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BYLAWS

Of

I'ON ASSEMBLY, INC.

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Bylaws
of I'On Assembly, Inc.

ARTICLE I
GENERAL PROVISIONS

§1-101 (Organization and Purpose]

I'On Assembly, Inc. (the "Assembly") is organized as a nonprofit corporation under South Carolina law for such purposes and with such powers as are set forth in its Articles of Incorporation. Such purposes include administration of the traditional neighborhood development located in Mount Pleasant, Charleston County, South Carolina, and known as I'On (the "Neighborhood") in accordance with the Declaration of Covenants, Conditions and Restrictions for I'On recorded by The I'On Company, LLC in the Public Records of Charleston County, South Carolina, as it may be amended (the "Declaration"). These Bylaws provide for the management and operation of the Assembly.

§1-102 [Principal Office]

The principal office of the Assembly shall be located in Mt. Pleasant, in Charleston Count)', South Carolina.

§1-103 [Definitions J

The words used in these Bylaws shall generally be given their normal, commonly understood definitions. Capitalized terms used in these Bylaws shall be defined as set forth dn Exhibit A to the Declaration, unless the context specifies a different definition.

§1-104 [Amendments]

For a period of two years after the incorporation of the Assembly, the Founder member shall have the right to amend these Bylaws to correct scrivener errors, meet requirements of Institutional Lenders, or for other reasons deemed by Founder to be beneficial, provided that such amendment does not materially adversely affect the rights of any Titleholder hereunder. Otherwise and thereafter, these Bylaws may be amended upon resolution of the Board of Trustees and Approval of a majority of a quorum of the votes of Titieholders, except that no amendment which would materially affect the rights of the Founder under these Bylaws or other Governing Documents shall be valid without the prior written consent of the Founder. Notice of proposed amendments subject to the Approval of Titieholders shall be published in the Assembly's official publication or sent by mail to each Titleholder at least 30 days prior to the meeting at which such amendment is to be considered, or at least 30 days prior lo the close of balloting if no meeting is to be held.

ARTICLE II
MEMBERSHIP

§2-101 | Members]

The Assembly shall have two classes of Members: Titieholders and the Founder, as more fully described in the Declaration. Each class of Members shall have such rights and privileges as are specifically granted to such class under the Governing Documents. The provisions of the Declaration and other Governing Documents pertaining to membership in the Assembly are incorporated by this reference.

§2-102 [Voting]

(a) Voting Rights. The rights of Members to vote on matters arising before the Assembly shall be as specifically set forth in the Declaration and other Governing Documents, which voting rights provisions are incorporated by this reference. Except as otherwise specified by the Governing Documents, the vote of Members entitled to cast more than 50% of a quorum of the total eligible votes on any matter shall constitute the decision of the Members on such matter.

(b) Proxies. At any meeting of the Assembly, a Member who is entitled to vote may cast its vote personally or through a designated proxy. A designation of proxy shall be in writing and shall identify' the Lot or Lots for which it is given and the person designated to cast the votes for such Lot(s). It shall be signed by the Member or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Assembly prior to the meeting for which it is to be effective. 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 (a) conveyance of the Lot for which it was given, (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or (c) 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

(c) Manner of Voting. Except as otherwise specifically provided in the Governing Documents with respect to voting on particular matters, the manner of voting (by show of hands, ballot, electronic or other means) and absentee voting shall be governed by rules adopted by the Board of Trustees.

§2-106 [Assembly Meetings]

(a) Annual Meetings. The Assembly shall hold a regular meeting at least once each calendar year on such date and at such time and place as the Board of Trustees shall determine.

(b) Special Meetings. Tne President may call special meetings of the Assembly from time to time for any purpose or to transact any business as to which the Members are entitled to vote under the Governing Documents. The President shall be obliged to call a special meeting within 30 days after receipt of a written petition for a special meeting signed by Titieholders entitled to cast at least 5% of the total votes of Titieholders , or upon the request of a majority of the members of the Board of Trustees, which petition or request specifies the purpose of the special meeting.

(c) Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Assembly shall be given to each Member entitled to vote at such meeting not less than 10 nor more than 60 days before the date of such meeting. Notices of regular meetings of the Assembly, its Board of Trustees, and committees, shall also be posted in the Assembly's official publication, if any, or conspicuously posted on the Commons. In the case of a special meeting or when otherwise required by Applicable Law or these Bylaws, the purpose or purposes of the meeting shall be stated in the notice. No business may be conducted at a special meeting except as stated in the notice.

