

Seed Book 1121 Page 266

HORRY COUNTY
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MASTER DEED OF
SOUTH HAMPTON
Horizontal Property Regime

North Myrtle Beach
Horry County
South Carolina

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SOUTH HAMPTON

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**MASTER DEED OF
SOUTH HAMPTON
HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED, pursuant to the provisions of S.C. Code Section 27-31-10, et seq.. 1976 Code of Laws, as amended As made and executed in Horry County, South Carolina, this 17th day of March , 1987, by Rank Development, Inc.

WITNESSETH;

WHEREAS, on June 12, 1986, Rank Development, Inc. did record a Declaration of Covenants, Conditions and Restrictions for Kingston Plantation in the Office of the Horry County Clerk of Court in Deed Book 1052, page 290, which imposes certain covenants, conditions and restrictions upon the real estate described therein in order for Rank Development, Inc. its successors and assigns to construct and develop thereon a mixed use residential, resort and commercial development, and

WHEREAS, that mixed use residential, resort and commercial development is presently known as "Kingston Plantation", and

WHEREAS, Rank Development, Inc. wishes to submit to the provisions of the South Carolina Horizontal Property Act, S. C. Code Section 27-31-10, et seq., 1976 Code of Laws, as amended, a portion of "Kingston Plantation", as herein after defined and referred to as the "Property", as a residential condominium project.

NOW THEREFORE, RANK DEVELOPMENT, INC. , HEREBY PUBLISHES AND DECLARES that the Property as hereinafter defined ,is herewith submitted to the terms and provisions of the South Carolina Horizontal Property Act and that, hereafter, it shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the South Carolina Horizontal Property Act and to the within covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property as hereinafter defined, and the division thereof into residential condominium units, and which shall run with the land and be a burden and a benefit to Declarant, its successors, assigns and successors in title and to all other persons acquiring or owning an interest in the units, their grantees, successors, ' heirs, executors, administrators, devisees and assigns.

ARTICLE I
DEFINITIONS

As used in this Master Deed and the_ other condominium documents, unless the context otherwise requires:

1.1 "Act" means the South Carolina Horizontal Property Act, S.C. Code Section 27-31-10, et seq., 1976 Code of Laws, as heretofore amended, and as the same may be hereafter amended from time to time.

1.2 "Appraisal" means a determination of the fair market value of the property or any portion thereof by the Horry County Real Estate Board or, in the event the Horry County Real Estate Board ceases to exist or fails or refuses to designate an appraiser within a reasonable time after receipt of a request therefor, by an appraisal conducted by a real estate appraiser of recognized standing selected by the Board of Directors who is a member of or is licensed or sanctioned by the American Institute of Real Estate Appraisers or other similar professional society of real estate appraisers.

1.3 "Assessment" means a Co-Owner's share of the common expenses which from time to time are assessed against a Co-owner by the Association in the manner herein provided and other costs and expenses which from time to time are assessed against a Co-Owner in accordance with the terms of the Master Deed.

1.4 "Association" shall mean the Kingston Plantation Master Association, Inc., its agents, successors and assigns, a South Carolina not-for-profit corporation;

1.5 "Building" means the structure containing the Units.

1.6 "Bylaws" means the Bylaws of South Hampton Home Owners Association, Inc. annexed to this Master Deed, as amended from time to time as therein provided.

1.7 "Common expense" means those items as defined in Article IV of this Master Deed,

1.8 "Condominium" means that form of ownership established by the provisions of the Act under which space intended for independent use is owned by an Owner or Owners in fee simple and the parts of the Property other than such independently owned spaces are owned by all such Owners in undivided interests, which undivided interest are appurtenances to the respective independently owned spaces.

1.9 "Common Elements" shall mean all parts of the

Property, including the land submitted to this Master Deed, other than Units.

1.10 "Co-Owner" or "Owner" means an individual, person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which owns a Unit.

1.11 "HOA" shall mean the South Hampton Home Owner's Association, Inc., its agents, successors and assigns, a South Carolina not for profit corporation;

1.12 "Declarant" means Rank Development, Inc., its successors and assigns.

1.13 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Kingston Plantation recorded in the Horry County Clerk of Court's Office in Deed Book 1052, page 290.

1.14 "Limited Common Element" means any portion of the Common Elements reserved for the exclusive use of less than all the Owners.

1.15 "Master Deed" means the within Master Deed of South Hampton Horizontal Property Regime.

1.16 "Majority" or "Majority of Co-Owners" means 51% or more of the Percentage Interests on the Common Elements, as set forth in this Master Deed.

1.17 "Mortgage" means any mortgage, deed of trust or other security instrument used for the purpose of subjecting real property to a lien or encumbrance as security for indebtedness.

1.18 "Person" means an individual, corporation, ^ partnership, association, trustee or other legal entity, or any combination thereof.

1.19 "Property" or "Project" shall mean and include (1) the Land as hereinafter defined and all improvements constructed thereon and all easements, rights and appurtenances belonging thereto, and (2) a perpetual easement for the construction, maintenance and operation of a property cooling tower servicing the Land and located approximately 100 feet North of the Property, which easement shall include the right to construct, maintain and operate overhead or underground pipes, wires, flues and conduits running between the property cooling tower and the Property, which easement Declarant hereby bargains, grants, assigns and conveys as part of the Property submitted to the Act.

1.20 "Quorum" means the presence in person or by proxy of a majority of Co-Owners.

1.21 "Unit" means a part of the Property intended for any type of independent use including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in the Building with a direct exit to a public street or highway or to a Common Element or Common Area as defined in the Declaration leading to such street or highway. Units are designated by "Unit Numbers."

ARTICLE II
THE PROPERTY

2.1 Land. The land ("Land") which is subject to this Master Deed is that certain tract described in Exhibit A attached hereto and consisting of square feet which is owned by the Declarant in fee simple and which is herewith submitted to the Act subject to certain rights-of-way, easements and the covenants and provisions of the Declaration. Declarant has constructed sidewalk and parking areas and has constructed roadways providing ingress and egress to and from Kings Road, as shown on plats attached hereto as Exhibit S. These sidewalks, parking areas and the roadways are not Common Area, as defined in the Declaration, and in accordance with Paragraph 2.3 of the Declaration, Declarant herewith conveys to each Owner of a Unit and to every permitted occupant of that Unit, a non-exclusive, temporary easement over, upon and across the parking area and roadways shown on Exhibit S for parking in the parking area and for ingress and egress to and from Kings Road along the roadways and over, upon and across the sidewalks, walkways, paths or other areas so designated by Declarant to, from and between the parking area and the owner's or occupant's Unit, as shown on Exhibit S. These non-exclusive easements are temporary only and shall automatically terminate, and become null and void, immediately upon such areas being designated as Common Area under the Declaration, and/or upon incorporation of any part of the roadways into another horizontal property regime, the Master Deed of which establishes or conveys a permanent, non-exclusive, unrestricted easement for passage over that portion of the roadways by owners of Units created by this Master Deed. Declarant reserves the right in its sole discretion to relocate these areas, and the temporary easements over them, without notice to any Owner or occupant of a Unit, at any time prior to their designation as a Common Area under the Declaration, or their inclusion within another Master Deed provided however, that no fewer parking spaces shall be provided by Declarant. In such event, Declarant shall, and is especially empowered to, prepare and record in the Horry County Clerk of Court's Office an amendment to this Master Deed, amending Exhibit S hereto, to show the revised areas of these non-exclusive easements, without notice to or consent by Owners or occupants of Units, such amendment to be effective upon recordation in the Clerk of Court's Office. A pedestrian walkway, which is not part of the Land, adjoins the Building on the western side and affords access from the Building to other property of Declarant. This pedestrian walkway is the separate property of Declarant and it is the intention of Declarant to

