

FILED  
Horry County, S.C.  
2008 APR -9 PM 2:23  
REGISTER OF DEEDS

MASTER DEED OF  
BEACH WALK PLACE  
HORIZONTAL PROPERTY REGIME

Common Areas 2.4 + 2.5  
10.3, 5.1K 3.2  
5.3.

2.4 Common Area.  
2.5 Limited Common Areas  
3.2 Admin of Regime  
5.1K changes to building  
5.3 Partitions.  
10.3 Master Deed Amended  
&  
By Laws.

PO  
S&G  
RSONS, OUVERSON,  
PARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

Wigants FAX 952-844  
8666

7/2/00/125

TABLE OF CONTENTS

<b>ARTICLE I</b>	
<b>DEFINITIONS</b>	1
1.1 "Act"	1
1.2 "Additional Property"	1
1.3 "Appraisal"	1
1.4 "Assessment"	1
1.5 "Association"	1
1.6 "Building" 2	
1.7 "Bylaws"	2
1.8 "Common Expenses"	2
1.9 "Condominium"	2
1.10 "Common Elements"	2
1.11 "Co-Owner" or "Owner"	2
1.12 "Declarant"	2
1.13 "Horizontal Property Regime"	2
1.14 "Limited Common Elements"	2
1.15 "Master Deed"	2
1.16 "Majority" or "Majority of Co-Owners"	2
1.17 "Mortgage"	2
1.18 "HOA"	2
1.19 "Person"	3
1.20 "Project"	3
1.21 "Phase"	3
1.22 "Property"	3
1.23 "Quorum"	3
1.24 "Regime"	3
1.25 "Unit"	3
 <b>ARTICLE II</b>	
<b>THE PROPERTY</b>	3
2.1 Land	3
2.2 Buildings	4
2.3 Units	4
2.4 Common Elements	6
2.5 Limited Common Elements	7
2.6 Percentage of Undivided Ownership Interest	7
2.7 Voting Rights	7
2.8 Incorporation of Additional Phases	8
2.9 Name	8

PO  
S&G  
PERSONS, OUVERSON,  
PARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

<b>ARTICLE III</b>	
<b>BEACH WALK PLACE HOMEOWNERS ASSOCIATION, INC.</b>	9
3.1 Formation	9
3.2 Administration of the Regime	9
3.3 Voting	9
3.4 Binding Effect	9
<b>ARTICLE IV</b>	
<b>ASSESSMENTS</b>	9
4.1 Agreement to Pay Assessments	9
4.2 HOA Assessments	10
4.3 HOA Expenses	10
4.4 Initial Capital Contribution	10
4.5 Commencement of HOA Assessments	10
4.6 Apportionment	10
4.7 Annual Budget	10
4.8 Notice and Payment	10
4.9 Special Assessments	11
4.10 Lien for Association Assessments	11
4.11 Lien for HOA Assessments	11
4.12 Personal Obligation of Owner	12
4.13 Unpaid Assessments shall be Paid from Sales Price	13
4.14 Statement of Account	13
4.15 Personal Liability of Purchaser	13
4.16 Audited Financial Statements	13
4.17 Subordination of the Lien to Mortgage	13
4.18 Records	14
<b>ARTICLE V</b>	
<b>COVENANTS AND RESTRICTIONS</b>	14
5.1 Use of Project	14
5.2 Prohibited Work	16
5.3 Partition 16	
<b>ARTICLE VI</b>	
<b>EASEMENTS</b>	16
6.1 Encroachments	16
6.2 Utility Easements	16
6.3 Access Easement	17
6.4 Easement to Declarant	17
6.5 HOA Access Easement	18
6.6 Use of Easements Shall Be Reasonable	18
<b>ARTICLE VII</b>	
<b>INSURANCE</b>	18
7.1 General	18
7.2 Coverage	18

  
 RSONS, OUVERSON,  
 PARK & GUEST, PA.  
 P.O. Box 14579  
 Surfside Beach  
 SC 29587

7.3 Insurance Underwriter .....	19
7.4 Adjustment of Losses .....	19
7.5 Contribution .....	20
7.6 Co-Owner's Insurance .....	20
7.7 Notice to HOA .....	20
7.8 Policy Provisions .....	20
7.9 Annual Review .....	20

