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To THE ASSOCIATION
CLERK OF COURT

MASTER DEED

For

ROBBERS ROOST VILLAS HORIZONTAL PROPERTY REGIME NO. 2

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MASTER DEED
FOR
ROBBERS ROOST VILLAS
HORIZONTAL PROPERTY REGIME NO. 2
NORTH MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA

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Howard Nance Company, a North Carolina Corporation, having its principal office at Charlotte, County of Mecklenburg, State of North Carolina, hereinafter referred to as the GRANTOR, as the sole owner in fee-simple of the land and improvements hereinafter described, does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the lands and buildings herein below described, together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership to be known as "Robbers Roost Villas" Regime No. (2) in the manner provided for by Sections 57-494 through 57-523 (both inclusive) of Chapter 13, entitled "Horizontal Property Act of the 1962 Code of Laws of South Carolina." In conformity with Sections 57-496 and 57-503 of said Act, the Grantor sets forth the following particulars:

I.

The lands which are hereby submitted to the Horizontal Property Regime are described as follows:

ALL AND SINGULAR, that certain piece, parcel, or tract of land, shown and represented as Phase II on a map prepared by Robert L. Bellamy and Associates, dated April 29, 1974, and recorded in Plat Book 57, at page 67, records of Horry County.

On the aforesaid map, the property is shown as being bounded northwardly by Phase I; eastwardly by Villa Drive and other property of Howard Nance Company; southwardly by Robbers Roost Golf Course, and westwardly by Robbers Roost Golf Course.

The within conveyance is, however, subject to such easements for sewerage and utilities for the benefit and use of Howard Nance Company, Its Successors and Assigns, as shown upon said map, together with such right of ingress and egress as may be necessary for the use and maintenance of said easements. The conveyance is also subject to such drainage easements as appear upon said map.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof as Exhibit "A" consisting of 6 pages, is a survey of the land and graphic description and plot plans of the improvements constituting Robbers Roost Villas Regime No. 2, a Horizontal Property Regime (CONDOMINIUM), identifying the DWELLINGS and COMMON ELEMENTS, as said terms are hereinafter defined, and their respective locations and appropriate dimensions. Each DWELLING is identified by specific number on said Exhibit "A," and no DWELLING bears the same designation as any other DWELLING. Exhibit "A" is also recorded as a separate condominium plat in the public records of Horry County, maintained by the Clerk of Court.

III.

DWELLINGS AND COMMON ELEMENTS

The CONDOMINIUM consists of DWELLINGS and COMMON ELEMENTS, as said terms are hereinafter defined.

DWELLINGS, as the term is used herein, shall mean and comprise the 34 separate and numbered DWELLING units which are designed in Exhibit "A" to this Master Deed, including those areas designated Balcony, excluding, however, all spaces and improvements lying beneath the undecorated and/or

unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each Dwelling Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services to DWELLINGS and COMMON ELEMENTS. The term "Dwelling" or DWELLINGS shall be synonymous with the term "Apartment" or Apartments" as those terms are used in the Horizontal Property Act of the State of South Carolina (Code of Laws of South Carolina (Code of Laws of South Carolina S 57-494 to 57-523).

COMMON ELEMENTS, as the term is used herein, shall mean and comprise all of the real property, improvements and facilities of the CONDOMINIUM other than the DWELLINGS, as same are hereinabove defined, and shall include easements through DWELLINGS for conduits, pipes, ducts, plumbing, wiring, and other facilities for the furnishing of utility service to DWELLINGS and COMMON ELEMENTS and easements of support in every portion of a DWELLING which contributes to the support of the improvements, and shall further include all personal property held and maintained for the joint use and enjoyment of all of the owners of all such DWELLINGS.

IV.

OWNERSHIP OF DWELLINGS AND APPURTENANT INTEREST IN COMMON ELEMENTS

Each DWELLING shall be conveyed and treated as an individual property capable of independent use and fee-simple ownership, and the owner or owners of each DWELLING shall own, as an appurtenance to the ownership of each said DWELLING, an undivided interest in the COMMON ELEMENTS, the undivided interest appurtenant to each said DWELLING being that which is hereinafter specifically assigned thereto. The percentage of undivided interest in the COMMON ELEMENTS assigned to each DWELLING shall not be changed except with the unanimous consent of all of the owners of all of the DWELLINGS.

RESTRICTION AGAINST FURTHER SUBDIVIDING
OF DWELLINGS AND SEPARATE CONVEYANCE
OF APPURTENANT COMMON ELEMENTS, ETC.

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No DWELLING may be divided or subdivided into a smaller Dwelling Unit or smaller Dwelling Units than as shown on Exhibit "A" attached hereto, nor shall any DWELLING, or portion thereof, be added to or incorporated into any other DWELLING. The undivided interest in the COMMON ELEMENTS declared to be an appurtenance to each DWELLING shall not be conveyed, devised, encumbered or otherwise dealt with separately from said DWELLING, and the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING shall be deemed conveyed, devised, encumbered or otherwise included with the DWELLING even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such DWELLING. Any conveyance, mortgage, or other instrument which purports to affect the conveyance, devise or encumbrance, or which purports to grant any right, interest or lien in, to, or upon, a DWELLING, shall be null, void and of no effect insofar as the same purports to affect any interest in a DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire DWELLING. Any instrument conveying, devising, encumbering or otherwise dealing with any DWELLING which describes said DWELLING by the DWELLING Unit Number assigned thereto in Exhibit "A: without limitation or exception, shall be deemed and construed to affect the entire DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS. Nothing herein contained shall be construed as limiting or preventing ownership of any DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

VI.

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC.

The DWELLINGS and COMMON ELEMENTS shall be, and the same are hereby, declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein, governing the use of said DWELLINGS and COMMON ELEMENTS, and setting forth the obligations and responsibilities incident to ownership of each DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS, and said DWELLINGS and COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the CONDOMINIUM.

VII.

PERPETUAL NON-EXCLUSIVE EASEMENT
IN COMMON ELEMENTS

The COMMON ELEMENTS shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of DWELLINGS in the CONDOMINIUM for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of DWELLINGS. Notwithstanding anything above provided in this Article, Robbers Roost Villas, Regime No. 2, hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the owner or owners of any DWELLING may be entitled to the exclusive use of any parking space or spaces.

VIII.

EASEMENT FOR UNINTENTIONAL AND NON-
NEGLIGENT ENCROACHMENTS

In the event that any DWELLING shall encroach upon any COMMON ELEMENTS or upon any other DWELLING for any reason not caused by the purposeful or negligent act of the DWELLING owner or owners, or agents of such owner or owners, then an easement appurtenant to such DWELLING shall exist for the continuance of such encroachment

of the DWELLING upon the COMMON ELEMENTS or upon the other DWELLING so long as such encroachment shall naturally exist; and, in the event that any portion of the COMMON ELEMENTS shall encroach upon any DWELLING, then an easement shall exist for the continuance of such encroachment of the COMMON ELEMENTS into any dwelling for so long as such encroachment shall naturally exist.

IX.

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a DWELLING by any owner or owners is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the owners of all other DWELLINGS, and that it is in the interest of all owners of DWELLINGS that the ownership of the COMMON ELEMENTS be retained in common by the owners of DWELLINGS in the CONDOMINIUM, it is declared that the percentage of the undivided interest in the COMMON ELEMENTS appurtenant to each DWELLING shall remain undivided and no owner of any DWELLING shall bring or have any right to bring any action for partition or division.

X.

PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS APPURTENANT TO EACH DWELLING

The undivided interest in COMMON ELEMENTS appurtenant to each DWELLING is that percentage of undivided interest which is set forth and assigned to each DWELLING in that certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit "B".

XI.

EASEMENT FOR AIR SPACE

The owner of each DWELLING shall have an exclusive easement for the use of the air space occupied by said DWELLING as it exists at any particular time and as said DWELLING may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

XII.

