

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR LOT
SEVEN (7) BLOCK SEVEN (7)
OF THE GOLF COURSE SECTION
OF MYRTLE BEACH, SOUTH CAROLINA

WHEREAS, Sands Investments No. 2, Inc. is the owner of Lot Seven (7) of Block Seven (7) of the Golf Course Section of Myrtle Beach, South Carolina; and

WHEREAS, Sands Investments No. 2, Inc. has submitted said lot to a Declaration of Covenants, Conditions and Restrictions, recorded in Deed Book 687 at page 592, office of the Clerk of Court for Horry County, South Carolina; and

WHEREAS, Sands Investments, No. 2, Inc. has reserved the right to amend said Declaration of Covenants, Conditions and Restrictions prior to conveying any interest therein; and

WHEREAS, Sands Investments No. 2, Inc. has not conveyed any interest in said lot and wishes to amend the Declaration of Covenants, Conditions, and Restrictions;

NOW, THEREFORE, for and in consideration of the foregoing premises Sands Investments No. 2, Inc. hereby amends the Declaration of Conditions and Restrictions, recorded in Deed book 687 at page 592, office of the Clerk of Court for Horry County, South Carolina, by deleting same in their entirety and submitting therefore the Declaration of Covenants, Conditions and Restrictions attached hereto.

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

DECLARATION
OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR LOT
SEVEN (7) BLOCK SEVEN (7)
OF THE GOLF COURSE SECTION
OF MYRTLE BEACH, SOUTH CAROLINA

THIS DECLATATION is made this 24th day of June, 1981, by SANDS INVESTMENTS NO. 2, INC., a South Carolina corporation, (hereinunder referred to as "DECLARANT"), owner of Lot Seven (7) of Block Seven (7) of Golf Course Section of Myrtle Beach, South Carolina, as more particularly described as follows:

ALL AND SINGULAR, That certain piece, parcel or lot of land, together, with improvements thereon, situate, lying and being in Dogwood Neck Township, County and State aforesaid, and being more particularly shown and designated as Lot Seven (7) of Block Seven (7) of the Golf Course Section of Myrtle Beach, on a map prepared by Floyd, Coleman, Askins & Kellahan, Engineers & Surveyors, Inc. dated May 15, 1980 a copy of which is recorded in Plat Book 69 at Page 110, in the Office of Clerk of Court for Horry County.

The above described real estate, together with any and all improvements located thereon, are hereinafter referred to as the "Premises".

DECLARANT proposes to convey an estate for years with an undivided interest in the Premises in remainder providing in each deed that the grantee or grantees shall have the exclusive right to occupy the Premises, and as between owners of interest in the Premises to use all areas, improvements and other facilities located thereon together with all rights and easements appurtenant to the Premises during one or more of the following Unit Weeks and reserving to Declarant and its successors and assigns, the exclusive right to occupy the Premises areas and appurtenant rights and easements, during all other Unit Weeks.

By this Declaration, Declarant intends to establish a common scheme and plan for the use, enjoyment, repair, maintenance, restoration, remodeling and improvement of the Premises and the interest therein so conveyed or reserved, and to the payment of taxes, assessments and other expenses pertaining thereto, and declares that the Premises is and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the Value, desirability and enjoyment of the Premises and the interests so conveyed or reserved. All such limitations, restrictions, covenants and conditions are intended to run with the land, to-wit: interests so conveyed or reserved, are to enure to the benefit of and be binding upon each interest so conveyed or reserved and all parties having or acquiring any right, title, interest or estate therein:

1. DEFINITIONS: The following terms as used in this Declaration shall have the following meanings:
 - a) "Declarant" shall mean Sands Investments No. 2, Inc, or any successor in interest by merger or by express assignment of the rights of Declarant hereunder by instrument executed by Declarant and recorded in the Office of the clerk of Court for Horry County, South Carolina.
 - b) "Premises" shall mean the real property hereinabove described together with all improvements located thereon, and all appurtenances, rights and easements thereto appertaining.
 - c) "Unit Week" means a one (1) week of use in the Premises. Unit weeks are computed as follows: Unit week #1 is the seven (7) days commencing the first Saturday in each year. Unit Week #2 is the seven (7) days succeeding. Additional weeks up to and including Unit Week #51 are computed in a like manner. Unit Week #52 contains the seven (7) days succeeding the end of week #51 without regard to the month or year plus any excess days not otherwise assigned. Unit weeks run from Twelve o'clock noon (12:00 noon) of the first Saturday of the period to Twelve o'clock noon (12:00 noon) on the last Saturday of the period.
 - d) "Interval" and "Interval Ownership" is a concept whereby the Premises is conveyed for periods of time, the Purchaser receiving a stated time period for a period of years, together with a remainder over in fee simple as tenant-in-common with all other Purchaser of Unit Weeks as hereinafter set forth. Such terms are sometimes herein used to designate the ownership of a Week (s) and in such case are to be considered interchangeable.
 - e) "Owner" shall mean and include (i) grantee or grantees named in the deed to a Interval by the Declarant, (ii) the successor owners of each Interval and (iii) Declarant with respect to any Interval not conveyed.
 - f) "Common Furnishings" shall mean the furniture and furnishing for the Premises or other personal property from time to time owned or held for use in common by all owners during their respective Intervals.
 - g) "Agent" shall mean the owner's agent appointed as hereinafter provided.