**ARTICLE VIII**

**DAMAGE TO UNITS AND PERSONAL PROPERTY:**

<b>RECONSTRUCTION AND REPAIR .....</b>	<b>21</b>
8.1 Insurance Proceeds .....	21
8.2 Reconstruction .....	21
8.3 Personal Property .....	21
8.4 Deficiency of Insurance Proceeds .....	21
8.5 Surplus Proceeds .....	21

**ARTICLE IX**

**MAINTENANCE AND ALTERATION OF COMMON ELEMENTS .....**

<b>MAINTENANCE AND ALTERATION OF COMMON ELEMENTS .....</b>	<b>21</b>
9.1 HOA .....	21
9.2 Maintenance and Repair by Co-Owners of Units .....	21
9.3 Limitation Upon Right of Co-Owners to Alter and Modify Units .....	22

**ARTICLE X**

**AMENDMENTS .....**

<b>AMENDMENTS .....</b>	<b>23</b>
10.1 By Declarant .....	23
10.2 Right to Amend for Correction of Errors and to Conform to Lenders Requirements .....	23
10.3 By Co-Owners .....	23
10.4 Recording .....	24

**ARTICLE XI**

**TERMINATION .....**

<b>TERMINATION .....</b>	<b>24</b>
11.1 Termination of Regime .....	24
11.2 Proceeds of Distribution .....	24
11.3 Prorata Proceeds .....	24
11.4 Distributable Sales Proceeds .....	24

**ARTICLE XII**

**RIGHTS OF HOLDERS OF MORTGAGES .....**

<b>RIGHTS OF HOLDERS OF MORTGAGES .....</b>	<b>24</b>
12.1 Notification of Default .....	24
12.2 Subordination of Lien for Assessments .....	25
12.3 Negative covenants .....	25
12.4 Right of Mortgagee to Examine Books and Records .....	26
12.5 Reserves for Repairs and Replacements .....	26
12.6 Condemnation .....	26

  
 RSONS, OUVerson,  
 PARK & GUEST, PA  
 P.O. Box 14579  
 Surfside Beach  
 SC 29587

12.7 Priority as to Insurance Proceeds and Condemnations Awards .....	26
12.8 Conflicting Provisions .....	26
12.9 Restrictions on Amendments .....	26
12.10 Notice of Eminent Domain Proceedings .....	27
<b>ARTICLE XIII</b>	
<b>ADMINISTRATION BY DECLARANT .....</b>	<b>27</b>
13.1 Interim Management and Administration .....	
13.2 Turnover of Accounts .....	27
<b>ARTICLE XIV</b>	
<b>CONDEMNATION .....</b>	<b>27</b>
14.1 Condemnation .....	27
14.2 Representation .....	27
14.3 Proceeds .....	27
14.4 Complete Taking .....	28
14.5 Partial Taking .....	28
<b>ARTICLE XV</b>	
<b>OBSOLESCENCE .....</b>	<b>29</b>
15.1 Adoption of .....	29
15.2 Sale of Project .....	29
15.3 Restrictions of Sale .....	29
<b>ARTICLE XVI</b>	
<b>APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED .....</b>	<b>30</b>
<b>ARTICLE XVII</b>	
<b>MISCELLANEOUS .....</b>	<b>30</b>
17.1 Application .....	30
17.2 Compliance .....	30
17.3 Waiver .....	31
17.4 Conflicts .....	31
17.5 Severability .....	31
17.6 Captions .....	31
17.7 Gender and Number .....	31
<b>EXHIBIT A .....</b>	<b>32</b>
<b>EXHIBIT B .....</b>	<b>33</b>
<b>EXHIBIT C .....</b>	<b>36</b>
<b>EXHIBIT D .....</b>	<b>37</b>
<b>EXHIBIT E .....</b>	<b>38</b>
<b>EXHIBIT F .....</b>	<b>50</b>

PO  
 S&G  
 RSONS, OUVERSON,  
 PARK & GUEST, PA  
 P.O. Box 14579  
 Surfside Beach  
 SC 29587

PO  
S&G  
RSONS, OUVERSON,  
TARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

**MASTER DEED OF  
BEACH WALK PLACE HORIZONTAL PROPERTY REGIME**

Beachwalk Development, LLC, a South Carolina Limited Liability Company, qualified to do business in the State of South Carolina, hereinafter referred to as the Declarant, does hereby publish and declare that the Property as hereinafter defined is herewith submitted to the terms and provisions of the South Carolina Horizontal Property Regime Act, Sections 27-31-10, et seq., of the South Carolina Code of Laws, 1976, as amended and that, hereafter, the Property shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the South Carolina horizontal Property Act and to the within covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property as hereinafter defined. These restrictions shall run with the land and be a burden and a benefit to Declarant, its successors, assigns and successors in title and to all other persons acquiring or owning an interest in the units, their grantees, successors, heirs, executors, administrators, devisees and assigns.