ADMINISTRATION OF ROBBERS ROOST VILLAS REGIME NO. 2 AND CERTAIN RECREATIONAL AREAS AND FACILITIES

To efficiently and effectively provide for the administration of the CONDOMINIUM by the owners of DWELLINGS, an association of owners known and designated as the ASSOCIATION, has been organized, and said ASSOCIATION shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Master Deed, and in accordance with the terms of its By-Laws. A true copy of the By-Laws of said ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibit "C". The owner or owners of each DWELLING shall automatically become members of the ASSOCIATION upon his, their or its acquisition of an ownership interest in title to any DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, and the membership of such owner or owners shall terminate automatically upon each owner or owners being divested of such ownership interest in the title to such DWELLING, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any DWELLING shall be entitled by virtue of such lien, mortgage, or other encumbrance, to membership in the ASSOCIATION, or to any of the rights or privileges of such membership. In the administration of the operation and management of the CONDOMINIUM, said ASSOCIATION shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the

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maner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the DWELLINGS AND COMMON ELEMENTS, as the Board of Directors of the ASSOCIATION may deem to be in the best interests of the CONDOMINIUM.

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To efficiently and effectively provide for the ownership and administration of certain recreational areas and facilities by owners of DWELLINGS, as well as by those persons who may purchase DWELLINGS in other Regimes within the overall area known as ROBBERS ROOST VILLAS, a non-profit South Carolina corporation, known and designated as the ROBBERS ROOST HOMEOWNERS ASSOCIATION, INC., has been organized, and that corporation shall administer the operation and management of the recreational areas and facilities deeded to it, all in accordance with the terms of its Articles of Incorporation and its By-Laws, a true copy of said Articles and By-Laws being annexed hereto and expressly made a part hereof as Exhibits "D" and "E" respectively. The owner or owners of each DWELLING shall automatically become members of the ROBBERS ROOST HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as HOMEOWNERS, upon his, their or its acquisition of an ownership interest in the title to any DWELLING, subject to the terms and conditions of said Articles and By-Laws. In the administration of its property, HOMEOWNERS shall have authority and power in accordance with the terms of said Articles and By-Laws.

XIII.

RESIDENTIAL USE RESTRICTION APPLICABLE
TO DWELLINGS

Each DWELLING is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests and Lessees; provided, however, that so long as Howard Nance Company shall retain any interest in CONDOMINIUM it may utilize a DWELLING or DWELLINGS of its choice from time to time, for sales office, model, or other usage for the purpose of selling DWELLINGS in said CONDOMINIUM. Further still, Howard Nance Company may assign this commercial usage right to such other person or entities as it may choose; provided, however, that when all DWELLINGS have been sold, this right of commercial usage shall immediately cease.

XIV.

USE OF COMMON ELEMENTS SUBJECT
TO RULES OF ASSOCIATION

The use of COMMON ELEMENTS by the owner or owners of all DWELLINGS, and all DWELLINGS, and all parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may hereafter be prescribed and established by the ASSOCIATION.

XV.

CONDOMINIUM TO BE USED FOR LAWFUL
PURPOSES, RESTRICTION AGAINST
NUISANCES, ETC.

No immoral, improper, offensive or unlawful use shall be made of any DWELLING or of the COMMON ELEMENTS, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed. No owner of any DWELLING shall permit or suffer anything to be done or kept in this DWELLING, or on the COMMON ELEMENTS, which will increase the rate of insurance on the CONDOMINIUM, or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises, nor shall any such owner undertake any use or practice which shall create and constitute a nuisance to any other owner of a DWELLING, or which interferes with the peaceful possession and proper use of any other DWELLING or the COMMON ELEMENTS.

XVI.

RIGHT OF ENTRY INTO DWELLINGS IN
EMERGENCIES

In case of any emergency originating in or threatening any DWELLING, regardless of whether the owner is present at the time of such emergency, the Board of Administrators of ASSOCIATION, or any other person authorized by it, or the building Superintendent or Managing Agent, shall have the right to enter such DWELLING for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each DWELLING, if required by the ASSOCIATION, shall deposit under the control of the ASSOCIATION a key to such DWELLING.

XVII.

RIGHT OF ENTRY FOR MAINTENANCE
OF COMMON ELEMENTS

Whenever it is necessary to enter any DWELLING for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the owner of each DWELLING shall permit other owners or their representatives, or the duly constituted and authorized Agent of ASSOCIATION, to enter such DWELLING, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XVIII.

LIMITATION UPON RIGHT OF OWNERS
TO ALTER AND MODIFY DWELLINGS

No owner of a DWELLING shall permit there to be made any structural modifications or alterations therein without first obtaining the written consent of ASSOCIATION, which consent may be withheld in the event that a majority of the Board of Administrators of said ASSOCIATION determine, in their sole discretion, that such structural modifications or alterations would affect or in any manner endanger the Building in part or in its entirety. If the modification or alteration desired by the owner of any DWELLING involves the removal of any permanent interior partition, ASSOCIATION shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting COMMON ELEMENTS located therein. No owner shall cause the balcony abutting his DWELLING to be enclosed, or cause any improvements or changes to be made on the exterior of the Building, including painting or other decoration, or the installation of electrical wiring, television antenna, machines or air conditioning units, which may protrude through the walls or roof of the Building, or in any manner change the appearance of any portion of the building not within the walls of such DWELLING, nor shall storm panels or awnings be affixed, without the written consent of ASSOCIATION being first obtained.

XIX.

RIGHT OF ASSOCIATION TO ALTER AND
IMPROVE COMMON ELEMENTS AND
ASSESSMENT THEREFOR

ASSOCIATION shall have the right to make or cause to be made such alterations or improvements to the COMMON ELEMENTS which do not prejudice the rights of the owner of any DWELLING, unless such owner's written consent has been obtained, provided the making of such alterations and improvements are approved by the Board of Administrators of said ASSOCIATION, and the cost of such alterations or improvements shall be assessed as common expense to be assessed and collected from all of the owners of DWELLINGS. However, where any alterations and improvements are exclusively or substantially exclusively for the benefit of the owner or owners of a DWELLING or DWELLINGS requesting the same, then the cost of such alterations

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and improvements shall be assessed against and collected solely from the owner or owners of the DWELLING or DWELLINGS exclusively or substantially exclusively benefited, the assessment to be levied in such proportion as may be determined by the Board of Administration of ASSOCIATION.

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MAINTENANCE AND REPAIR BY OWNERS
OF DWELLINGS

Every owner must perform promptly all maintenance and repair work within his DWELLING which, if omitted, would affect the CONDOMINIUM in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each DWELLING shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his DWELLING and which may now or hereafter be situated in his DWELLING. Such owner shall further be responsible and liable for maintenance, repair and replacement of any and all window glass, screen wire, wall, ceiling and floor exterior surfaces, painting, decorating and furnishings, and all other accessories which such owner may desire to place or maintain in his DWELLING. Wherever the maintenance, repair and replacement of any items for which the owner of a DWELLING is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by ASSOCIATION, the proceeds of the insurance received by ASSOCIATION, or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair or replacement, except that the owner of such DWELLING shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The floor and interior walls of the balcony attached to his DWELLING shall be maintained by the owner at his expense.

XXI.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS
BY ASSOCIATION

ASSOCIATION, at its expense, shall be responsible for the maintenance, repair and replacement of all of the COMMON ELEMENTS, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities located in the COMMON ELEMENTS for the furnishing of utility services to the DWELLINGS and said COMMON ELEMENTS, and should any incidental damage be caused to any DWELLING by virtue of any work which may be done or caused to be done by ASSOCIATION in the maintenance, repair or replacement of any COMMON ELEMENTS, the said ASSOCIATION shall, at its expense, repair such incidental damage.

XXII.

PERSONAL LIABILITY AND RISK OF LOSS
OF OWNER OF DWELLING AND SEPARATE
INSURANCE COVERAGE, ETC.

