

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR KINGSTON PLANTATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KINGSTON PLANTATION (the "Declaration") is made to be effective 20th day of February, 2016, by FelCor Myrtle Kingston Hotel, L.L.C., a Delaware limited liability company (the "Developer" or "Declarant") and Kingston Plantation Master Association, Inc., a South Carolina eleemosynary corporation (the "Association") to amend and restate that certain Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated June 12, 1986 originally recorded in Book 1052 Page 290 in the Horry County Register of Deeds Office for Horry County, South Carolina (the "Original Declaration") as amended.

RECITALS

- A. Rank Development, Inc. ("Rank" or "Original Declarant" or "Original Developer") subjected certain real property located in Horry County, South Carolina to the provisions of the Original Declaration in order to construct and develop a mixed use residential resort and commercial development with related and attendant facilities and amenities and to provide a flexible and reasonable method for the administration, assessment and maintenance of the development. The Original Declaration was supplemented, amended and affected by the documents described in the introductory provisions set forth below.
- B. Rank, as Original Declarant, submitted an additional parcel of real property located in Horry County, South Carolina to the terms and provisions of the Original Declaration pursuant to that certain Declaration of Inclusion to the Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated December 30, 1987 (the "First Declaration of Inclusion") recorded in Book 1187, Page 616 in the Registrar of Deeds Office of Horry County, South Carolina.
- C. Rank, as Original Declarant, submitted an additional parcel of real property located in Horry County, South Carolina to the terms and provisions of the Original Declaration pursuant to that certain Declaration of Inclusion to the Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated May 9, 1988 (the "Second Declaration of Inclusion") recorded in Book 1221, Page 488 in the Registrar of Deeds Office of Horry County, South Carolina. The real property subjected to the terms and provisions of the Original Declaration as amended is described in Exhibit A attached hereto and is defined later in this Declaration as the "Property".
- D. The Original Declaration was amended by that certain Amendment to Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated December 3, 1990 (the

"First Amendment") recorded in Book 1440, Page 70 in the Registrar of Deeds Office of Horry County, South Carolina.

E. The Original Declaration, as amended, was further amended by that certain Amendment to Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated July 10, 1991 (the "Second Amendment") recorded in Book 1482, Page 398 in the Registrar of Deeds Office of Horry County, South Carolina.

F. The Original Declaration, as amended, was further amended by that certain Second (should be "Third") Amendment to Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated as of December 30, 1994 (the "Third Amendment") recorded in Book 1785, Page 1237 in the Registrar of Deeds Office of Horry County, South Carolina.

G. By Limited Warranty Deed dated December 5, 1996 recorded in Book 1906, Page 224, in the Registrar of Deeds Office of Horry County, South Carolina, Rank transferred and conveyed to the Association certain real property.

H. The Original Declaration, as amended, was further amended by that certain Fourth Amendment to Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated as of December 5, 1996 (the "Fourth Amendment") recorded in Book 1906, Page 247 in the Registrar of Deeds Office of Horry County, South Carolina.

I. By Quit Claim Deed dated December 5, 1996 recorded in Book 1906, Page 267, in the Registrar of Deeds Office of Horry County, South Carolina, the Association transferred to Rank certain real property.

J. By Limited Warranty Deed dated effective December 5, 1996 recorded in Book 1906, Page 280, in the Registrar of Deeds Office of Horry County, South Carolina, Rank transferred and conveyed to Promus/FCH Development Company, L.L.C. certain real property owned by Rank being 15.59 acres of oceanfront land located in Kingston Plantation.

K. By Partial Assignment and Assumption Agreement of Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated effective as of December 5, 1996 recorded in Book 1906, Page 274, in the Registrar of Deeds Office of Horry County, South Carolina, Rank assigned to Promus/FCH Development Company, L.L.C. all of its right, title and interest as "Declarant" or "Developer" in those certain rights of Rank set forth in Section 3.4 (Easements for Declarant) of the Original Declaration, as amended, relative to the 15.59 acres of oceanfront land in Kingston Plantation transferred by Rank to Promus/FCH Development Company, L.L.C.

L. By Limited Warranty Deed dated effective December 5, 1996 recorded in Book 1906, Page 308, in the Registrar of Deeds Office of Horry County, South Carolina, Rank transferred and conveyed to FelCor Suites Limited Partnership n/k/a FelCor Lodging Limited Partnership all

of the real property owned by Rank located in Kingston Plantation other than the 15.59 acres of oceanfront land previously transferred to Promus/FCH Development Company, L.L.C.

M. By Assignment and Assumption Agreement of Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated effective as of December 5, 1996 recorded in Book 1906, Page 289, in the Registrar of Deeds Office of Horry County, South Carolina, Rank assigned to FelCor Suites Limited Partnership n/k/a FelCor Lodging Limited Partnership all of its right, title and interest as Original Declarant or Original Developer in and under the Original Declaration, as amended.

N. By Limited Warranty Deed dated October 16, 2008, recorded in Book 3368, Page 2030, in the Registrar of Deeds Office of Horry County, South Carolina, the Association transferred and conveyed to FelCor Lodging Limited Partnership, as Declarant, certain real property described therein.

O. The Original Declaration, as amended, was further amended by that certain Fifth Amendment and Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated November 9, 2011 (the "Fifth Amendment") recorded in Book 3552, Page 1212 in the Registrar of Deeds Office of Horry County, South Carolina (the Original Declaration as amended, supplemented and affected by the First Declaration of Inclusion, the Second Declaration of Inclusion, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the various deeds and assignments described above, is hereinafter collectively referred to as the "Prior Declaration").

P. By Special Warranty Deed effective August 15, 2014 recorded in Book 3756, Page 1538 in the Register of Deeds Office of Horry County, South Carolina, FelCor Lodging Limited Partnership transferred and conveyed to FelCor Myrtle Kingston Hotel, L.L.C. all of the real property owned by FelCor Lodging Limited Partnership located in Kingston Plantation.

Q. By the Assignment and Assumption Agreement of Declaration of Covenants, Conditions and Restrictions for Kingston Plantation dated effective as of August 15, 2014, recorded in Book 3756, Page 1602 in the Register of Deeds Office of Horry County, South Carolina, FelCor Lodging Limited Partnership (f/k/a FelCor Suites Limited Partnership) assigned and transferred to FelCor Myrtle Kingston Hotel, L.L.C. all of the rights, title and interest as Declarant or Developer in and under the Prior Declaration.

Q. The Association and Declarant desire to amend and restate the Prior Declaration by substituting this Declaration for the Prior Declaration.

NOW THEREFORE, Declarant and Association hereby declare that this Declaration and the covenants, restrictions and easements established herein shall be covenants to run with the land and that all the Property are herewith subject and subordinate to the terms, provisions and conditions hereof. Said covenants and restrictions shall inure to the benefit of and shall be binding upon each and every Owner and his or her respective heirs, representatives, successors,

purchasers, lessees, grantees and Mortgagees. By the recording or acceptance of the conveyance of a Unit or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration (including the Recitals) and the Bylaws of the Association.

ARTICLE I

DEFINITIONS

1.1 Definitions. When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have all the following meanings, and all definitions shall be applicable to the singular and plural forms of any such term(s):

1.1.1 [Intentionally Deleted.]

1.1.2 "Articles" shall mean and refer to the Articles of Incorporation of Kingston Plantation Master Association, Inc., a South Carolina eleemosynary corporation as it may be constituted or amended from time to time.

1.1.3 "Assessment" shall mean and refer to the Common Expenses or other charges from time to time assessed against a Parcel and a Unit by the Association in the manner herein provided.

1.1.4 "Association" shall mean and refer to Kingston Plantation Master Association, Inc., a South Carolina eleemosynary corporation.

1.1.5 "Board of Directors" or "Board" will be used interchangeably and shall mean and refer to the Board of Directors of the Association.

