

BY-LAWS
OF
PGC OFFICE BUILDINGS HORIZONTAL PROPERTY REGIME
AND
PGC OFFICE BUILDINGS OWNERS ASSOCIATION, INC.

ARTICLE I
PLAN OF OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located at 17 Westbury Park, in Bluffton, South Carolina, known as PGC Office Buildings HORIZONTAL PROPERTY REGIME has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, which said Property shall henceforth be known as the Lafayette Place Associates HORIZONTAL PROPERTY REGIME (hereinafter referred to as "Regime").

Section 2. ASSOCIATION. In conjunction with the creation of the above described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as PGC Office Buildings Owners Association, Inc. (hereinafter referred to as "Association") which shall, pursuant to the provision of the aforementioned Master Deed, constitute the incorporated PGC Office Buildings Owners Association, Inc.

Section 3. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 4. PERSONAL APPLICATION. All present or future Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the commercial Suites (hereinafter usually referred to as "Suites") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Suites will signify that these By-Laws, the provisions of the Master Deed, and any authorized recorded amendments to the foregoing Master Deed are accepted and ratified, and will be complied with.

ARTICLE II
VOTING, MAJORITY OF OWNERS QUORUM, PROXIES

Section 1. ELIGIBILITY. Any person who acquires title to a Suite in the Regime shall be a member of the Association. There shall be one membership for each Suite owned. Transfer of Ownership, either voluntary or by operation of law, shall terminate membership in the

Association, and said membership is to become vested in the transferee. If Ownership is vested in more than one person, then all of the persons so owning such Suite shall agree upon the designation of one of the Owners of such Suite to act as a member of the Association. If Ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation to act as a member-of the Association.

Section 2. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the Owner is entitled is the percentage assigned to the Suite or Suites in the Master Deed. Cumulative voting shall not be utilized.

Section 3. MAJORITY OF OWNERS. As used in these By-Laws, the term "majority of Owners" shall mean those Owners holding fifty-one (51%) percent or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed, and any authorized amendments thereto.

Section 4. QUORUM. Except as otherwise provided in Section 6 and elsewhere in these By-Laws, the presence in person or by proxy of a majority of Owners as defined in Section 3 of this Article shall constitute a quorum.

Section 5. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 6. MAJORITY VOTE. A vote of fifty-one (51%) percent vote of the Owners' interests (i.e. percentages assigned in the Master Deed) present at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

ARTICLE III ASSOCIATION - GENERAL MATTERS

Section 1. ASSOCIATION RESPONSIBILITIES. The Owners of the Suites will constitute the Association of Owners (hereinafter usually referred to as "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. In the event the managing agent is an affiliate of an Owner, decisions relating to the enforcement of the Management Agreement and/or the termination thereof shall be made by the majority of Owners without regard to the Condominium interests owned by such affiliated Owner. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of the Owners.

Section 2. PLACE OF MEETINGS. Meetings of the Association shall be at such place, convenient to the Owners, as may be designated by the Association. Telephonic meetings are

expressly authorized.

Section 3. RECORD DATE. The Board of Directors shall fix a record date for determining the members entitled to notice of, and members entitled to vote at, each annual or special meeting. Such record date shall be at least ten days, but not more than 40 days before the meeting.

Section 4. ANNUAL MEETINGS. The annual meetings of the Association shall be held at the call of the President once a year during the month of December or at such other time as a majority of the Owners may agree upon. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

Section 5. SPECIAL MEETINGS. It shall be the duty of the Secretary to call a special meeting of the Owners as directed by resolution of the Board of Directors, at the request by a majority of the Directors, or upon a petition signed by the requisite percentage of Owners as set forth under South Carolina law and having been presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice except by consent of sixty-three (63%) of the votes present, either in person or by proxy.

Section 6. FIRST MEETING. The first meeting of the Association, or a consent resolution of all Owners (the "Consent Resolution), shall be held or executed and delivered, as the case may be, within sixty (60) days from the date of the filing of the Master Deed by the Declarant.

Section 7. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice by first-class or registered mail of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at least fifteen (15), but not more than forty-five (45), days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 8. ADJOURNED MEETING. If any meeting of the Association cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if Owners holding at least 51% of the total value of the property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 9. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Section of Inspectors of Section .
- (g) Section of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Association shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

Section 10. MEMBERSHIP LIST. After a record date for notice of a meeting has been fixed by the Board of Directors, a complete list of members of the Association shall be prepared by the Secretary. This membership list shall list the members and shall include the addresses and number of votes each member is entitled to vote at the meeting. Such list shall be maintained in the office of the Association beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of one person for each Suite in the Regime. The Owner of each Suite, shall select the director for such Suite. Upon the sale of a Suite, the new Owner shall designate, in writing, the person who shall serve as the director on behalf of such Suite. Further, the Owner may designate a replacement director from time to time. Members of the Board need not be Owners.