include the walkway into another horizontal property regime at some time in the future. Until its inclusion in another horizontal property regime, Declarant shall be solely responsible for the repair and maintenance of the walkway and solely responsible for all liabilities/ property damage and personal injury which may arise or be asserted in connection with it or its condition or state of repair. Upon the inclusion of the walkway into another horizontal property regime/ the new regime shall become solely and completely responsible for all liabilities in connection with the walkway and for the repair and maintenance of the walkway and Declarant shall have no further or continuing liability -or responsibility to any person or entity or to any Co-owner or the within HOA in connection therewith. The use of the walkway by any Co-owner or permitted occupant of any Unit shall only be by permission of Declarant or such other horizontal property regime and subject to such reasonable rules or regulations as may be adopted by them.

2.2 Building. Declarant has constructed, as part of the Property, a sixteen (16) story .Building containing 144 residential condominium Units ("Units" or, singular, "Unit") . The building contains 264,500 sq. ft. of area. Of the 144 Units, 30 are Type One Units, 15 are Type Two Units, 13 are Type Three Units, 14 are Type Four Units, 56 are Type Five Units, 13 are Type Six Units and 3 are Type Seven Units. The Building also contains, among other things, a lobby, halls, three (3) elevators and a central garbage chute, and the Land includes a swimming pool. The horizontal location of the Building and other improvements on the Land is shown on Exhibit B. The vertical location of the Building and other improvements on the Land is shown on Exhibits N, O and P. The floor plans of the Building, which show the dimensions, area and location of the common elements affording access to each Unit, are shown on Exhibits C, D, E and F.

2.3 Units. The Units are described as follows:

(a) The types of Units are as follows:

(i) A Type One Unit is a lock-out unit and contains a living and dining area, two bedrooms, two baths, a kitchen, a utility area and related storage areas and contains one thousand three hundred fifty one square feet of heated area.

(ii) A Type Two Unit contains a living and dining area, two bedrooms, two bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand eighty eight square feet of heated area.

(iii) A Type Three Unit contains a living and dining area, two bedrooms, two bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand one hundred fifty seven square feet of heated area.

(iv) A Type Four Unit is a lock-out unit and contains a living and dining area, two bedrooms, two bathrooms, a kitchen, a utility area and related storage areas and contains one thousand eighty eight square feet of heated area.

(v) A Type Five Unit is a lock-out unit and contains a living and dining area, three bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand three hundred ninety two square feet of heated area.

(vi) A Type Six Unit is a lock-out unit and contains a living and dining area, three bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand five hundred thirty two square feet of heated area.

(vii) A Type Seven Unit is a lock-out unit and contains a living and dining area, four bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand seven hundred forty three square feet of heated area.

(b) The boundaries of each Unit shall be as follows:

(i) The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the vertical boundaries:

A. Upper boundary: The horizontal plane of the bottom undecorated surface of the ceilings of each Unit;

B. Lower boundary: The horizontal plane of the upper surface of the undecorated concrete floor slab.

(ii) The vertical boundaries of each Unit shall be the vertical plane of all undecorated and unfinished inner surfaces of all perimeter walls bounding the Unit extended to the intersections with each other and with the upper and lower boundaries of each Unit.

(c) The balconies abutting any Unit are limited common elements appurtenant to those Units to which they attach and their use is restricted to Units to which they are appurtenant. Maintenance, other than structural, and upkeep of each balcony shall be the primary responsibility of the Owner of the Unit to which that balcony is appurtenant and the secondary responsibility of the HOA.

(d) All doors and windows which are within the perimeter walls of a Unit shall be deemed a part of said Unit.

(e) All pipes, wires or other conduits running to and from all electrical, television telephone, water and sewer installations within a particular Unit, which branch off from or run from a common pipe or wire serving more than one Unit, shall be part of a Unit from the point at which it branches off from the common pipe or wire regardless of whether or not said pipe or wire is within the perimeter of a Unit* The upkeep and maintenance of said pipes and wires shall be the responsibility of the Owner of the Unit. All other pipes and wires are part of the Common Elements and the upkeep and maintenance of the same shall be the responsibility of the HOA.

(f) All load bearing walls located within a Unit constitute a part of the common elements up to the unpainted finished surface of said walls.

(g) A set of floor plans of the Units which show graphically the dimensions area and location of the Units are set forth in Exhibits G, H, I, J, K, L and M attached hereto.

(h) The ownership of each Unit shall encompass, and there shall pass with each Unit as appurtenances thereto whether or not separately described, all of the rights, title and interest of a Co-Owner in the Property, which shall include but be not limited to:

(i) Membership in the HOA composed of all Co-Owners* Membership in the HOA shall include the right to vote on all matters which under the Master Deed and By-Laws are to be decided by the Co-Owners. Each Co-Owner shall be entitled to a vote equal to his percentage of ownership in the common elements as set forth in Exhibit Q, and

(ii) The Co-Owners' undivided Percentage Interest as hereinafter defined in the common elements which shall be the percentage allocated to each unit as set forth in Exhibit Q.

(i) Any Co-Owner, including Declarant, may, with respect to a Type Five Unit or Type Six Unit, remove all or a portion of any non-load bearing wall provided the Co-Owner obtains the advance written approval of the HOA to do so, which approval shall be given to the Co-Owner upon the HOA's satisfaction that the wall is in fact non-load bearing and non-structural and that its removal shall not cause any harm or damage to the Co-Owner's Unit, to other Units in the Building or the Building itself, and upon the Co-Owner agreeing to be solely responsible for all losses, costs and liabilities which may arise on account of or in connection

with the wall's removal. The HOA may impose reasonable conditions upon such approval, including, but not limited to the requirement for liability and/or property damage insurance insuring the HOA or other Co-Owners. The removal of all or a portion of any wall shall not have the effect of changing the type of unit, the statutory value attributable to the Unit and the percentage of interest in the Common Elements and Limited Common Elements attributable to the Unit.

2.4 Common Elements. Common Elements consist of all Land and improvements, excluding the Units as described above, including, but not limited to, the Land, exterior walls and roofs.

The Board of Directors has the authority to execute, acknowledge, deliver and record, on behalf of the Co-Owners, easements, rights of way, licenses and similar interests affecting the Common Elements.

2.5 Limited Common Elements. Limited Common Elements are those Common Elements including, but not limited to, doorsteps, balconies and all exterior doors and windows which are designed to serve less than all the Units to the exclusion of the other Units and located outside a Unit boundary. Limited Common Elements are limited in their use to the Units to which they are assigned.