1.1.6 "Bylaws of the Association" or "Bylaws" will be used interchangeably and shall mean and refer to the Bylaws duly adopted by the Association, which govern the administration and operation of the Association, as may be amended from time to time, a copy of which are attached hereto as Exhibit B and incorporated herein by reference

1.1.7 "Common Areas" shall mean and refer to those areas of the Property which may be designated as such by the Declarant and which are owned by the Association for the common use and enjoyment of the Owners and Occupants of the Development. Such designation shall be effective upon transfer by Declarant to the Association by a deed and a recorded plat of the property. Common Areas may include but shall not be limited to, maintenance areas, roads, streets, parking lots, parks, open areas, recreational amenities, walkways, sidewalks, jogging trails, bike paths, beach access paths, street lighting, signage, lagoons, lakes or ponds. Common Areas shall not include Units, Parcels or common elements located within Parcels. In order to constitute Common Areas, the area of the Property so designated must be owned by the Association. All areas of the Property owned by the Association are Common Areas. All areas of the Property transferred by the Association pursuant to Section 3.5 hereof cease to be Common

Areas. All areas of the Property which were transferred prior to the effective date of this Declaration by the Association to a third party or to the Declarant are not Common Areas. THE DESIGNATION OF ANY OF THE PROPERTY OR IMPROVEMENTS THEREON AS COMMON AREAS SHALL NOT MEAN OR IMPLY THAT THE PUBLIC AT LARGE ACQUIRES ANY EASEMENT OF USE OR ENJOYMENT THEREIN.

- 1.1.8 "Common Expenses" shall mean and refer to all liabilities or expenditures made or incurred by or on behalf of the Association, together with all funds necessary for the creation or maintenance of financial, equipment or capital improvement reserves, consistent with the provisions of this Declaration.
- 1.1.9 "Controlling Interest" as used herein shall mean and refer to the ownership by Declarant at any time of 10% or more of the total of the area of the Property.
- 1.1.10 "Declarant" or "Developer" will be used interchangeably and shall mean and refer to FelCor Myrtle Kingston Hotel, L.L.C., a Delaware limited liability company, its successors and designated assigns, provided, however, that this definition shall not include the purchaser, owner, or Mortgagee of any Unit.
- 1.1.11 "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Kingston Plantation and all supplements or amendments to it filed for record from time to time in the Register of Deeds Office for Horry County, South Carolina.
- 1.1.12 "Development" shall mean and refer to the mixed use residential, resort and commercial community constructed or to be constructed upon the Property or portions thereof.
- 1.1.13 "Director" shall mean and refer to the directors who serve on the Board of Directors for the Association in accordance with the Bylaws.
- 1.1.14 "Member" shall mean the Members of the Association. The Members of the Association shall be each Subordinate Association and the Declarant for so long as the Declarant owns a Controlling Interest.
- 1.1.15 "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered.
- 1.1.16 "Mortgagee" shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage.
- 1.1.17 "Occupant" shall mean and refer to any person, including, without limitation, any Owner or guest, invitee, licensee, lessee, tenant, transient paying guest or family member of an Owner, lawfully occupying or otherwise using a Unit within the Development.

- 1.1.18 "Owner" shall mean and refer to one or more persons, including Declarant, who, individually or collectively, if more than one, own fee simple title to any Unit in the Development. Owner shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Unit under contract (until title is conveyed of record). Each Owner shall be a member of the Subordinate Association in which the Owner's Unit is located.
- 1.1.19 "Parcel" shall mean a separately described subdivision of the Property which has been submitted to the provisions of the Horizontal Property Act of South Carolina.
- 1.1.20 "Person" shall mean and refer to a natural person, corporation, partnership, association, proprietorship, trust or any other legal entity and any combination thereof.
- 1.1.21 "Property" shall mean and refer to all the land described in Exhibit A attached hereto and improvements thereon.
- 1.1.22 "Subordinate Association" shall mean an association of Unit owners within a Parcel created by a Subordinate Declaration to provide for the orderly control, administration, maintenance, and management of that Parcel.
- 1.1.23 "Subordinate Declaration" shall mean and refer to the master deed recorded by the Developer with respect to each Parcel submitting that Parcel to the provisions of the South Carolina Horizontal Property Act.
- 1.1.24 "Unit" shall mean a condominium unit within a Parcel designated and defined as such by a Subordinate Declaration.

ARTICLE II

PLAN OF DEVELOPMENT

2.1 Non-Severability of Rights. The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of a Unit as more specifically set forth below, and may not be severed or alienated from such ownership.

2.2 Rights of Declarant. The Development shall consist of such improvements, Common Areas and Parcels as Declarant may elect to designate or construct. Declarant shall have the right, but not the obligation, to increase the size of the Common Areas and to install, construct, operate, repair, demolish, remove and maintain any type of improvement in, on, under, over or across the Property, including but not limited to water, sewer and other utility systems or facilities, electric and television, internet, cable and their various attendant services, telephone service, including teletype, telex, news service, computer, or any such like instrument used in the transmittal, reception, or retrieval of messages, facts, or information, security facilities, refuse facilities, roadways and waterways.

2.3 Plan of Development. Declarant shall develop the Property as a mixed use residential, resort and commercial community by constructing improvements on the Property, designating Common Areas and submitting portions of the Property to the South Carolina Horizontal Property Act. The Development shall consist of whatever mix of residential, commercial and Common Areas as Declarant may construct in its sole discretion. Declarant may convey Common Areas to the Association any time and from time to time without notice to or approval by the Association provided that the conveyance shall be free and clear of all liens. Declarant shall designate any lands Declarant elects to convey to the Association as Common Areas no later than ninety (90) days after the date of closing the sale of the last Unit in the Development. The Association shall be fully responsible and liable for the operation, maintenance and repair of all Common Areas immediately upon the transfer of the Common Areas in accordance with Section 1.1.7 herein. It is the intention of Declarant to improve portions of the facilities and equipment contained within the Property for the use by Owners and Occupants prior to transferring them as Common Areas. Prior to such transfer, Declarant (1) may permit the use of any such areas or improvements by the public; (2) may adopt whatever rules and regulations it deems advisable, in its sole discretion, for use of these areas or improvements; and (3) may impose reasonable usage or membership fees for the use of any such improvements constructed and operated by Declarant as a club. As the Property is developed, Declarant shall provide means of ingress and egress from all Parcels for all Owners and Occupants to and from King's Road, and if necessary, convey to each Subordinate Association by temporary easement such right of ingress and egress. Neither Declarant, the Association nor any Subordinate Association shall adopt any regulation or modify or amend the Declaration or the Bylaws or any Subordinate Declaration or the Bylaws of any Subordinate Association which prohibits limits or obstructs public access to the Common Areas or the commercial Parcels within the Development or any parking within the Development.

2.4 Intentionally Deleted.

2.5 Subordinate Associations. In the event that a portion of the Property is subdivided as a Parcel and submitted to the South Carolina Horizontal Property Act, there shall be established by Declarant, for each Parcel, an association of Owners within the Parcel in order to promote their health, safety and social welfare, as well as to provide for the maintenance of the Units and other improvements and common elements located within that Parcel. Each Parcel shall be subject to a Subordinate Declaration. Each Subordinate Declaration and Subordinate Association shall be subject to the provisions of this Declaration, the Association and the Bylaws of the Association, and all rights, covenants and conditions therein shall be in addition to, but not in abrogation or substitution of, those imposed hereby.

2.6 Interest Subject to Plan of Development. Every Owner and Mortgagee shall take title, or hold such security interest with respect thereto, subject to the terms, conditions, covenants and restrictions set forth in this Declaration, and to the rights of Declarant hereunder.

ARTICLE III

PROPERTY RIGHTS

3.1 General. Each Unit shall, for all purposes, constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, shall be conveyed, transferred and encumbered in the same manner as any other real property. Each Owner, including the Declarant, shall be subject to the provisions of this Declaration.

3.2 Owner's Right to Enjoyment. Every Owner shall have the non-exclusive right, privilege and easement to the use and enjoyment of the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Unit subject to the terms and conditions of this Declaration, the Bylaws of the Association, and rules and regulations adopted by the Board of Directors pursuant to said Bylaws.

3.3 Access. Every owner accepting title to a Unit, waives all rights of uncontrolled and unlimited access, ingress and egress to and from such Unit and acknowledges and agrees that such access, ingress and egress shall be limited to roads, sidewalks, walkways and trails located within the Common Areas or across the Property provided that pedestrian and vehicular access to and from all Parcels, and Units therein, shall be provided at all times. There is reserved unto Declarant and the Association the right and privilege, but not the obligation to: (i) maintain guarded or electronically monitored gates controlling vehicular access to and from roadways within the Development; and/or (ii) require payment of toll charges for use of roads within the Development by permitted commercial traffic or by members of the general public provided that no Owner or Occupant shall be liable for payment of any toll.

3.4 Easements for Declarant. Declarant shall have an alienable and transferable right and easement on, over, through, under and across the Property for the purpose of constructing Units, Common Area improvements, and any other type of improvement whatsoever on the Property, specifically including but not limited to recreational amenities, utilities, roadways and lakes, as Declarant desires, in its sole discretion, and for the purpose of doing all things reasonably necessary and proper, in the sole discretion of Declarant, in connection with the Development of the Property, provided that in no event shall Declarant have the obligation to do any of the foregoing.

