

STATE OF SOUTH CAROLINA
COUNTY OF HORRY

AMENDMENT TO BY-LAWS FOR
OCEAN DUNES VILLAS II HOMEOWNERS
ASSOCIATION, INC.

WHEREAS, the Master Deed, with accompanying By-Laws, for Ocean Dunes Villas II Horizontal Property Regime was duly recorded in the Office of the Clerk of Court for Horry County in Deed Book 795, at Pages 82-120 on May 17, 1983; and

WHEREAS, said Master Deed with the accompanying By-Laws contains provisions for amending the By-Laws under certain procedures; and

WHEREAS, pursuant to said By-Laws, the Homeowners, either in person or by proxy, of Ocean Dunes Villas II Homeowners Association, Inc., held a meeting on August 15, 1990, wherein a quorum of 76.176% of all owners were present to vote on matters pertaining to the Association and they voted to amend the By-Laws in the hereinafter set out particulars;

NOW, THEREFORE, the By-Laws of Ocean Dunes Villas II Homeowners Association, Inc., as set forth in Deed book 795, at Pages 82 – 120, governing the Ocean Dunes Villas II Horizontal Property Regime are herein and hereby amended as follows:

1. Section a) of Article 3, ANNUAL AND SPECAIL MEETINGS OF MEMBERSHIP, is hereby deleted and the following is hereby substituted in lieu thereof:

The Annual Members Meeting shall be held on a Saturday in October or November of each year at a date, time and place to be determined by the Board for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members. At the annual meeting, the members shall elect by plurality vote a Board of Directors and shall transact such other business as may be properly brought before the meeting.

The above amendment shall be deemed to be part of the By-Laws of the Ocean Dunes Villas II Homeowners Association, Inc. and shall replace and/or addend any By-Law Provisions previously existing.

This Amendment to the By-Laws as herein set forth shall control as to all future Board of Directors and Homeowners of Ocean Dunes Villas II Homeowners Association, Inc., and all sections not in direct conflict herewith shall be deemed to continue in full force and effect and not to be altered, abrogated or changed in any manner. Any provisions in conflict herewith shall be deemed null and void.

IN WITNESS WHEREOF, the underlying President and Secretary for Ocean Dunes Villas II Homeowners Association, Inc. have duly executed this Amendment this 15th day of August, 1990.

MASTER DEED

for

OCEAN DUNES VILLAS II

Horizontal Property Regime

Myrtle Beach

Horry County, South Carolina

Ocean Dunes Realty, Inc., having its principal office at Myrtle Beach, County of Horry, State of South 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 (Phase I), 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 know as Ocean Dunes Villas II) in the manner provided for by Section 27-31-10 through 27-10-300 (both inclusive) of Chapter 31 entitles "Horizontal Property Act of the 1976 Code of Laws of South Carolina" as amended. In conformity with Sections 27-31-30 and 27-31-100 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, all those certain pieces, parcels or lots of land, together with improvements thereon, situate, lying and being in Horry County, State of South Carolina, and being more particularly designated as Lots 17, 18 and 19 of Block 13 of the Long Bay Section of Myrtle Beach as shown on a may prepared by T.M. Jordan, C.E., dated May, 1947, and recorded April 8, 1949, in Plat Book 8 at page 26-A, reference to which is craved as forming a part of these presents. Said map is also recorded in Plat Book 47 at page 47, records of Horry County.

This property is more recently shown on a plat by P.H. Dukes, R.L.S., dated May 5, 1983, and recorded in Condominium Plat Book 2 at page 39, records of Horry County.

Subject to all restrictions of record and easements of record or on the ground.

Subject to an easement granted to Seaside Properties, Inc. for parking purposes as set forth in an instrument dated May 16, 1983, and recorded May 17, 1983, in Deed Book 795 at page 78, records of Horry County.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof, as Exhibit "A", is a plot plan showing the location of the buildings and other improvements, a set of floor plans of the buildings which show graphically the dimensions, area, and location of COMMON ELEMENTS affording access to each DWELLING. 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 aforesaid Horry County, maintained by the Clerk of Court.

III.

ADDITIONAL PHASES AND EASEMENTS THEREFOR

In addition to the lands with improvements thereon in Phase I the GRANTOR intends to acquire and complete construction of additional DWELLINGS on property contiguous or near to the property described in Paragraph I herein. The additional property shall be referred to as "Phase II" and "Phase III". In the event the GRANTOR exercises its right and option to add Phase II or Phase II, or both, the property of said phases will become an integral part of Ocean Dunes Villas II Horizontal Property Regime once appropriate amendments to this Master Deed have been filed as hereinafter provided. Phase II, if constructed, shall contain One building containing an aggregate of thirty (30) DWELLINGS having similar design as those DWELLINGS located in Phase I. Phase III, if constructed, shall contain one building having fourteen (14) DWELLINGS of similar design as those DWELLINGS in Phases I and II. Further, there is reserved by the GRANTOR, for itself, its successors or assigns, in , over, across, under and upon the properties shown as Phase I, II, and III all easements and right of ingress and egress necessary and convenient for the construction of the said Phases II and/or III, as the case may be, which such easements shall remain in full force and effect for such time as the GRANTOR retains the option of submitting the said Phase II and/or Phase III to the Regime.