2.6 Percentage of Undivided Ownership Interest. Each Co-Owner of a Unit shall own an undivided percentage interest ("Percentage Interest") in the Common Elements, which interest shall not be separately owned or conveyed. The undivided Percentage Interest in the Common Elements appertaining to each Unit, together with the statutory basic value of each unit, is set forth in Exhibit Q attached hereto. The undivided Percentage Interest of each Co-Owner in the Common Elements shall be an inseparable part of the Co-Owner's Unit and no partition of these interests is permitted or allowed.

2.7 Voting Rights. Each Co-Owner shall have such voting rights in the HOA as is equivalent to the undivided Percentage Interest in the Common Elements pertaining to the said Co-Owner's Unit.

2.8 Name. The name by which the Horizontal Project Regime shall be known is South Hampton Horizontal Property Regime.

ARTICLE III

SOUTH HAMPTON CONDOMINIUM OWNERS ASSOCIATION, INC.

3.1 Formation. Every Co-Owner, as hereinafter defined, shall be a member of and constitute the South Hampton Home Owners Association (the "HOA"), a South Carolina Not For Profit Corporation, which shall be managed by a board of directors

(the "Board of Directors") elected by and from the Co-Owners and managed by a professional, administrator (the "Manager").

3.2 Bylaws. The HOA and the administration of the Project shall be governed by the bylaws ("Bylaws") set forth in Exhibit R. The Bylaws may be modified or amended only in the manner set forth in Article VIII hereof.

3.3 Voting. On all matters relating to the HOA or to the Project upon which a vote of the Co-Owners is conducted, the Co-Owners shall vote in proportion to their respective Percentage Interests in the Common Elements as set forth in Exhibit Q. Each Unit shall have, for purposes of voting, such vote as is proportionate to that Unit's respective Percentage Interest in the Common Elements as set forth in Exhibit Q. All action taken by a vote of the Co-Owners shall be by majority vote unless a different vote is specified in this Master Deed or in the Bylaws.

3.4 Binding Effect. All agreements, decisions and determinations lawfully made by the HOA in accordance with the voting percentages established in the Act, this Master Deed or the Bylaws shall be deemed to be binding on all Co-Owners.

ARTICLE IV

ASSESSMENTS

4.1 Agreement to Pay Assessments. Declarant, for each Unit owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants and each Co-Owner of any Unit by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the HOA to pay to the Association all Association Assessments as hereinafter defined.

4.2 Association Assessments. The Project is located within the Development known as Kingston Plantation and the HOA is a member of the Association. Assessments for Common Expenses and special assessments shall be made against each Co-Owner by the Association to be collected from the Co-Owners and paid to the Association by the HOA in accordance with and pursuant to the terms and provisions of the Declaration and of the Association's Articles and By-Laws. These expenses and assessments shall be referred to herein as the "Association Assessments".

4.3 HOA Expenses. The HOA shall be responsible for, and shall treat as Common Expenses, the Association Assessments, the costs of HOA administration, which shall include all expenses of the Project which are not the obligation of any individual Co-Owner, HOA reserve fund assessments and costs of maintenance, repair, replacement and insurance of, and utilities (including garbage service but excluding telephone service) for, the Project, any deficit remaining from a previous period, creation of reasonable contingency reserves and any other expenses and liabilities which may be incurred by the HOA for the benefit of all Co-Owners under or by reason of this Master Deed (herein

collectively referred to as the "HOA expenses") . The HOA shall treat as common surplus the excess of HOA revenues over HOA expenses.

4.4 Apportionment. Common surplus shall be owned and HOA expenses (except for Association Assessments which shall be borne equally by each Co-Owner) shall be distributed and allocated among and be the obligation and liability of the Co-Owners in proportion to their respective Percentage Interests.

4.5 Annual Budget. On or before December 1 of each year, the Board shall prepare or cause to be prepared and adopt an operating budget for the upcoming calendar year. The budget shall itemize the estimated HOA expenses for such calendar year, taking into consideration anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period. Declarant shall estimate the budget for the first calendar year of the HOA or portion thereof.

4.6 Notice and Payment. The HOA shall furnish to each Co-Owner a copy of the budget and notify each Owner as to the amount of the annual assessment (including the Association Assessment) with respect to his Unit on or before December 15 each year for the next year following such date. The annual assessment shall be payable in four equal quarterly installments ("HOA Assessments") due on the 10th day of the months of January, April, July and October during the calendar year to which the assessment relates. The HOA shall remit all HOA Assessments to the Association by the fifteenth day of those months. All unpaid installments of any HOA 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 allowed by applicable law) from the date each such installment is due until paid. The failure of the HOA to give timely notice of any HOA Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Master Deed or a release of any Co-Owner¹ from the obligation to pay such assessment or any other assessment; but the date when the 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 Co-Owner in the manner provided in this Master Deed.

4.7 Special Assessments. In addition to the HOA regular assessments authorized by this Article, the HOA may levy, at any time and from time to time, upon affirmative vote of a majority of the Board of Directors of the HOA, a special assessment in an amount up to ten (10) percent of the prior years budget, payable over such period as the HOA may determine, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Master Deed (including without limitation HOA expenses). Such special

assessments, if any, shall be included within any and all references to HOA Assessments. This Section shall not be construed as an independent source of authority for the HOA to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Co-Owners in proportion to their respective Percentage Interests. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Co-Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall incur a late charge of \$25.00 per month or any portion of any month (or at such lesser rate equal to the maximum interest rate allowed by the applicable law) from the date such portions become due until paid. All funds received from assessments under this Section shall be part of HOA funds.

4.8 Additional Special Assessments. In addition to the HOA regular assessments authorized by this Article, the HOA may levy, at any time and from time to time, upon affirmative vote of at least fifty-one (51%) of the total votes of the HOA, special assessments, payable over such period as the HOA may determine, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Master Deed (including without limitation HOA expenses). Such special assessments, if any, shall be included within any and all references to HOA Assessments. This Section shall not be construed as an independent source of authority for the HOA to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Co-Owners in proportion to their respective Percentage Interests. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Co-Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall incur a late charge of \$25.00 per month or* any portion of any month (or at such lesser rate equal to the maximum interest rate allowed by the applicable law) from the date such portions become due until paid. All funds received from assessments under this Section shall be part of HOA funds.

4.9 Association Lien. Each Co-Owner, by acceptance of a deed to a Unit, and the HOA herewith bargain, sell, grant and convey to the HOA a lien against all Common Elements to secure the full and prompt payment of all HOA Assessments. By acceptance of a deed to a Unit, each Co-Owner also bargains, sells, grants and conveys to the Association a lien upon his Unit to secure the full and prompt payment of all Association Assessments in accordance with and pursuant to the terms and conditions of the Declaration.