- h) “ Owners Association” shall mean all of the owners of Intervals acting to govern the operation of the Premises.
 - i) “A Majority in Interest of the Owners” shall mean an owner or owners owning in the aggregate more than fifty (50%) percent of the Intervals.
 - j) “Check-in” shall mean the earliest time that an owner may occupy the premises at the beginning of his unit week. Check-in shall be Four o’clock p.m. (4:00 p.m.) on the first Saturday of the unit week.
 - k) “Check-out” shall mean the latest time that an owner may occupy the premises at the end of his unit week. Check-out shall be at Eleven o’clock a.m. (11:00 a.m.) on the last Saturday of each unit week.
2. EXCLUSIVE USE AND OCCUPANCY: Each owner shall have the exclusive right to occupy the Premises, and as between owners to use and enjoy all appurtenances, rights and easements thereto appertaining, during such of the above Intervals as are set forth in the deed of his interest (and, in the case of Declarant, during all Intervals not included in any Intervals thereto fore conveyed) and to authorize other so to do, together with the non-exclusive right in common with all other owners, but when acting through the agent (or if no agent be appointed and acting, when acting with a majority in the interest of owners), to maintain and repair the premises during service periods. No owner shall occupy the Premises, or exercise any other than the rights herein provided to him during any other Interval unless expressly so authorized by the owner entitled to occupy the unit during such Interval or during any service period except when acting through the agent (or, if no agent be appointed and acting, when acting with a majority I interest of owners). Each owner shall keep the Premises and all common furnishings in good condition and repair during his Interval or Intervals, vacate the Premises at the expiration of his Interval or Intervals, remove all persons and property therefrom excluding only common furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable check-out and other procedures as may from time to time be contained in rules promulgated by the agent or by a majority in interest of owners. Notwithstanding anything to the contrary contained anywhere in this Declaration, an owner may not check-in to or occupy the premises prior to the check-in time nor later than the check-out time.
3. MANAGEMENT: Management of the Premises maintenance and repair of the improvements, acquisition, maintenance, repair and replacement of common furnishings, administration of the affairs of owners with respect to the use of the Premises, occupancy of the Premises and payment of expenses and costs enumerated in this Declaration, shall be under the direction and control of an agent appointed by a majority in the interest of owners. The agent so appointed shall have the exclusive possession of the unit during the service periods and is expressly authorized at the agent’s discretion and on behalf of the owners to do any and all of the following to the extent not inconsistent with directions given by a majority in interest of the owners.
- a) To repair, maintain, repaint, remodel, furnish or refurnish the Premises or any part thereof; to establish reserves for anticipated costs, including the acquisition and replacement of common furnishings; and to acquire and pay for materials, supplies, furniture, furnishings, labor or services which the agent deems necessary or proper for the maintenance and operation of the Premises. The agent shall not, however, make any discretionary capital expenditure which exceeds available reserves by more than One Thousand (\$1,000.00) Dollars without the prior approval of a majority in interest of owners.

- b) To pay all taxes and assessments, including assessments by the Ocean Forest Club, Inc. (hereinafter referred to as "Club"), and other costs or charges affecting or relating to the Premises; and to discharge, contest or protest liens or charges affecting the Premises.
- c) To obtain and pay the cost of electrical, telephone, cable television and other utility services for the Premises.
- d) To adopt from time to time and enforce reasonable rules relating to the possession, use and enjoyment of the Premises by the owners.
- e) To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Premises and the enforcement of this Declaration.
- f) To obtain and pay the cost of (i) insurance covering the premises and the common furnishings against loss or damage by fire and other hazards customarily covered by fire insurance policies written with extended coverage; (ii) public liability insurance, insuring against liability for personal injury or property damage resulting from any occurrence in, on or about the Premises; (iii) any other insurance deemed necessary or desirable by the agent or by a majority in interest of owners. The policies of insurance will cover such risk, be written by such insurers, and in such amounts, as the agent shall deem proper or as designated by a majority of owners.
- g) To exercise on behalf of the owners the within rights and other membership rights of the Premises in the Club. If the notice or agenda of any regular or special meeting of the Club is available within sufficient time, agent shall promptly notify each owner of the items to be discussed and presented at such meeting as shown by the notice or agenda and request that each owner indicate in writing to the agent his preference as to the vote or items disclosed by the notice or agenda. The agent shall vote in such manner as may be directed by a majority in interest of owners or, in the absence of direction from a majority in the interest of the owners, shall vote as the agent deems to be in the best interest of the owners. Each owner authorizes the agent to act for him at any such meeting and, for this purpose shall deliver to the agent a proxy authorizing the agent to act for such owner at any such meeting whenever requested so to do.
- h) To do all of the acts of things necessary or appropriate in the ordinary and necessary operation and maintenance of the Premises or to preserve and protect the Premises in the event of an emergency.
- i) To delegate the authority and responsibilities of agent hereunder to one or more sub-agents for such periods and upon such terms as the agent deems proper.
- j) To collect, either in advance of disbursement or following disbursement if agent advances a sum in payment of the foregoing, each owners share of the aforesaid costs and any other amounts properly expended by the agent; to estimate any such expenditures in advance and to bill the owners accordingly; to take proper steps to enforce the owner's obligations hereunder.
- k) To prepare in advance a budget for each year which shall include an estimate of the next years expenses. Such budget shall be presented at the annual meeting of owners and may be modified by a majority vote.