The GRANTOR hereby reserves unto itself, its successors or assigns, the right and option, to be exercised at its sole discretion, to submit the Phase II or Phase III property, or both, to the provisions of this Master Deed, thereby causing Phase II or Phase III, or both, to become and be a part of Ocean Dunes Villas II Horizontal Property Regime. The GRANTOR may elect to exercise this right or option as to Phase II no later than two years from the filing of this Master Deed, and as to Phase III, no later than five (5) years from the filing of this Master Deed. The said Phase II or III, or both, shall be added only upon execution by the GRANTOR, its successors or assigns, within the time specified herein, of an amendment or amendments to this Master Deed which shall be filed for record in the Office of the Clerk of Court for Horry County, South Carolina. Any such amendment shall expressly submit the Phase II or Phase III property, or both, to all of the provisions of this Master Deed and By-Laws of Ocean Dunes Villas II Horizontal Property Regime, such By-Laws made a part hereof as either or both may be amended. Upon the exercise, if any, of this right or option, the provisions of this Master Deed and all exhibits hereto shall then be construed and understood as embracing Phase I (the basic "property" herein defined) and the Phase II or Phase III, or both, as appropriate, together with all improvements then or thereafter constructed. Should the GRANTOR fail to exercise its right or option within the time specified herein, then in that event, said option within the time specified herein, then in that event, said option shall expire and be of no further force or effect.

IV.

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 twenty-one (21) separate and numbered DWELLING Units which are designated in Exhibit "A" to this Master Deed, 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 loadbearing walls and/or unfinished 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.

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.

V.

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, and 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, and except as provided in Paragraphs III and XXIX with regard to the amendments of this Master Deed to admit the Phase II or Phase III DWELLINGS, or both, into this Regime.

VI.

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

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 "B" 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. Further, nothing contained herein shall be construed as limiting or preventing the GRANTOR, its successors or assigns, from adding Phase II or Phase III, or both, as provided herein.

VII.

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.

VIII.

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, Ocean Dunes Villas II Homeowners Association, Inc., 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.

IX.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

If any portion of the COMMON ELEMENTS now encroaches upon any condominium DWELLING or if any condominium DWELLING now encroaches upon any other condominium DWELLING or upon any portion of the COMMON ELEMENTS as a result of the construction or repair of any building or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building or otherwise, a valid easement for the encroachment and for the maintenance of the same, so long as the building stands, shall exist. In the event any building, any condominium DWELLING, any adjoining condominium DWELLING, or any adjoining COMMON ELEMENT shall be partially or totally destroyed as the result of fire or other casualty or as the result of condemnation or eminent domain proceedings and the reconstructed encroachments of parts of the COMMON ELEMENTS upon any condominium DWELLING or upon any portion of the COMMON ELEMENTS due to such encroachments and maintenance thereof shall exist so long as the building shall stand.

X.

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 is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the owners of all other 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. Provided, however, that the co-owners interest in the COMMON ELEMENTS may be diminished by the addition of Phases II or III, or both, as set forth in Paragraph III herein.

XI.

PERCENTAGE OF UNDIVIDED INTEREST IN
COMMON ELEMENTS APPURTENANT TO EACH DWELLING

The undivided interest in COMMON ELEMENTS appurtenant to each DWELLING at each stage of development 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".

XII.

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.

XIII.

ADMINISTRATION OF
OCEAN DUNES VILLAS II (A CONDOMINIUM) BY
OCEAN DUNES VILLAS II HOMEOWNERS ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the owners of DWELLINGS, a non-profit South Carolina corporation, known and designated as Ocean Dunes Villas II Homeowners Association, Inc. has been organized, and said corporation 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 the Articles of Incorporation of Ocean Dunes Villas II Homeowners Association, Inc. hereinafter referred to as the ASSOCIATION, and By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of said ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibits "C" and "D" respectively. 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 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 manner 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.

XIV.

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 invitees; provided, however, that so long as Ocean Dunes Realty, Inc. 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, Ocean Dunes Realty, Inc. may assign this commercial usage right to such other persons or entities as it may choose, provided, however, that when all DWELLINGS have been conveyed, this right of commercial usage shall immediately cease.

XV.

USE OF COMMON ELEMENTS SUBJECT TO RULES OF ASSOCIATION

The use of COMMON ELEMENTS by the owner or owners of all DWELLINGS, and all other 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.

XVI.

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

No immoral, improper, offensive or unlawful use shall be made of 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.

XVII.

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 Directors 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.

XVIII.

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.

XIX.

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 Directors of said ASSOCIATION determine, in their sole discretion, that such structural modification 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 non 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.

XX.

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 Directors 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 according to the percentages set out in Exhibit "B" of the Master Deed. 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 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 Directors of ASSOCIATION.

XXI.

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, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his DWELLING. Such owner shall further be responsible and liable for maintenance, repair and replacement of any and all window glass, 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, 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 and replacement. The balcony floor, walls facing the balcony, and balcony railings attached to his DWELLING shall be maintained by the owner at his expense. Provided, however, said owner shall take no action that will alter the exterior appearance of the building. Should the owner fail to provide the maintenance and/or repairs as required, the ASSOCIATION shall have the right to enter the DWELLING to accomplish same at the sole cost and expense of the owner and said cost and expense shall be charged against the owner and shall become a lien on his DWELLING in like manner as a monthly assessment.

XXII.

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.

XXIII.

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 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 owners and ASSOCIATION, 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 and personal effects and other personal property (other than such furniture, furnishing) as set forth in an instrument dated May 16, 1983, and recorded May 17, 1983, in Deed Book 795 at page 78, records of Horry County.

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.

INSURANCE COVERAGE TO BE MAINTAINED BY ASSOCIATION:
INSURANCE TRUSTEE, APPOINTMENT AND DUTIES:
APPROVAL OF INSURORS BY INSTITUTIONAL LENDER:
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.

All policies of casualty insurance covering the CONDOMINIUM shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successor, and the insurance proceeds from any casualty loss shall be held for the use and benefit of ASSOCIATION and all of the owners of all DWELLINGS and their respective Mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. ASSOCIATION is hereby declared to be and appointed as Authorized Agent for all of the owners of all DWELLINGS for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

So long as Coastal Federal Savings and Loan Association, or its assignee (which assignment shall be evidenced by a recordable document, a certified copy of which shall be furnished the ASSOCIATION), hereinafter referred to as Lender, is the holder of a mortgage on any DWELLING in the CONDOMINIUM, said Lender shall have the right to approve the company or companies with whom ASSOCIATION shall place its casualty insurance coverage, and such casualty insurance coverage shall only be placed by ASSOCIATION with such company or companies as are approved by such Lender. At such time as Lender shall not hold a mortgage on any DWELLINGS, then the company or companies with whom such casualty insurance may be placed shall be selected by ASSOCIATION, and all parties beneficially interested in such insurance coverage shall be bound by such selection of insurance company or companies made by ASSOCIATION.