Any Member may waive notice of a meeting of the Assembly in writing, either before, during or after such meeting, and shall be deemed to have waived notice by attending the meeting unless the Member specifically objects to lack of proper notice of the date, place or time of the meeting at the time the meeting is called to order, or specifically object to lack of required notice of business to be transacted prior to such business being put to a vote.

(d) Conduct of Meetings. Tne President shall preside over Assembly meetings; in his absence, the Vice President shall preside. To the extent consistent with the Governing Documents, meetings shall be conducted according to the most current edition of *Roberts' Rules of Order.*

(e) Quorum. A quorum shall exist for tbe conduct of business at a meeting of the Assembly when Titieholders entitled to cast at least 15% of the total votes of Titieholders are represented in person or by proxy. A quorum shall exist for the conduct of business by written consent or ballot in lieu of a meeting if written consents or ballots are received from Titieholders entitled to cast at least 15% of the total votes entitled to be cast on the matter as

to which the vote is being taken. If a quorum is initially represented at any meeting of the Assembly, the departure of persons during the meeting leaving less than a quorum shall not prevent business from continuing, so long as any action taken is approved by at least a majority of the votes required to constitute a quorum.

ARTICLE HI
BOARD OF TRUSTEES

§3-101] **Role** of Board of Trustees]

The affairs of the Assembly shall be managed under the direction of the Board of Trustees and, except as otherwise specifically provided in the Governing Documents, all powers of the Assembly shall be exercised by or under the authority of the Board of Trustees. The Board of Trustees shall be aided by the officers of the Assembly, the Covenants Committee and Board of Appeals, and such other committees as may be established pursuant to these Bylaws and the other Governing Documents.

§3-102 [Composition and Selection]

(a) Number; Eligibility. The Board of Trustees shall consist of three to seven Trustees, as provided in §3-102(b). Except with respect to Trustees appointed by the Founder Member, Trustees shall be Titieholders or residents of I'On who are at least 18 years of age; provided, however, only one Titleholder or resident representing a particular Lot may serve on the Board of Trustees at any time. If a Titleholder is not a natural person, any officer, Trustee, partner or trust officer of such Titleholder shall be eligible to serve as a Trustee unless otherwise specified by written notice to the Assembly signed by such Titleholder. No Titleholder may have more than one such representative on the Board of Trustees at a time, except in the case of Trustees appointed by the Founder Member. The initial Board of Trustees shall consist of three Trustees identified in the Articles of Incorporation.

{b) Manner and Timing of Selection.

(i) Except as otherwise provided in this subsection (b), the Founder Member shall have sole and full authority to appoint, remove and replace the members of the Board of Trustees until *the earlier of:*

(A) the date as of which 75% of the total acreage of the Real Property described in Exhibits B and C to the Declaration has been conveyed to persons other than Founder or a builder holding title for purposes of development and resale ("Builders");

(B) 20 years after the date on which the Declaration is recorded in the Public Records; or

(C) when, in its discretion, the Founder Member so determines;

(such period being the "Founder Control Period").

(ii) Within 30 days after the date that Titieholders other than Builders own 25% of the Lots permitted by applicable zoning for the Real Property described in Exhibits B and C to the Declaration, or whenever the Founder Member eariier determines, the President shall call for an election by which the Titieholders shall be entitled to elect one of the three Trustees. The remaining two Trustees shall be appointees of the Founder Member. The Trustee elected by the Titieholders shall not be subject to removal by the Founder Member and shall be elected for a term of two years or until the happening of the event described in subsection (iii), whichever is shorter. If such Trustee's term expires prior to the happening of the event described in subsection (iii), a successor shall be elected for a like term.

(iii) Within 30 days after the time that Titieholders other than Builders own 50% of the Lots permitted by applicable zoning for the property described in Exhibits B and C of the Declaration, or whenever the

Founder Member earlier determines, the Board of Trustees shall be increased to five Trustees. The President shall call for an election by which the Titieholders shall be entitled to elect two of the five Trustees. The remaining three Trustees shall be appointees of the Founder Member. Trustees elected by the Titieholders shall not be subject to removal by the Founder Member and shall be elected for a term of two years or until the happening of the event described in subsection (iv) below, whichever is shorter. If such Trustees' terms expire prior to the happening of the event described in subsection (iv) below, successors shall be elected for a like term.