4. UNIT EXPENSES: Each owner shall pay:

- a) The cost of a long distance telephone charges, special services allocable to the occupancy of the Premises during each owner's Interval or Intervals, the cost of repair of any damage to the unit or to repair or replace any damage to the unit or to repair or replace any property contained therein on account of loss or damage occurring during his Interval or Intervals, and the cost to satisfy any expense to any of the other owners due to any intentional, or negligent act or commission of such owner, his family, guests, invitees, tenants or lessees or resulting from his breach of any provisions of this Declaration;
- b) A share of the following costs and expenses (including such thereof as may be included in any assessment by the Club) which bears the same relationship to the whole as such owner's undivided ownership interest in the Premises bears to the entire ownership; (i) real property taxes and special assessments; (ii) insurance premiums for fire and extended coverage insurance and other casualty insurance from time to time payable and; (iii) amounts necessary to establish proper reserves for the foregoing items;
- c) A share of the following costs and expenses which bears the same relationship to the whole as the number of weeks in such owner's Interval or Intervals bears to the total of fifty-two (52) weeks including in all Intervals; (i) basic telephone charges and costs of utility service and other standard services; (ii) cost of ordinary repair and maintenance of the premises and acquisition, repair replacement and maintenance of common furnishings; (iii) premiums for liability insurance; (iv) amounts necessary to establish proper reserve for the foregoing items; and (v) other costs and expenses elsewhere herein provided to be paid including the agents compensation.
- d) Any payment due by owner which is more than ten (10) days in arrears shall bear interest from the due date at the maximum legal contract rate until date of payment.

All such payments shall be made through the agent unless the agent or a majority of the interest of owners otherwise directs. The agent shall be under no obligation to, but may in his discretion, advance sums required to pay obligations of any one or more of the owners or to make the aforesaid payments or incur obligations within the agents authority, notwithstanding the failure of anyone or more of the owners to provide funds therefor. The agent shall not be responsible for the acts or conduct of any of the owners or for the breach of the obligations of any of the owners hereunder. The agent shall not be liable to the owner in the absence of bad faith or negligence which shall hold the owners harmless from and against any and all claims, expenses, liabilities, demands causes of action, awards, or judgments rendered against the agent or the owners rising out of or in connection with negligent conduct of the agent, its officers, employees or sub-agents.

The agent may, in its discretion, estimate the amounts to be paid by each owner in advance and provide procedures for payment thereof, equal periodic installments or otherwise, and may require additional or supplemental payments of amounts promptly payable by the owners in addition to any such estimated payments and may include in any such estimated or supplemental payments provisions for payment of the agents compensation. Each owner shall pay to the agent the quarterly payment specified in the budget on the date indicated thereon.

5. THE AGENT: Declarant shall appoint Sands Properties, Inc. as agent for a period of two (2) years from the date of this Declaration and until a successor is appointed by the Association. Each successor agent shall be selected by, and shall serve during such period as may be determined by a majority in interest of owners. The appointment of each successor agent shall be evidenced by a written agreement executed by a majority in interest of owners and by the successor agent. During any period when no agent is acting, a majority in interest of owners shall have all the rights herein conferred upon the agent. The agent shall receive a fee for its services as agreed to from time to time in management agreement.
6. SEPARATE MORTGAGES: Each owner shall have the right to mortgage or otherwise encumber in any manner whatsoever the Premises or any part thereof except his Interval, nor shall any owner have the right or authority so to do. Any mortgage, deed of trust or other encumbrance for the Interval shall be subordinate to all the provisions of this Declaration and in the event of foreclosure, provisions of this Declaration shall be binding upon the owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

Notwithstanding any other provisions of this Declaration, no breach of the provisions herein contained nor the enforcement of any lien created pursuant to provisions hereof shall defeat or render invalid the lien of any mortgage or deed of trust of any owner's Interval if such mortgage or deed of trust of any owner's Interval if such mortgage or deed of trust is recorded in the records of the Clerk of Court of Horry County and is given good faith and for value.

7. WAIVER OF PARTITION: No owner or the person or entity acquiring any right, title or interest in the Premises shall seek or obtain through any legal procedures, judicial partition of the Premises or sale of the Premises in lieu of partition at any date prior to the expiration of Unit Week #52 in the year 2020. Such right to partition shall likewise be postponed during any extension of this Declaration as hereinafter provided. If, however, any Interval shall be owned by two (2) or more persons as tenants in common or as joint tenants, noting herein contained shall prohibit a judicial sale of the Interval in lieu of partition as between such co-tenants or joint tenants.
8. MERGER: The estate for years and the remainder of the undivided interest shall not merge.
9. ESTABLISHING OF INTERVALS: Any Interval conveyed by Declarant, and any Interval from time to time retained by Declarant, shall consist of the right exclusively to occupy the Premises, as between owners to use and enjoy the rights and easements appurtenant to the Premises, during one or more Intervals as herein provided. Once an Interval has been established by the execution and recording of the deed thereto, no owner shall sell, convey, apothecate or encumber less than all of his interest in any Interval as set forth in such deed; any sale, conveyance, apothecation or encumbrance by any owner of less than all his interest in an Interval as set forth in the deed shall be null, void and of no effect.

The transfer of any Interval shall operate the transfer to the new owner the interest of the prior owner in funds in the hands of the agent and in common furnishings without further instrument or transfer.