The owner of each DWELLING may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's DWELLING or upon the COMMON ELEMENTS. All such insurance obtained by the owner of each DWELLING shall, wherever such provision shall be available, provided that the insurer waives its right of subrogation as to any claims against other owners of DWELLINGS, ASSOCIATION, and the respective servants, agents and guests of said other owners and ASSOCIATION,

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and such other insurance coverage should be obtained from the insurance company from which ASSOCIATION obtains coverage against the same risk, liability or peril, if said ASSOCIATION has such coverage. Risk of loss of or damage to any furniture, furnishings, personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS) belonging to or carried on the person of the owner of each DWELLING, or which may be stored in any DWELLING, or in, to or upon COMMON ELEMENTS shall be borne by the owner of each such DWELLING. All furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS and held for the joint use and benefit of all owners of all DWELLINGS shall be covered by such insurance as shall be maintained in force and effect by ASSOCIATION as hereinafter provided. The owner of a DWELLING shall have no personal liability for any damages caused by the ASSOCIATION or in connection with the use of the COMMON ELEMENTS. The owner of a DWELLING shall be liable for injuries or damage resulting from an accident in his own DWELLING, to the same extent and degree that the owner of a house would be liable for an accident occurring within the house.

XXIII.

INSURANCE COVERAGE TO BE MAINTAINED BY
ASSOCIATION; INSURANCE TRUSTEE; USE
AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by ASSOCIATION covering the operation and management of the CONDOMINIUM and the said CONDOMINIUM, meaning the DWELLINGS and COMMON ELEMENTS, to-wit:

(a) Casualty insurance covering all of the DWELLINGS, and COMMON ELEMENTS, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements; and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the CONDOMINIUM, including but not limited to vandalism, malicious mischief, windstorm, water damage and war risk insurance, if available.

(b) Public liability and property damage insurance in such amounts and in such form as shall be required by ASSOCIATION to protect said ASSOCIATION and the owners of all DWELLINGS, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage.

(c) Workmen's Compensation insurance to meet the requirements of law.

(d) Such other insurance coverage, other than title insurance, as the Board of Directors of ASSOCIATION, in its sole discretion may determine from time to time to be in the best interests of ASSOCIATION and the owners of all of the DWELLINGS or as an institutional type lender may reasonably require so long as it is the owner of a mortgage on any DWELLING.

All liability insurance maintained by ASSOCIATION shall contain cross liability endorsements to cover liability of all owners of DWELLINGS as a group to each DWELLING owner.

All insurance coverage authorized to be purchased shall be purchased by ASSOCIATION for itself and for the benefit of all of the owners of all DWELLINGS. The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are any other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

If deemed desirable or if required by any holder of any mortgage on any DWELLING, the ASSOCIATION shall have the right to designate any Insurance Trustee and all parties beneficially interested in such insurance coverage shall be bound thereby.

In the event of the loss of or damage only to COMMON ELEMENTS, real or personal, which loss or damage is covered by the casualty insurance, the proceeds paid to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such COMMON ELEMENTS, then such excess insurance proceeds shall be paid to the owners of all of the DWELLINGS and their respective Mortgages, the distribution to be separately made to the owner of each DWELLING and his respective mortgagee or mortgagees, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the owner of each DWELLING and his said mortgagee or mortgagees, if any, shall bear the same ratio to the total excess insurance proceeds as does the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING bear to the total undivided interest in COMMON ELEMENTS appurtenant to all DWELLINGS. If it appears that the insurance proceeds covering the casualty loss or damage are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then ASSOCIATION shall add to the proceeds such sum as will enable it to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies added by ASSOCIATION, in said latter event, may be paid by ASSOCIATION out of its Reserve for Replacements Fund, and if the amount in such Reserve for Replacements Fund is not sufficient, then ASSOCIATION shall levy and collect an assessment against the owners of all DWELLINGS and said DWELLINGS in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of the loss of or damage to COMMON ELEMENTS and any DWELLING or DWELLINGS which loss or damage is covered by the casualty insurance, the proceeds shall be first applied to the repair, replacement or reconstruction, as the case may be, of COMMON ELEMENTS, real or personal, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any DWELLING or DWELLINGS which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the COMMON ELEMENTS and the insurance proceeds shall be paid and distributed to the owners of all DWELLINGS, and to their mortgagee or mortgagees, as their respective interests may appear, such distribution to be made in the manner and in the proportions as are provided hereinbefore. If it appears that the insurance proceeds covering the casualty loss or damage are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Board of Directors of ASSOCIATION shall, based upon reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the COMMON ELEMENTS and the DWELLING or DWELLINGS, sustaining any loss or damage. If the proceeds of said casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to COMMON ELEMENTS, but should the same not be sufficient to repair, replace or reconstruct any loss of or damage to any DWELLING or DWELLINGS, then ASSOCIATION shall levy and collect an assessment from the owner or owners of the DWELLING or DWELLINGS sustaining any loss or damage, and the assessment so collected from said owner or owners shall be added to the insurance proceeds so that the total shall be sufficient to completely pay for the repair, replacement or reconstruction of all COMMON ELEMENTS and DWELLING or DWELLINGS. In said latter event, the assessment to be levied and collected from the owner or owners of each DWELLING or DWELLINGS sustaining loss or damage shall be apportioned between such owner or owners in such manner that the assessment levied against each owner of a DWELLING and his DWELLING shall bear the same proportion to the total assessment levied against all of said owners of DWELLINGS sustaining loss or damage as does the cost of repair, replacement or reconstruction of each owner's DWELLING bear to the cost applicable to all of said DWELLINGS sustaining loss or damage. If the casualty insurance proceeds in the event of the loss of or damage to COMMON ELEMENTS and DWELLING or DWELLINGS is not in an amount which will pay for the complete repair, replacement or reconstruction of the COMMON ELEMENTS, it being recognized that such insurance proceeds are to be first applied to payment for repair, replacement or reconstruction of said COMMON ELEMENTS before being applied to the repair, replacement or reconstruction of a DWELLING or DWELLINGS, then the cost to repair, replace or reconstruct said COMMON ELEMENTS in excess of available casualty insurance proceeds shall be levied and collected as an assessment from all of the owners of all DWELLINGS in the same manner as would such assessment be levied and collected had the loss or damage sustained been

solely to COMMON ELEMENTS and the casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction and the cost of repair, replacement or reconstruction of each DWELLING or DWELLINGS sustaining loss or damage shall then be levied and collected by assessment of the owner or owners of DWELLING or DWELLINGS sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between the owner or owners of DWELLING or DWELLINGS sustaining such loss or damage.

In the event of loss of or damage to property covered by such casualty insurance, ASSOCIATION shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and premium for such Bond as the Board of Administrators of ASSOCIATION may deem to be in the best interests of the membership of said ASSOCIATION. Wherever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of the repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, whether to be paid by all of the owners of DWELLINGS or only by the owner or owners of any DWELLING or DWELLINGS sustaining loss or damage, or both, shall be deposited with the Board of Administrators not later than thirty (30) days from the date on which said Board shall receive the monies payable under the policy or policies of casualty insurance.

In the event of the loss of or damage to personal property belonging to ASSOCIATION, the insurance proceeds, shall be paid to ASSOCIATION. In the event of the loss of or damage to personal property constituting a portion of the COMMON ELEMENTS, and should the Board of Administrators of ASSOCIATION determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the Board shall be paid to all of the owners of all DWELLINGS and their respective mortgagees or mortgagees, as their interests may appear, in the manner and in the proportions hereinbefore provided for the distribution of excess insurance proceeds.

XXIV.

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any tax or Special Assessment against the CONDOMINIUM, as a whole, as opposed to levying and assessing such Tax or Special Assessment against each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS as now provided by law, then such Tax or Special Assessment so levied shall be paid as a common expense by ASSOCIATION, and any Taxes or Special Assessments which are to be so levied shall be included, wherever possible, in the estimated Annual Budget of ASSOCIATION, or shall be separately levied and collected as an assessment by ASSOCIATION against all of the owners of all DWELLINGS and said DWELLINGS if not included in said Annual Budget. The amount of any Tax or Special Assessment paid or to be paid by ASSOCIATION in the event that such Tax or Special Assessment is levied against the CONDOMINIUM, as a whole, instead of against each separate DWELLING and its appurtenant undivided interest in COMMON ELEMENTS shall be apportioned among the owners of all DWELLINGS so that the amount of such Tax or Special Assessment so paid or to be paid by ASSOCIATION and attributable to and to be paid by the owner or owners of each DWELLING shall be that portion of such total Tax or Special Assessment which bears the same ratio to said total Tax or Special Assessment as the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING bears to the total undivided interest in COMMON ELEMENTS appurtenant to all DWELLINGS. In the event that any Tax or Special Assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the taxing authority to the DWELLINGS and appurtenant undivided interests in COMMON ELEMENTS, then the assessment by ASSOCIATION, which shall include the proportionate share of such Tax or Special Assessment attributable to each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, shall separately specify and identify the amount of such assessment attributable to such Tax or Special Assessment, and the amount of such Tax or Special

Assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such Tax or Special Assessment had been separately levied by the taxing authority upon each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS.