3.5 Changes in Boundaries; Additions to Common Areas; Transfer of Common Areas. Declarant expressly reserves the right and power to add portions of the Property to the Common Areas. The Association reserves the right to transfer Common Areas to third parties or to the Declarant upon such terms as the Association deems reasonable and fair under the circumstances. When the Association transfers areas of the Property that are Common Areas to a third party or to the Declarant, such areas of the Property so transferred shall cease to be Common Areas.

3.6 Easements for Utilities. There is hereby reserved for the benefit of Declarant and/or the Association, as their respective interests may appear, the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person, upon, over, under and across all or any portion of the Property for constructing, installing, replacing, repairing, operating, maintaining and using master television antennae and/or television cable systems, security and similar systems, and all utility facilities and services, including, but not limited to, storm sewers, and drainage systems and electrical, as,

telephone, water and sewer lines. Such easements may be granted or accepted by Declarant without notice to or consent by the Association with respect to the Common Areas, and as permitted by the Subordinate Declarations, with respect to the Parcels. The Association may grant such easements in the manner set forth in the Bylaws of the Association. To the extent possible, all utility lines serving the Development and located therein shall be located underground. By virtue of any such easement, it shall be expressly permissible for the Declarant and/or Association, utility company or other supplier or servicer, with respect to the portions of the Development so encumbered to: (i) erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) cut and remove any trees, bushes or shrubbery; (iii) grade, excavate or fill; or (iv) take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems. No building, fence or structure shall be erected or paving laid within any utility easement, nor any trees or shrubs planted in such easement, without the written consent of the grantee of such easement or the commission, municipality, utility or other entity controlling; such sewer, water, gas or drainage facilities, as the case may be.

3.7 Easements for Association. There is hereby reserved the general right and easement for the benefit of the Association, its directors, officers, agents and employees, including, but not limited to, any property manager employed by the Association and any employees of such manager, to enter upon any Parcel or Unit in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner, Occupant or Subordinate Association as appropriate.

3.8 Sales and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant the alienable and transferable right and easement in, on, over, under and across the Property, for the maintenance of signs, sales offices, construction offices, business offices, storage facilities and model Units, together with such other facilities as in the sole opinion of Declarant may reasonably be required, convenient or incidental to the completion, improvement and/or sale of Units for so long as Declarant owns any part of the Property.

3.9 Municipal Easement. Police, fire, water, health and other authorized municipal officials, employees and vehicles shall have the right of unrestricted ingress and egress to the Property, and any portion thereof, for the performance of their official duties.

3.10 Maintenance Easement. Subject to the terms of this Declaration, there is hereby reserved for the benefit of Declarant and the Association, and their respective agents and employees, the alienable, transferable and perpetual right and easement to enter upon any portion of the Property for the purpose of mowing, removing, clearing, cutting or pruning grass, underbrush, weeds, stumps or other unsightly growth and removing trash, so as to maintain reasonable standards of health, safety and appearance within the Development, provided that such easement shall not impose any duty or obligation upon Declarant or the Association to perform any such actions.

3.11 Environmental Easement. There is hereby reserved for the benefit of Declarant and the Association, and their respective agents and employees, the alienable, transferable and

perpetual right and easement on, over, under and across any portion of the Property, for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental authority, such easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

3.12 Wells and Effluent. There is hereby reserved for the benefit of Declarant and the Association, and their respective agents and employees, the alienable, transferable and perpetual right and easement to: (i) pump water from lakes, lagoons, ponds and other bodies of water located on the Property for the purpose of irrigating any portions of the Development; (ii) drill, install, locate, maintain and use wells, pumping stations, water towers, siltation basins and tanks and related water and sewerage treatment facilities and systems within the Property; and (iii) spray or locate any treated sewerage effluent within the Property.

3.13 No Partition. There shall be no judicial partition of the Property, or any part thereof or interest therein, nor shall any person acquiring any interest in the Property, or any part thereof, seek any such judicial partition. By acceptance of a deed or Mortgage, an Owner or Mortgagee irrevocably waives any legal or equitable right to a suit for or action of partition.

3.14 Prohibition of Time Shares. There shall be no time share ownership, lease, or sales of any portion of the Property, or any part thereof or interest therein, nor shall any person acquiring any interest in the Property, or any part thereof, seek to establish such time share ownership of any Property. This prohibition shall run with the land, as described in Exhibit A of this Declaration. By the recording or acceptance of the conveyance of a Unit or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration. Pursuant to Section 4.01 of the Bylaws of the Association, on behalf of all present owners of Units, or any portion thereof, the Board agrees to be bound by the provisions of this Declaration, and to allow this recorded restriction to be placed on the Property.

ARTICLE IV

THE ASSOCIATION

4.1 Members of the Association. No Owner shall be a Member of the Association. The Members of the Association shall be (i) each Subordinate Association and (ii) the Declarant for so long as the Declarant owns a Controlling Interest. All rights and privileges of the Members of the Association are set forth herein and in the Bylaws of the Association.

4.2 Board of Directors.

4.2.1 Subsequent to loss of Controlling Interest by Declarant. After the loss of a Controlling Interest by Declarant, the Board of Directors shall be elected by the Members of the Association in accordance with the Bylaws of the Association and Declarant shall not be a Member of the Association. The Board of Directors shall constitute the final administrative authority of the Association, and all decisions of the Board of Directors shall be binding upon the Association and its

Members and on all Owners. All rights, titles, privileges and obligations vested in or imposed upon the Association shall be held and performed by the Board of Directors.

4.2.2 Prior to loss of Controlling Interest by Declarant. For so long as Declarant owns a Controlling Interest, the Declarant has the right to appoint all of the Board Directors as provided by the Bylaws of the Association.

4.2.3 Alternate Directors. At each meeting of the Board, Directors may vote either in person or by their Alternate Director (as defined in Section 3.14 and discussed in Section 4.10 of the Bylaws), in accordance with the provisions of the Bylaws of the Association.

4.3 Bylaws. Each Owner and each Subordinate Association hereby consents and agrees to be bound by the provisions of the Bylaws of the Association, as they may be amended from time to time.

4.4 Rules and Regulations. The Board of Directors shall have the authority from time to time to adopt rules and regulations governing the administration and operation of the Property, subject to the terms of this Declaration. Further, the Board of Directors shall have the authority to lease or grant licenses or concessions with respect to portions of the Property; provided that such grants or leases shall not be inconsistent with the rights of the Owners or the Declarant or the other provisions of this Declaration.

4.5 Indemnification. The Directors of the Board of Directors, the officers of the Association, the Association's committee members, and the managing agent of the Association, if any, shall not be liable to the Owners or the Subordinate Associations for any mistake in judgment or acts or omissions not made in bad faith, as directors, officers, committee members, or managing agent. The Owners and Subordinate Associations shall indemnify and hold harmless those parties against all contractual liabilities to others arising out of agreements made by those parties on behalf of the Owners or the Association unless such agreements shall have been made in bad faith or with knowledge that same was contrary to the provisions of this Declaration. The liability of any Owner, as described above, shall be limited to an amount determined by dividing the total liability by the total number of Owners within the Development subject to the terms of this Declaration. All contracts and agreements entered into by the Board of Directors, officers, committee members, or the managing agent shall be deemed executed by those parties as the case may be as agent for the Owners or the Association.

4.6 Board of Director's Determination Binding. In the event a disagreement arises between Owners related to the Property or the interpretation and application of this Declaration or the Bylaws of the Association, the review and determination thereof by the Board of Directors shall be final and binding upon each and every Owner and each and every Subordinate Association as the Members of the Association.

4.7 Management. (a) The Board of Directors may retain a professional management company, professional manager, or full time employee to manage the Common Areas and supervise their maintenance and operation and the operation of the administrative affairs of the

Association. The Board of Directors may itself subsequently elect to assume those management responsibilities and in accordance with the terms of any management contract terminate the contract of any professional manager upon an affirmative vote by the Board of Directors in accordance with the Bylaws of the Association. (b) Further, the Board of Directors shall enter into management contracts only if such contracts shall (i) permit the termination thereof for cause by the Association upon 60 days prior written notice; and (ii) be for a period of not more than five (5) years. Such contracts may permit renewals thereof for periods not to exceed five (5) years at a time, by mutual consent.