10. DAMAGE OR DESTRUCTION: In the event of any damage or destruction to the Premises or the common furnishings, except as otherwise provided in this Declaration, the agent shall forthwith cause such damage to be repaired and shall so apply any available insurance proceeds are insufficient, the agent shall assess and the owner shall pay the costs thereof or deficiency in proportion to their undivided ownership interest in the Premises unless the damage was caused by the intentional or negligent act or omission of any owner, his family, such owner.

Any proceeds allocable to the Premises and payable to the owners as a result of (i) any excess insurance proceeds of the cost of repair or restoration; or (ii) any similar cause, not required to repair or restore the Premises or the common furnishings or any part thereof or paid to compensate any one or more of the owners for loss or damage to their individual person or properties (in which case such distribution shall be with due regard to the loss or damage incurred), shall be distributed to the owners in proportion to their respective undivided ownership interest in the Premises. (Any assessment properly levied against the Premises by the Club for the purpose of repair or restoration of the amenities therein shall be assessed against and paid by the owners in proportion to their respective undivided ownership interest in the Premises.)

11. RESTRICTION ON OWNERS: Except as otherwise provided in this Declaration, by direction of the agent, by express consent of all owners, or required to prevent damage or injury to persons or property in an emergency, no owner shall make improvements, decorations or repairs to the Premises or to the common furnishings or contract so to do or subject the Premises or the common furnishings to any liens for the making of improvements, decorations or repairs. No owner shall create or permit to exist any nuisance in or on the Premises or commit waste with respect to the Premises or permit anything to be done or kept in the Premises which would increase the rate of insurance upon the Premises or the common furnishings.
12. EXTERIOR APPEARANCE AND ARCHITECTURAL REVIEW: There shall be no alteration of the exterior of any structure located on the Premises and no new structures shall be located thereon without the consent of the Developer first being obtained in writing. Alteration of the exterior shall include, but not be limited to, changing the exterior siding or roofing, painting, etc. This right of approval may be assigned by Developer to the Ocean Forest Club, Inc.
13. LOTS IN BLOCK 7: The Developer may commit other lots in Block 7 of the Golf Course Section to Interval Ownership, but shall be under no obligation to do so.
14. OWNERS ASSOCIATION: The management and operation of the Premises shall be governed by the owners acting pursuant to this Declaration through an unincorporated association, hereinafter referred to as "Association" as follows:
- a) "Membership". Every owner shall be a member of the Association. Transfer of Interval ownership, either voluntary or by operation of law, shall terminate membership and said membership is to become vested in the transferee.
 - b) "Voting". The owner(s) of each Interval shall be entitled to one (1) vote for each Interval owned. The vote of an Interval shall not be divisible. If an Interval is owned by more than one (1) person, the person entitled to cast the vote for the Interval shall be designated in a certificate, signed by all of the record owners of the Interval filed with the Agent. If an interval is owned by a corporation, the officer or employee thereof

entitled to cast the vote of the Interval for the corporation shall be designated in a certificate for this purpose and likewise filled. If such certificate is not on file for an Interval owned by more than one person or a corporation, the vote of the Interval concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit. Such certificate shall be valid until revoked.

- (i) A majority of Interval votes shall decide any question, unless this Declaration provides otherwise.
 - (ii) "Quorum". Unless otherwise provided in this Declaration, the presence in person or by proxy of a majority of the Interval owners total votes shall constitute a quorum.
 - (iii) "Proxies". Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote.
- c) "Meetings". Meetings may be called at any time by a majority of Interval votes and upon thirty (30) days written notice to all owners. There shall be an annual meeting held each year on the third Saturday of January at the office of the Agent.
- d) "Agent". The Agent shall be given notice of all meetings, may attend same and may be heard but shall not be entitled to vote.
15. USE RESTRICTION: The owner of an Interval shall occupy and use the Premises as a single family private dwelling for himself and the members of his family, his social guests, lessees, licensees and invitees. Nothing in this Declaration shall be construed to restrict the selling, conveying or reconveying under a plan of Interval Ownership.
16. INSURANCE PROVISIONS: The Association shall obtain fire and extended coverage insurance and vandalism and malicious insurance insuring all of the insurable improvements, furniture, fixtures and equipment located in or on the Premises, together with such other insurance as the Association deems necessary in amount equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses associated therewith shall be included in the budget as a common expense. The named insured shall be the Agent and as Agent for the owners, without naming them, and as Agent for their mortgagees.

Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Interval owners. Such policies shall provide that payments of losses thereunder by the insurer shall be made to the Agent and all policies and endorsements thereon shall be deposited with the Agent. All such proceeds shall be used for the purpose of repair or replacement of any loss, or in the event such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all owners. Any deficit or overage in such proceeds, after repair or replacement, shall be divided among all such owners. Deficits shall be treated as part of the maintenance fee next due.

In addition to the above, public liability insurance in such amounts and with such coverage as shall be required by the ASSOCIATION shall be maintained. Such policies shall have cross liability and endorsement to cover liabilities of the owners as a group to an Interval Owner.

The Agent, in absence of direction by the Association, shall maintain such insurance as it may deem prudent but it shall not be liable should such coverage prove to be inadequate.