The ASSOCIATION shall have the right to designate the Insurance Trustee and all parties beneficially interested in such insurance coverage shall be bound thereby.

The Insurance Trustee shall be a banking institution having trust powers and doing business in the State of South Carolina. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal of any policy or policies of casualty insurance, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds.

The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold same in trust for the purposes herein stated, and for the benefit for ASSOCIATION and the owners of all DWELLINGS and their respective mortgagees, such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. ASSOCIATION, as a common expense, shall pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Wherever the Insurance Trustee may be required to make distribution of insurance proceeds to owners of DWELLINGS and their Mortgages, as their respective interests may appear, the Insurance Trustee may rely upon a Certificate of the President and Secretary of ASSOCIATION, executed under oath, and which Certificate to certify unto said Insurance Trustee the name or names of the owners of each DWELLING, the name or names of the Mortgagee or Mortgagees who may hold a mortgage or mortgages encumbering each DWELLING, and the respective percentages of any distribution which may be required to be made to the owner or owners of any DWELLING or DWELLINGS, and his or their respective Mortgagee or Mortgagees, as their respective interests may appear. Where any insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder or holders of any mortgage or mortgages encumbering a DWELLING shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the owner or owners of any DWELLING or DWELLINGS, and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of COMMON ELEMENTS and as to which a determination is made not to repair, replace or restore such personal property. So long as Lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed, Lender shall also have the right to approve the amount of such insurance coverage to be maintained.

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 the Insurance Trustee 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 by the Insurance Trustee to the owners of all of the DWELLINGS and their respective Mortgagees, the distribution to be separately made to the owner of each DWELLING and his respective mortgagee or mortgagees, as their interest 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 interests in COMMON ELEMENTS appurtenant to all DWELLINGS. If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee 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 deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be deposited by ASSOCIATION with the Insurance Trustee, in said latter event, may be paid by ASSOCIATION out of its Reserve for Replacement Fund, and if the amount in such Reserve for Replacement 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 paid to the Insurance Trustee to cover such loss or damage 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 by the Insurance Trustee to the owners of all DWELLINGS, and to their mortgagee or mortgagees, as their respective interest 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 payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage 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 deposited with said Insurance Trustee so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all COMMON ELEMENTS and 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 payable to the Insurance Trustee 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 and the Board of Directors 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 said Insurance Trustee not later than thirty (30) days from the date on which said Insurance Trustee shall receive the monies payable under policy or policies of casualty insurance.

In the event of the loss of or damage to personal property belonging to ASSOCIATION, the insurance proceeds, when received by the Insurance Trustee, 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 Directors of ASSOCIATION determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the Insurance Trustee shall be paid to all of the owners of all DWELLINGS and their respective mortgagee or mortgagees, as their interests may appear, in the manner and in the proportions hereinbefore provided for the distribution of excess insurance proceeds.

XXV.

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

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 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 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 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, 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 the ASSOCIATION.

XXVI.

ASSOCIATION TO MAINTAIN REGISTRY
OF OWNERS AND MORTGAGEES

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 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, as and for the Council of Co-owners, 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 sometimes 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 of 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 the 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 deprived 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 assessments 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 Directors of ASSOCIATION.
- C. The Board of Directors 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 of such Annual Budget by the Board of Directors 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 Directors at any time determine, in the sole discretion of said Board of Directors, 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 Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.
- D. The Board of Directors 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 Directors 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 preferable by the Board of Directors of ASSOCIATION in the sole discretion of said Board of Directors.
- E. The Board of Directors 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 Articles of Incorporation and By-Laws of said ASSOCIATION and as the monies for any assessment are paid unto ASSOCIATION by 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 this 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 Board of Directors may accelerate the remaining installments of the annual assessment upon notice thereof to the DWELLING owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice, which shall not be less than ten (10) days after the date of the notice. In the event any assessment, installment, or accelerated assessments are not paid within twenty (20) days after their due date, the ASSOCIATION, through its Board of Directors, may proceed to enforce and collect the said assessments against the DWELLING owner owing the same in any manner provided for by the Act, including the right of foreclosures and sale. 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 to ASSOCIATION.
- H. The owner or owners of each DWELLING shall be personally liable 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 CONDO-MINIUM: In the event that any owner or owners are in default in payment of any assessment or installment thereof owed to ASSOCIATION, such owner or owners of any DWELLING shall be personally liable 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 waiver 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 is hereby granted a lien upon such DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, 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 of 8% per annum on any such advances made for such 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 thereon, 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 thereon, all as above provided. Such claims of 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.

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 of 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 of 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.

- L. 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 sums then remaining owing to it.

Notwithstanding anything in this Master Deed to the contrary, it is declared that until December 31, 1983, each DWELLING (condominium unit) in Phase I shall be exempt from the assessment created herein until such time as the DWELLING is conveyed by the GRANTOR to a grantee (owner). Except as expressly provided herein, no DWELLING and its appurtenant percentage interest shall be exempt from said assessment. Moreover, until such time as a DWELLING is conveyed by the GRANTOR, to a grantee, the GRANTOR shall be assessed and pay to the ASSOCIATION in lieu of any assessment thereof a sum equal to the actual amount of actual operation expenditures for the calendar year less an amount equal to the total assessments made by the ASSOCIATION against owners of DWELLINGS other than those owned by GRANTOR. The actual operating expenditures for the calendar year less an amount equal to the total assessment made by the ASSOCIATION against owners of DWELLINGS other than those owned by GRANTOR. The actual operating expenditures for this purpose shall also include any reserve for replacements or operating reserves. Commencing January 1, 1984, the GRANTOR shall be subject to assessments as provided for in this Master Deed so that it will pay assessments on the same basis provided for under this Master Deed as the same are paid by DWELLING owners. This paragraph shall not apply to additional phases but may be amended to reflect the addition of Phase II or Phase III, or both.