All personal property taxes levied or assessed against personal property owned by ASSOCIATION shall be paid by said ASSOCIATION and shall be included as a common expense in the Annual Budget of ASSOCIATION.

XXV.

ASSOCIATION'S RIGHT OF FIRST REFUSAL WITH RESPECT TO SALE OF

With the exception of transfers of ownership of any DWELLINGS by one spouse to another, should the owner of any DWELLING be desirous of selling such DWELLING, ASSOCIATION is hereby given and granted the right of first refusal to purchase such DWELLING on the terms and conditions herein stated, and no owner of a DWELLING shall sell the same to any party without first giving ASSOCIATION notice in writing of such sale as herein provided, thereby giving ASSOCIATION the opportunity to determine whether it will exercise the right of first refusal to purchase said DWELLING on the same terms and conditions as those contained in any bona fide offer which the owner of such DWELLING may have received for the purchase of said DWELLING. Whenever the owner of any DWELLING has received a bona fide offer to purchase his DWELLING and is desirous of accepting such bona fide offer, a bona fide offer being defined herein as an offer in writing, binding upon the offeror and containing all of the pertinent terms and conditions of such sale, and accompanied by an earnest money deposit in an amount equal to at least 10% of the purchase price if the same is an offer for the purchase of such DWELLING, the owner of such DWELLING shall notify the Board of Administrators of ASSOCIATION in writing by registered or certified mail sent to the offices of said ASSOCIATION or by personal delivery made to the President or Secretary of the said ASSOCIATION, of his desire to accept such offer for the purchase of his DWELLING, stating the name, address, business, occupation or employment, if any, of the offeror, an executed copy of the bona fide offer for said purchase to be enclosed with such notice. If ASSOCIATION is desirous of exercising its option to purchase said DWELLING on the same terms and conditions as are contained in said bona fide offer, then ASSOCIATION shall notify the owner of said DWELLING desiring to sell the same of the exercise by ASSOCIATION of its election to so purchase said DWELLING, such notice to be in writing and posted by registered or certified mail to said owner within thirty (30) days from receipt by ASSOCIATION of the owner's notice to said ASSOCIATION as hereinabove required, or said notice in writing may be personally delivered to said owner within said thirty (30) day period. If ASSOCIATION has elected to purchase such DWELLING, then, upon notifying the owner of such DWELLING of its election to purchase said DWELLING, ASSOCIATION shall execute a contract to purchase, and shall consummate such contract to purchase, all on the same terms and conditions as those contained in said bona fide offer. When any owner of a DWELLING has notified ASSOCIATION as above provided of his desire to sell his DWELLING, such owner shall be free to consummate such sale of his DWELLING unless, within thirty (30) days after the owner has delivered his required notice to ASSOCIATION, ASSOCIATION has notified said owner of its intention to exercise its right of first refusal to purchase such DWELLING. However, in said event, the owner of said DWELLING shall not sell said DWELLING to any party other than the party designated to the Board of Administrators of ASSOCIATION in the aforescribed and required notice, nor for any lower purchase price, nor on any more favorable terms and conditions than those originally contained in said bona fide offer presented to ASSOCIATION, without again giving ASSOCIATION the right of first refusal to purchase such DWELLING in the manner above provided.

If the Board of Administrators of ASSOCIATION shall so elect, it may cause its right of first refusal to purchase any DWELLING to be exercised in its name for itself or for the party approved by said Board of Administrators, or said Board of Administrators of ASSOCIATION may elect to cause said DWELLING to be purchased directly in the name of a party approved by it, which party shall enter into a contract to purchase and consummate such contract to purchase said DWELLING

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in the same manner as would ASSOCIATION upon its exercise of said right of first refusal to purchase such DWELLING. Wherever such right of first refusal granted to ASSOCIATION is to be exercised in the name of a party approved by ASSOCIATION, notice of such election as required herein shall be executed by ASSOCIATION, and the party approved by the Board of Administrators of ASSOCIATION.

In the event that the owner of a DWELLING shall sell such DWELLING without giving written notice to ASSOCIATION as herein provided, to the end that said Board of Administrators of ASSOCIATION is not afforded the opportunity to determine whether or not it will elect to purchase said DWELLING prior to the consummation of such purchase and on the terms and provisions thereof, then the said ASSOCIATION shall have the right to redeem said DWELLING from such sale transaction by refunding unto the purchaser of such DWELLING the purchase price paid therefor, in which event the purchaser of such DWELLING convey the same to the ASSOCIATION or to a party designated and approved by the ASSOCIATION. The right of redemption granted herein shall exist for a period of six (6) months from the date on which such sale may be consummated without prior notice to the Board of Administrators of ASSOCIATION as required herein, but such DWELLING may not be redeemed by the ASSOCIATION from said sale transaction after the expiration of said six (6) month period. In the event that such sale of a DWELLING has been accomplished without the prior notice to the Board of Administrators or ASSOCIATION as required herein, and without affording said Board of Administrators of ASSOCIATION the opportunity to determine whether or not it will exercise its first right to purchase such DWELLING on the terms and conditions offered, then the purchaser in such transaction may notify the Board of Administrators of ASSOCIATION of his purchase of such DWELLING, such notice to be in writing and to state the name and address, and business, occupation or employment, if any, of such purchaser, and the terms and conditions of said purchase, such notice to be delivered to ASSOCIATION in the same manner as such notice is required to be given prior to consummation of such sale transaction. Thereafter, the Board of Administrators of ASSOCIATION shall have twenty (20) days from receipt of such notice within which to exercise the right of redemption granted to ASSOCIATION and to accomplish such redemption. Failure to exercise said right of redemption and to accomplish the redemption of said purchase within said twenty (20) day period of time, provided the same is not obstructed by the party from whom such redemption must be made, the right of redemption granted to ASSOCIATION shall terminate and expire as to said purchase transaction.

The right of first refusal granted to ASSOCIATION shall not apply or be operative to any foreclosure or other judicial sale of a DWELLING, although the title of the purchaser at any foreclosure or judicial sale shall thereafter be subject to the right of first refusal granted to ASSOCIATION pertaining to the sale of such DWELLING.

Notwithstanding the foregoing, an institutional first mortgagee may accept a conveyance of a DWELLING in lieu of the foreclosure of its first mortgage encumbering the same. Following the acceptance of such conveyance, the grantee shall notify ASSOCIATION advising it of the amount of said first mortgage, and ASSOCIATION shall have the right to purchase the DWELLING within fourteen (14) days after such notification for a purchase price equal to the balance due under the mortgage plus interest to the date of sale, plus any advances made by the Mortgagee and including any attorney or recording fees or other miscellaneous charges involved in the Mortgagee's taking a deed in lieu of foreclosure. In the event ASSOCIATION does not elect to purchase the DWELLING within such fourteen (14) day period, the institutional first mortgagee shall have an indefeasible title to the DWELLING. In the event an institutional first mortgagee acquires title to a DWELLING through foreclosure, or through a deed in lieu of foreclosure and ASSOCIATION does not exercise its right of first refusal within the prescribed time, then such institutional first mortgagee may sell such dwelling free of the right of first refusal granted to ASSOCIATION, but the grantee from such institutional first mortgagee shall be subject to the right of first refusal granted to ASSOCIATION pertaining to the sale of a DWELLING.