Proceeds of insurance policies received by the Agent shall be distributed to or for the benefit of the owners as follows:

- a) If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the owners, remittance to owners and their mortgagees being payable jointly to them. This covenant for the benefit of any mortgagee and may be enforced by such mortgagee.
- b) If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the owners, remittances to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

All insurance policies shall be for the benefit of the Association as a group, the individual owners and their mortgagees, as their interest may appear, and shall be paid to the Agent. The Agent shall not be liable for sufficiency of policies. The duty of the Agent shall be to receive such proceeds as are paid to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the owners and their mortgagees.

In making distribution to the owners and their mortgagees, the Agent may rely upon the records of the Association as to owners and mortgagees.

The Agent is hereby irrevocably appointed agent for each owner, each mortgagee and all interested parties to adjust all claims arising under insurance policies and to execute and deliver releases upon the payment of claims.

In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the owners, the Agent will give notice of the exposure within a reasonable time to all owners and they shall have the right to intervene and defend.

A copy of each insurance policy obtained shall be kept in the Agents office and be available for inspection by owners at reasonable times.

17. DAMAGE: If any part of the Premises is damaged or destroyed, the following shall apply:

- a) Estimates of Costs. Immediately after discovery, the Agent shall obtain reliable and reasonably detailed estimates of the cost to rebuild or repair.
- b) Responsibility. If the damage results from actions of an Owner or Owners which would make repair their responsibility (as hereinbefore set forth), then such owner or owners shall deposit with the Agent funds which together with available insurance proceeds will pay for such repairs or rebuilding. In all other cases the responsibility of reconstruction or repair after damage shall be that of the Association.
- c) Assessments. The amount necessary to repair or rebuild after damage in excess of the amount available from insurance proceeds shall be assessed against each owner (each Interval being assessed 1/52).
- d) Construction Funds. The funds for payment of costs of reconstruction and repair after damage, which shall consist of proceeds of insurance and funds collected by the Agent from the owners shall be disbursed upon direction by the Agent.

- e) If the amount of assessment exceeds \$13,000.00 (\$1,000.00 per Interval), such assessment shall not be levied unless approved by a majority of owners in writing. Should such approval not be obtained within ninety (90) days of discovery of the damage, this Declaration may be terminated by a majority vote of owners by a certificate of such vote signed by such majority of owners filed in the office of the Clerk of Court for Horry County, South Carolina.
- f) Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building which shall remain on file with the Agent; or if not, then according to plans and specifications approved by the Association and by the Developer (Developer may assign such right to Ocean Forest Club, Inc.).

18. SERVICE PERIODS: From eleven o'clock a.m. (11:00 a.m.) until four o'clock p.m. (4:00 p.m.) each Saturday and Unit Week #3 are hereby designated as service periods.

The Agent shall have the exclusive right to the Premises during service periods for the purpose of maintenance, repair, cleaning, etc.

Provided, however, Unit Week #3 may be sold by Developer. The Interval Owner purchasing Unit Week #3 shall be notified not less than thirty (30) days in advance of such Unit Week #3 as to the amount of time during said week the Agent will use for service (including all of said week if necessary). The owner of said Interval may use such portion of Unit Week #3 that is not required by Agent for service purposes.

19. ENFORCEMENT OF RESTRICTIONS: In the event that any owner should fail to comply with any of the provisions of this Declaration, agent or any other owner or owners may bring action for damages, or to enjoin the violation or specifically enforce the provisions of this Declaration, or to enforce any statutory or contractual lien or liens provided herein, including foreclosure of any such lien, and the appointment of a receiver for any owner or to take possession of the Interval of any owner. In any such legal proceedings, the prevailing parties shall be entitled to the costs and reasonable attorney's fees. All sums payable hereunder by any owner shall bear interest at eight (8%) percent per annum from the due date, or advanced or incurred by any other owner or by the agent to be provided herein to be repaid, from ten (10) days after repayment is requested.

The aforesaid remedies shall be cumulative in addition to all other remedies which may be available at law or in equity; provided, however, that no breach of any provision hereof by any owner or by agent or failure of any owner or agent to comply with any provision hereof shall permit or empower any other owner to terminate any such provision or excuse any such breach or failure, and each owner shall continue to conform and comply with and hold his Intervals subject to all provisions of this Declaration notwithstanding any such breach or failure.

20. LIEN ON INTERVALS AND INTEREST: Each owner shall have a lien, in the nature of a mortgage on the interest of each owner in the Premises and common furnishings as security for the prompt and faithful performance by such other owner of the obligations under this Declaration and payment of costs of enforcement and reasonable attorney's fees; provided, however, that as against any transferee, mortgagee or beneficiary of any owner's interest to acquiring all or any interest in such owner's interest by deed, mortgage or deed of trust given by such owner for valuable consideration and accepted by the transferee, mortgagee or beneficiary without notice of default of the payment or

performance secured, no such lien shall be effective to secure any past due payment or performance in default to the time of recording such deed, mortgage or deed of trust except to the extent that notice of default of the payment or performance has been given at the time of recording such deed, mortgage or deed of trust by the prior recording of a notice of lien in the office of the Clerk of Court for Horry County, South Carolina which notice of lien describes the Use Interest affected and sets forth the name of the record owner thereof and recites that a particular payment or performance is or may be in default. The lien herein created may be enforced by sale by any owner, or by the agent, as agent and attorney-in-fact for the owner and the delinquent owner's interest in the Premises and common furnishings may be sold in any manner permitted by law. The purchaser in any foreclosure sale shall obtain title subject to the provisions of this Declaration. Either the agent or any owner or owners may bid at the foreclosure sale and may hold, lease, mortgage or convey any interest in the Premises and/or common furnishings acquired at such sale. The aforesaid lien and right of foreclosure shall be in addition to and not in substitution for all of the rights and remedies which the owners or agents may have hereunder.