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 aforementioned parties, and such instruments shall be recorded in Public Records of Horry County, South Carolina.

XXIX.

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, and the Lender which said rights and privileges granted and reserved unto modified with the respective express written consent of the said GRANTOR or Lender, as the case may be, this Master Deed may be amended in the following manner:

An amendment or amendments to this Master Deed may be proposed by the Board of Directors of ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of ASSOCIATION owning a majority of the DWELLINGS in the CONDOMINIUM, whether meeting a members or by instrument in writing signed by them. Upon any amendments or amendments to the Master Deed being proposed by said Board of Directors 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 of 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 amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of ASSOCIATION shall be 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 GRANTOR without the consent of all such Mortgagees or GRANTOR as the case may be. The GRANTOR reserves the right to make changes in this Master Deed to correct typographical or similar errors, provided that any such corrections shall not adversely affect the interest of any owner or owners, by recording an appropriate document in the Office of the Clerk of Court of Horry County.

Notwithstanding anything contained herein, the GRANTOR, its successors or assigns, may, without the consent of the DWELLING Owners or Mortgagees, at any time prior to the 31st day of May, 1985, for Phase II and before the 31st day of May 1988, for Phase III, amend this Master Deed in the manner set forth in Paragraph III so as to subject the Phase II or Phase III property, or both, to the provisions of the Master Deed and the Horizontal Property Act of South Carolina so as to make the Phase II or Phase III property, or both, an integral part of Ocean Dunes Villas II Horizontal Property Regime. Any such amendment shall, together with this Master Deed, contain all of the particulars required by the said Horizontal Property Act of South Carolina and from and after the recording of such amendment, Ocean Dunes Villas II Horizontal Property Regime shall include all of said Phase II or Phase III property, or both, as appropriate. The Phase II DWELLINGS and Phase III DWELLINGS are to be of similar design as those DWELLINGS in Phase I. The designation of each apartment number and its proportionate interest in the COMMON ELEMENTS are set forth in Exhibit "B", which is attached hereto and made a part and parcel hereof. It is not contemplated that the COMMON ELEMENTS which may be submitted in Phase II or Phase III will substantially increase the proportionate amount of the common expenses payable by existing DWELLING Owners.

XXX.

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 Articles of Incorporation 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 the 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 Articles of Incorporation, By-Laws of 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 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, or the Lender to enforce any right, privilege, covenant or condition which may be granted to them, or either of them, by this Master Deed or other above mentioned document shall not constitute waiver of the right of either of said parties 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, RULES AND REGULATIONS

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, and 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 are accepted ratified in all respects.

XXXII.

RIGHT OF GRANTOR TO SELL OR LEASE DWELLING OWNED
BY IT AND RIGHT OF GRANTOR TO REPRESENTATION
ON BOARD OF DIRECTORS OF ASSOCIATION

So long as the GRANTOR herein, Ocean Dunes Realty, Inc., shall own any DWELLING, the said GRANTOR, 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 interest. Further, so long as any phase or phases of the CONDOMINIUM project have not been submitted to the Regime, or the GRANTOR, is the owner of five (5) or more DWELLINGS, then the GRANTOR, shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION: Whenever the GRANTOR, shall be entitled to designate and select any person or persons to serve on any Board of Directors of ASSOCIATION the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of ASSOCIATION, and the GRANTOR, shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person and persons with another person or persons to act and serve in the place of any Director or Directors so removed. Any Director designated and selected by the GRANTOR, need not be a resident in the CONDOMINIUM. The power of the owner to designate Directors as above referred to shall terminate on the 31st day of May, 1988.

Any representative of GRANTOR, serving on the Board of Directors of ASSOCIATION shall not be required to disqualify himself upon any vote upon any management contract or other matter between the GRANTOR and ASSOCIATION where the said GRANTOR may have a pecuniary or other interest. Similarly, the GRANTOR, as a member of ASSOCIATION' shall not be required to disqualify itself in any vote which may come before the membership of ASSOCIATION upon any management contract or other matter between the GRANTOR, and ASSOCIATION where the GRANTOR, may have a pecuniary or other interest.

XXXIII.

ANNUAL REPORTS TO BE PROVIDED TO LENDER

So long as the Lender to be selected by GRANTOR is the owner or holder of a mortgage encumbering a DWELLING in the CONDOMINIUM, ASSOCIATION shall furnish said Lender with at least one (1) copy of the Annual Financial Statement and Report of ASSOCIATION audited and prepared by Certified Public Accountants satisfactory to Lender and setting forth such details as the said Lender may reasonably require, 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 hereof or the remaining portions of any 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, 1976 Code of Laws, as the same may be amended from time to time thereafter is hereby adopted and expressly made a part 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 GRANTOR, 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.

XXXVII.