4.10 Lien for HOA Assessments. All sums assessed to Co-Owners pursuant to the provisions herein and in the By-Laws,

together with interest thereon as provided herein, shall be secured by a lien on their respective Units in favor of the HOA which lien shall be prior to all other liens upon the Unit except: (a) Tax liens in favor of any assessing Unit; and (b) Prior Mortgages duly recorded, encumbering the Unit. To evidence a lien for sums assessed pursuant hereto, the HOA may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Co-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 HOA 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 HOA in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure/ the Co-Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Co-Owner shall also be required to pay to the HOA 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 HOA shall have the right and power to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit. When the purchaser of a Unit obtains title to the Unit as a result of foreclosure of a mortgage, such purchaser, his successors and assigns, which may include but not be limited to the Mortgagee, shall not be liable for any of the HOA Assessments chargeable to such Unit accruing after the date of recording such Mortgage but prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of HOA expenses shall be deemed to be HOA expenses collectible from all Co-Owners, including such purchaser, his successors and assigns. The provisions of this section, however, shall not release any Co-Owner from personal liability for unpaid assessments. The rights of the HOA herein shall be in addition to any other rights provided by law with respect to liens for and collection of unpaid assessments.

4.11 Personal Obligation of Owner. The amount of any HOA Assessment against any Unit shall be the personal obligation of the Co-Owner of such Unit to the HOA. Suit to re-cover a money judgment for such personal obligation shall be maintainable by the HOA without foreclosing or waiving the lien securing the same. No Co-Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his Unit or by waiving any services or amenities provided for in this Master Deed. In the event of any suit to recover a money judgment for unpaid, assessments hereunder, the involved Co-Owner shall pay the costs and expenses incurred by the HOA in connection therewith, including reasonable attorneys' fees.

4.12 Statement of Account. Upon payment of a reasonable fee not to exceed \$50.00 and upon written request of any Co-Owner, Mortgagee, prospective Mortgagee or prospective purchaser of a

Unit, the HOA 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 HOA Assessments and the date or dates upon which installments thereof become due.

(c) Credit for advanced payments or prepaid items, including without limitation the Co-Owner's share of prepaid insurance premiums.

Such statement shall be conclusive upon the HOA in favor of persons who rely thereon in good faith.

4.13 Personal Liability of Purchaser. Subject to the provisions herein, a purchaser of a Unit shall be jointly and severally liable with the seller thereof for all unpaid HOA Assessments against such Unit up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

4.14 Audited Financial Statements. At least ten (10) days prior to the annual meeting of the HOA, the Board shall cause an audited financial statement of the HOA to be prepared and distributed to the members.

4.15 Default by HOA in Payment of Taxes or Assessments for Public Improvements. Upon default by the HOA, for a period of six months or more, in making payment to the governmental authority entitled thereto of any taxes levied against the common elements and the Project or of any assessments for public improvements to the common elements and the Project, each Co-Owner shall be personally obligated to pay to the taxing or assessing authority a portion of such unpaid taxes or assessments in an amount determined by computing the share due said governmental authority in relation to the Co-Owner's Unit value as set forth in this* Master Deed and said unpaid taxes and assessments shall constitute a lien on the Unit.

4.16 Subordination of the Lien to Mortgage. The lien of the unpaid taxes and assessments provided for herein shall be subordinate to the lien of any first mortgage on the Unit. A sale or transfer of any Unit shall not affect the lien except, however, in the case of the sale or transfer of any Unit pursuant to a decree of foreclosure of a first mortgage, which mortgage became due prior to such sale or transfer. In this case, any assessment that became due prior to said sale shall be extinguished. No such sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due.

4.17 Records. The Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and disbursements affecting the Project

and its administration and specifying the expense of maintenance and repair of the Common Elements. The book shall be available for examination by all Co-Owners during normal business hours.

ARTICLE V
EASEMENTS, COVENANTS AND RESTRICTIONS

5.1 Use of Project. Each Co-Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Co-Owner may also use the Common Elements in accordance with the uses for which they are intended as long as such use does not hinder or encroach upon the rights of other Co-Owners. The following restrictions shall apply to the use of the Units and the Common Elements:

(a) The Project shall be used only for residential purposes.

(b) No business shall be allowed upon the Project, nor any use or practice which shall be a nuisance to residents or which interferes with the peaceful possession and proper use of the Project by other residents.

(c) Each Co-Owner shall keep his Unit in a good state of maintenance and repair and shall repair and replace when necessary, at his expense, portions of the Unit which are within the boundaries of the Unit.

(d) The Project shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate on the Project nor shall any fire hazard be allowed to exist.

(e) No gas burning grills shall be kept in any Unit or on any balcony.

(f) No immoral, improper, offensive or unlawful use shall be made of the Project or any part thereof and all owners, their families, invitees and guests, shall abide by all rules and regulations of the HOA, all zoning ordinances and regulations of all governmental bodies having jurisdiction thereof.

(g) Entire Units may be rented, leased or subleased. Any lease agreements shall provide that the terms and conditions of the same shall be subject in all respects to the provisions of the Master Deed and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall constitute a default under the lease. All leases shall be in writing,

(h) Reasonable regulations concerning the use and occupancy of the Units may be promulgated from time to time by the Board of Directors. Copies of such

regulations and amendments thereto shall be furnished by the Manager or Board of Directors to all Co-Owners and each owner, his lessee and persons living with the owner or his lessee shall comply with such regulations and with the Master Deed and Bylaws.

(i) No signs, flags or advertising devices of any kind shall be displayed to public view on or for any Unit or the Common Elements without the Board's prior consent. Provided, however, that the Board shall have the right to erect such directionals or other signs as it deems necessary to properly designate the various buildings and Units, to aid Co-Owners and renters in locating Units and Common Elements and for other purposes.

(j) Owners shall be permitted to keep common household pets, including but not limited to, dogs and cats, within their Unit subject to the rules, regulations and policies adopted by the HOA. At no time and under no circumstances will renters or guests be allowed to maintain or harbor pets in any Unit or within any common area.

5.2 Utility Easements. There shall be appurtenant to each Unit a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Unit and situated in any other Unit. Each Unit shall be subject to an easement in favor of other Units for the use of all pipes, wires, ^cables, conduits, utility lines, flues and ducts situated in such Unit and serving the other Units.

5.3 Easement to Declarant. Declarant reserves for itself, its successors and assigns, the right to maintain a sales office on the Project, to maintain model Units, to erect signs and to show Units. Declarant also reserves unto itself, its successors and assigns and successors in title, a perpetual easement over the Common Elements for ingress to, egress from, travel over, construction, maintenance and operation of utilities and utility easements and construction, maintenance and operation of all types of improvements whatsoever, on, under, over and across the Common Elements for the benefit of the Development and all owners, occupants, guests and invitees therein.

5.4 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a Unit or Units, (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the HOA, (iii) repair or reconstruction of a Unit or Units following damages by fire or other casualty or (iv) the institution of any condemnation or eminent domain proceedings, an easement shall exist for such encroachment and for the maintenance of the same so long as the Project remains subject to the Act.

5.5 Right of Access. The HOA shall have the irrevocable right, to be exercised by the Manager or the Board of Directors and their designated agents and representatives, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Limited and General Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit, and such access to Units as required for extermination and pest control.