21. PROTECTION OF INTEREST: No owner shall permit his interest in the Premises or common furnishings to be subject to any lien (other than the lien of current real property taxes and the current and future installments of special assessments) claim or charge, the enforcement of which may result in a sale or threatened sale of the interest of any other owner in the Premises or common furnishings or any part of any thereof, or in any interference with the use or enjoyment thereof by any other owner.

No owner shall permit his interest in any funds from time to time in the possession of the agent to be subjected to any attachment, lien, claim or charge or other legal process and shall promptly restore any funds held by the agent in respect of his Interval to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge or other legal process and reimburse the agent for all reasonable attorney's fees or other costs incurred in respect thereof.

22. OCEAN FOREST CLUB: Each owner hereby agrees to become and remain so long as the owner owns any Interval a member of the Ocean Forest Club, Inc., a South Carolina Non-Profit corporation, hereinafter referred to as "Club" and to be bound by the By-Laws thereof. Upon termination as hereinafter set forth, the owners, as tenants in common, shall continue as members of the Club and any purchaser after termination free and clear of this Declaration shall likewise be a member of the Club and this provision shall survive the termination as hereinafter defined. Developer agrees to require membership in Club of all purchasers of Lots in Block 7 of the Golf Course Section whether they are subject to Interval Ownership or not.

23. TERMINATION: Termination of this Declaration and the result thereof shall be as follows:
 - a) It is understood that at the end of Unit Week #52 in the year 2021, the owners shall become tenants-in-common unless this Declaration is extended as hereinafter provided.
 - b) Not less than thirty (30) days nor more than (60) days prior to the actual date of conversation to tenants-in-common, as called for in subparagraph (a) above, the Agent shall call a meeting of all owners. At such meeting a vote shall be taken to decide the disposition of the Premises. A quorum at such meeting shall be a majority of the votes of

all Intervals. At such meeting the owners, by a majority vote, may vote to continue this Declaration and Interval Ownership for a period of ten (10) years. This same procedure shall be followed at the end of such extension (and each subsequent extension). Should the requisite majority vote not be obtained, this Declaration shall terminate and the owners shall become tenants-in-common.

- c) Should the Premises be damaged and funds not be approved to restore the Premises in accordance with subparagraph (e) of Paragraph 16 of this Declaration, this Declaration shall terminate and the owners shall become tenants-in-common.
 - d) Prior to the termination date specified above in subparagraph (a), the termination may be had only upon a unanimous vote of all owners and with the consent of mortgagees. Provided however, this provision shall not affect the provisions of subparagraph (c) (damage).
 - e) Upon termination, the owners shall become tenants-in-common under the laws of the State of South Carolina and each owner shall have the right to take such action as may be permitted by law, including but not limited to partition. Sufficient evidence of such termination shall be the recording of a Certificate of Termination executed by the requisite number of owners together with a certification by the Agent of the owners of Intervals at such time. Provided however, should a like certificate not be recorded evidencing the renewal of this Declaration at the original termination date (2021) or at the end of any renewal date within ninety (90) days of such date, the termination shall be complete without any recorded document.
 - f) This Declaration may be terminated by the Developer until such time as the deed to the first estate for years and undivided interest in remainder is executed and delivered.
24. NOTICES: Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally or when deposited in the United States Mails addressed to any owner at the last address such owner designates to the agent for delivery of notices or in the event of no such designation, at such owners last known address or, if there be none, to the address of the unit, certified mail return receipt requested.
25. SEVERABILITY AND RULE AGAINST PERPETUITIES: If any provision of this Declaration shall be held invalid it shall not affect the validity of the remainder of this Declaration. If any provisions of this Declaration would validate the rule against perpetuities or any other limitation or duration of the provisions contained herein then such provision shall be deemed to remain in effect only for the maximum permissible period by law or until twenty-one (21) years after the death of the last survivor of the now living relatives of the Queen of England.
26. SUCCESSORS: The provisions of this Declaration shall be binding upon all parties having or acquired any right, title or interest in the Premises or any part thereof and shall be for the benefit of each owner and his heirs, successors and assigns. Each owner (including Declarant) shall be fully discharged and relieved of liability on the covenants hereunder insofar as the same relate to each Interval upon ceasing to own any interest therein and paying all sums performing all obligations hereunder in respect to such Interval to the time his ownership interest terminated.