DEFINITIONS

- A. The term “DWELLINGS” or “ DWELLINGS” shall be synonymous with the term “Apartment” “Apartments” as those terms are used under the Horizontal Property Act of the 1976 Code of Laws of South Carolina, as amended.
- B. “Building” means a structure or structures containing in the aggregate two or more apartments comprising a part of the property.
- C. “Co-owner” means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, who owns a DWELLING within the building.
- D. “Assessment” means a DWELLING Owner’s prorata share of the common expenses which from time to time is assessed against a DWELLING Owner by the ASSOCIATION.
- E. “ASSOCIATION” means council of co-owners as defined by the Horizontal Property Act also means Ocean Dunes Villas II Homeowners Association, Inc. the corporate form by which the council of co-owners shall operate Ocean Dunes Villas II Homeowners Association, Inc.
- F. “Common Expense” means the expenses for which the dwelling owners are liable to the ASSOCIATION and include:
 - 1. Expenses of administration, expenses of maintenance, insurance, operation, repair or replacement of the COMMON ELEMENTS and of the portions of DWELLINGS which are the responsibility of the ASSOCIATION;
 - 2. Expenses declared common expenses by provisions of this Master Deed;

3. Any valid charges against the Regime as a whole.
- G. "Common Surplus" means the excess of or receipts of the ASSOCIATION, including, but not limited to assessments over the amount of common expenses.
- H. "CONDOMINIUM" means the form of individual ownership of a particular DWELLING (apartment) in a building and the common right to a share with other co-owners in the general COMMON ELEMENTS.
- I. "COMMON ELEMENTS" means and includes the elements described in the Horizontal Property Act, and in this Master Deed (including Exhibits), as "general common elements" and also the following:
 1. Easements through apartments for conduits, ducts, plumbing, chimneys, wiring, and other facilities for the furnishing of utility services to apartments and the general common elements; provided, however, such easements through an apartment shall be only according to the plans and specifications for the apartment building, or as the building is constructed unless approved in writing by the apartment owner.
 2. An easement of support in every portion of an apartment which contributes to the support of a building.
 3. Easements through the apartments and general common elements for maintenance, repair and replacement of the apartment and general COMMON ELEMENTS.
 4. Installations for the furnishing of utility services to more than one apartment or to the general COMMON ELEMENTS or to an apartment other than the one containing the installation, which installation shall include ducts, plumbing, wiring and other facilities for the rendering of such services.
 5. The tangible personal property required for the maintenance and operation of the Regime, even though owned by the ASSOCIATION.

OCEAN DUNES VILLAS II

EXHIBIT "A"

NARRATIVE PROTION

TO

MASTER DEED

NOTE: Exhibit A is a survey showing the location of the building and other improvements, a set of floor plans of the building which shows graphically the dimensions, area and location of each dwelling therein and the dimensions, area and location of Common Elements affording access to each dwelling, both plat and plans being recorded in Condominium Plat Book 2, at Page 39, records of Horry County. Said Exhibit further shows and includes the following: There are 21 dwellings all located in a single building consisting of three (3) floors. All dwellings beginning with the numerical designation 55 are located on the first floor; all dwellings beginning with the numerical designation 56 are located on the second floor and all dwellings beginning with the numerical designation 57 are located on the third floor. The numerical designations following the floor designations are the unit numbers which identification located each dwelling with respect to other dwellings on the same floor as reference to the survey by P.H. Dukes, R.L.S., more fully

depicts. The plans prepared by Bartholomew Associates, Inc. recorded in Condominium Plat Book 2, at Page 39, show, in detail, the individual units, together with their specifications and dimensions and are hereby incorporated herein and made a part hereof by reference.

Access to each of the floors is by stairs located at each end of the building. Access to each floor is also by way of an elevator located at the northwestern end of the building. Access to each unit is provided by way of a corridor (which is a Common Area) running in a generally east-west direction on the north side of the building. Each unit contains a door which fronts on the corridor.

As to each Dwelling: All kitchen and other electrical appliances, air conditioning, wherever installed, and heating units and hot water heaters located within each apartment are neither general Common Elements nor limited Common Elements, but are the personal property of the apartment owners. The balcony or porch adjacent to each unit, including the railing adjacent to same, is a part of each such unit and not a Common Area or Element, although subject to restrictions as set out elsewhere in this Master Deed.

Reference to areas as Common Elements or areas in this paragraph shall be in addition to and be read in conjunction with further designations of Common Elements and areas set out in other portions of this Master Deed.

OCEAN DUNES VILLAS II

A CONDOMINIUM

EXHIBIT "B"

TO

MASTER DEED

SCHEDULE of percentage (%) of undivided interest in common elements appurtenant to dwellings in Ocean Dunes Villas II, a Condominium, including Phase I, Phase II and Phase II, if developed. Statutory value is for statutory purposes only and has no relationship to the actual value of each dwelling.

DWELLING NUMBER	VALUE FOR STATUTORY PURPOSE	PERCENTAGE FOR PHASE I ONLY	PERCENTAGE FOR PHASES I & II	PERCENTAGE FOR PHASES I, II & III
V-5500-01	\$90,000.00	4.761	1.960	1.538
V-5600-01	\$90,000.00	4.761	1.960	1.538
V-5700-01	\$90,000.00	4.761	1.960	1.538
V-5502-03	\$90,000.00	4.761	1.960	1.538
V-5602-03	\$90,000.00	4.761	1.960	1.538
V-5702-03	\$90,000.00	4.761	1.960	1.538
V-5504-05	\$90,000.00	4.761	1.960	1.538
V-5604-05	\$90,000.00	4.761	1.960	1.538
V-5704-05	\$90,000.00	4.761	1.960	1.538
V-5506-07	\$90,000.00	4.761	1.960	1.538
V-5606-07	\$90,000.00	4.761	1.960	1.538
V-5706-07	\$90,000.00	4.761	1.960	1.538
V-5508-09	\$90,000.00	4.761	1.960	1.538
V-5608-09	\$90,000.00	4.761	1.960	1.538
V-5708-09	\$90,000.00	4.761	1.960	1.538
V-5510-11	\$90,000.00	4.761	1.960	1.538
V-5610-11	\$90,000.00	4.761	1.960	1.538
V-5710-11	\$90,000.00	4.761	1.960	1.538
V-5512-13	\$90,000.00	4.761	1.960	1.538
V-5612-13	\$90,000.00	4.761	1.960	1.538
V-5712-13	\$90,000.00	4.761	1.960	1.538
V-5514-15	\$90,000.00		1.960	1.538
V-5516-17	\$90,000.00		1.960	1.538
V-5518-19	\$90,000.00		1.960	1.538
V-5520-21	\$90,000.00		1.960	1.538
V-5522-23	\$90,000.00		1.960	1.538
V-5523-24	\$90,000.00		1.960	1.538
V-5525-26	\$90,000.00		1.960	1.538
V-5527-29	\$90,000.00		1.960	1.538
V-5530-31	\$90,000.00		1.960	1.538
V-5532-33	\$90,000.00		1.960	1.538
V-5614-15	\$90,000.00		1.960	1.538
V-5616-17	\$90,000.00		1.960	1.538
V-5618-19	\$90,000.00		1.960	1.538
V-5620-21	\$90,000.00		1.960	1.538
V-5622-23	\$90,000.00		1.960	1.538
V-5624-25	\$90,000.00		1.960	1.538
V-5626-27	\$90,000.00		1.960	1.538
V-5628-29	\$90,000.00		1.960	1.538
V-5630-31	\$90,000.00		1.960	1.538
V-5632-33	\$90,000.00		1.960	1.538
V-5714-15	\$90,000.00		1.960	1.538
V-5716-17	\$90,000.00		1.960	1.538
V-5718-19	\$90,000.00		1.960	1.538
V-5720-21	\$90,000.00		1.960	1.538
V-5722-23	\$90,000.00		1.960	1.538
V-5724-25	\$90,000.00		1.960	1.538
V-5726-27	\$90,000.00		1.960	1.538
V-5728-29	\$90,000.00		1.960	1.538
V-5730-31	\$90,000.00		1.960	1.538
V-5732-33	\$90,000.00		1.960	1.538