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ASSOCIATION TO MAINTAIN REGISTRY
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ASSOCIATION shall at all times maintain a Register setting forth the names of the owners of all of the DWELLINGS, and in the event of the sale or transfer of any DWELLING to a third party, the purchaser or transferee shall notify ASSOCIATION in writing of his interest in such DWELLING together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any DWELLING. Further the owner of each DWELLING shall at all times notify ASSOCIATION of the names of the parties holding any mortgage or mortgages on any DWELLING, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any DWELLING may, if he so desires, notify ASSOCIATION of the existence of any mortgage or mortgages held by such party on any DWELLING, and upon receipt of such notice, ASSOCIATION shall register in its records all pertinent information pertaining to the same.

XXVII.

ASSESSMENTS: LIABILITY, LIEN
AND ENFORCEMENT

ASSOCIATION is given the authority to administer the operation and management of the CONDOMINIUM, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all DWELLINGS. To properly administer the operation and management of the Project, ASSOCIATION will incur, for the mutual benefit of all of the owners of DWELLINGS, costs and expenses which will be continuing or non-recurring costs, as the case may be, which costs and expenses are sometime herein referred to as "common expense." To provide the funds necessary for such proper operation and management, the said ASSOCIATION has heretofore been granted the right to make, levy and collect assessments against the owners of all DWELLINGS and said DWELLINGS. In furtherance of said grant of authority to ASSOCIATION to make, levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM, the following provisions shall be operative and binding upon the owners of all DWELLINGS, to-wit:

A. All assessments levied against the owners of DWELLINGS and said DWELLINGS shall be uniform and, unless specifically otherwise provided for in this Master Deed, the assessments made by ASSOCIATION shall be in such proportion that the amount of assessment levied against each owner of a DWELLING and his DWELLING shall bear the same ratio to the total assessment made against all owners of DWELLINGS and their DWELLINGS as does the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING bear to the total undivided interest in COMMON ELEMENTS appurtenant to all DWELLINGS. Should ASSOCIATION be the owner of any DWELLING or DWELLINGS, the assessment which would otherwise be due and payable to ASSOCIATION by the owner of such DWELLING or DWELLINGS, reduced by an amount of income which may be derived from the leasing such DWELLING or DWELLINGS by ASSOCIATION, shall be apportioned and assessment therefor levied ratably among the owners of all DWELLINGS which are not owned by ASSOCIATION, based upon their proportionate interests in the COMMON ELEMENTS exclusive of the interests therein appurtenant to any DWELLING or DWELLINGS owned by ASSOCIATION.

B. The assessment levied against the owner of each DWELLING and his DWELLING shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Administrators of ASSOCIATION.

C. The Board of Administrators of ASSOCIATION shall establish an Annual Budget in advance for each fiscal year which shall correspond to the calendar year, and such Budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the CONDOMINIUM, including a reasonable allowance for contingencies and reserves, such Budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year. Upon adoption

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of such Annual Budget by the Board of Administrators of ASSOCIATION, copies of said Budget shall be delivered to each owner of a DWELLING and the assessment for said year shall be established based upon such Budget, although the delivery of a copy of said Budget to each owner shall not affect the liability of any owner for such assessment. Should the Board of Administrators at any time determine, in the sole discretion of said Board of Administrators, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the CONDOMINIUM, or in the event of emergencies, said Board of Administrators shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

D. The Board of Administrators of Association, in establishing said Annual Budget for operation, management and maintenance of the Project shall include therein a sum to be collected and maintained as reserve fund for replacement of COMMON ELEMENTS, which reserve fund shall be for the purpose of enabling ASSOCIATION to replace structural elements and mechanical equipment constituting a part of the COMMON ELEMENTS as well as the replacement of personal property which may constitute a portion of the COMMON ELEMENTS held for the joint use and benefit of all of the owners of all DWELLINGS. The amount to be allocated to such Reserve Fund for Replacements shall be established by said Board of Administrators so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacements of said COMMON ELEMENTS. The amount collected and allocated to the Reserve Fund for Replacements from time to time shall be maintained in a separate account by ASSOCIATION, although nothing herein contained shall limit ASSOCIATION from applying any monies in such Reserve Fund for Replacements to meet other needs or requirements of ASSOCIATION in operating or managing the Project in the event of emergencies, or in the event that the sums collected from the owners of DWELLINGS are insufficient to meet the then fiscal financial requirements of ASSOCIATION, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferably by the Board of Administrators of ASSOCIATION in the sole discretion of said Board of Administrators.

E. The Board of Administrators of ASSOCIATION, in establishing said Annual Budget for operation, management and maintenance of the Project, shall include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of DWELLINGS as a result of emergencies or for other reason placing financial stress upon the ASSOCIATION.

F. All monies collected by ASSOCIATION shall be treated as the separate property of the said ASSOCIATION, and such monies may be applied by the said ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the By-Laws of said ASSOCIATION and as the monies for any assessment are paid unto ASSOCIATION by any owner of a DWELLING the same may be co-mingled with the monies paid to the said ASSOCIATION by the other owner of DWELLINGS. Although all funds and other assets of ASSOCIATION, and any increments thereto or profits derived therefrom, or from the leasing or use of COMMON ELEMENTS, shall be held for the benefit of the members of ASSOCIATION, who shall own any common surplus in the proportions of their percentage of undivided interest in the CONDOMINIUM, no member of said ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his DWELLING.

G. The payment of any assessment or installment thereof due to ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid unto ASSOCIATION, on or before the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to ASSOCIATION shall bear interest at the rate of 8% per annum until such delinquent assessment or installment thereof, and all interest due thereon has been paid in full to ASSOCIATION.

H. The owner or owners of each DWELLING shall be personally liable, jointly and severally, as the case may be, to ASSOCIATION for the payment of all assessments, regular or special, which may be levied by ASSOCIATION while such party or parties are owner or owners of a DWELLING in the CONDOMINIUM. In the event that any owner or owners are in default in payment of any assessment or installment

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thereof owed to ASSOCIATION, such owner or owners of any DWELLING shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all cost of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

I. No owner of a DWELLING may exempt himself ~~from liability~~ for any assessment levied against such owner and his DWELLING by ~~walver of the use or enjoyment~~ of any of the COMMON ELEMENTS, or by abandonment of the DWELLING, or in any other manner.

J. Recognizing that the necessity for providing proper operation and management of the Project entails the continuing payment of costs and expenses therefor, which results in benefit to all of the owners of DWELLINGS, and that the payment of such common expense represented by the assessments levied and collected by ASSOCIATION is necessary in order to preserve and protect the investment of the owner of each DWELLING, ASSOCIATION is hereby granted a lien upon such DWELLING and its appurtenant undivided interest in COMMON ELEMENTS as set forth in Code of Laws of South Carolina 57-514, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each DWELLING, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by ASSOCIATION in enforcing this lien upon said DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS. The lien granted to ASSOCIATION may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina, and in any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the owner of any DWELLING from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said DWELLING. The rental required to be paid shall be equal to the rental charged on comparable type of Dwelling Units in Myrtle Beach, South Carolina. The lien granted to the ASSOCIATION shall further secure such advances for taxes, and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the rate 8% per annum on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any DWELLING, or who may be given or acquire a mortgage, lien or other encumbrance thereof, is hereby placed on notice of the lien granted to ASSOCIATION, and shall acquire such interest in any DWELLING expressly subject to such lien.

K. The lien herein granted unto ASSOCIATION shall be effective from and after the time of recording in the Public Records of Horry County, South Carolina, a claim of lien stating the description of the DWELLING encumbered thereby, the name of the record owner, the amount due and the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims or lien shall be signed, and verified by an officer or agent of the ASSOCIATION. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the ASSOCIATION'S Claim of Lien, except that the lien of the ASSOCIATION for Tax or Special Assessment advances made by ASSOCIATION where any taxing authority having jurisdiction levies any Tax or Special Assessment against the CONDOMINIUM as an entirety instead of levying the same against each DWELLING and its appurtenant undivided interest in common elements, shall be prior in lien, right and dignity to the lien or all mortgages, liens and encumbrances, whether or not recorded prior to the ASSOCIATION'S Claim of Lien therefor, and the ASSOCIATION'S claim of lien for collection of such portion of any Tax or Special Assessment shall specifically designate that the same secures an assessment levied pursuant to Article XXIV of this Master Deed.