(iv) Within 90 days after termination of the Founder Control Period, the Board of Trustees shall be increased to seven Trustees and the President shall call for an election by which the Members shall be entitled to elect four of the seven Trustees. The remaining three Trustees shall be appointees of the Founder Member. Trustees elected by the Titieholders shall not be subject to removal by the Founder Member and shall serve until the first annual meeting following the termination of the Founder Control Period. If such annual meeting is scheduled to occur within 90 days after termination of the Founder Control Period, this subsection shall not apply and Trustees shall be elected in accordance with subsection (v) below.

(v) Not later than the first annual meeting after the termination of the Founder Control Period, an election shall be held. Six Trustees shall be elected by the Titleholders . Three Trustees shall serve a term of two years and three Trustees shall serve a term of one year, as such Trustees determine among themselves.

(vi) Until termination of the Founder Membership, the Founder Member shall be entitled to appoint one Trustee. Upon termination of the Founder Membership, the Trustee elected by the Founder Member shall resign and the remaining Trustees shall be entitled to appoint a Trustee to serve until the next annual meeting, at which time the Titieholders shall be entitled to elect a Trustee to fill such position. Such Trustee shall be elected for a term of two years.

(vii) Upon expiration of the term of office of each Trustee elected by the Members, Members entitled to elect such Trustee shall be entitled to elect a successor to serve a term of two years. Trustees elected by the Members shall hold office until their respective successors have been elected,

(c) Nominations and Declarations of Candidacy. Prior to each election of Trustees, the Board of Trustees shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has an interest in serving as a Trustee may file as a candidate. The Board of Trustees shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of Trustees in a fair, efficient and cost-effective manner.

Nominations for election to the Board of Trustees may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a chairman, who shall be a member of the Board of Trustees, and five Members or representatives of Members. Members of the Nominating Committee shall be appointed by the Board of Trustees not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced in the notice of each election. The Nominating Committee may make as many nominations for election to the Board of Trustees as it shall in its discretion determine. In making its nominations, the Nominating Committing shall use reasonable efforts to nominate candidates representing the diversity which exists within I'On.

Nominations also may be permitted from the floor at any meeting at which an election is held.

Each candidate shall be given a reasonable opportunity to communicate his or her qualifications to the Members prior to the election or close of balloting.

(d) Election Procedures. For each position to be filled on the Board of Trustees, each Titleholder may cast one vote for each Lot which it owns in I'On. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled who receives the greatest number of votes shall be elected. Trustees may be elected to serve any number of consecutive terms.

(e) Removal of Trustees and Vacancies. Any Trustee elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such Trustee. Any Trustee whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a Trustee, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of such Trustee.

Any Trustee elected by the Members who has three consecutive unexcused absences from Board of Trustees meetings, or who is more than 30 days delinquent (or is the representative of a Titleholder who is so delinquent) in the payment of any assessment or other charge due the Assembly, may be removed by a majority of the Trustees present at a regular or special meeting at which a quorum is present, and the Board of Trustees may appoint a successor to fill the vacancy for the remainder of the term.

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

This subsection (e) shall not apply to Trustees appointed by the Founder Member nor to any Trustee serving as a representative of the Founder. The Founder Member shall be entitled to appoint a successor to fill any vacancy on the Board of Trustees resulting from the death, disability or resignation of a Trustee appointed by or elected as a representative of the Founder Member.

§3-103 | Meetings]

(a) Organizational Meeting. The first meeting of the Board of Trustees following each annual meeting of the Assembly shall be held within 10 days thereafter at such time and place as the Board of Trustees shall fix.

(b) Regular Meetings. Regular meetings of the Board of Trustees may be held at such time and place as a majority of the Trustees shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter.

(c) Special Meetings. Special meetings of the Board of Trustees shall be held when called by written notice signed by the President or Vice President or by any two Trustees.

(d) Notice; Waiver of Notice. Notices of Board of Trustees meetings 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. The notice shall be given to each Trustee by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the Trustee or to a person at the Trustee's office or home who would reasonably be expected to communicate such notice promptly to the Trustee; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the Trustee's telephone number, facsimile telephone number, or electronic mail address, or sent to the Trustee's mailing address as shown on the records of the Assembly. Notices sent by first class mail shall be deposited into a United States mailbox at least five business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

Transactions of any Board of Trustees meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each Trustee 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 Trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

(e) Telephonic Participation. Members of the Board of Trustees or any committee may participate in a meeting of the Board of Trustees or such committee, respectively, by conference telephone or similar communications

equipment, by means of which all persons participating in the meeting can simultaneously hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

(0 Quorum. At ail Board of Trustees meetings, a majority of the Trustees shall constitute a quorum for the transaction of business, and the votes of a majority of the Trustees present at a meeting at which a quorum is present shall constitute the decision of the Board of Trustees, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of Trustees during the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

(g) Conduct of Meetings. The President shall preside over all meetings of the Board of Trustees, and the Secretary shall keep a minute book of Board of Trustees meetings, recording all resolutions adopted and all transactions and proceedings occurring at such meetings.