DWELLING NUMBER	VALUE FOR STATUTORY PURPOSE	PERCENTAGE FOR PHASE I ONLY	PERCENTAGE FOR PHASES I & II	PERCENTAGE FOR PHASES I, II & III
V-5534-35	\$90,000.00			1.538
V-5536-37	\$90,000.00			1.538
V-5538-39	\$90,000.00			1.538
V-5540-41	\$90,000.00			1.538
V-5542-43	\$90,000.00			1.538
V-5544-45	\$90,000.00			1.538
V-5634-35	\$90,000.00			1.538
V-5636-37	\$90,000.00			1.538
V-5638-39	\$90,000.00			1.538
V-5640-41	\$90,000.00			1.538
V-5642-43	\$90,000.00			1.538
V-5644-45	\$90,000.00			1.538
V-5734-35	\$90,000.00			1.538
V-5736-37	\$90,000.00			1.538

NOTE: The total statutory value of the property in Phase I only is \$1,890,000.00; the total statutory value of Phases I and II combined is \$4,590,000.00; the total statutory value in Phase I, Phase II and Phase III combined is \$5,859,000.00.

*NOTE: The percentages have been rounded from 99.99% for Phase I only; 99.96% for Phases I and II only and 99.97% for Phases I, II and III.

EXHIBIT "D"

BY-LAWS

OF

OCEAN DUNES VILLAS II HOMEOWNERS ASSOCIATION, INC.

A corporation not for profit under
The laws of the State of South Carolina

1. IDENTITY

These are the By-Laws of Ocean Dunes Villas II Homeowners Association, Inc., a non-profit corporation existing under the laws of the State of South Carolina, which has been organized for the purpose of administering a condominium established as a Horizontal Property Regime pursuant to the Horizontal Property Act which is Chapter 31 of the 1976 Code of Laws of South Carolina. This Horizontal Property Regime is identified by the name Ocean Dunes Villas II and is located upon the following lands in Horry County, South Carolina:

All and Singular, all those certain pieces, parcels or lots of land, together with improvements thereon, situate, lying and being in Horry County, State of South Carolina, and being more particularly designated as Lots 17, 18 and 19 of Block 13 of the Long Bay Section of Myrtle Beach as shown on a map prepared by T.M. Jordan, C.E., dated May, 1947, and recorded April 8, 1949, in Plat Book 8 at page 26-A, reference to which is craved as forming a part of these presents. Said map is also recorded in Plat Book 47 at page 47, records of Horry County.

This property is more recently shown on a plat by P.H. Dukes, R.L.S., dated May 5, 1983, and recorded in Condominium Plat Book 2 at Page 39, records of Horry County.

Subject to all restrictions of record and easements of record or on the ground.

Subject to an easement granted to Seaside Properties, Inc. for parking purposes as set forth in an instrument dated May 16, 1983, and recorded May 17, 1983, in deed book at page , records of Horry County.

- a) The property (the term “property” as used herein means and includes the land, the buildings, all improvements, and structures thereon in Phases I, II, and III) located in Myrtle Beach, Horry County, South Carolina, known as Ocean Dunes Villas II, a Horizontal Property Regime, which has been or will be submitted to the provisions of the Horizontal Property Act of South Carolina, and may likewise hereafter be expanded to include additional properties added to the original Phase I of the said Ocean Dunes Villas II Horizontal Property Regime by filing a duly authorized Amendment or Amendments to said Master Deed, any and all of which property shall henceforth be known as Ocean Dunes Villas II Horizontal Property Regime (hereinafter referred to as “Regime”).
- b) The provisions of these By-Laws are applicable to said CONDOMINIUM, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Articles of Incorporation and which may be contained in the formal Master Deed which will be recorded in the Public Records of Horry County, South Carolina, at the time said property and the improvements now or hereafter situate thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles of Incorporation and Master Deed to be controlling wherever the same may be in conflict herewith.
- c) All present or future owners, tenants, future tenants, or their employees, or any other person that might use said CONDOMINIUM or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Master Deed.
- d) The office of the ASSOCIATION shall be at c/o Ocean Dunes Realty, Inc., 74th Avenue North, Myrtle Beach, South Carolina 29577 or such other place as the Board of Directors may deem from time to time.
- e) The fiscal year of the ASSOCIATION shall be the calendar year.
- f) The seal of the ASSOCIATION shall bear the name of the ASSOCIATION, and the word “South Carolina,” the words “Corporation Not for Profit,” and the year of incorporation, an impression of which seal is as follow:

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

- a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article IV of the Articles of Incorporation of the ASSOCIATION, the provisions of which said Articles of Incorporation are incorporated herein by reference. In the event that the Master Deed is amended so as to cause the Regime to be enlarged to include Phase II or Phase III, or both, the DWELLINGS in Phase II or Phase III, or both, shall have the same rights and obligations as owners in Phase I.
- b) A quorum at members’ meetings shall consist of persons entitled to cast a majority (51% of the value of the property) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining.