Section 2. GENERAL POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Association or individual Owners and as authorized by the Articles of Incorporation and Section 33-31-801(c) of the South Carolina Code.

Section 3. SPECIFIC POWERS AND DUTIES. In addition to te general powers and duties referenced above, duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.

(b) Care, upkeep and surveillance of the Property and the Common Elements.

(c) Establishment of the annual budget. The budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the Owners present at such meeting, in person or by proxy.

(d) As a part of the annual budget described in (c) above, establishment and maintenance on behalf of the Association of an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Elements.

(e) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the Common Elements.

(f) Collection of all assessments and fees from the Owners.

(g) Execution of any and all legal documentation, including, but not limited to, deeds, leases, notes, mortgages, easements, maintenance agreements, management agreements, and the like relating to any Common Elements and/or Limited Common Elements of the Regime.

(h) Performing repairs to the Common Elements caused by any natural disaster or man-made damage from the reserve account and any special assessment, or causing the same to be done.

(i) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed, or causing the same to be done as set forth in ARTICLE VIII hereof.

(j) Grant or relocate easements which are not inconsistent with the Owners' full use and enjoyment of the Common Elements.

(k) Making of repairs, additions and improvements to or alterations of, the Common Elements and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws; provided, however, that the Board shall not undertake any repair covered by the warranty without the consent of a majority of the Owners.

(l) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Owners, the holders, insurers or guarantors of any first mortgage on any Suite, current copies of the Master Deed, By-Laws, other Rules or Regulations pertaining to the Association, and the books, records and financial statements of the Association.

Section 4. MANAGEMENT AGENT. The initial management agent shall execute a management contract acceptable to Declarant and the Association. Any management contract shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts. There shall be no prohibition against an individual Owner or its affiliate being considered for the management agent position.

Section 5. FIRST BOARD. The first Board consisting of three (3) members shall be designated by the Declarant. These appointments will be temporary and will continue only until the first annual meeting of the Owners held pursuant to the provisions of these By-Laws or the execution and delivery of the Consent Resolution. At the first Annual Meeting of the Association, the initial term of office for the three (3) members of the Board shall be fixed at one (1) year. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article.

Section 6. VACANCIES. Vacancies in the Board caused by reason other than the removal of a member of the Board by a vote of the Association or the sale of a Suite (which shall be filled by the transferee's designee) shall be filled by the Suite Owners of the Suite for whom such director served as designee, and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Association.

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any annual or special meeting of the Association duly called where the notice of a meeting states that the purpose, or one of the purposes, is to remove a director, any one or more of the members of the Board may be removed with or without cause by a majority of Owners and a successor may then be designated by the removed director, or in lieu of such action, by the Owner of the Building for whom such director serves. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting.

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Telephonic meetings are expressly authorized. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or by mail, telefax, or telegraph, at least fifteen (15) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the

President on seven (7) days notice to each Board Member, given personally or by mail, telephone, telefax or telegraph, which notice shall state the time, place (as herein above provided), and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two (2) Board members.

Section 11. WAIVER OF NOTICE. Before or at any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board Member at any meeting of the Board shall be a waiver of notice by him of the time, place and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. BOARD QUORUM. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. FIDELITY BONDS. The Board may require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 14. COMPENSATION. No member of the Board shall receive any compensation from the Regime for acting as such; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties. This provision shall not preclude the payment of compensation to the manager for services rendered, such compensation to be determined by the Board.

Section 15. LIABILITY OF THE BOARD. To the extent authorized by the laws of the State of South Carolina, the officers and the members of the Board shall not be liable to the Owners for any mistake of judgment, ordinary negligence, or otherwise, so long as the mistake is not the result of their own individual willful or wanton misconduct, gross negligence or bad faith. The Owners shall indemnify and hold harmless each of the officers and members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Owner arising out of any contract made by the officers or the Board or out of the aforesaid indemnity in favor of the members of the officers or the Board shall be limited to such proportions of the total liability thereunder as his

interest in the Common Elements bears to the interest of all Owners in the Common Elements. Every agreement made by the officers or the Board or by the managing agent or by the manager on behalf of the Association shall provide that the officers, the members of the Board, or the managing agent, or the manager, as the case may be, are acting only as agent for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owners liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Owners in the Common Elements.

Section 16. JOINDER BY WRITTEN CONCURRENCE. A member of the Board may join by written concurrence in any action taken at a meeting of the Board by signing and concurring in the minutes of that meeting, but such concurrence shall not be used for purposes of creating a quorum.