27. NO EXEMPTION: No owner may exempt himself from liability for any obligations set forth herein by any waiver of the use or enjoyment of the unit or by any other action.
28. NO WAIVER: The failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision hereinafter.
29. INTERPRETATION: This section titles at the beginning of each numbered section of this Declaration are for convenience only and the works contained therein shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural and the masculine or neuter gender shall include the other genders.
30. AMENDMENT: This Declaration may be amended by written instrument executed by owners holding of record fifty-one (51%) percent or more of the undivided interest in the Premises; provided, however, that no such amendment may affect or alter the right of any owner exclusively to occupy the unit, and as between the owners to use and enjoy the Premises and the rights and easements appurtenant thereto, during the heretofore established Interval or Intervals as set forth in the deed to his interest unless such owner shall expressly so consent. Subject to the foregoing provision any amendment shall be binding upon every owner and every Interval whether the burdens thereon are increased or decreased.
31. MISCELLANEOUS PROVISIONS:
- a) No owner may exempt himself from liability for his contribution toward common expenses, maintenance fees, and assessments or by abandonment of his Interval.
 - b) All provisions of this Declaration and amendments thereto shall be construed as covenants running with the land and every owner and occupant of the Premises or any part thereof, or any interest therein and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration and amendments thereto.
 - c) If any of the provisions of this Declaration, the By-Laws of Ocean Forest Club, Inc., or the Management Agreement or any section, clause, phrase, word, or the application thereof, in any circumstance is held invalid, the remainder of said documents shall not be affected thereby.
 - d) Whenever Notices are required hereunder, they shall be deemed adequately given when deposited in the U.S. mails, postage prepaid, certified, return receipt requested, addressed to the party at the address on file with the Agent.
 - e) The Developer shall have the right so long as one Interval is being help by the Developer for sale in the ordinary course of business to use a portion of the Premises for the purpose of aiding in the sale of Intervals including the right to use parking. The foregoing right shall mean and include the right to display and erect signs.

- f) Whenever the context so requires, the use of any gender shall be deemed to include the plural and the plural shall include the singular. The all genders and the use of the singular shall include the plural and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Premises.
- g) The captions herein and in supporting documentation are inserted solely as a matter of convenience and shall not affect of limit the meaning of any text.
- h) The Developer specifically disclaims any intent to have made any warranty or representations in connection with the Premises or documents, except as specifically set forth therein, and no person shall rely on any warranty or representation not so made. Maintenance fees, expenses, taxes or other charges are estimates only and no warranty is made of intended nor may one be relied upon.
- i) The owners by virtue of their acceptance of the Deed of Conveyance as to their Interval and other parties by virtue of their occupancy of the Premises hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration, By-Laws of Ocean Forest Club, Inc., and Management Agreement.
- j) The Interval conveyance consists of an estate for years, together with a remainder over as tenants-in-common with all other purchasers or then owners of Intervals. No owner shall have the right to separate the estate for years from the remainder interest.

Leasing or renting of a Unit Week (or portion thereof) by an owner being entitled to use thereof is permitted.

BY-LAWS

OF

OCEAN FOREST CLUB, INC.

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

1. IDENTITY

These are the By-Laws of Ocean Forest Club, 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 Park area serving Block 7 of the Golf Course Section of Myrtle Beach, South Carolina for the exclusive use of the lots bordering thereon as shown on a map or plat by Floyd, Coleman, Askins & Kellahan, dated May 15, 1980 and to be recorded in the Office of the Clerk of Court for Horry County, South Carolina.

- a) The provisions of these By-Laws are applicable to the operation of said PARK, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration of Covenants, Conditions and Restrictions is recorded prior to or subsequent to the formation of Ocean Forest Club, Inc.
- b) All present or future owners, tenants, future tenants, or their employees, or any other person that might use said PARK 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 the Declaration of Covenants, Conditions and Restrictions effecting the lots in Block 7 of the Golf Course Section of Myrtle Beach, South Carolina.
- c) The office of the ASSOCIATION shall be at the office of the AGENT or such other place as the Board of Directors may deem from time to time.
- d) The fiscal year of the ASSOCIATION shall be the calendar year.
- e) 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 follows:

2. DEFINITIONS

The following terms as used in these By-Laws shall have the following meanings:

- a) "Developer" shall mean Sands Investments No. 2, Inc. or any successor in interest by merger or express assignment of the rights of DEVELOPER hereunder by instrument executed by DEVELOPER and recorded in the Office of Clerk of Court for Horry County, South Carolina.
- b) "Park" shall mean the rural property hereinabove described together with all improvements located thereon, and all appurtenances, rights and easements thereto appertaining.
- c) "Unit Week" means one week of use in one of the residences located on one of the seven lots surrounding the PARK when one of such lots and improvements located thereon has been subjected to a plan of interval ownership by the DEVELOPER.

- d) "Interval", "Interval Owner" shall designate the owner or ownership of the Use Period in one of the lots including improvements thereon subjected to interval ownership by the DEVELOPER.
- e) "Owner" shall include the owners of intervals as well as the owner, in fee simple, of any of the lots surrounding the PARK whether or not such lot has been subjected to a plan of Interval Ownership.
- f) "Agent" shall mean the management firm appointed by the Board of Directors to manage the affairs of the corporation.
- g) "Owners Association" shall mean the unincorporated group of the owners of all intervals in a lot which has been subjected to the plan of interval ownership by the DEVELOPER.
- h) "Lot" shall mean lots 1 thru 7 of Block 7 of the Golf Course Section of Myrtle Beach, South Carolina as shown on the map or plat hereinabove referred to.