**ARTICLE I  
DEFINITIONS**

Unless the context requires otherwise, the terms used in this Master Deed and in the other condominium documents shall have the following definitions:

- 1.1 **"Act"** means the South Carolina Horizontal Property Act, S.C. Code Section 27-31-10, et seq., 1976 Code of Laws, as heretofore amended, and as it may be amended hereafter from time to time.
- 1.2 **"Additional Property"** means the additional lands that Declarant may purchase and submit at some future point in time to the horizontal property regime being organized pursuant to this Master Deed.
- 1.3 **"Appraisal"** means a determination of the fair market value of the property or any portion thereof by the Horry County Real Estate Board or, in the event the Horry County Real Estate Board ceases to exist or fails or refuses to designate an appraiser within a reasonable time after receipt of a request therefor, by an appraisal conducted by a real estate appraiser of recognized standing, selected by the Board of Directors of the HOA, who is a member of or is licensed or sanctioned by the American Institute of Real Estate Appraiser or other similar professional society of real estate appraisers.
- 1.4 **"Assessment"** means a Co-Owner's share of the common expenses which from time to time are assessed against a Co-Owner by the HOA in the manner herein provided and other costs and expenses which from time to time are assessed against a Co-Owner in accordance with the terms of the Master Deed.
- 1.5 **"Association"** shall mean the Beach Walk Place Homeowners Association, Inc., its agents, successors and assigns, a South Carolina not-for-profit corporation.

PO  
S&G  
PERSONS, OLIVERSON,  
MARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

- 1.6 **"Building"** means a structure or structures, containing either four or six units, comprising a part of the Property.
- 1.7 **"Bylaws"** mean the Bylaws of Beach Walk Place Homeowners Association, Inc., annexed to this Master Deed, as amended from time to time as therein provided.
- 1.8 **"Common Expense"** means all liabilities or expenditures made or incurred by or on behalf of the HOA for the maintenance and operation of all Common Elements or proposed Common Elements.
- 1.9 **"Condominium"** means that form of ownership established by the provisions of the Act under which space intended for independent use is owned by a Co-Owner in fee simple and the parts of the Property other than such independently owned spaces are owned by all such Co-Owners in undivided interests, which undivided interests are appurtenances to the respective independently owned Units.
- 1.10 **"Common Elements"** shall mean all parts of the Property, including the land submitted to this Master Deed, other than Units.
- 1.11 **"Co-Owner" or "Owner"** means an individual, person, firm, corporation, partnership, association or other method of ownership or any combination thereof, who or which owns a Unit.
- 1.12 **"Declarant"** means Beachwalk Development, LLC, a South Carolina Limited Liability Company, its successors and assigns.
- 1.13 **"Horizontal Property Regime"** means the legal entity provided for in the "Act".
- 1.14 **"Limited Common Elements"** means any portion of the Common Elements reserved for the exclusive use of less than all the Co-Owners.
- 1.15 **"Master Deed"** means the within Master Deed of Beach Walk Place Horizontal Property Regime.
- 1.16 **"Majority" or "Majority of Co-Owners"** means 51% or more of the basic value of the property as a whole, in accordance with the percentage of ownership interest, as set forth in Exhibit "E" of this Master Deed.
- 1.17 **"Mortgage"** means any mortgage, deed of trust or other security instrument used for the purpose of subjecting real property to a lien or encumbrance as security for indebtedness.
- 1.18 **"HOA"** shall mean the Beach Walk Place Homeowners Association, Inc., its agents, successors and assigns, a South Carolina not-for-profit corporation;



- 1.19 **"Person"** means an individual, corporation, partnership, association, trustee or other legal entity, or any combination thereof.
- 1.20 **"Project"** means the Beach Walk Place Horizontal Property Regime.
- 1.21 **"Phase"** means the Phase of the development of the Project.
- 1.22 **"Property"** shall mean and include the land which is owned in fee simple by Declarant and which is herein or may hereafter be submitted to the provisions of the Act by this Master Deed, along with all improvements constructed thereon and all easements, rights and appurtenances belonging thereto, which comprise the horizontal property regime established by this Master Deed, also being sometimes called the "Project".
- 1.23 **"Quorum"** means those present in person or by proxy of a Majority of Co-Owners.
- 1.24 **"Regime"** means the same thing as "Horizontal Property Regime".
- 1.25 **"Unit"** means a part of the Property intended for any type of independent use (whether it be for residential, recreational, storage or business) including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building shall have the same meaning as "Apartment" as defined in the Act.