ARTICLE V OFFICERS

Section 1. DESIGNATION. The principal officers of the Association shall be a President, a Vice President, and a Secretary- Treasurer all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary.

Section 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. SECRETARY/TREASURER. The Secretary-Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall authenticate the records of the Association; he shall have charge of such books and papers as the Board may direct; and he shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

Section 7. INDEMNIFICATION OF OFFICERS. Officers shall be indemnified to the extent provided for in Section 14 of ARTICLE IV.

ARTICLE VI NOTICES

Section 1. DEFINITION. Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board, any manager or Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, or by overnight courier service such as Federal Express, addressed to the Board, such manager or such Owners at such address as appears on the books of the Association. Notice shall be deemed given three (3) business days after mailing (or five (5) business days if outside of U.S.), next business day if overnight courier and upon receipt if faxed.

Section 2. SERVICE OF NOTICE-WAIVER. Whenever any notice is required to be given under the provisions of the Master Deed, or law, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII OBLIGATION OF THE OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association Common Expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Owners with a copy of the budget for the next fiscal year and

shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Suite within the Association shall carry with it the proportionate equity of that Suite's ownership in the Association escrow or reserve account set aside to provide a contingency fund for the maintenance and repair of the Association Property. Special assessments applicable to Limited Common Elements may be imposed by the Association against those Owners affected.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Suite.

Section 3. RECORDS. The Manager or Board shall keep detailed records of the receipts and expenditures affecting the General and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board shall take prompt action to collect any common charge due from any Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Owner in paying to the Board the common charges as determined by the Board, such Owner shall be obligated to pay a late charge of one and one-half (1 1/2%) percent of the delinquent amount per month on such unpaid common charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Owner, or by foreclosure of the lien on such Suite granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling.

Section 5. STATEMENT OF COMMON CHARGES. The Board shall, for a reasonable fee not to exceed Ten (\$10.00) Dollars, promptly provide any purchaser, Owner, encumbrancer or prospective encumbrancer of a Suite so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that Suite and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Suite may pay any unpaid common charges payable with respect to such Suite and upon such payment such encumbrancer shall have a lien on such Suite for the amounts paid of the same rank as the lien of his encumbrance.

Section 6. MAINTENANCE AND REPAIR.

(a) Each Owner must perform work within his own Suite, which, if omitted, would affect the Property in its entirety or in a part belonging to another Owner, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of the Suites and of those items described in Section 4 of Article V of the Master Deed, and of all other accessories and Limited Common Elements appertaining or belonging to the Suite shall be at the expense of the Owner.

(c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed, unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the Owners as a Common Expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Owner, in which such case the expense shall be charged to such Owner.

(d) Similarly all maintenance, repair and replacement to the Limited Common Elements as defined in the Master Deed, unless otherwise provided in the Master Deed, shall be made by the Board or its agent and shall be charged to all the affected Owners as a limited Common Expense, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of the Owner, in which such case the expense shall be charged to such Owner.

Section 7. WATER AND SEWER CHARGES. If water and sewer services for the Suites is supplied by the public utility to all Suites through a master meter, each Owner shall be required to pay his share of the bills for water and sewage services as part of the Common Expenses based upon the percentage of ownership applicable to each Suite as designated in Exhibit "E" to the Master Deed. In the event that the Owners believe that the other Owners water usage is disproportionate and the Owners cannot agree upon the appropriate proration, then any Owner may request that meters be installed for each Suite and each Owner shall be responsible for the cost of obtaining and installing such meter. Water and sewer expenses would then be based on the meter readings and water and sewer charges would no longer be assessed as a Common Expense. Water service for the Common Elements, if any, shall be supplied through a master meter and the Board shall pay as a Common Expense all charges for irrigation and other common services.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Suite through a separate meter and each Owner shall be required to pay the bills for electricity consumed or used in his Suite. The electricity serving the Common Elements shall be separately metered, and the Board shall pay all bills for electricity consumed in such portions of the Common Elements, as a Common Expense.

Section 9. USE OF COMMON ELEMENTS. An Owner shall not place or cause to be placed in the passages, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Owners and shall be used for no other purpose than for normal transit through or use of them.

Section 10. RIGHT OF ENTRY.

(a) An Owner shall grant the right of entry to the management agent or to any person authorized by the Board in case of any emergency originating in or threatening his Suite, whether the Owner is present at the time or not.

(b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Suite for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry entails limited interference with the use of the Suite and is at a time convenient to the Owner. In case of emergency, the right of entry shall be immediate.