Except as otherwise specifically provided below, all Board of Trustees meetings shall be open to all Members, but attendees other than Trustees may not participate in any discussion or deliberation unless a Trustee requests that they be granted permission to speak. In such case, the President may limit the time any such individual may speak.

The President may adjourn any meeting of the Board of Trustees and reconvene in executive session, and may exclude persons other than Trustees, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

(h) Action Without a Formal Meeting. Any action to be taken at a meeting of the Trustees or any action that may be taken at a meeting of the Trustees may be taken without a meeting if written consent, setting forth the action so taken, is signed by all of the Trustees, and such consent shall have the same force and effect as a unanimous vote.

§3-104 {Powers and Duties]

(a) General Authority. The Board of Trustees shall be responsible for conducting the affairs of the Assembly and shall be authorized to exercise all rights and powers of the Assembly and to do all acts and things on behalf of the Assembly except those which the Governing Documents or South Carolina law specifically require to be done or approved by the membership. The Board of Trustees shall have all powers necessary for the administration of the Assembly's affairs.

(b) Duties. Duties of the Board of Trustees shall include, without limitation:

(i) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Titleholder's share of the Assembly's expenses;

(ii) levying and collecting such assessments from the Titieholders;

(iii) providing for the operation, care, upkeep, and maintenance of the Commons;

(iv) designating, hiring, and dismissing personnel necessary to carry out the Assembly's rights and responsibilities and where appropriate, providing for 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;

(v) openingbank accounts on behalf of the Assembly and designating the signatories required;

(vi) depositing all funds received on behalf of the Assembly in a bank depository which it shall approve, and using such funds to operate the Assembly; provided, any reserve funds may be deposited in depositories other than banks if the Board of Trustees, in the exercise of its business judgment, determines it appropriate to do so;

(vii) making and amending rules in accordance with the Declaration;

(viii) making or contracting for the making of repairs, additions, and improvements to or alterations of the Commons in accordance with the Declaration and these Bylaws;

(ix) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Titieholders concerning the Assembly;

(x) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(xi) paying the cost of all services rendered to the Assembly;

(xii) keeping books with detailed accounts of the Assembly's receipts and expenditures;

(xiii) making available to any prospective purchaser of a Lot, any Titleholder, and the holders, insurers, and guarantors of any Mortgage on any Lot, current copies of the Governing Documents and all other books, records, and financial statements of the Assembly as required by these Bylaws;

(xiv) permitting utility suppliers to use portions of the Commons reasonably necessary to the ongoing development or operation of l'On;

(xv) indemnifying a Trustee, officer or committee member, or former Trustee, officer or committee member of the Assembly to the extent such indemnity is required by South Carolina law, the Articles of Incorporation or the Declaration.

ARTICLE IV
OFFICERS

§4-101 | Designation of Officers]

Officers of the Assembly shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board of Trustees; other officers may, but need not be members of the Board of Trustees. The Board of Trustees may appoint such other officers or assistant officers as it shall deem desirable, such officers to have such authority and perform such duties as the Board of Trustees prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

§4-102 | Election and Term of Office]

The Board of Trustees shall elect the Assembly's officers at the first Board of Trustees meeting following each annual meeting of the Members, to serve until their successors are elected.

§4-103 | Removal and Vacancies]

The Board of Trustees may remove any officer whenever in its judgment the best interests of the Assembly will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired ponion of the term.

§4-104 [Powers and Duties of Officers]

The Assembly's officers shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board of Trustees may specifically conferred or impose upon them. The President shall be the chief executive officer of the Assembly. The Treasurer shall have primary responsibility for preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

ARTICLE V
MANAGEMENT

§5-101 [Committees |

In addition to those committee specifically authorized elsewhere in the Governing Documents, the Board of Trustees may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board of Trustees may designate by resolution. Each committee shall operate in accordance with the terms of its enabling resolution.