4.8 Insurance.

4.8.1 Acquisition of Insurance Coverage.

(a) The Board of Directors shall obtain insurance coverage for the Common Areas to cover against loss or damage by fire or other casualty. The insurance shall be for the full insurable value (based upon current replacement cost) of the Common Areas and the insurance premiums shall be a Common Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association. The insurance coverage shall, if possible, provide that the insurance as to the interest of the Association shall not be invalidated by any act or neglect of any Owners.

(b) The coverage shall contain an endorsement to the effect that said coverage shall not be terminated for non-payment of premiums without at least thirty (30) days prior written notice to the Association. The insurance policies shall contain waivers of subrogation, if available, with respect to the Board of Directors, its employees and agents, Subordinate Associations and their boards, committee members, Owners, members of their household and Mortgagees, and, if available, shall contain a replacement clause endorsement.

4.8.2 Appointment of Trustee for Proceeds. The Board of Directors may, at its discretion, retain any bank or trust company to act as trustee, agent or depository on its behalf for the purpose of receiving or distributing any insurance proceeds. The fee of any trustee shall be a Common Expense.

4.8.3 Appraisals. The Board of Directors shall obtain, at least every five (5) years, an appraisal, for insurance purposes, of the Common Areas, and, upon receipt of any such appraisal, shall readjust, renegotiate, or obtain new insurance consistent with the appraisal as provided.

4.8.4 Reconstruction of the Property. The insurance proceeds shall be applied by the Board of Directors on behalf of the Association for the reconstruction or restoration of the Common Areas.

4.8.5 Acceptance of Insurance Proceeds. Payment by an insurance company to the Board of Directors of any insurance proceeds coupled with the receipt of such

proceeds and a release from the Board of Directors of the company's liability under said policy shall constitute a full discharge of said insurance carrier.

- 4.8.6 Other Insurance. The Board of Directors shall also obtain commercial general liability insurance including liability for injuries or death to persons, and property damage, in such limits as it shall deem desirable, and workers compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, Subordinate Association and the Association, their officers, Directors on the Board of Directors, the Declarant, the manager or managing agent, if any, and their respective employees and agents, if any, from liability in connection with the Common Areas and insuring the officers of the Association and Directors on the Board of Directors from liability for good faith actions. The premium for such insurance shall be a Common Expense.

ARTICLE V

ASSESSMENTS AND CHARGES

5.1 Assessments. Assessments shall be computed and assessed against all Units as follows:

- 5.1.1 Association Expenses. The Assessments shall be based upon annual estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas. Such estimated expenses may include, among other things, the following: expenses of management; taxes and special assessments; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a Manager (if any); utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve, surplus, and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners under or by reason of this Declaration. Such expenses shall constitute the Common Expenses.
- 5.1.2 Annual Budget. The Assessments shall be determined on a calendar year basis. On or before November 1 each year, the Association shall prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget shall itemize the estimated expenses of the Association for such calendar year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Assessments for the upcoming fiscal year and as the major guideline under which the Association shall be operated during such annual period. In the event the Board fails for any reason to adopt a budget for the succeeding year, then and until such time as it is adopted, the budget and annual Assessments in effect for the then current year shall be increased in proportion to the percentage increase, if any, for the then current year, in the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1982-84=100), or its successor index, and such

increased budget shall be the budget for the succeeding year, until a new budget is adopted. Declarant shall estimate the budget for the first year of the Association. At least ten (10) days prior to the annual meeting of the Association, the Board of Directors shall cause an audited financial statement of the Association to be prepared and distributed to the Members.

5.1.3 Notice and Payment. The Assessments shall be made on a calendar year basis in advance. The Association shall furnish to each Member a copy of the budget and notify each Member as to the amount of the Assessments with respect to all Owners within each Subordinate Association on or before December 1 each year for the calendar year next following such date. Each Subordinate Association shall distribute copies of the notice of assessment and budget to its Owners on or before December 15 of each year. The Association, may at its election, send such notices and copies of the budget directly to the Owners. The Assessments shall be payable in four equal quarterly installments to the Subordinate Association by the tenth day of the month of January, April, July and October during the calendar year to which the Assessment relates, and by the Subordinate Association to the Association by the fifteenth day of those months. All unpaid installments of any Annual Assessments shall incur a late charge of \$25.00 per month or any portion of any month (or at such lesser rate as is equal to the maximum interest rate allowed by applicable law) from the date each such installment is due until paid. The failure of the Association to give timely notice of any Assessments as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such Assessment or any other Assessment; but the date when date payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such Assessment shall have been given to the Owner in the manner provided in this Declaration.

5.2 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Property, hereby covenants, and each Owner of any Unit by acceptance of a deed or other conveyance and each Subordinate Association, is deemed to covenant and agree with each other and with the Association to pay to the Association: (1) Common Expenses as defined herein which shall include reserves deemed necessary or beneficial by the Board of Directors, and (2) special assessments for capital improvements, necessary for reserves or for any other purpose adopted by the Board of Directors. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on each Unit and shall be a continuing lien upon each Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Article 5.2, the Association may prepare a written notice of lien setting forth the amount of the unpaid Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the Office of the Horry County Clerk of Court. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which Mortgage on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding

(including reasonable attorney's fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Unit which shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Unit. Each such assessment, together with such interest, costs and reasonable attorney's fees shall be the personal obligation of the person who was the Owner of such Unit at the time when the assessment fell due and also of any subsequent Owner. Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and Occupants and in particular for improvements and maintenance (including the payment of ad valorem taxes and other assessments) of the Common Areas and the services and facilities devoted to this purpose.

5.3 Subordinate Association's Obligation to Pay Assessments. Payment in full of all Assessments applicable to Owners in a Subordinate Association shall also be the obligation of the Subordinate Association. For convenience, the Assessments applicable to all Owners in a Subordinate Association shall be billed to the Subordinate Association which shall immediately thereafter bill its Owners for its collection. The obligation of each Subordinate Association is for the payment in full of all Assessments billed to Owners in that Subordinate Association. Collection of all portions of the Assessments from Owners in the Subordinate Association shall not be a precondition of payment by the Subordinate Association of the Assessments or an excuse for non-payment of those Assessments. Likewise, payment by an Owner of his prorata share of the Assessment to the Subordinate Association shall not be deemed payment to the Association until the Subordinate Association has paid in full amount of the Assessment to the Association. The rights of the Association to enforce its lien against the Owner or the Subordinate Association are cumulative and may be pursued collectively or separately without resort, or necessity of resort, to any remedy prior to any other. All costs incurred by the Association for collection of the Assessments, or any portion thereof, shall also be the obligation and liability of the Subordinate Associations.

5.4 Reserves.

5.4.1 Any portion of the Common Expenses collected for a reserve fund or funds, if any, may be placed in an account separate from the general operating account of the Association.

5.4.2 Assessments paid into the reserve account shall be the property of the Association and are not refundable. Sellers of Units may treat their outstanding share of the reserve accounts as a separate item in any agreement for the sale of their Units.

5.5 Attorneys' Fees and Costs. In any suit or action brought by the Declarant, an Owner, the Association or a first lienholder or their heirs, successors or assigns to enforce any of the terms, provisions, or restrictive covenants of this Declaration, the prevailing party shall be entitled to his costs and disbursements and reasonable attorneys' fees in such suit or action and any appeal thereof.

5.6 Maintenance, Repairs and Replacements of the Common Areas. Maintenance, repairs and replacements of the Common Areas shall be performed by the Association as part of the Common Expenses and a reserve fund for this purpose may also be included as a Common Expense.

5.7 Special Assessments for Taxes or Capital Improvements. Without limiting the types or purposes of other special assessments, the Association may levy in any year, a special assessment for the purpose of defraying in whole or in part, the cost, which shall be the amount of the deductible under any insurance policy in the event of an insured loss, of any taxes or construction or reconstruction unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment other than that attributable to taxes, shall have the assent of a majority of the votes of the Board of Directors which are entitled to be cast.

5.8 Uniform Rate of Assessment. Both annual and special assessments shall be charged in equal amounts to all Units.

5.9 Statement of Account. Upon payment of a reasonable fee not to exceed \$50.00 and upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Unit, the Association shall issue a written statement setting forth the following:

- (a) The amount of the unpaid assessments, if any, with respect to such Unit.
- (b) The amount of the current annual Assessment and the date or dates upon which installments thereof become due.
- (c) Credit for advance payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums.

Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. A purchaser of a Unit shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Unit up to the time of the grant or conveyance; provided, however, that this provision shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

5.10 Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessments which are not paid by an Owner to its Subordinate Association and by that Subordinate Association to the Association when due shall be delinquent. If the Assessment is not paid, then the Assessment shall incur a late charge of \$25.00 per month or any portion of any month (or at such lesser rate as is equal to the maximum interest rate permitted by law), from the date each such installment is due until paid, and the Association may bring an action at law against the Subordinate Association or the Owner personally for its collection, or foreclose the lien against the Owner's Unit in accordance with Section 5.2 herein. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his Unit.

5.11 Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any unpaid taxes and any Mortgage or Mortgages, but they shall be

superior to the assessments levied by any Subordinate Association. Sale or transfer of any Unit shall not affect the lien of the Assessments. However, the sale or transfer of any Unit which is subject to any Mortgage, pursuant to a decree of foreclosure under such Mortgage or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish the lien of the assessments as to payment thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve the Unit from liability for any Assessments thereafter becoming due or from the lien thereof. Notwithstanding anything in this Declaration to the contrary, no amendment, or change or modification of this section shall be effective unless such amendment, change or modification shall be first consented to, in writing, by all Mortgagees record of all Units which are subject to the terms of this Declaration.

5.12 Mechanic's Liens. The Board of Directors may cause to be discharged any mechanic's lien or other encumbrance which in the opinion of the Board of Directors may constitute a lien against the Common Areas. Where less than all of the Owners are responsible for the existence of said lien, the Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same, and for all costs and expenses including attorney's fees and court costs incurred by reason of the lien.

ARTICLE VI

MAINTENANCE

6.1 Responsibilities of Owners and Subordinate Associations. Unless otherwise provided herein, all maintenance and repair of Units and Parcels, together with all other improvements thereon or therein and all lawns, landscaping and grounds on and within a Unit or Parcel, shall be the responsibility of the Owner and the Subordinate Association, respectively. Unless otherwise provided herein, the maintenance and repair of all Common Areas shall be the sole responsibility of the Association. Each Owner or Subordinate Association shall be responsible for maintaining his or its Unit or Parcel, respectively, in a neat, clean and sanitary condition, and such responsibility shall include the maintenance and care of all exterior surfaces of all buildings and other structures. All attendant lawns, trees, shrubs, hedges, grass, natural areas or other landscaping within the Unit or Parcel shall be maintained by the appropriate Owner or Subordinate Association. As provided in Section 6.2.2 hereof, each Owner or Subordinate Association shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner or Subordinate Association, but which responsibility such Owner or Subordinate Association fails or refuses to discharge. No Owner or Subordinate Association shall: (i) decorate, paint, change or otherwise alter the exterior appearance of any portion of a Parcel or the exterior of a Unit unless such decoration, change or alteration is first approved, in writing, by the Architectural Standards Committee, also known as House and Grounds (hereinafter the "Architectural Standards Committee") or the Board of Directors as provided in Article VIII.

6.2 Association's Responsibility.

6.2.1 Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, as they may be designated from time to time, which responsibility shall include the

maintenance, repair and replacement of: (i) all roads, walks, trails, lakes, lagoons, ponds, parking lots, landscaped areas, natural areas and other improvements situated within the Common Areas; (ii) such security system and utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the Common Areas and which are not maintained by Declarant or a public authority, public service district, public or private utility or other persons; and (iii) all lawns, trees, shrubs, hedges, grass and other landscaping situated within the Common Areas.

NEITHER DECLARANT OR THE ASSOCIATION SHALL BE LIABLE FOR INJURY OR DAMAGE TO ANY PERSON OR PROPERTY (I) CAUSED BY THE ELEMENTS OR BY ANY OWNER, OCCUPANT OR ANY OTHER PERSON; (II) RESULTING FROM RAIN OR DRAINAGE OR SURFACE WATER WHICH MAY LEAK OR FLOW FROM ANY PORTION OF THE PROPERTY, COMMON AREAS OR PARELS; (III) CAUSED BY ANY PIPE, PLUMBING, DRAIN, CONDUIT, APPLIANCE, EQUIPMENT, SECURITY SYSTEM OR UTILITY LINE OR FACILITY, THE RESPONSIBILITY FOR THE MAINTENANCE OF WHICH IS THAT OF THE DECLARANT OR ASSOCIATION, BECOMING OUT OF REPAIR; OR (IV) CAUSED BY THEFT OR OTHERWISE OF ANY PROPERTY OF OWNER, OCCUPANT OR OTHER PERSON WHICH MAY BE STORED OR LEFT IN OR UPON ANY PORTION OF THE COMMON AREAS OR PROPERTY.

No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take, or omit to take, some action, or to perform, or omit to perform, some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments being a separate and independent covenant on the part of each Owner.

- 6.2.2 In the event that the Board of Directors determines (i) that any Owner or Subordinate Association has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner or Occupant or Subordinate Association and is not covered or paid for by insurance in whole or in part, then, in either event, the Association, except in the event of an emergency situation, may give such Owner or Subordinate Association written notice of the Association's intent to provide such necessary maintenance, cleaning, repair or replacement) at the sole cost and expense of such Owner or Subordinate Association, as the case may be, and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed

necessary. Except in the event of emergency situations, such Owner or Subordinate Association, as the case may be, shall have ten (10) days within which to complete the same in good and workmanlike manner, or if replacement is not capable of completion within said ten (10) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner or Subordinate Association to comply with the provisions hereof after such notice, the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner or Subordinate Association, as the case may be, and said cost shall be added to and become a part of the Assessment allocable to that Owner and/or Subordinate Association as the case may be. In the event that Declarant undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

ARTICLE VII

CONDEMNATION

7.1 Condemnation of Property. Whenever all or any part of the Property shall be taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the owner of the Property, the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the owner of the Property so taken and shall be disbursed or held as follows:

7.1.1 If the taking or sale in lieu thereof involves a portion of the Common Areas, then the award shall be payable to the Association. If the portion of the Common Areas so taken or conveyed was improved in any way, then the Association shall repair, rebuild, replace or renovate the improvements so taken, to the extent practicable, on the remaining lands included in the Common Areas which are available therefor, in accordance with plans approved by the Board of Directors. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from a reserve fund as may have been established for such purpose, the Board of Directors may levy a special assessment against all Units, without the necessity of a vote of Association Members, such special assessment to be in an amount sufficient to provide funds to pay such excess cost of repair or reconstruction. Such special assessments shall be levied against the Owners in the same manner and proportion as the Assessments are levied, and additional special assessments may be made at any time during or following the completion of any repair or reconstruction.

7.1.2 If the taking or sale in lieu thereof includes all or any part of a Unit or Parcel and also includes any part of the Common Areas, then in the absence of an agreement between the parties a court of competent jurisdiction shall apportion such award or proceeds and such award or proceeds shall be disbursed to the Association, the

Subordinate Association and the Owners so affected so as to give just compensation for the land and/or improvements taken.

ARTICLE VIII

ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

8.1 Purpose. In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Units, Parcels and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article VIII. Every Owner, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article VIII.

8.2 Declarant Exemptions The Declarant is exempt from the provisions of this Article VIII as provided in Article II and Article III. For so long as Declarant has a Controlling Interest, any Subordinate Association in which Declarant owns all of the Units shall be exempt from the provisions of this Article VIII.

8.3 Architectural Standards Committee

8.3.1 No improvements of any nature whatsoever shall be constructed, altered, demolished, removed, added or maintained upon the exterior portion or Common Areas of any Parcel by an Owner or Subordinate Association, nor shall any Owner or Subordinate Association decorate, landscape, excavate, grade, fill, install signage, or alter in any manner the appearance of the exterior portion of any Parcel or the Common Areas unless such improvements, alterations, maintenance, and repairs are approved by the Architectural Standards Committee or the Board of Directors in writing in accordance with Article VI, Article VIII and comply with the architectural standards adopted by the Board of Directors pursuant to Section 4.4 of the Declaration. If, in the sole discretion of the Architectural Standards Committee, the application for improvements or alterations of the Parcels substantially deviate from the Plan of Development (as defined in Section 2.3) or the architectural standards adopted by the Board and/or substantially alter the structural elements or appearance of any improvements, the Board of Directors shall have the authority to approve, disapprove, or defer the application. The Architectural Standards Committee shall have the authority to approve, disapprove, or defer all other applications submitted pursuant to Article VI and VIII. Notwithstanding the foregoing, the Architectural Standards Committee may seek recommendations from the Board of Directors regarding any application submitted. The application shall include the plans and specifications for any improvements, alterations or construction showing the nature, kind, shape, height, materials, color, approximate cost, and location of the same.