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In the event that any person, firm or corporation shall acquire title to any DWELLING and its appurtenant undivided interest in COMMON ELEMENTS by virtue of any foreclosure or judicial sale, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said DWELLING and its appurtenant undivided interest in COMMON ELEMENTS subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title subject to the lien of any assessment by ASSOCIATION representing an apportionment of Taxes or Special Assessment levied by taxing authorities against the CONDOMINIUM in its entirety. In the event of the acquisition of title to a DWELLING by foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all DWELLINGS as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

1. Whenever any DWELLING may be sold or mortgaged by the owner thereof, which sale shall be concluded only upon compliance with other provisions of this Master Deed, ASSOCIATION, upon written request of the owner of such DWELLING, shall furnish to the proposed purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to ASSOCIATION by the owner of such DWELLING. Such statement shall be executed by any Officer of the ASSOCIATION, and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and ASSOCIATION shall be bound by such statement.

In the event that a DWELLING is to be sold or mortgaged at the time when payment of any assessment against the owner of said DWELLING and such DWELLING due to ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION) then the proceeds of such purchase or mortgage proceeds, shall be applied by the purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to ASSOCIATION before the payment of any proceeds of purchase or mortgage proceeds to the owner of any DWELLING who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a DWELLING, the Grantee shall be jointly and severally liable with the Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the Grantor the amounts paid by the Grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it.

Notwithstanding anything in this Master Deed to the contrary, it is declared that so long as Howard Nance Company shall own any of the DWELLINGS in the CONDOMINIUM, Howard Nance Company, a Corporation, and the DWELLINGS owned by it, shall not be subject to assessment as provided for in this Master Deed, but instead shall be assessed and pay to the ASSOCIATION in lieu thereof a sum equal to the actual amount of the actual operating expenditures for the calendar year less an amount equal to the total assessments made by the ASSOCIATION against owners of DWELLINGS other than Howard Nance Company. The actual operating expenditures for this purpose shall not include any reserve for replacements, operating reserves, or capital expenditures.

XXVIII.

TERMINATION

This Master Deed and said Plan of Condominium Ownership may only be terminated by the unanimous consent of all of the owners of all DWELLINGS and all of the parties holding mortgages, liens or other encumbrances against any of said DWELLINGS.

in which event the termination of the CONDOMINIUM shall be by such plan as may be then adopted by said owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Master Deed and the Plan of Condominium Ownership established herein shall be executed in writing by all of the aforesaid parties, and such instrument or instruments shall be recorded in the Public Records of Horry County, South Carolina.

AMENDMENT OF MASTER DEED

Except for any alteration in the percentage of ownership in COMMON ELEMENTS appurtenant to each DWELLING, or alteration of the basis for apportionment of assessments which may be levied by ASSOCIATION in accordance with the provisions hereof, in which said instances consent of all of the owners of all DWELLINGS and their respective mortgagees shall be required, and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Grantor, Howard Nance Company, which said rights and privileges granted and reserved unto Howard Nance Company shall only be altered, amended or modified with the respective express written consent of the said Grantor, this Master Deed may be amended in the following manner:

An amendment or amendments to this Master Deed may be proposed by the Board or Administrators of ASSOCIATION acting upon a vote of the majority of the Administrators, or by the members of ASSOCIATION owning a majority of the DWELLINGS in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to the Master Deed being proposed by said Board of Administrators or members, such proposed amendment or amendments shall be transmitted to the President of ASSOCIATION, or other officer of ASSOCIATION in the absence of the President, who shall thereupon call a Special Meeting of the members of ASSOCIATION for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonable detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of ASSOCIATION, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of all the members owning a DWELLING in the CONDOMINIUM in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Master Deed shall be transcribed and certified by the President and Secretary of ASSOCIATION as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a Deed shall be recorded in the Public Records of Horry County, South Carolina, within ten (10) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Master Deed. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the Officers of ASSOCIATION shall be delivered to all of the owners of all DWELLINGS and mailed to the mortgagees listed in the Registry required to be maintained by Article XXVI hereof, but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of ASSOCIATION at or prior to such meeting. Furthermore, no amendment to this Master Deed shall be adopted which would operate to affect the validity or priority of any Mortgage held by a Mortgagee or which would alter, amend or modify in any manner whatsoever the rights, powers and privileges granted and reserved herein in favor of any Mortgagee or in favor of Howard Nance Company without the consent of all such Mortgagees or Howard Nance Company as the case may be.

REMEDIES IN EVENT OF DEFAULT

The owner or owners of each DWELLING shall be governed by and shall comply with the provisions of this Master Deed and the By-Laws of ASSOCIATION and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the owner or owners of any DWELLING shall entitle ASSOCIATION or the owner or owners of other DWELLING or DWELLINGS to the following relief:

A. Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the By-Laws of the ASSOCIATION, or its rules and regulations, shall be grounds for relief which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof and which relief may be sought by ASSOCIATION, or, if appropriate, by an aggrieved owner of a DWELLING.

B. The owner or owners of each DWELLING shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a DWELLING or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceeding arising because of an alleged default by the owner of any DWELLING, the ASSOCIATION, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court, but in no event shall the owner of any DWELLING be entitled to such attorney's fees.

D. The failure of ASSOCIATION or of the owner of a DWELLING to enforce any right, provision, covenant or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of ASSOCIATION or of the owner of a DWELLING to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to ASSOCIATION or the owner or owners of a DWELLING pursuant to any terms, provisions, covenants or conditions of this Master Deed or other above mentioned documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies, or privileges as may be available to such party at law or in equity.

F. The failure of the Grantor, Howard Nance Company to enforce any right, privilege, covenant or condition which may be granted to it by this Master Deed or other above-mentioned document shall not constitute waiver of the right of said party to thereafter enforce such right, provision, covenant or condition in the future.

XXXI.

USE OR ACQUISITION OF INTEREST IN THE
CONDOMINIUM TO RENDER USER OR ACQUIRER
SUBJECT TO PROVISIONS OF MASTER DEED, ETC.

All present or future owners, tenants, or any other person who might use the facilities of the CONDOMINIUM in any manner, are subject to the provisions of this Master Deed and all documents appurtenant hereto and incorporated herewith including, but not limited to: By-Laws of ROBBERS ROOST VILLAS HORIZONTAL PROPERTY REGIME NO. 2, Articles of Incorporation of ROBBERS ROOST VILLAS HOMEOWNERS ASSOCIATION, INC. and By-Laws of ROBBERS ROOST VILLAS HOMEOWNERS ASSOCIATION, INC.

The mere acquisition or rental of any DWELLING, or the mere act of occupancy of any DWELLING, shall signify that the provisions of this Master Deed and all documents appurtenant hereto and incorporated herewith are accepted and ratified in all respects.

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XXXII.

RIGHT OF GRANTOR TO SELL OR LEASE DWELLING
OWNED BY IT FREE OF RIGHT OF FIRST REFUSAL OR
RIGHT OF REDEMPTION 072

So long as Howard Nance Company, the grantor herein, shall own any DWELLING, the said Howard Nance Company shall have the absolute right to lease or sell any such DWELLING to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interests, and as to the lease or sale of any DWELLING by Howard Nance Company, the right of first refusal and any right of redemption herein granted to ASSOCIATION shall not be operative or effective in any manner.

XXXIII.

ANNUAL REPORTS TO BE PROVIDED TO LENDER

Any Lender who is the owner or holder of a mortgage encumbering a DWELLING in the CONDOMINIUM may request ASSOCIATION to be furnished with at least one (1) copy of the Annual Financial Statement and Report of ASSOCIATION audited and prepared by Certified Public Accountants and setting forth reasonable details, including a detailed statement of annual carrying charges or income collected, and operating expenses, such Financial Statement and Report to be furnished within ninety (90) days following the end of each fiscal year.

XXXIV.

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Master Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants held to be partially invalid or unenforceable.

XXXV.