5.6 Maintenance of Common Elements. Maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed and the Bylaws. To the extent that the HOA provides any maintenance or repair of the Limited Common Elements described in Section 2.3(c) herein, then the Owner(s) of the affected Unit(s) shall immediately, upon receipt of an invoice from the HOA, fully reimburse the HOA for all costs of such maintenance or repair services, which liability shall be considered as an additional HOA assessment against the Owner(s) and the Unit(s).

5.7 Prohibited Work. No Co-Owner shall, do any work on or in his Unit which would jeopardize the soundness or safety of the Project, reduce the value thereof or impair any easement or hereditament. Further, no Co-Owner or resident shall paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

5.8 Partition. The Common Elements; shall remain undivided and no Owner or any other person shall bring any action for partition or division of any part thereof, unless the Project has been removed from the provisions of the Act in the manner therein provided.

ARTICLE VI

INSURANCE

6.1 General. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereafter provided, including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other horizontal property regimes similar in construction, design and use, which insurance shall be governed by the provisions of this Article.

6.2 Coverage. For the benefit of the HOA and the Co-Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the HOA's funds, the following insurance:

(a) A master policy, or subscription policies, of casualty insurance on all Units, Common Elements and Limited Common Elements and all personal property owned by the HOA located therein, with extended coverage, special extended coverage and use and occupancy coverage for at least one hundred

and its administration and specifying the expense of maintenance and repair of the Common Elements. The book shall be available for examination by all Co-Owners during normal business hours.

ARTICLE V

EASEMENTS, COVENANTS AND RESTRICTIONS

5.1 Use of Project. Each Co-Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Co-Owner may also use the Common Elements in accordance with the uses for which they are intended as long as such use does not hinder or encroach upon the rights of other Co-Owners. The following restrictions shall apply to the use of the Units and the Common Elements:

(a) The Project shall be used only for residential purposes.

(b) No business shall be allowed upon the Project, nor any use or practice which shall be a nuisance to residents or which interferes with the peaceful possession and proper use of the Project by other residents.

(c) Each Co-Owner shall keep his Unit in a good state of maintenance and repair and shall repair and replace when necessary, at his expense, portions of the Unit which are within the boundaries of the Unit.

(d) The Project shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate on the Project nor shall any fire hazard be allowed to exist.

(e) No gas burning grills shall be kept in any Unit or on any balcony.

(f) No immoral, improper, offensive or unlawful use shall be made of the Project or any part thereof and all owners, their families, invitees and guests, shall abide by all rules and regulations of the HOA, all zoning ordinances and regulations of all governmental bodies having jurisdiction thereof.

(g) Entire Units may be rented, leased or subleased. Any lease agreements shall provide that the terms and conditions of the same shall be subject in all respects to the provisions of the Master Deed and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall constitute a default under the lease. All leases shall be in writing.

(h) Reasonable regulations concerning the use and occupancy of the Units may be promulgated from time to time by the Board of Directors* Copies of such

regulations and amendments thereto shall be furnished by the Manager or Board of Directors to all Co-Owners and each owner, his lessee and persons living with the owner or his lessee shall comply with such regulations and with the Master Deed and Bylaws.

(i) No signs, flags or advertising devices of any kind shall be displayed to public view on or for any Unit or the Common Elements without the Board's prior consent. Provided, however, that the Board shall have the right to erect such directionals or other signs as it deems necessary to properly designate the various buildings and Units, to aid Co-Owners and renters in locating Units and Common Elements and for other purposes.

(j) Owners shall be permitted to keep common household pets, including but not limited to, dogs and cats, within their Unit subject to the rules, regulations and policies adopted by the HOA. At no time and under no circumstances will renters or guests be allowed to maintain or harbor pets in any Unit or within any common area.

5.2 Utility Easements. There shall be appurtenant to each Unit a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Unit and situated in any other Unit. Each Unit shall be subject to an easement in favor of other Units for the use of all pipes, wires, "cables, conduits, utility lines, flues and ducts situated in such Unit and serving the other Units.

5.3 Easement to Declarant. Declarant reserves for itself, its successors and assigns, the right to maintain a sales office on the Project, to maintain model Units, to erect signs and to show Units. Declarant also reserves unto itself, its successors and assigns and successors in title, a perpetual easement over the Common Elements for ingress to, egress from, travel over, construction, maintenance and operation of utilities and utility easements and construction, maintenance and operation of all types of improvements whatsoever, on, under, over and across the Common Elements for the benefit of the Development and all owners, occupants, guests and invitees therein.

5.4 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (i) settling of a Unit or Units, (ii) repair, alteration or reconstruction of the Common Elements made by or with the consent of the HOA, (iii) repair or reconstruction of a Unit or Units following damages by fire or other casualty or (iv) the institution of any condemnation or eminent domain proceedings, an easement shall exist for such encroachment and for the maintenance of the same so long as the Project remains subject to the Act.

5.5 Right of Access. The HOA shall have the irrevocable right, to be exercised by the Manager or the Board of Directors and their designated agents and representatives, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Limited and General Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit, and such access to Units as required for extermination and pest control.

5.6 Maintenance of Common Elements. Maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in the Act, this Master Deed and the Bylaws. To the extent that the HOA provides any maintenance or repair of the Limited Common Elements described in Section 2.3(c) herein, then the Owner(s) of the affected Unit(s) shall immediately, upon receipt of an invoice from the HOA, fully reimburse the HOA for all costs of such maintenance or repair services, which liability shall be considered as an additional HOA assessment against the Owner(s) and the Unit(s).

5.7 Prohibited Work. No Co-Owner shall do any work on or in his Unit which would jeopardize the soundness or safety of the Project, reduce the value thereof or impair any easement or hereditament. Further, no Co-Owner or resident shall paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

5.8 Partition. The Common Elements shall remain undivided and no Owner or any other person shall bring any action for partition or division of any part thereof, unless the Project has been removed from the provisions of the Act in the manner therein provided.

ARTICLE VI

INSURANCE

6.1 General. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereafter provided, including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other horizontal property regimes similar in construction, design and use, which insurance shall be governed by the provisions of this Article.

6.2 Coverage. For the benefit of the HOA and the Co-Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the HOA's funds, the following insurance:

(a) A master policy, or subscription policies, of casualty insurance on all Units, Common Elements and Limited Common Elements and all personal property owned by the HOA located therein, with extended coverage, special extended coverage and use and occupancy coverage for at least one hundred

percent (100%) of the replacement value of all Units, Common Elements and Limited Common Elements, and all HOA personal property located therein, and such other fire and casualty insurance as the Board of Directors shall deem necessary for the protection of the Co-Owners, and their mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee, or mortgagees, of each Unit, if any; provided, however, that notwithstanding such loss payable endorsement, the application of all proceeds recovered thereunder shall be determined by the Board of Directors in its sole discretion.