8.3.2 The Board of Directors may adopt architectural standards consistent with Section 4.4 of the Declaration. All applications required under Articles VI and VIII shall comply with the requirements of the architectural standards and shall be submitted to the Architectural Standards Committee. The Architectural Standards

Committee may request supplemental information from the applicant. Upon receiving sufficient information, the Architectural Standards Committee shall review the application or forward the application to the Board of Directors as set forth in this Article VIII.

- 8.3.3 The Board of Directors and the Architectural Standards Committee may approve, disapprove, or defer an Owner's or Subordinate Association's application for improvements, alterations, maintenance, and repairs based upon any grounds, including purely aesthetic grounds, which are sufficient in the sole and uncontrolled discretion of the Board of Directors or the Architectural Standards Committee. Factors that may be considered in reviewing an application, include but are not limited to, the level of compliance with the architectural standards, the application's consistency with the natural setting and beauty of the Development, the impact of the application on the safety and soundness of the Development, any effect on easements of Owners, Subordinate Associations, the Declarant, or third parties, or any effect on the value of the Development. Without limiting the foregoing, in reviewing each submission, the Architectural Standards Committee and the Board of Directors may base its decision on purely aesthetic considerations. Each Owner and Subordinate Association acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to desirability and/or attractiveness of particular improvements.
- 8.3.4 The Architectural Standards Committee shall consist of up to seven (7), but not less than three (3) committee members appointed by the Board of Directors by a majority vote of the votes eligible to be cast. The term of office for each committee member shall be set by the Board of Directors. The Board of Directors, upon the recommendation of the Architectural Standards Committee, is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors and/or attorneys in order to advise and assist the Architectural Standards Committee in performing its functions.
- 8.3.5 An Owner or Subordinate Association (collectively referred to herein as "Appellant") may submit a written appeal to the Board of Directors of any decision disapproving any part of Appellant's application for improvements, alterations, maintenance, and repairs within sixty (60) days of the notification of the decision. The appeal shall be in writing, signed by the Appellant, and give a detailed explanation of the appeal, and shall include drawings, plans, or other documents that support the grounds for the appeal. If the appeal is submitted by the Appellant's contractor or architect, it shall be countersigned by the Appellant. Upon receipt of any written appeal of a disapproval of an application, the President of the Association shall appoint an appeal panel ("Appeal Panel") comprised of a Director, Officer, and Declarant representative. If the Declarant no longer holds a Controlling Interest, the Appeal Panel shall consist of three persons, each of whom shall either be a Director or an Officer. The Appeal Panel shall have the authority to review the appeal, to preside over any hearing on the appeal, and to make recommendations to the Board of Directors regarding the disposition of the appeal. As soon as practicable after its formation, the Appeal

Panel shall review the written appeal and may request additional information or supporting documentation from the Appellant. Upon receipt of sufficient information and documentation, the Appeal Panel, in its sole discretion, may schedule a date for the hearing on the written appeal or decide the merits of the appeal based upon the documentation submitted by the Appellant. If the Appellant has a scheduling conflict, the Appeal Panel, in its sole discretion, may reschedule the hearing or decide the merits of the appeal based upon the documentation submitted by the Appellant. At any hearing on the appeal, the managing agent or a member of the Architectural Standards Committee may present information and documentation, including statements from witnesses, to the Appeal Panel in support of the Architectural Standards Committee's disapproval of the application. Thereafter, the Appellant shall have the opportunity to present information and documentation, including statements from witnesses, to the Appeal Panel for review. The Appeal Panel shall have the authority to dictate the manner in which appeal is presented, the parties that may present during the appeal hearing, and any other procedure related to the appeal hearing. The Appeal Panel shall recommend a disposition of the appeal to the Board of Directors in writing or in person at the next regularly scheduled Board meeting. Upon review of the recommendation of the Appeal Panel, the Board of Directors may affirm or overrule the decision of the Architectural Standards Committee or Board of Directors in writing within thirty (30) days of the Board meeting, and if necessary, re-submit the application to the Architectural Standards Committee for further review. If the Board of Directors does not affirm or overrule the disapproval of an application in writing within thirty (30) days of the Board meeting, the disapproval of the application shall be affirmed. The Appeal Panel's recommendation to the Board of Directors on the disposition of the appeal is advisory and is not binding upon the Board of Directors. The decision of the Board of Directors regarding any appeal may be based upon any grounds deemed sufficient in its sole discretion, including the grounds set forth in Section 8.3.1. Nothing contained herein shall provide any Owner or Subordinate Association the right to appeal the approval, disapproval, or deferral of an application submitted by another Owner or Subordinate Association.

- 8.3.6 The Architectural Standards Committee shall have the authority to execute the duties of the Association under Paragraph 6.2 of the Declaration, including but not limited to, maintaining, improving, and keeping in good repair the Common Areas. The authority of the Architectural Standards Committee under Section 6.2 of the Declaration is limited to expending funds allocated by the Annual Budget adopted by the Board of Directors for maintenance, repair, and improvements pursuant to Sections 5.1.2 and 5.6 of the Declaration and by the architectural standards adopted by the Board of Directors pursuant to Section 4.4 of the Declaration. The Subordinate Associations may make recommendations to the Architectural Standards Committee regarding proposed maintenance, repair, and improvements of Common Areas adjacent to the Parcels they govern. The Architectural Standards Committee may reject any Subordinate Association's proposal regarding the maintenance, repair, and improvement of Common Areas based upon any grounds deemed sufficient in the sole discretion of the

Architectural Standards Committee, including aesthetic grounds. Factors that may be considered by the Architectural Standards Committee in considering a Subordinate Association's proposal, include but are not limited to, the proposal (i) is not consistent with architectural standards or the natural setting and beauty of the Development, (ii) affects the safety or soundness of the Development, (iii) diminishes the value of the Development and the Units contained therein, (iv) adversely affects the easements of any Owner, Subordinate Association, Declarant, or third party, (v) is costly in light of the budgeted funds, and (vi) is duplicative based on improvements, repair, and maintenance to other Common Area.

8.3.7 Any construction, alteration, improvement or other work done in violation of this Declaration is subject to legal and equitable actions to enforce this Declaration. The Board of Directors, the officers, and Architectural Standards Committee members will not be responsible for any loss or damage to any person arising out of the approval or disapproval of any plans and specifications or designs with respect to either construction errors or non-compliance with any applicable law. The Architectural Standards Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes. Furthermore, approval by the Architectural Standards Committee of any plans and specifications does not excuse any Owner from also receiving approvals as required by all applicable Governmental Authorities.

8.3.8 The approval by the Architectural Standards Committee of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial or deferral of approval by the Architectural Standards Committee of any plans and specifications or drawings for any work done or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

8.4 Construction of Improvements.

8.4.1 All buildings, structures or other improvements (excepting sidewalks and driveways) on or with respect to any Unit or Parcel and with respect to the Common Areas shall be located only within applicable setback lines, if any, specified by the Board of Directors. Variances with respect to such setback lines may be granted in the sole discretion of the Architectural Standards Committee and/or Board of Directors. To assure that all structures will be located so that the maximum view, privacy and breeze will be available, each structure will be located taking into consideration the topography of the land, the location of trees, vegetation and other aesthetic and environmental considerations, as well as the

precise site and location of any other structures and improvements within the Development.

- 8.4.2 No construction of improvements within the Common Areas or Parcels shall be undertaken or conducted on any Saturdays, Sundays or holidays except for: (i) construction activities of Declarant; (ii) emergency situations involving the potential loss, injury or damage to persons or property; and (iii) as otherwise permitted by the Board of Directors or the Architectural Standards Committee.
- 8.4.3 The Architectural Standards Committee, may require that any contractor or subcontractor for any planned improvements within the Development post payment and/or performance bonds with the Architectural Standards Committee to assure that such contractor or subcontractor shall satisfactorily complete such improvements, such bonds to be in the name of the Declarant or Association, as their interests may appear, and to be in form and amount satisfactory to the Declarant and the Architectural Standards Committee and/or Board of Directors. Furthermore, the Architectural Standards Committee and/or Board of Directors may require that an Owner place in escrow with the Architectural Standards Committee a sum to be established by the Board of Directors or the Architectural Standards Committee as set forth in the architectural standards or other written policy of the Association, in order to assure the completion of all improvements, including landscaping.
- 8.4.4 Structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. No temporary house, shack, tent, barn or other outbuilding shall be permitted on any Common Area or parcel at any time, except as otherwise provided herein or by the Architectural Standards Committee, nor shall any stable, poultry house or yard, rabbit hut or other similar yard structure be constructed or allowed to remain on any Common Area or Parcel. During construction by the Association or an Owner or a Subordinate Association, the Association, Owner or Subordinate Association shall require its contractors to maintain the Common Area or Parcel in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction, the Association, Owner or Subordinate Association, as the case may be, shall cause its contractors to immediately remove all equipment, tools and construction material and debris from the Common Area or Parcel on which such construction has been completed.