LIBERAL CONSTRUCTION AND ADOPTION
OF PROVISIONS OF CONDOMINIUM ACT

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. The South Carolina Horizontal Property Act, 1962 Code of Laws, as the same may be amended from time to time hereafter, is hereby adopted and made a party hereof. In the event of any conflict between the provisions of this Master Deed and the said South Carolina Horizontal Property Act of South Carolina, as the same may be amended, shall take the place of the provisions in conflict with the Master Deed.

XXXVI.

MASTER DEED BINDING UPON GRANTOR,
ITS SUCCESSORS AND ASSIGNS, AND SUBSEQUENT
OWNERS

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS and this Master Deed shall be binding upon Howard Nance Company, its successors and assigns, and upon all parties who may subsequently become owners of DWELLINGS in the CONDOMINIUM, and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, Howard Nance Company, has caused these presents to be executed this 14th day of June, 1974.



HOWARD NANCE COMPANY

By Howard T. Nance
President

By Glenda Stephens
Secretary

Signed, Sealed and Delivered in the presence of:

Mary B. Ammons
Howard V. Bellamy, Jr.

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

BEFORE ME Mary B. Ammons who, after first being duly sworn, deposes and states that he saw Howard T. Nance and Glenda Stephens, as officers of the Howard Nance Company sign, seal and deliver the within Master Deed and that he with Howard V. Bellamy, Jr. witnesseth the execution thereof.

Mary B. Ammons

Sworn to before me this 14th day of June, 1974.

Howard V. Bellamy, Jr.
Notary Public for South Carolina

My commission expires 6-1-79

BOOK 514 PAGE 073

BOOK 514 PAGE 074
ROBBERS ROOST VILLAS HORIZONTAL PROPERTY REGIME NO.

EXHIBIT A
TO
MASTER DEED

NOTE: Exhibit A is to be a survey of land and graphic description and plot plans of improvements.

See plat Book 57, at page
67.

EXHIBIT B
TO
MASTER DEED

Schedule of Percentage (2) of Undivided Interest in Common Elements
Appurtenant to Dwellings in Robbers Roost Villas Horizontal Property
Reglma No. 2:

<u>Dwelling Number</u>	<u>Value for Statutory Purposes</u>	<u>% of Undivided Interest in Common Elements</u>
801	\$40,600.00	2.86507
803	\$40,600.00	2.86507
805	\$45,200.00	3.18851
807	\$45,200.00	3.18851
809	\$40,600.00	2.86507
811	\$40,600.00	2.86507
813	\$40,600.00	2.86507
815	\$40,600.00	2.86507
817	\$40,600.00	2.86507
819	\$40,600.00	2.86507
821	\$45,200.00	3.18851
823	\$45,200.00	3.18851
825	\$40,600.00	2.86507
827	\$40,600.00	2.86507
829	\$40,600.00	2.86507
831	\$40,600.00	2.86507
833	\$40,600.00	2.86507
835	\$40,600.00	2.86507
837	\$45,200.00	3.18851
839	\$45,200.00	3.18851
841	\$40,600.00	2.86507
843	\$40,600.00	2.86507
845	\$40,600.00	2.86507
847	\$40,600.00	2.86507
849	\$40,600.00	2.86507
851	\$40,600.00	2.86507
853	\$45,200.00	3.18851
855	\$45,200.00	3.18851
857	\$40,600.00	2.86507
859	\$40,600.00	2.86507
861	\$40,600.00	2.86507
863	\$40,600.00	2.86507
865	\$40,600.00	2.86507
867	\$40,600.00	2.86507

JOINDER OF
FIRST UNION NATIONAL BANK OF NORTH CAROLINA

BOOK 514 PAGE 676
First Union National Bank of North Carolina, as holder of ~~476~~ certain Mortgage of Real Estate covering the property herein described, which Mortgage is recorded in Book 549, page 418 of the Public Registry of Horry County, South Carolina, hereby joins in these presents solely for the purpose of converting the property covered hereby into a series of condominium units and related areas, while retaining its security interest in said property as aforesaid.

IN WITNESS WHEREOF, First Union National Bank of North Carolina, has caused these presents to be executed this 10th day of June, 1974.

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

(CORPORATE SEAL)

BY Edwin R. Johnson
Vice President

Attest:

J. M. Bailey
Assistant Secretary

Signed, Sealed and Delivered in
the presence of:

Linda C. Cunningham
Shirley A. Tribbitt

STATE OF North Carolina)
County of Mecklenburg)

BEFORE ME, Linda C. Cunningham, who, after first being duly sworn, deposes and states that she saw Edwin R. Johnson and J. M. Bailey, as officers of the First Union National Bank of North Carolina, sign, seal and deliver the within Master Deed and that she with Shirley A. Tribbitt witnesseth the execution thereof.

Phillip D. Saylor

Sworn to before me this 10th day of
June, 1974.

Phillip D. Saylor
Notary Public

My commission expires My Commission Expires April 12, 1978

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EXHIBIT "C"

BY-LAWS

ROBBERS ROOST VILLAS

HORIZONTAL PROPERTY REGIME NO. 2

ARTICLE I

PLAN OF APARTMENT OWNERSHIP

Section 1. Horizontal Property Regime. The Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereto) located in North Myrtle Beach, Horry County, State of South Carolina, known as ROBBERS ROOST VILLAS has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, and is to be henceforth known as "ROBBERS ROOST VILLAS HORIZONTAL PROPERTY REGIME NO. 2 (hereinafter referred to as the "Regime").

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 3. Personal Application. All present or future

co-owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Property in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime. The mere acquisition or rental of any of the Villas (hereinafter usually referred to as "Villas") as defined in the Master Deed of the Property or the mere act of occupancy of any of said Villas will signify that these By-Laws, the provisions of the Master Deed, and the provisions of the By-Laws of the Robbers Roost Villa Homeowners Association, Inc., are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF CO-OWNERS, QUORUM, PROXIES

Section 1. Voting. The owner or co-owner of each Villa shall have one vote. If a Villa is owned by one person, his right to vote shall be established by the record title to his Villa. If a Villa is owned by more than one person, the person entitled to cast the vote for the Villa shall be one of the record owners designated by a certificate of appointment signed by all of the record owners of the Villa and filed with the Secretary of the Regime. If a Villa is owned by a corporation, the person entitled to cast the vote for the Villa shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or

BOOK 514 PAGE 077

ARTICLE III
ADMINISTRATION

Assistant Secretary of the corporation and filed with the Secretary of the Regime. Such certificates of appointment shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Villa concerned. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

Section 2. Majority of Co-owners. As used in these By-Laws, the term "majority of co-owners" shall mean those co-owners owning a numerical majority of the Villas.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of co-owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 1. Council Responsibilities. The co-owners of the Villas will constitute the Council of Co-owners (hereinafter usually referred to as "Council") who will have the responsibility of administering the Property, approving the annual budget, establishing and collecting periodic assessments, and arranging for the management of the Property pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of co-owners.

Section 2. Place of Meetings. Meetings of the Council shall be held at such place, convenient to the co-owners, as may be designated by the Council.

Section 3. Annual Meetings. The annual meetings of the Council shall be held at the call of the Regime President once a year on the second Saturday in February. At such meetings there shall be elected by ballot of the co-owners a Board of Administration in accordance with the requirements of Section 5 of Article IV of these By-Laws. The co-owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Secretary to call a special meeting of the co-owners as directed by resolution of the Board of Administration or upon a petition signed by a majority of co-owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice by consent of four-fifths of the votes present, either in person or by proxy.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each co-owner of record, at least ten but not more than thirty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. Proof of such mailing shall be made by affidavit of the Secretary.

Section 6. Adjourned Meeting. If any meeting of the Council cannot be organized because a quorum has not attended, the co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all Annual Meetings of the Council shall be as follows:

- (a) Roll call and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.

- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Election of inspectors of election.
- (g) Election of administrators.
- (h) Unfinished business.
- (i) New business.

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

Section 8. Limitation. Until the Howard Nance Company (hereinafter referred to as the "Developer") has completed and sold all of the Villas in the Regime, or until October 1, 1975, or until the Developer elects to terminate its control of the Regime, whichever shall first occur, the proceedings of all meetings of the Association shall have no effect unless approved by the Board of Administration.