§5-102 (Management Agent]

The Board of Trustees may employ for the Assembly a professional management agent or agents at such compensation as the Board of Trustees may establish, to perform such duties and services as the Board of Trustees shall authorize. The Board of Trustees may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making or decision-making authority or ultimate responsibility for those duties set forth in §3-104(b). Founder or any affiliate of Founder may be employed as managing agent or manager.

The Board of Trustees may delegate to one of its members the authority to act on the Board of Trustees' behalf on all matters relating to the duties of the managing agent or manager, if any, which may arise between Board of Trustees meetings.

The Assembly shall not be bound, either directly or indirectly, by any management contract executed during the Founder Control Period unless such contract contains a right of termination exercisable by the Assembly, with or without cause and without penalty, at any time after termination of the Founder Control Period upon not more than 90 days' written notice.

§5-103 | Compensation of Trustees, Officers and Committee Members |

Except as specifically authorized under the Declaration, Trustees, officers and committee members shall not receive any compensation from the Assembly for acting as such unless approved by Members representing a majority of a quorum of the eligible votes represented at a regular or special meeting of the Assembly. Any officer or Trustee may be reimbursed for expenses incurred on behalf of the Assembly upon approval of a majority of the Trustees other than the Trustee requesting the reimbursement, if applicable. Nothing herein shall prohibit the Assembly from compensating an officer or Trustee, or any entity with which an officer or Trustee is affiliated, for services or supplies furnished to the Assembly in a capacity other than as an officer or Trustee pursuant to a contract or agreement with the Assembly, provided that such officer's or Trustee's interest was made known to the Board of Trustees prior to entering

into such contract and such contract was approved by a majority of the Board of Trustees, excluding the interested Trustee.

§5-104 [Right of Founder Member to Disapprove Actions]

So long as the Founder Membership exists, the Founder Member shall have a right to disapprove any action, policy or program of the Assembly, the Board of Trustees and any committee which, in the sole judgment of the Founder Member, would tend to impair rights of Founder or Builders under the Declaration or these Bylaws, or interfere with development or construction of any portion of I'On, or diminish the level of services being provided by the Assembly.

(a) Notice. The Founder Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Assembly, the Board of Trustees or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address Founder has registered with the Secretary of the Assembly, and such notice shall comply with the notice requirements otherwise set forth in these Bylaws for meetings of the Assembly or the Board of Trustees.

(b) Opportunity to be Heard. The Founder Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Founder Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board of Trustees and/or the members of the subject committee. The Founder Member, acting through any officer or Trustee, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, the Board of Trustees, or the Assembly. The Founder Member shall not use its right to disapprove to reduce the level of services which the Assembly is obligated to provide or to prevent capital repairs or any expenditure required to comply with Applicable Laws.

§5-105 [Authority *to* Execute Contracts, Checks, Etc.]

All agreements, contracts, deeds, leases, checks, and other instruments of the Assembly shall be executed by at least two officers or by such other person or persons as the Board of Trustees may authorize by resolution.

§5-106 [Right to Contract]

The Assembly shall have the right to contract with any person or entity 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 trusts, condominiums, cooperatives, and owners, residents, merchants, or tenants associations, within and outside I'On. Any common management agreement shall require the consent of a majority of the Board of Trustees.

ARTICLE VI
ACCOUNTING AND FINANCIAL MATTERS

§6-101 [Fiscal Year)

The Assembly's fiscal year shall be the calendar year unless the Board of Trustees establishes a different fiscal year by resolution.

§6-102 [Accounting]

The following accounting standards shall be followed unless the Board of Trustees by resolution specifically determines otherwise;

(a) accrual 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 Assembly shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by any individual from vendors, independent contractors, or others providing goods or services to the Assembly, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Assembly; .

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

§6-103 [Financial Reports]

(a) Quarterly Reports. Commencing at the end of the quarter in which the first Lot is sold by Founder, financial reports shall be prepared for the Assembly at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Titieholders who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board of Trustees resolution).

(b) Annual Report. An annual report consisting of at least the following shall be made available to all-Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board of Trustees determines, by an independent public accountant; provided, upon written request of any Institutional Lender with a first Mortgage on a Lot, the Assembly shall provide an audited financial statement During the Founder Control Period, the annual report shall include certified financial statements if the total income to the Assembly exceeds £75,000.00.

§6-104] Borrowing |

The Assembly shall have the power to borrow money for any legal purpose; provided, 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 12-month period, exceeds or would exceed 10% of the Assembly's budgeted gross expenses for that fiscal year, such borrowing shall require Approval of Titieholders representing a majority of a quorum of the total eligible votes of Titieholders. During the Founder Control Period, no Mortgage shall be placed on any portion of the Commons without the Approval of Titieholders representing a majority of a quorum of the total eligible votes of Titieholders.