8.5 Landscaping Approval. To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation or filling of any nature whatsoever shall be implemented and installed by the Owner or Subordinate Association, other than Declarant, unless an application has been submitted to and approved in writing by the Architectural Standards Committee. The application shall comply with the requirements of the architectural standards adopted by the Board of Directors.

8.6 Approval Not a Guarantee. No approval of plans and specifications and no publication of architectural standards shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association nor the Board of Directors nor the Architectural Standards Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved, nor for any defects in construction undertaken pursuant to such plans and specifications.

8.7 Exterior Appearance. No chain link fences shall be permitted within the Development, except with regard to maintenance areas within the Property or Common Areas and the perimeter security fence. Outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained, nor shall any clothing, rugs or other items be hung on any railing, fence, hedge, wall or balcony.

8.8 Signs. Except as may be required by legal proceedings, no signs or advertising posters of any kind shall be maintained or permitted within any windows or on the exterior of any improvements located within the Development, without the express written permission of the Architectural Standards Committee, provided, however, that the restrictions of this paragraph shall not apply to Declarant at any time. The Owner or Subordinate Association shall apply to the Architectural Standards Committee for approval of any signage as required by Section 8.3.1 and the architectural standards adopted by the Board of Directors pursuant to Section 4.4 of the Declaration. In addition, the Board of Directors or the Association's committees shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas without approval from the Architectural Standards Committee.

8.9 Antennae. No television antenna, radio receiver or other similar device shall be attached to or installed on any portion of the Development, unless contained entirely within the interior of a building or other structure, nor shall radio or television signals, nor any other form of electromagnetic radiation be permitted to originate from any Unit or Parcel; provided, however, that Declarant shall not be prohibited from installing, without limitation, equipment necessary for master antennae or satellite dish, security, cable television, mobile radio or other similar systems within the Development.

8.10 Water Wells and Septic Tanks. Subject to the terms of Paragraph 8.12 (Nuisances) hereof, no private water wells may be drilled or maintained on any Common Area or Parcel. Furthermore, no septic tanks or similar sewerage facilities may be installed or maintained on any Common Area or Parcel.

8.11 Pets. No pets, insects, animals, reptiles, livestock, birds or poultry of any kind, shall be raised, bred or kept within the Common Areas. Provisions of the Subordinate Declarations and the Bylaws of the Subordinate Associations, as amended from time to time, shall control whether pets are permitted within the respective Parcels, and if permitted, upon what terms and conditions, provided that only commonly recognized house pets shall be permitted under any condition.

8.12 Nuisances. No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon nor any nuisance permitted to exist upon nor any odor permitted to emanate from any portion of the Common Areas, Parcels, or Units so as to render any portion thereof unsanitary, unsightly, offensive or detrimental to persons using or occupying any other portions of the Development. Noxious or offensive activities shall not be carried on in any Unit or Parcel or in any part of the Common Areas, and each Owner and Occupant shall refrain from any act or use of a Unit or Parcel or of any Common Areas which could cause disorderly, unsightly or unkempt conditions, or which could cause embarrassment, discomfort, annoyance or nuisance to the Occupants of other portions of the Development or which could result in a cancellation of any insurance for any portion of the Development, or which would be in violation of any law or governmental code or regulation. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used or placed within the Development. Any Owner or Occupant who dumps or places any trash or debris upon any portion of the Development shall be liable to the Declarant or Association for the actual costs of removal thereof. The development and construction activities by Declarant for the construction of improvements on the Property shall not be considered a nuisance under this Section 8.12.

8.13 Motor Vehicles, Trailers, Boats, Etc. There shall be no outside storage or parking upon any Parcel or within any portion of the Common Areas (other than areas provided therefor) of any mobile home, trailer (either with or without wheels), motor home, camper, tractor, truck (other than pick-up trucks), commercial vehicles so licensed or designated by signage, or of any type camper, motorized camper or trailer, boat or other watercraft, boat trailer, or motorcycle. Furthermore, except as provided in Section 2.3 hereinbefore, the Board of Directors may at any time prohibit entry into the Development of mobile homes, motor homes, campers, trailers of any kind, and motorcycles. No Owners or Occupants of any portion of the Development shall repair or restore any vehicle of any kind or within any Parcel or within any portion of the Common Areas, except (i) within enclosed garages or workshops; or (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

8.14 Sales and Construction Activities. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant and its contractors, agents, employees, successors and assigns, to maintain and carry on such facilities and activities as may be reasonably required, convenient or incidental to the construction and improvement of the Property and to the sale of Units, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model structures. The right to maintain and carry on such facilities and activities shall include, specifically, the right to use structures as model residences, and to use any structures as an office for the sale of Units and for related activities.

ARTICLE IX

GENERAL PROVISIONS

9.1 Amendments by Association. Amendments to this Declaration, other than those authorized by Paragraph 9.2 hereof, shall be proposed and adopted in the following manner:

- 9.1.1 Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be given to each Member of the Association as provided in Section 9.12 herein.
- 9.1.2 At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by Members of the Association. Such amendment must be approved by Members of the Association holding at least two-thirds (2/3) of the total votes of the Association; provided, however that any amendment which materially and adversely affects the ownership of a Unit or the security interest of any Mortgagee must be approved by such Owner or Mortgagee. The vote of the Members of the Association shall be conducted in accordance with the provisions of the Bylaws.
- 9.1.3 The agreement of the required percentage of the Members of the Association shall be evidenced by the sworn statement of the then President of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the required vote was lawfully obtained. Where required, the consent of an Owner or Mortgagee shall be evidenced by their execution of the amendment. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

9.2 Amendments by Declarant. Notwithstanding any other provision herein, Declarant may amend this Declaration without the consent of any Owner or Mortgagee or any Subordinate Association (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Declaration; (iii) if such amendment is required by a Mortgagee to enable it to make Mortgage loans on any Unit or other improvements subject to this Declaration; or (iv) if any such amendment is necessary to enable any governmental agency or reputable private mortgage insurance company to insure Mortgages on the Units subject to this Declaration.

9.3 Enforcement. (a) Each Owner shall comply strictly with the Bylaws and the published rules and regulations of the Association adopted pursuant to this Declaration, as they may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Unit, if any. Failure to comply with such rules or regulations shall be grounds for imposing fines, for suspending voting rights of the Subordinate Association in which the Owner is a part or for instituting an action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association or, in a proper case, by a Subordinate Association or an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws and the rules and regulations of the

Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association, Subordinate Association or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the equitable remedy of injunction to restrain any such violation or omission. Failure on the part of Declarant, the Association, Subordinate Association or any aggrieved Owner in exercising any right, power or remedy herein provided shall not be construed as an acquiescence thereto and shall not be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to any violation or breach occurring prior to subsequent thereto. No right of action shall accrue in favor of nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the Bylaws or any rules and regulations of the Association, however long continued.

(b) The operating rules and regulations for the Property as promulgated by the Board of Directors of the Association are hereby incorporated in this document, with the full and complete rights of enforcement of such rules and regulations as set forth in this Section 9.3. Such rules and regulations may be amended, from time to time, by a vote of the Board of Directors, without any further amendment to this document. A copy of the current rules and regulations of the Association shall always be available for inspection during normal business hours at the office of the management agent of the Association.

9.4 Duration. The provisions of this Declaration shall run with the land and be binding upon the title to the Property, shall be binding upon and inure to the benefit of all Owners and Subordinate Associations, the Declarant, the Association and all Mortgagees, and their respective heirs, executors, legal representatives, successors and assigns, and successors in title, and shall be and remain in effect for a period of thirty (30) years from and after the date of the recording of this Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however that there shall be no renewal or extension of this Declaration if, during the last year of an initial thirty (30) year period or the last year of any ten (10) year renewal period, seventy-five percent (75%) of the total votes of the Members of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination shall be filed of record in the Register of Deeds Office of Horry County, South Carolina, such instrument to contain a certificate wherein the President of the Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in the Development, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of this Declaration shall run with the land and be binding upon the title to the land as provided hereby. No termination of this Declaration shall be enforceable or valid if the Declarant owns Controlling Interest, unless Declarant consents in writing to the termination.