- c) The vote of the owners of a DWELLING owned by more than one person or by a corporation or other entity shall be cast by the person named in a Certificate signed by all of the owners of the DWELLING and filed with the Secretary of the ASSOCIATION, and such certificate shall be valid until revoked by subsequent certificate. 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.
- d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.
- e) Approval or disapproval of a DWELLING owner upon any matters, whether or not the subject of an ASSOCIATION meeting, shall be by the same person who would cast the vote of such owner if in an ASSOCIATION meeting.
- f) Except where otherwise required under the provisions of the Articles of Incorporation of the ASSOCIATION, these By-Laws, the Master Deed, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the DWELLINGS represented at any duly called members meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

- a) The Annual Members Meeting shall be held at the office of the ASSOCIATION at 2:00 o'clock, P.M., Eastern Standard Time, on the second Saturday in the October of each year for the purpose of electing Directors and of the transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Saturday.
- b) Special Members' Meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of majority of the DWELLINGS.
- c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President or Secretary or the ASSOCIATION, or other Officer of the ASSOCIATION in absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not been attended, or because the greater percentage of the membership required to constitute a quorum for particular attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Master Deed, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.
- d) At meetings of membership, the President, shall preside, or in the absence of him, the membership shall select a chairman.

e) The order of business at Annual Members' Meetings, and, as far as practical, at any other members' meeting, shall be:

- i) Calling of the roll and certifying of proxies
- ii) Proof of notice of meeting or waiver of notice
- iii) Reading of minutes
- iv) Reports of Officers
- v) Reports of Committees
- vi) Appointment by Chairman of Inspectors of Election
- vii) Election of Directors
- viii) Unfinished business
- ix) New business
- x) Adjournment

4. BOARD OF DIRECTORS

a) The first Board of Directors of the ASSOCIATION and succeeding Boards of Directors shall consist of five (5) persons. At least a majority of the Board of Directors shall be members of the ASSOCIATION, or shall be authorized representatives, officers, or employees of a corporate member of the ASSOCIATION. Provided that so long as any phase or phases of the CONDOMINIUM project have not been submitted to the Regime or Ocean Dunes Realty, Inc., hereinafter referred to as "OWNER", is the owner of five (5) or more DWELLINGS, then Ocean Dunes Realty, Inc., shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION. The power of the OWNER to designate Directors as above referred to shall terminate on the 31st day of May, 1988.

b) Election of Directors shall be conducted in the following manner:

- i) OWNER, Sponsor of the CONDOMINIUM, shall, at the beginning of the election of the Board of Directors, designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection by OWNER by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by OWNER shall be deemed and considered for all purposes Directors of the ASSOCIATION, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.
- ii) All members of the Board of Directors whom OWNER shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION immediately following the designation and selection of the members of the Board of Directors whom OWNER shall be entitled to designate and select.
- iii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated and selected by OWNER, such vacancy shall be filled by OWNER designating and selecting, by written instrument delivered to any Officer of the ASSOCIATION, the successor Director to fill the vacated Directorship for the unexpired term thereof.
- iv) At the first Annual Meeting of the members held after the Master Deed has been recorded in the Public Records of Horry County, South Carolina, the term of office of the two (2) Directors receiving the highest plurality of votes shall be established at two (2) years and the three (3) Directors selected by Ocean Dunes Realty, Inc. shall serve until Ocean Dunes

Realty, Inc. no longer has the power, as provided herein, to select members of the Board of Directors. Thereafter, as many Directors of the ASSOCIATION shall be selected at the Annual Meeting as there are regular terms of office of Directors expiring at such time. The term of the Directors so selected at the Annual Meeting of members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided or as may be provided by law for the removal of Directors of South Carolina corporations for the profit.

- v) In the election of Directors, there shall be appurtenant to each DWELLING as may voted for Directors as there are Directors to be elected, provided, however, that no member or owner of any DWELLING may cast more than one vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.
- vi) In the event that OWNER, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the ASSOCIATION, the said OWNER shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacement of any person or persons designated by OWNER to serve on any Board of Directors of the ASSOCIATION shall be made by written instrument delivered to any officer of the ASSOCIATION, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by OWNER to any officer of the ASSOCIATION.
- c) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.
- d) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.
- e) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally, or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.
- f) Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.
- g) A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Master Deed. If any Directors' meeting cannot be organized because a quorum has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Master Deed, the Directors who are present may adjourn the meeting from time to time until a

quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director 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.