ARTICLE VII
ENFORCEMENT

§7-101 [Covenants Committee J

The Board of Trustees may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board of Trustees may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Assembly and shall conduct all hearings held pursuant to Article VI of these Bylaws.

§7-102 [Board of Appeals |

The Board of Trustees may appoint a Board of Appeals, consisting of at least three and no more than five Members, to handle appeals from decisions of the Covenants Committee in accordance with such procedures as the Board of Appeals may establish. In addition, after termination of the Founder's right to appoint the I'On Design Committee pursuant to the Declaration, the Board of Appeals shall handle appeals from decisions of the I'On Design Committee in accordance with such procedures as the Board of Appeals may establish.

§7-103 [Notice and Hearing Procedures]

The Assembly shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board of Trustees shall comply with the following procedures prior to imposition of sanctions:

(a) Notice. The Board of Trustees 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 10 days within which the alleged violator may present a written request for a hearing to the Covenants Committee; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a hearing is requested within 10 days of the notice. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minute book of the Covenants Committee. 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 person who delivered such notice.

(b) Hearing. If a hearing is requested within the allotted 30-day period, the hearing shall be held before the Covenants Committee. The alleged violator shall be afforded a reasonable opportunity to be heard and to present evidence and witnesses on his own behalf. Within 5 days after the hearing, the Covenants Committee shall notify the alleged violator of its findings and the sanction, if any, to be imposed. A copy of such notification shall be filed in the minute book of the Covenants Committee.

If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided the Covenants Committee 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 any person.

§7-104 [Right of Appeal]

The violator shall have the right to appeal any adverse decision by the Covenants Committee to the Board of Appeals in accordance with procedures which the Board of Appeals may establish. To exercise this right, a written notice of appeal must be received by the Assembly's manager, President, or Secretary within 10 days after receipt of notice of the adverse decision of the Covenants Committee. The Board of Appeals may accept such written statements as it deems appropriate to assist it, but shall not be required to conduct another hearing.

ARTICLE VIII
MISCELLANEOUS

§8-101 [Conflicts]

If there are conflicts among the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

§8-102 [Books and Records]

(a) Inspection by Members and Mortgagees. The Board of Trustees shall make available for inspection and copying by any Institutional Lender with a first Mortgage on a Lot, any Titleholder, 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 a Lot: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board of Trustees, and committees. The Board of Trustees shall provide for such inspection to take place at the Assembly's office or at such other place within I'On as the Board of Trustees shall designate. The Board of Trustees shall establish 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 documents requested.

(b) Inspection by Trustees. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Assembly and the physical properties owned or controlled by the Assembly. The right of inspection by a Trustee includes the right to make a copy of relevant documents at the Assembly's expense.

§8-103 [Notices]

Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if 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 Lot of such Member;

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

(c) if to any committee, at the principal address of the Assembly or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of I'On Assembly, Inc., a South Carolina corporation;

That the foregoing Bylaws constitute the original Bylaws of said Assembly, as duly adopted at a meeting of the Board of Trustees thereof held on the day of May 26th, 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Assembly this 27th day of May, 2016.

[SEAL]

Secretary

IN WITNESS WHEREOF, I'On Assembly, Inc., has set its hand and seal as of the date first written above.

I'ON ASSEMBLY, INC.,

A South Carolina Corporation

BY: _____

Bruce Kinney, President

WITNESSES:

_____

_____

STATE OF SOUTH CAROLINA}

COUNTY OF CHARLESTON }

PERSONALLY appeared before me Michael R Parades, the undersigned witness, and made oath that (s)he saw the within named THE I'ON ASSEMBLY, INC., a South Carolina corporation, by Bruce Kinney, its President, sign, seal and deliver the within instrument, and that (s)he with the other witness above subscribed, witnessed the execution thereof.

_____

SWORN to and subscribed before me
this 3rd day of June, 2016

_____ (SEAL)
Notary of Public for South Carolina
My Commission Expires: 8-21-23

SHARON K. JACKSON
NOTARY PUBLIC
State of South Carolina
My Commission Expires
August 21, 2023

RECORDER'S PAGE

***NOTE*: This page MUST remain with the original document**

Filed By:

COUNTER CUSTOMER
I'ON ASSEMBLY INC
159 CIVITAS STREET, STE 211
MT PLEASANT SC 29464

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