(b) A master policy, or subscription policies, insuring the HOA, its Board of Directors, the Co-Owners and HOA Manager against any liability to the public and Co-Owners and their invitees or tenants, occurring in, on or about the Units, Common Elements and Limited Common Elements, or any thereof, arising out of, or incident to, the ownership or any use of the Project, and including the personal liability of the Co-Owners. Limits of liability under such insurance shall be not less than One Million (\$1,000,000.00) Dollars for all persons injured in any one accident and not less than Five Hundred Thousand (\$500,000.00) Dollars for property damage in each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and to be increased in its discretion). The policy, or policies, shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insured's under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

(c) Workers Compensation Insurance to the extent necessary to comply with any applicable laws; and

(d) Such other types of insurance or coverage's that the Board, in its sole discretion, deems advisable and in the best interests of the HOA.

(e) Insurance Underwriter. All policies shall be written by a company, or companies, falling into a financial category, as designated in Best's Key Rating Guide, of no less than Class A +10.

(f) Adjustment of Losses. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the HOA or its authorized representative acting on behalf of all insured's, including Co-Owners and their mortgagees.

(g) Contribution. In no event shall the insurance coverage obtained and maintained by the HOA hereunder be brought into contribution with insurance purchased by Co-Owners or their mortgagees.

(h) Co-Owner/s Insurance. Each Co-Owner may obtain additional insurance at his own expense; provided, however, that

no Co-Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the HOA, on behalf of all the Co-Owners, may realize under any insurance policy that the Board of Directors may have in force on the Project at any particular time.

(i) Notice to HOA» Any Co-Owner who obtains individual insurance covering any portion of the Project, other than the Co-Owner's Unit or personal effects belonging to such Co-Owner, shall file a copy of such individual policy or policies with the HOA's Directors within thirty (30) days after purchase of such insurance.

(j) Policy Provisions. The HOA must make every effort to secure insurance policies containing the following provisions:

(i) A waiver of subrogation by the insurer as to any claim against the HOA, Manager, Co-Owners and their respective servants and agents;

(ii) A provision that the master policy on the Project cannot be cancelled, invalidated or suspended on account of the conduct of any Co-Owner, the HOA, any officer or employee of the HOA, or HOA Manager, without demand in writing thirty (30) days prior to such cancellation, invalidation or suspension that the HOA or HOA Manager cure the defect and notice of the failure thereof to do so within such period.

(iii) A provision that any "other insurance" clause in the master policy exclude individual Co-Owner's policies from consideration; and

(iv) A provision that the insurer issue certificates of insurance specifying the portion of the master policy allocated to each Co-Owner's interest and that until the insurer furnishes written notice and a grace period of thirty (30) days to the mortgagee insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the Unit mortgagor-owner, the HOA or other Unit owners-mortgagors, nor cancelled for nonpayment of premiums.

(k) Annual Review. At least annually, the Board of Directors shall review all insurance carried by the HOA and such review shall include an appraisal of all improvements within the Project by a person, firm or corporation designated by the Board of Directors.

ARTICLE VII
DAMAGE TO UNITS AND PERSONAL PROPERTY:
RECONSTRUCTION AND REPAIR

7.1 In case of fire, casualty or any other disaster, the insurance proceeds of the HOA's policy and individual owner's policies shall be applied to such reconstruction, except in the event that reconstruction will comprise the whole or more than two-thirds of the Project. In such event, the damaged portion of the Project shall be reconstructed if three quarters (3/4) of the Co-Owners so consent. If not, the Co-Owners, by three-quarters (3/4) vote of all Co-Owners, may agree upon an equitable distribution to the Co-Owners of the insurance proceeds. In the absence of such agreement, the proceeds will be distributed according to South Carolina law.

7.2 Reconstruction of the damaged or destroyed portion of the Property, means restoring the Building or Property to substantially the same condition in which it or they existed prior to the fire, casualty or disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the HOA.

7.3 Repair and replacement of personal property, if insurance proceeds are sufficient to do so in whole or in part, shall be undertaken by the HOA.

7.4 If the insurance proceeds are insufficient to reconstruct the Building or Property, such damage or destruction shall be promptly repaired and restored by the Board of Directors, using the proceeds of insurance, if any, for that purpose. Co-Owners shall be liable for assessment for any deficiency.

7.5 Co-Owners and lien holders are not entitled to receive payments of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements, the Units and the personal property have been reconstructed, repaired or replaced, or unless the Project is terminated.

ARTICLE VIII
MAINTENANCE AND ALTERATION OF COMMON ELEMENTS

8.1 The maintenance and operation of the Common Elements shall be the responsibility of the HOA, which shall bear the expense of the same.

8.2 After the completion of the Common Elements there shall be no alteration of the same by the Co-Owners without the prior written approval of seventy-five (75%) percent of the Co-Owners; provided, however, that as long as Declarant owns any Units, Declarant shall have the right to make such minor alterations to the Common Elements as is necessary for the enhancement and protection of the Project.

ARTICLE IX
AMENDMENTS

9.1 By Declarant, Declarant reserves the right to amend this Master Deed, the Bylaws, the Plat and any Plans at any time prior to December 31, 1990, without the consent of any Co-Owner or Co-Owners, in order to amend, delete or make additions to the Master Deed, the Plat and any plans in order to cause the same to conform to the Building, Units, Common Elements and Limited Common Elements as the same exist after construction of the same -has been completed.

9.2 By Co-Owners, This Master Deed and the Bylaws may be amended from time to time by resolution adopted by the affirmative vote of the Co-Owners of all of the voting interests subject to "the following conditions:

(a) No amendment by the Co-owners shall alter the dimensions of a unit or the percentage of interest in the Common Elements appurtenant thereto without the consent of the Co-Owner of such unit; and

(b) No amendment by the Co-Owners shall be effective without the consent of Declarant so long as Declarant owns any unit.

9.3 Recording. No amendments to this Master Deed shall be effective unless and until recorded in accordance with the Act.

ARTICLE X
TERMINATION

10.1 This Project may be terminated as a horizontal property regime and sold only by an affirmative vote of all the Co-Owners at an HOA meeting duly called for such purpose and the consent of all mortgagees of record. Upon termination, title to the real estate to be sold shall vest in the HOA as trustee for the holders of all interests in the Units. Until all the real estate is sold and the proceeds thereof distributed, the HOA shall continue in existence with all powers that it had before the termination. Sales proceeds shall be distributed to the Co-Owners and lien holders as their interests may appear.

10.2 As a basis for distributing proceeds from the sale of the real estate following termination, the respective interests of the Co-Owners shall be their Units and their Common Element and Limited Common Element interests immediately before the termination. The fair market value of each Co-Owner's interests shall be determined by one or more independent appraisers selected by the HOA. The decision of the independent appraisers shall be distributed to the Co-Owners and become final unless within thirty (30) days after such distribution, it is disapproved by a vote of twenty-five percent (25%) of the Common Element interests.

10.3 Each Co-Owner's share of the distributable sale proceeds shall be the ratio of the appraised value of his interests to the aggregate appraised value of all Co-Owners' interests.

10.4 However, if any Unit or Limited Common Element has been destroyed to the extent that an appraisal of fair market value thereof prior to destruction cannot be made, each Co-Owner's share of the distributable sale proceeds shall be his respective undivided percentage interest in the Common Elements.