9.5 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only for ninety (90) years from the date of this Declaration.

9.6 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the Register of Deeds Office of Horry County, South Carolina. The captions of each Article and Section hereof as to the contents of each Article and Paragraph are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

9.7 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

9.8 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

9.9 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Owners, the Association, the Subordinate Associations and their Mortgagees as herein provided, and by such recording, no adjoining property owner or their party shall have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of Declarant and Mortgagees herein provided, the Members of the Association shall have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

9.10 Notice of Sale, Lease or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Unit, the Owner must promptly furnish to the Association, in writing, the name and address of such purchaser, lessee, Mortgagee, or transferee. Purchaser is hereby put on notice of a lien on any Unit for unpaid Assessments of any seller, prior to closing, and that such lien will follow and be a lien or encumbrance upon the Unit, and not follow the seller, his heirs or assigns individually.

9.11 No Trespass. Whenever the Association, is permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed to be trespass.

9.12 Notices. Notices required hereunder shall be deemed given when in writing and delivered by hand or sent by United States Mail, postage prepaid, unless otherwise provided in the Declaration or Bylaws. All notices to Owners and Subordinate Associations shall be delivered or sent to such addresses as have been designated in writing to the Association, or if no address has been so designated, at the addresses of such Owners' respective Units. All notices to the Association, including but not limited to any correspondence, communications, or applications to the Architectural Standards Committee or the Board of Directors, shall be delivered to the Association's property management company or to such other address as the Association may from time to time notify the Owners by hand delivery, email or sent by United States mail. All notices to Declarant shall be delivered or sent to Declarant's office to the attention of "General Counsel" at 545 E. John Carpenter Freeway, Suite 1300, Irving, Texas 75062, or to such other address as Declarant may from time to time notify the Association. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association.

9.13 Successors and Assigns. Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein shall be binding upon and inure to the benefit of the Declarant, Association, Subordinate Association and Owners and their respective heirs, successors and assigns and successors in title.

The remainder of this page intentionally left blank.

IN WITNESS WHEREOF, the President of the Association and the authorized officer of the Declarant have executed this Declaration under seal this 15th day of March, 2016.

Signed sealed and delivered in the presence of two witnesses:

Salina A. Styles
Pauline Craig

ASSOCIATION:

Kingston Plantation Master Association, Inc.

By: White G. Watkins
Name: White G. Watkins

Title: President

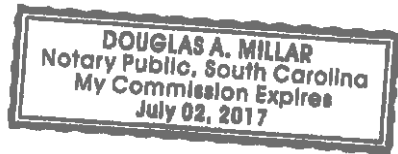
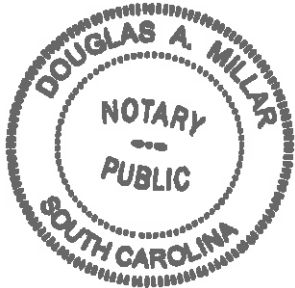
STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that White G. Watkins, as the President of Kingston Plantation Master Association, Inc. personally appeared before me on MARCH 15, 2016 and acknowledged the due execution of the foregoing instrument.

[Signature]

Notary Public for South Carolina
My Commission Expires: _____



AFFIDAVIT OF PRESIDENT OF ASSOCIATION

Personally appeared before me, a Notary for the State of South Carolina, March 15 2016
the President of the Kingston Plantation Master Association, Inc., a South Carolina non-profit
corporation, who after being duly sworn, alleges as says:

1. A vote of the Members and the Declarant on the Amended and Restated Declaration (which includes the Amended Exhibit A, the property description, and the Amended Exhibit B, the Amended and Restated Bylaws) was held on February 20, 2016 at Myrtle Beach, South Carolina.
2. The meeting of the Association was duly noticed and a copy of the proposed Amended and Restated Declaration was delivered to each Member prior to the meeting.
3. A quorum was present and acting throughout the meeting of the Members.
4. The Amended and Restated Declaration passed by more than the required 2/3rds vote. The required vote was lawfully obtained.
5. The Members determined that the Amended and Restated Declaration did not materially and adversely affect the rights of any Owner or Mortgagee.
6. The Declarant has approved the Amended and Restated Declaration.



Name: White G. Watkins

President

Sworn to before me this 15 day
of March, 2016



Notary for South Carolina

My Commission Expires:

DOUGLAS A. MILLAR
Notary Public, South Carolina
My Commission Expires
July 02, 2017

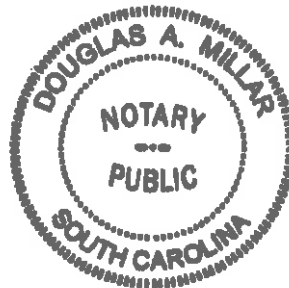


EXHIBIT A

(Property Description)

ALL OF PARCELS A & B SITUATE LYING AND BEING IN LITTER RIVER TOWNSHIP, HORRY COUNTY, SOUTH CAROLINA, AS SHOWN ON THAT PLAT PREPARED FOR LAKE ARROWHEAD, INC. BY WILBUR SMITH AND ASSOCIATES DATED OCTOBER 17, 1984 AND RECORDED IN HORRY COUNTY REGISTRY OF DEEDS IN BOOK 83, PAGE 11, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 3/8 INCH IRON ROD AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY OF KINGS ROAD (60 FOOT PUBLIC RIGHT OF WAY) AND THE WESTERLY RIGHT OF WAY OF KINGSTON ROAD (70 FOOT PUBLIC RIGHT OF WAY); THENCE RUNNING SOUTH 31°42'08" EAST A DISTANCE OF 2,535.81 FEET PAST A CONTROL MONUMENT NUMBER 5530 AND CONTINUING IN ALL 2,660.00 FEET TO A 3/8 INCH IRON ROD FOUND FOR CORNER; THENCE CONTINUING SOUTH 31°42'08" EAST A DISTANCE OF 48.03 FEET TO THE SOUTHEAST CORNER OF SUBJECT PROPERTY, SAID CORNER ALSO BEING THE MEAN HIGH WATER LINE OF THE ATLANTIC OCEAN; THENCE TURNING AND RUNNING ALONG SAID MEAN HIGH WATER LINE OF THE FOLLOWING TEN (10) COURSES AND DISTANCES:

SOUTH 54°10'25" WEST, A DISTANCE OF 378.21 FEET;

THENCE SOUTH 58°52'09" WEST, A DISTANCE OF 312.64 FEET;

THENCE SOUTH 54°43'10" WEST, A DISTANCE OF 147.41 FEET;

THENCE SOUTH 57°29'00" WEST, A DISTANCE OF 178.49 FEET;

THENCE SOUTH 54°56'14" WEST, A DISTANCE OF 237.14 FEET;

THENCE SOUTH 56°38'18" WEST, A DISTANCE OF 277.67 FEET;

THENCE SOUTH 59°58'35" WEST, A DISTANCE OF 162.77 FEET;

THENCE SOUTH 58°05'02" WEST, A DISTANCE OF 167.74 FEET;

THENCE SOUTH 59°30'36" WEST, A DISTANCE OF 165.84 FEET;

THENCE SOUTH 57°26'08" WEST, A DISTANCE OF 280.17 FEET TO THE SOUTHWEST CORNER OF THIS TRACT;

THENCE DEPARTING THE SAID MEAN HIGH WATER LINE AND TRAVELING NORTH 31°50'45" WEST A DISTANCE OF 160.08 FEET TO A FOUND 3/8 INCH IRON ROD FOUND; THENCE CONTINUING NORTH 31°50'45" WEST A DISTANCE OF 2,555.15 FEET TO A SET 3/8 INCH IRON ROD ON THE SOUTH RIGHT OF WAY LINE OF SAID

SAID TRACT CONTAINS 6,293,611 SQUARE FEET OR 144.48 ACRES, MORE OR LESS.

KINGS ROAD; THENCE ALONG SAID KINGS ROAD NORTH 56°16'00" EAST A DISTANCE OF 68.45 FEET TO A POINT; THENCE CONTINUING ALONG SAID KINGS ROAD NORTH 57°05'39" EAST A DISTANCE OF 2,113.64 FEET TO A POINT; THENCE CONTINUING ALONG SAID KINGS ROAD NORTH 58°09'52" EAST A DISTANCE OF 131.33 FEET TO THE POINT AND PLACE OF BEGINNING.

EXHIBIT B
AMENDED AND RESTATED BYLAWS