- h) The presiding Officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.
- i) Directors fees, if any, shall determined by the members.
- j) The Board of Directors shall manage and direct the affairs of the ASSOCIATION and subject to any restrictions imposed by law, by the Master Dee, or these By-Laws, may exercise all of the powers of the ASSOCIATION subject only to approval by the co-owners when such is specifically required of these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall encumbent upon it by law, the Master Deed or these By-Laws, if it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:
 - i) To make, levy and collect assessments against members and members' DWELLINGS to defray the costs of the common areas and facilities of the Condominium, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the ASSOCIATION;
 - ii) The maintenance, repair, replacement, operation, surveillance and the management of the common areas and facilities of the CONDOMINIUM wherever the is required to be done and accomplished by the ASSOCIATION for the benefit of its members;
 - iii) The reconstruction of improvements after casualty and the further improvement of the property, real and personal;
 - iv) To make and amend regulations governing the use of the property, real and personal, in the CONDOMINIUM project so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Master Deed;
 - v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including DWELLINGS in the CONDOMINIUM, as may be necessary or convenient in the operation and management of the CONDOMINIUM, and in accomplishing the purposes set forth in the Master Deed;
 - vi) To contract for the management of the common areas and facilities in the CONDOMINIUM project and to designate to such contractor all of the powers and duties of the ASSOCIATION, except those which may be required by the Master Deed to have approval of the Board of Directors or membership of the ASSOCIATION;
 - vii) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the ASSOCIATION, the Master Deed and the regulations hereinafter promulgated governing use of the property in the CONDOMINIUM;
 - viii) To pay all taxes and assessments which are liens against any part of the CONDMINIUM other than DWELLINGS and the appurtenances thereto, and to assess the same against the members and their respective DWELLINGS subject to such liens;

- ix) To carry insurance for the protection of the members and the ASSOCIATION against casualty and liability;
 - x) To pay all costs of power, water, sewer and other utility services rendered to the condominium and not billed to the owners of the separate DWELLINGS; and
 - xi) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the ASSOCIATION as well as the dismissal of said personnel.
- k) The first Board of Directors of the ASSOCIATION shall be comprised of the five (5) persons designated to act and serve as Directors in the Articles of Incorporation, which said persons shall serve until their successors are elected at the first Annual Meeting of the members of the ASSOCIATION called after the property identified herein has been submitted to the plan of Condominium ownership identified herein has been submitted to the plan of Condominium ownership and the Master Deed has been recorded in the Public Records of Horry County, South Carolina. Should any member of said first Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of said Director who is unable to serve.
- l) The undertakings and contracts authorized by said first Board of Directors shall be binding upon the ASSOCIATION in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by membership after the property identified herein has been submitted to the plan of Condominium ownership and said Master Deed has been recorded in the Horry County Public Records, so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the ASSOCIATION in accordance with all applicable Condominium documents.
- m) Directors may be removed from office in the manner provided by law for the removal of directors of South Carolina corporations for profit.

5. ADDITIONAL PROVISIONS ABOUT MEETINGS OF MEMBERS AND DIRECTORS

- a) Notwithstanding anything contained in these By-Laws to the contrary any meeting of members or Directors may be held at any place within or without the State of South Carolina of which notice is given in the notice of any such meeting or notice of which waived by any person otherwise entitled thereto at, during or after any such meeting.
- b) To the extent now or from time to time hereafter permitted by the law of South Carolina the Directors may take any action which they might take at a meeting of Directors without a meeting, a record of any such action so taken, signed by each Director, to be retained in the ASSOCIATION'S Minute Book and given equal dignity by all persons to the minutes of meetings duly called and held.

6. OFFICERS

- a) The executive offices of the ASSOCIATION shall be a President, who shall be a Director, a Vice President, who shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.

- b) powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the ASSOCIATION. He shall further have the power to approve (but not to disapprove) proposed purchasers of DWELLINGS and to waive the ASSOCIATION'S right of first refusal in the manner specified in the Master Deed.
- c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.
- d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.
- e) The Treasurer shall have custody of all of the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the ASSOCIATION in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.
- f) The compensation of all officers and employees of the ASSOCIATION shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude the contracting with a Director for the management of the CONDOMINIUM.

7. FISCAL MANAGEMENT

The provisions for fiscal management of the ASSOCIATION set forth in the Master Deed and Articles of Incorporation shall be supplemented by the following provisions:

- a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each DWELLING. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts of each assessment against the owners, the dates and amounts in which assessment come due, the amounts paid upon the account and the balance due upon assessments.
- b) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the ASSOCIATION, including but not limited to the following items:
 - i) Common expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of COMMON ELEMENTS; landscaping, street and walkways, office expense, swimming pool, utility services, casualty insurance, swimming pool, utility services, casualty insurance, liability insurance, administration and reserves (operating and replacement); and
 - ii) Proposed assessments against each member.

Copies of the proposed budget and proposed assessments shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and noting herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy and additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

- c) The Board of Directors shall determine the method of payment of such assessments and the due dates thereof and shall notify the members thereof. The assessments will initially be on a monthly basis unless changed by a vote of the majority of the Board of Directors.
- d) The depository of the ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the ASSOCIATION shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.
- e) An audit of the accounts of the ASSOCIATION shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.
- f) Fidelity bonds may be required by the Board of Directors from all officers and employees of the ASSOCIATION and from any contractor handling or responsible for ASSOCIATION funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the ASSOCIATION.

8. PARLIAMENTARY RULES

Roberts Rules of Order (latest addition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of South Carolina.

9. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

- a) Amendments to these By-Laws may be proposed by the Board of Directors of the ASSOCIATION acting upon vote of the majority of the Directors, or by members of the ASSOCIATION owning a majority of the total value of the property in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them.
- b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the ASSOCIATION, or other Officer of the ASSOCIATION in absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the ASSOCIATION and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer 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 meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members if required as herein set forth.

- c) In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the members owning not less than two-thirds of the total value of the property in the CONDOMINIUM. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the ASSOCIATION, and a copy thereof shall be recorded in the Public Records of Horry County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.
- d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the 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 the ASSOCIATION at or prior to such meeting.
- e) Notwithstanding the foregoing provisions of this Article 9, no amendment to these By-Laws which shall abridge, amend or alter the right of Ocean Dunes Realty, Inc. to designate and select members of each Board of Directors of the ASSOCIATION, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of Ocean Dunes Realty, Inc..

Notwithstanding the foregoing provisions of this Article 9, no amendment to these By-Laws shall