ARTICLE XI
RIGHTS OF HOLDERS OF INSTITUTIONAL FIRST MORTGAGES

11.1 Notification of Default. From and after the time a Mortgagee makes written request to the Board or the HOA therefor, the Board or the HOA shall notify such Mortgagee in writing in the event that the Co-Owner of the Unit encumbered by the Mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Master Deed.

11.2 Subordination of Lien for Assessments. The lien or claim against a Unit for unpaid assessments or charges levied by the HOA pursuant to this Master Deed or the Act shall be subordinate to (a) assessments, liens and charges for taxes past due and unpaid on the Unit; and (b) payments due under duly recorded mortgages, affecting the Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue after the date of recording of the Mortgage and prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue after the date of recording of the Mortgage and prior to the acquisition of title to such Unit by the Mortgagee (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Board or the HOA from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

11.3 Negative Covenants. Without the approval of each Mortgagee, neither the Board nor the HOA shall be entitled, by act, omission, or otherwise:

(a) To seek to abandon or terminate the Project or to abandon or terminate the arrangement which is established

by this Master Deed (except as provided in Section 7.1 hereof in the event of certain destruction or damage),

(b) To partition or subdivide any Unit;

(c) To seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Elements or the Commercial Unit except (i) for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements or the Commercial Unit or (ii) as provided in Section 7.1 hereof in the event of certain destruction or damage;

(d) To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Elements) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the even of substantial loss to the Units and/or Common Elements;

(e) To change the percentages of ownership interests allocable to Units encumbered by the Mortgage; or

(f) To alter the provisions of Section 6.2 hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

11.4 Right of Mortgagee to Examine Books and Records. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Board or the HOA. From and after the time a Mortgagee makes written request to the Board of the HOA therefor, the Board or the HOA shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Board the HOA, or the Co-Owners.

11.5 Reserves for Repairs and Replacements. The Board and the HOA shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Elements and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

11.6 Condemnation. From and after the time a Mortgagee makes written request to the Board or the HOA therefor, the Board or the HOA shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking of

(a) the Common Elements involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00); or

(b) the Unit covered by the Mortgage to such Mortgagee involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Board or said HOA learns of such damage, loss, taking or anticipated condemnation.

11.7 Priority as to Insurance Proceeds and Condemnation Awards. Nothing contained in this Declaration shall give a Co-Owner, or any other party, priority over any rights of a Mortgagee pursuant to its Mortgage in the case of a distribution to such Co-Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

11.8 Conflicting Provisions. In the event another provision or clause of this Master Deed deals with the same subject matter as is dealt with in any provision or clause of this Section, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations or limits of authority as the case may be, applicable to the Board and HOA with respect to the subject concerned.

11.9 Restrictions on Amendments. No amendment to this Section which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Section shall be accomplished by an instrument executed by the Board and filed for record in the office of the Horry County Clerk of Court. In any such instrument an officer of the HOA shall certify that any prior written approval of Mortgagees required by this Section as a condition to amendment has been obtained.

11.10 Notice of Eminent Domain Proceedings. In the event that eminent domain proceedings are commenced against the Project* or any portion thereof, the Board shall give written notice of such proceedings to all Mortgagees of record* No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XII
ADMINISTRATION BY DECLARANT

12.1 Interim Management and Administration. Until such time as control is turned over to the HOA, all references to HOA shall mean Declarant. Until such time as the HOA commences to function, the Declarant shall be responsible for the administration of the horizontal property regime and the HOA and until such time shall have all the duties and powers of the HOA including those of the Board of Directors and the Manager as specified in the Master Deed and the By-Laws and shall be performed by the Declarant and/or such other representative or agent as may be employed by the Declarant. The Declarant shall secure a Manager for the HOA who shall be entitled to reasonable compensation for

its services until control and selection of a manager is turned over to the HOA.

12.2 Turnover of Accounts. At such time as the affairs of the horizontal property regime are turned over to the HOA, the Declarant shall turn the books, records and accounts over to the HOA which shall be in balance.

ARTICLE XIII
CONDEMNATION

13.1 Condemnation. If at any time or times during the continuance of this Project pursuant to this Master Deed all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Section shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.

13.2 Representation. The HOA shall represent the Unit Owners in any condemnation proceedings with any condemning authority in regards to condemnation proceedings involving any part of the Project. Each Unit Owner appoints the HOA as attorney-in-fact for such purpose.

13.3 Proceeds. All compensation, damages and other proceeds resulting from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the HOA and shall be distributed by the HOA as herein-provided.

13.4 Complete Taking. In the event the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Co-Owners in proportion to their respective Total Percentage Interest. Such distribution shall be made by check payable jointly to the respective Co-Owners and their respective Mortgagees, as appropriate.

13.5 Partial Taking. In the event less than the entire Project is taken by power of eminent domain, the following shall occur:

(a) Allocation of Award. As soon as practicable, the HOA shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages or other proceeds and shall allocate such apportioned amounts and pay the same to the Co-Owners as follows:

(i) The total amount apportioned to the taking of or injury to the Common Elements shall be allocated among and distributed to all Co-Owners (including Co-Owners whose entire Units have been taken) in proportion to their respective Total Percentage Interests;

(ii) The total amount apportioned to severance damages shall be allocated among and distributed to the Co-Owners of those Units that have not been taken, in proportion to their respective Total Percentage Interests;

(iii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Co-Owner of such Unit;

(iv) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the HOA determines to be equitable under the circumstances;

(v) If apportionment or allocation is already established by negotiation, judicial decree, statute or otherwise, the HOA shall employ such apportionment and allocation to the extent it is relevant and applicable; and

(vi) Distribution of allocated proceeds shall be made by check payable jointly to individual Co-Owners and their respective Mortgagees, as appropriate.

(b) Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. If any partial taking results in the taking of an entire Unit, the Co-Owner thereof shall cease to be a member of the HOA. The HOA shall reallocate the voting rights and the undivided interest in the Common Elements and Commercial Unit appurtenant to such Unit in accordance with the Act.

(c) Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the provisions specified in Section 7.1 hereof for cases of Damage or Destruction.

ARTICLE XIV OBSCOLESCENCE

14.1 Adoption of Plan. Co-Owners by unanimous vote of the total votes of the HOA may agree that the Project is obsolete and may adopt a written plan for the sale or other disposition of the Project, provided that such plan has the unanimous written approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such plan shall be given to all Co-Owners.

14.2 Sale of Project. In the event of adoption of a plan for sale or other disposition in accordance with Section 15.1 hereof, the HOA shall forthwith record in the Office of the Horry County Clerk of Court, a notice setting forth such facts, and upon the recording of such notice by the HOA, the Project shall be sold or otherwise disposed of by the HOA as attorney in fact for all of the Co-Owners, Such action shall be binding upon all Co-Owners, and each Co-Owner shall have the duty to execute and

deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or other disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Co-Owners in proportion to their respective Total Percentage Interests and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the HOA and shall be further identified by the Unit designation and the name of the Co-Owner. The HOA, as attorney in fact, shall use and disburse the total amount of each such account, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Unit in favor of any governmental assessing authority, second to the assessments made pursuant to the Declaration, third to the payment of assessments made pursuant to this Master Deed, fourth to the payment of holders of other liens or encumbrances on the Unit in the order of priority of their liens, and the balance remaining, if any, to the respective Co-Owner.

