elements in accordance with the Master Deed and these By-Laws;

(i) enforcing by legal means the provisions of the Master Deed, these By-Laws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board of Directors reasonably determines is, or, is likely to be construed as, inconsistent with applicable law, or in a case in which the Board of Directors reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Master Deed, paying the cost thereof, and filing and adjusting claims to the Association;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holder, insurer, and guarantors of any mortgage on any Unit, current copies of the Master Deed, the Articles of Incorporation, the By-Laws, rules and all other books, records and financial statements of the Association, as provided in Article 6, Section 6.4;

(n) permitting utility suppliers to use portions of the Common Elements reasonably necessary for the ongoing development or operation of the Condominium;

(o) granting utility or other easements upon, over or across the Common Elements; and

(p) indemnifying a director, officer or committee member or former director, officer or committee member of the Association to the extent such indemnity is required by South Carolina law, the Articles of the Incorporation or the Master Deed.

3.19. Management. The Board of Director may employ for the Association a professional management agent or agents at such compensation as the Board of Directors may establish, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate such powers as are necessary for the manager's performance of its assigned duties, but

shall not delegate policy-making authority.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the period that the Developer has the right to appoint and remove directors of the Association unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty. In addition, any management contract executed by the Association shall contain a termination clause permitting termination, with or without cause and without penalty, upon no more than ninety (90) days written notice.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matter related to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.20. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash basis accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others proving services to the Association, whether in the form of commissions, finder's fees, service fees, prizes or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the proceeding period on an accrual basis and may include such other reports as deemed necessary by the Board); and

(g) an annual financial report shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year and at each Association annual meeting. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines.

3.21. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period exceeds or would exceed ten (10%) of the budgeted gross expenses of the Association for that fiscal year, then the Board of Directors shall obtain the

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approval of Members representing at least Seventy-five percent (75%) of the total votes allocated to Units prior to borrowing such money.

3.22. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational or other agreements with trust, condominiums, cooperatives or neighborhoods and other owners or residents associations, within and outside of the Condominium; provided any common management agreement shall require the consent of a majority of the total numbers of directors of the Association.

3.23. Enforcement. In addition to such other rights as are specifically granted under the Master Deed, the Board of Directors shall have the power to impose reasonable monetary fines, which shall constitute a lien upon the Unit of the violator, and to suspend an Owner's right to vote for violation of any duty imposed under the Master Deed, these By-Laws, or any Association rules. The failure of the Board to enforce any provision of the Master Deed, By-Laws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder or under the Master Deed, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided, the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10 day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by the same person. In the event of a violation which recurs within one year from the date of any notice hereunder, the Board may impose a sanction without notice to the violator.

(b) Hearing. If a hearing is requested within the allotted 10 day period, the hearing shall be held before the Board of Directors in executing session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Master Deed, these By-Laws, or the rules of the Association by self-help (for example, the towing of vehicles that are in violation of parking rules and the removal of pets that are in violation of pet rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation of which abatement is sought shall pay all cost, including

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reasonable attorney's fees actually incurred. Any entry onto a Unit for purposes of exercising this power of self-help shall not be deemed as trespass.

ARTICLE 4

Officers

4.1. Officers. The officers of the Association shall be a President, a Vice President, Secretary and Treasurer. The President and Secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistance Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. More than one office may be held by the same person.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interest of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal or otherwise for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Vice President shall perform those duties delegated to him by the President or the Board of Directors and he shall have the duties of the President in the absence of the President. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Master Deed and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall keep the minutes of all meetings of the Association and Board of Directors and have charge of such books and papers as the Board of Director may direct.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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.

4.6. Agreements, Contract, Deed, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two officers or by such other persons or persons as may be designated to make it effective.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Article 3, Section 3.13.

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ARTICLE 5.

Committees

5.1. Appointment of committees. The Board of Directors may appoint such committees as it deems appropriate to perform such task and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

ARTICLE 6.
Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board of Directors establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution. Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Master Deed, and these By-Laws, the provisions of South Carolina law, the Master Deed, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first mortgage on a Unit, any Member, any person who executed a binding contract for the purchase of a Unit, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Unit: the Master Deed, By-Laws and Articles of Incorporation, any amendments to the foregoing, the rules of the Association, books of accounts, the minutes of meetings of the members the Board of Directors, and committees, and the Association's corporate books and records. The Board of Directors shall provide for such inspection to take place at the office of the Association or at such place within the Condominium as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;
(ii) hours and days of the week when such an inspection may be made; and
(iii) payment of the cost of reproducing copies of documents requested.

(c) 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 a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Master Deed or these By-Laws, all notices, demands, bills, statements and other communications under the Master Deed or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if

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sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member, or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Declarant. For so long as the Declarant has the right to appoint and remove directors of the Association as provided in the Master Deed, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units, (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely effect the title to any Unit unless the Owner shall consent in writing.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least Seventy-five percent (75%) of the total votes in the Association and for so long as the Declarant owns a Unit or has the right to appoint a Majority of the directors of the Association, the consent of the Declarant. If a meeting is called for the purpose of considering a proposed amendment hereunder, such meeting shall be called in accordance with these By-Laws. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the County in which the Master Deed is filed, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within three months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of the Declarant for so long as the Declarant owns any portion of the Condominium.

If a Member consents to any amendment to the Master Deed or these By-Laws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any mortgage or contract between the Member and a third party will affect the validity of such amendment.

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The fore going was adopted as By-Laws of 58 Rutledge Avenue Property Owners Association, Inc., at the first meeting of the Board of Directors on the 1st day of June, 2009.

58 Rutledge Avenue
Property Owners Association, Inc.

By: Andre Bauer
Its: President