Section 11. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Suite in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorneys fees, and until such expense is recovered it shall be a lien upon said Suite which lien shall be inferior to the lien of all prior Mortgages.

ARTICLE VIII
INSURANCE

Section 1. INSURANCE BY ASSOCIATION. The Board shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed, the following insurance, without prejudice of the right of the Owner to obtain additional individual insurance at his own expense:

(a) Hazard Insurance. The Board shall insure Common Elements against loss or damage due to fire, windstorm, lightning and flood with extended coverage in an amount not less than the insurable replacement value said Property as determined by the Board upon recommendation made by Regime's insurer, it being understood that the Board, in its discretion this purpose an amount reasonably obtainable as it relates to the flood coverage. The Board's have the authority also to insure against other hazard's and risks as it may deem desirable for protection of the Common Elements.

(b) Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Owner and to liabilities of one Owner to another Owner.

(c) Worker's Compensation Insurance. The Board, as necessary, shall obtain Worker's Compensation Insurance to meet the requirements of law.

(d) Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses to be paid by the Owners through periodic assessment as herein provided.

(e) Adjustment. Each Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of mortgagees of such Owners.

Section 2. INSURANCE BY OWNERS. Each Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, wall coverings, decorations, and furnishings within his own Suite and the additions and improvements made by him to the Suite, as well as insurance covering fire, windstorm, lightning, and flood, with extended coverage. Each Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Suite. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against individual Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-rata because of the master hazard policy.

As set forth in Section 4 of Article V of the Master Deed, the Owner is responsible for any damage to his Suite or another Suite caused by his negligent action or inaction. If a claim is made against the Association's policy as a result of such negligence by an Owner, then the Board may make a determination to assess any non-reimbursable expenses, such as the deductible, attorney's fees, and the like, against the negligent Owner, and such assessment shall be collectible just as any other assessment described in Section 1 of Article VII.

ARTICLE IX
RECONSTRUCTION AND REPAIR

(1) In the event of casualty loss or damage to the Common Elements, the Board shall be responsible for applying the proceeds of all casualty insurance, if any, to the repair or reconstruction of the Common Elements.

(2) The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board deems necessary.

(3) If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Owners in accordance with the Exhibit "E" percentage interests.

(4) The insurance proceeds received by the Board and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

(5) In the event of a casualty, loss, or damage to a Suite, it is understood that the Suite Owner is maintaining such insurance and will be responsible for reconstruction. Any such reconstruction must contain no greater than the square footage set forth in the Master Deed, and such reconstructed building must comply with all applicable laws, rules, regulations and ordinances, as well as the Covenants. During reconstruction, the Suite Owner shall carry requisite insurance including, but not limited to, builder's all risk insurance and shall include the Association as an additional named insured.

ARTICLE X
INSURANCE TRUST

In the event of casualty loss to the Common Element, all insurance proceeds indemnifying the loss or damage shall be paid jointly to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE X, and for the benefit of the Association, the Owners, and their respective mortgagees in the following share:

(1) Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Suites.

(2) Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all Owners, and their respective Mortgagees the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Suite.

ARTICLE XI AMENDMENTS

Section 1. REQUIREMENTS FOR AMENDMENTS. Except as otherwise reserved or expressly provided in the Master Deed and except as provided in the Master Deed for an amendment or amendments to admit further Phases to the Regime, if appropriate, and except where a greater percentage is expressly required, either herein, in the Master Deed or by the Horizontal Property Act, these By-Laws may be amended only with the consent of the Owners of Suites to which at least sixty-three (63%) percent of the votes in the Association are allocated.

Section 2. MATERIALITY OF AMENDMENTS. Notwithstanding the foregoing, Declarant may amend the By-Laws if it is for the purpose of correcting technical errors, or for clarification only.

ARTICLE XII MISCELLANEOUS MATTERS

Section 1. GENDER, NUMBER. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

Section 2. DEFINITIONS. The definitions contained in ARTICLE IV and elsewhere in the Master Deed also apply to these By-Laws.

Section 3. EXECUTION OF DOCUMENTS. The President or Vice President and Secretary-Treasurer or Assistant Secretary are responsible for preparing, executing, filing and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. NOTICES. All notices required by these By-Laws shall be hand delivered or sent by mail to the Association at the address of the President; to Owners at the address of the Suite or at such other address as may have been designated by such Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. CAPTIONS. The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision of the By-Laws.

Section 6. INVALIDITY. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 7. CONFLICT. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended and the South Carolina Non-Profit Corporation Act of 1994. In the event of any conflict between these By-Laws and the provisions of such Statutes or the Master Deed, the provisions of such Statutes or the Master Deed, as the case may be, shall control.

Section 8. WAIVER. No restriction, condition, obligation, or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.