14.3 Restrictions on Sale. Notwithstanding anything to the contrary contained herein, no sale or other disposition of the Project or any portion thereof may be made in violation of the Act.

ARTICLE XV
MISCELLANEOUS

15.1 Application. All Co-Owners, tenants of Co-Owners, employees of Owners and tenants, or any other persons that may in any manner use the Project or any part thereof, shall be subject to the Act and to this Master Deed and the Bylaws.

15.2 Compliance. Each Co-Owner shall comply strictly with the Bylaws and with administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed or in the deed to the Unit of such Co-Owner. Failure to comply with any of the same shall be grounds for an action to require compliance maintainable by the Manager or the Board of Directors on behalf of the HOA or, in a proper case, by an aggrieved Co-Owner.

15.3 Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

15.4 Conflicts. This Master Deed is intended to comply with the requirements of the Act and, in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall control.

15.5 Severability. The provisions of this Master Deed are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

15.6 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or proscribe the scope of this Master Deed or the intent of any provision hereof.

15.7 Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

IN WITNESS WHEREOF, Declarant has hereunto executed this Master Deed this 17th day of March , 1987.

In The Presence Of:

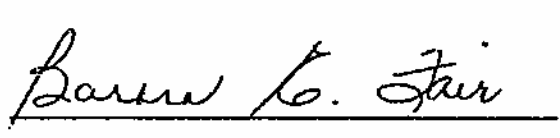
Rank Development, Inc.

Edward Davidson Floyd
Barry L. Jew

By: Trefor Thomas
PRESIDENT

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF HORRY)

Personally appeared before me the undersigned witness and made oath that (s)he saw the within named Rank Development, Inc. by Trefor Thomas its President sign, seal and deliver the within Master Deed of South Hampton Horizontal Project Regime and that (s)he with the other witness witnessed the execution thereof.



Barrow G. Fair

SWORN to and subscribed before me

this 17th day of March ,1987

Jean Davidson Floyd (L. s.)
Notary Public for South Carolina
My Commission Expires; 7-3-89

HORRY COUNTY
87 APR -7 PM 1:23
BILLY G. SHERMAN
CLERK OF COURT

1125-422

FIRST AMENDMENT TO
MASTER DEED OF
SOUTH HAMPTON
HORIZONTAL PROPERTY REGIME

Horry County
South Carolina

FIRST AMENDMENT TO
MASTER DEED OF
SOUTH HAMPTON
HORIZONTAL PROPERTY REGIME

THIS FIRST AMENDMENT TO MASTER DEED, pursuant to the provisions of South Carolina Code Section 27-31-10, et seq., 1976 Code of Laws as amended ("Horizontal Property Act" or "Act"), is made and executed in Horry County, South Carolina, this 6th day of April, 1987, by Rank Development, Inc.

W I T N E S S E T H

WHEREAS, Rank Development, Inc. heretofore executed the Master Deed of South Hampton Horizontal Property Regime dated March 17, 1987, which Master Deed was recorded in the Clerk of Court's Office for Horry County on March 18, 1987, in Deed Book 1121 at page 266, and,

WHEREAS, Declarant wishes to amend said Master Deed in order to make certain changes in the same.

DECLARANT HEREBY PUBLISHES AND DECLARES that the Master Deed of South Hampton Horizontal Regime dated March 17, 1987, and recorded in the Clerk of Court's Office for Horry County on March 18, 1987, in Deed Book 1121 at page 266 is hereby amended as follows:

(1) Subparagraph 2.2 of Article II in regards to the Building is hereby deleted in its entirety and a new subparagraph

2.2 is substituted therefor, said new paragraph 2.2 reading as follows:

(2.2) Building. Declarant has constructed, as part of the Property, a Building containing 144 residential condominium units ("Units" or, singular, "Unit"). The building contains a total of fifteen (15) floors. The building contains 264,500 sq. ft. of area. Of the 144 Units, 30 are Type One Units, 15 are Type Two Units, 13 are Type Three Units, 14 are Type Four Units, 56 are Type Five Units, 13 are Type Six Units and 3 are Type Seven units. The Building also contains, among other things, a lobby, halls, three (3) elevators and a central garbage chute, and the Land includes a swimming pool. The horizontal location of the Building and other improvements on the Land is shown on Exhibit B. The vertical location of the Building and other improvements on the Land is shown on Exhibits N, O and P. The floor plans of the Building, which show the dimensions, area and location of the

common elements affording access to each Unit, are shown on Exhibits C, D, E and F.

(2) Subparagraph 2.3(a) of Article II in regards to the Units is hereby deleted in its entirety and a new subparagraph 2.3(a) is substituted therefore, said new paragraph 2.3(a) reading as follows:

(2.3) Units. The Units are described as follows:

(a) The types of Units are as follows:

(i) A Type One Unit is a lock-out unit and contains a living and dining area, two bedrooms., two baths, a kitchen, a utility area and related storage areas and contains one thousand three hundred fifty one square feet of heated area.

(ii) A Type Two Unit contains a living and dining area, two bedrooms, two bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand one hundred three square feet of heated area.

(iii) A Type Three Unit contains a living and dining area, two bedrooms, two bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand one hundred seventy four square feet of heated area.

(iv) A Type Four Unit is a lock-out unit and contains a living and dining area, two bedrooms, two bathrooms, a kitchen, a utility area and related storage areas and contains one thousand ninety-four square feet of heated area.

(v) A Type Five Unit is a lock-out unit and contains a living and dining area, three bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand four hundred seventy five square feet of heated area.

(vi) A Type Six Unit is a lock-out unit and contains a living and dining area, three bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand five hundred thirty two square feet of heated area.

(vii) A Type Seven Unit is a lock-out unit and contains a living and dining area, four bedrooms, three bathrooms, a dressing area, a kitchen, a utility area and related storage areas and contains one thousand seven hundred ninety-eight square feet of heated area.

(3) Exhibits G, H, I, J, K, L and M attached to the Master Deed, which show the floor plans for the seven types of Units in the Building, are hereby deleted in their entirety and new Exhibits G, H, I, J, K, L and M, which show the actual number of square feet of heated area in each type of unit, is substituted therefore, said new Exhibits G, H, I, J, K, L and M being attached hereto as Schedule A.

(4) Exhibit Q attached to the Master Deed, which sets forth among other information the Unit numbers of the Units in the Building, is hereby deleted in its entirety and a new Exhibit Q, which shows revised Unit numbers for the Units located on floors 13, 14 and 15 of the Building, is substituted therefor, said new Exhibit Q being attached hereto as Schedule B.

(5) Except as amended herein, all of the provisions of the Master Deed are reaffirmed and remain unchanged.

IN WITNESS WHEREOF, Declarant has executed this First Amendment to Master Deed this 6th day of April, 1987.

RANK DEVELOPMENT, INC.

By: Trefor Thomas
Trefor Thomas, President

Witnesses:

Baron Fair
R. Renee Graham