ARTICLE IV
BOARD OF ADMINISTRATION

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Administration (hereinafter referred to as the "Board"). Until the first election of administrators, the Board shall consist of two (2) members appointed by the Developer.

who need not be owners of Villas in the Property, and thereafter shall be comprised of five persons, all of whom must be owners of Villas in the Property.

Section 2. General Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all such acts and things as are not by law or by these By-Laws directed to be executed and done by the Council or individual co-owners.

Section 3. Other Duties. In addition to the duties imposed by these By-Laws, or by resolutions of the Council, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and enforcement of same.
- (b) Care, upkeep and surveillance of the Property and the common elements.
- (c) Employment, dismissal and control of the personnel necessary for the maintenance and operation of the common elements.
- (d) Collection of assessments from the co-owners.
- (e) Performing repairs caused by any natural disaster or man-made damage from the escrow account and any special assessment.

Section 4. Management Agent. The Board may employ a Management Agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Election and Term of Office. The first election of administrators shall be held at the first Annual Meeting of the Council following the first to occur of the following: the completion and sale by the Developer of all Villas in the Regime; October 1, 1975; or the election of the Developer to terminate its control of the Regime. At the first election of administrators, the initial term of office of two members of the Board shall be fixed at three (3) years. The term of office of two members of the Board shall be fixed at (2) years, and the term of office of one member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Administration caused by reason other than the removal of a member of the Board by a vote of the Council shall be filled by vote of the majority of the remaining members, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Council.

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Section 7. Removal of Members of the Board. At any regular or special meetings of the Council duly called, any one or more of the members of the Board may be removed with or without cause by a majority of co-owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Council shall be given an opportunity to be heard at the meeting.

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

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer, or other designated person, to each Board member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board may be called by the President on three days notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of at least two Board members.

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

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

Section 13. Presence in Meetings by Approval of Minutes.

The joinder of an Administrator in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

Section 14. Fidelity Bonds. The Board may require that

any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 15. Administrator's Fees. Administrator's fees,

if any, shall be determined by the co-owners.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Regime

shall be a President, a Vice President, and a Secretary-Treasurer all of whom shall be elected by and from the Board. The Board may appoint an assistant treasurer, and an assistant secretary and other such officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Regime

shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote

of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief

executive officer of the Regime. He shall preside at all Council meetings of the Regime and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime, including but not limited to the power to appoint committees from among the co-owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Regime.

Section 5. Vice President. The Vice President shall take

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

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

ARTICLE VI

MAINTENANCE, UPRKEEP AND REPAIR

Section 1. Villas. Responsibility for the maintenance of the Villas in the Regime shall be as follows:

- (a) The Regime shall maintain, repair and replace, at its expense:
 - (i) All portions of a Villa, except interior surfaces, contributing to the support of a Villa building, which portions shall include but not be limited to load-bearing columns and load-bearing walls, interior surfaces of a Villa shall be maintained by the co-owner.

(ii) All incidental damage caused to a Villa by such work shall be promptly repaired at the expense of the Regime.

(b) The responsibility of the co-owner shall be as follows:

- (i) To maintain, repair and replace at his expense all portions of his Villa except the portions to be maintained, repaired and replaced by the Regime. Such shall be done without disturbing the rights of other co-owners.
- (ii) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the Villa building.

(iii) To promptly report to the Regime any defect or need for repairs the responsibility for the remedying of which is that of the Regime.

Section 2. Common Elements. The maintenance and operation

of the common elements shall be the responsibility of the Regime and a common expense; provided, however, that in case of emergency and in order to preserve the property or for the safety of the occupants, a co-owner may assume the responsibility therefor, and he shall be relieved of liability for his acts performed in good faith, and he shall be reimbursed for his expense by the Regime when approved by its Board of Administrators.

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ARTICLE VII

OBIGATIONS OF THE CO-OWNERS

Section 1. Assessments. All co-owners are obligated to pay periodic assessments imposed by the Regime to meet all Regime expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction in the case of hurricane, fire, earthquake, and other hazards. The assessments shall be made pro rata according to the value of the Villas and as stipulated in the Master Decree.

Section 2. Escrow Account. The transfer of ownership of an individual Villa within the Regime carries with it the proportionate equity of that Villa ownership in the Regime Escrow Account. Each Villa owner will be assessed for the Regime Escrow Account in accordance with a set schedule in order to provide for a contingency fund for maintenance, repair and replacement of the Regime Property, including funds for maintenance items which occur less frequently than annually and funds for repair or replacement required because of damage, depreciation or obsolescence.

Section 3. Use of Villa - Internal Charges.

(a) All Villas shall be utilized for residential purposes only.

(b) A co-owner shall not make structural modifications or alterations in his Villa or installations located therein without previously notifying the Regime in writing, through the management agent, if any, or through the President if no management agent is employed. The Regime shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Elements. A co-owner shall not place or cause to be placed in the passages or roads any furniture, packages or obstructions of any kind. Such areas shall be used for no other purpose than for normal transit through them.

Section 5. Right of Entry.

(a) A co-owner shall grant the right of entry to the management agent or to any other person authorized by the Board in case of any emergency originating or threatening his Villa, whether the co-owner is present at the time or not.

(b) A co-owner shall permit other co-owners, or their representatives, when so required, to enter his Villa for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the co-owner. In case of emergency, such right of entry shall be immediate.

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Section 6. Rules of Conduct.

(a) Residents shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

(b) No residents of the Property shall:

- (1) post any advertisements, or posters of any kind in or on the Property except as authorized by the Regime;
- (2) hang garments, towels, rugs, or similar objects, from the windows or from any of the facades of the Property;
- (2) hang or shake dust rugs, mats or similar objects from the windows or clean rugs or similar objects by beat-
the exterior part of the Property;
- (4) throw garbage or trash outside the disposal installations provided for such purposes in the service areas;
- (5) act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Villa in the Property;
- (6) maintain any pets which cause distress to co-owners through barking, biting, scratching or damaging of property.

(c) No co-owner, resident, or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units, or similar objects outside of his Villa or which protrudes through the walls or the roof of his Villa except as authorized by the Board.

ARTICLE VII

AMENDMENTS TO BY-LAWS

Section 1. Procedure. These By-Laws may be amended by the Council in any duly constituted meeting if notice of the subject matter of the proposed amendment was included in the notice of the meeting.

Section 2. Required Vote. No amendment shall take effect unless approved by co-owners representing at least two-thirds of the total value of the Property as shown in the Master Deed.

Section 3. Non-Discrimination. No amendment applicable by its terms to a single co-owner or to any Villa or group or class of Villas shall be effective without the consent of the co-owners so effected.

Section 4. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Regime with the formalities of a deed. The amendment shall

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become effective with such certificate and a copy of the amendment is recorded in the Office of the Clerk of Court of Horry County, South Carolina.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Board. A co-owner who mortgages his Villa shall notify the Board through the management agent, if any, or the President if there is no management agent, of the name and address of his mortgagee; and the Regime shall maintain such information in a book entitled "Mortgages of Villas".

Section 2. Notice of Unpaid Assessments. The Board shall at the request of a mortgagee of a Villa report any unpaid assessments due to the Regime from the co-owner of such Villa.

ARTICLE IX

INDEMNIFICATION

Every administrator and every officer of the Regime shall be indemnified by the Regime against all expenses and liabilities including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been an administrator or officer of the Regime, or any settlement thereof, whether or not

he is an administrator or officer at the time such expenses are incurred, except in such cases wherein the administrator or officer is adjudged guilty or willful misfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Administrators approves such settlement and reimbursement as being for the best interests of the Regime. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such administrator or officer may be entitled.

ARTICLE X

COMPLIANCE

These By-Laws are intended to comply with the Requirements of the Horizontal Property Act of South Carolina. In case any of these By-Laws conflict with the provisions of said Statute, it is hereby agreed and accepted that the provisions of said Statute, it is hereby agreed and accepted that the provisions of the Statute will control.