3. MEMBERSHIP, VOTING, QUORUM, PROXIES

- a) The Owners of all lots shall be members of the corporation, and no other person or entities shall be entitled to membership, except as provided in item (_____) of this paragraph number three (3).
- b) Membership shall be established by the acquisition of fee simple title to a lot or by the acquisition of an interval if such lot has been subjected to a plan of Interval Ownership or by the acquisition of fee-ownership interest therein or interval interest therein, whether by conveyance, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee-ownership interest in any lot or interval except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more LOTS and/or INTERVALS or who may own two or more LOTS and/or INTERVALS so long as such party shall retain title to or fee-ownership interest in any LOT and/or INTERVAL.
- c) The interest of a member and the funds and assets of the corporation cannot be assigned, apothecated or transferred in any manner, except as an appurtenance to his LOT and/or INTERVAL. The funds and assets of the corporation shall be loaned solely to the corporation subject to the limitations that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein.
- d) On all matters on which the membership shall be entitled to vote the lot owner and/or interval owner shall have the following vote:
 - i) The owner of a fee-simple interest or title to a lot shall be entitled to one (1) vote. The DEVELOPER shall be considered the owner of a fee-simple title to a lot so long as same has not been committed to a plan of interval ownership or otherwise conveyed by the DEVELOPER to a third party.
 - ii) Where a lot has been subjected to a plan interval ownership by the DEVELOPER, each owner of an interval shall be entitled to one/thirteenth (1/13) of one (1) vote per interval owned.

- e) A quorum at members meetings shall consist of persons entitled to cast a majority (fifty-one (51%) percent of the votes eligible to be cast) of the votes of the entire membership. The joinder of a member and the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purposes of determining a quorum.
- f) The vote of owners of a lot and/or interval 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 LOT and/or INTERVAL and filed with the secretary of the ASSOCIATION, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirements for a quorum, or for any other purpose.
- g) 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.
- h) Approval or disapproval of a LOT and/or INTERVAL 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.
- i) Except where otherwise required under the provisions of the Articles of Incorporation of the ASSOCIATION, or these By-Laws, or where the same may be otherwise be required by law, the affirmative vote of the owners of the majority of the or LOTS and/or INTERVALS represented at any duly called members' meeting in which a quorum is present shall be binding upon the members.

4. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

- a) The Annual Members' Meeting shall be held at the office of the ASSOCIATION at 10:00 o'clock, P.M., Eastern Standard Time, on the 3rd Saturday in January of each year for the purpose of electing Directors and of the transacting any other business authorized to be transacted 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 a written request from members of the ASSOCIATION owning a majority of the LOTS and/or INTERVALS.
- c) Notice of all members' meeting, regular or special, shall be given by the President, Vice President or Secretary of the ASSOCIATION, or other Officer of the ASSOCIATION in absence of the 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, within notice 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 purposes 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 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

5. BOARD OF DIRECTORS

- a) The first Board of Directors of the ASSOCIATION and succeeding Boards of Directors shall consist of SEVEN (7) 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.
- b) Election of Directors shall be conducted in the following manner:
 - i) All members of the Board of Directors shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION.
 - ii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors.
 - iii) 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 maybe provided by law for the removal of Directors of South Carolina corporations for the profit.
 - iv) In the election of Directors, there shall be appurtenant to each lot and/or interval as many votes for Directors as there are Directors to be elected provided, however, that no member or owner of any LOT and/or INTERVAL 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.

- 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 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.
- d) Regular meetings of the Board of Directors may be held at such time and place 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, or because the greater 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 any business which might have been 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 be 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, or these By-Laws, may exercise all of the powers of the ASSOCIATION subject only to approval by the owners when such is specifically required of these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, 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' LOT and/or INTERVAL to defray the costs of the PARK 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 PARK and facilities of the PARK wherever the same 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 PARK 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 or these By-Laws.
 - v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including LOTS and/or INTERVALS, as may be necessary or convenient in the operation and management of the PAEK and in accomplishing the purposes set forth in the By-Laws.
 - vi) To contract for the management of the areas and facilities in the PARK project and to designate to such contractor all of the powers and duties of the ASSOCIATION, except those which may be required by the By-Laws 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, and the regulations hereinafter promulgated governing use of the property in the PARK.
 - viii) To pay all taxes and assessments which are liens against any part of the PARK other than LOTS and/or INTERVALS and the appurtenances thereto, and appurtenances thereto, and to assess the same against the members and their respective LOTS and/or INTERVALS 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 PARK and not billed to the owners of the separate LOTS and/or INTERVALS; 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 seven (7) 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.

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 elected by the 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.

6. 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 is 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 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.

7. OFFICERS

- a) The executive offices of the ASSOCIATION shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom 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) The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the 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.
- 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 shall perform all other duties incident to the office of Treasurer.
- f) The compensation of all officers and employees of Board of 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.

8. FISCAL MANAGEMENT

The provisions for fiscal management of the ASSOCIATION set forth in the 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 LOT and/or INTERVAL. 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 assessments 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, estimated amounts necessary for maintenance and operation of landscaping, street and walkways, office expense, 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 and assessment levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an 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 quarterly basis unless changed by a vote of the majority of the Board of Directors. A LOT committed to Interval Ownership shall collect assessments of Interval Owners and make one payment to the ASSOCIATION.
- d) The depository of the ASSOCIATION shall be such 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.

- g) The keeping of records, payment of accounts, etc. may be delegated to an Agent employed for such purpose.

9. PARLAMENTARY RULES

Roberts Rules of Order (latest edition) 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.

10. 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 having not less than two-thirds of the total votes. 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 such meeting.

The foregoing were adopted as the By-Laws of Ocean Forest Club, Inc., a Corporation not for profit under the Laws of the Sate of South Carolina, at the first meeting of the Board of Directors on the 26th day of June, 1981.