## ARTICLE II THE PROPERTY

- 2.1 **Land.** The land, which is initially submitted to the provisions of the Act by this Master Deed as Phase 1, is that certain real property described in Exhibit A attached hereto and incorporated herein by reference. (The land is owned by Declarant in fee simple and submitted to the provisions of the Act in the same manner.) Hereafter, at one time or from time to time, Declarant may elect to submit one or more additional parcels of land, as additional phases, to the provisions of the Act by incorporating them within this Master Deed as provided in Section 2.8 herein. All parcels of land submitted to the Act by this Master Deed may be herein separately or collectively referred to as the "Land". All parcels of Land shall be submitted to the Act subject to the restrictions, easements, conditions and covenants prescribed and established herein, and the Bylaws of Beach Walk Place Homeowners Association, Inc., as these documents have been amended from time to time, such easements recorded of record and all zoning laws, ordinances and regulations. Declarant reserves the right as hereinafter provided in Section 2.8 to incorporate within the Land and to subject to this Master Deed additional parcels of land for the purpose of incorporating Phases 2 through 17 into the Project, which Phases may be incorporated collectively or one at a time and which Phases may be incorporated in any sequence as Declarant in its sole discretion may decide. The parcels of land to be incorporated as Phases 2 through 17 will be shown on one or more additional exhibits to be added by amendment to the Master Deed.

The Declarant reserves the right to relocate the roads, easements and access to public roads at a future date.

**2.2 Buildings.**

- (a) Declarant has constructed one building in Phase 1, the building contains six units, being numbered 1, 2, 3, 4, 5 and 6 and shall be known as Building 100.

**2.3 Units.**

- (a) Units 1, 2, 3, 4, 5 and 6 have identical floor plans as shown on Exhibit "B". The description of the unit is as follows: you enter each unit through the front door into a foyer. From the foyer, you can proceed directly up the stairs to the second level. To the right of the foyer is bedroom 1 contained approximately 144.7 square feet. Also included in the bedroom is a walk in closet. Just off of the walk in closet is a full bathroom. From the foyer, you may proceed down a hall way and to the right, you may enter the kitchen, which contains approximately 57.5 square feet, with a pass through to the living room. Across the hall from the kitchen is a half bathroom located under the stairway. Proceeding to end of the hall way, you enter the living room, which contains approximately 215.6 square feet. You may exit out of the living room through a sliding glass door to the rear of the Unit. The second floor of the Unit is described as follows: At the top of the stairs is a hall with a linen closet and a closet containing a stack washer and dryer. From the hall, you can turn right and enter bedroom number 2, which is located on the front side of the Unit, and said bedroom contains approximately 151.7 square feet. Also located in bedroom number 2, is a double walk in closet. From bedroom number 2, you may proceed directly across the hall way to bedroom number 3, which contains approximately 89.5 square feet, which also contains a double walk in closet. Adjacent to bedroom number 3 is a full bathroom. The total square footage for each Unit is 1075 square feet.

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

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

- (aa) Upper boundary: The horizontal plane of the bottom undecorated surface of the ceiling (upper level) of each Unit; in the event that any structural beam, air conditioning duct, heating duct or any other structural component projects into the area surrounded by the perimeter walls bounding the Unit on the upper floor, the upper boundary of that part of the Unit shall be the horizontal plane of the bottom undecorated surface of said projecting area.

- (bb) Lower boundary: The horizontal plane of the upper surface of the undecorated concrete or pccrete floor topping of each Unit; in the event that any structural beam, air conditioning duct, heating duct or any other structural component projects into the area surrounded by the perimeter walls bounding the Unit, the lower boundary of the part of the Unit shall be the horizontal plane of the undecorated and unfinished upper surface of said projecting area.
- (ii) The vertical boundaries of each Unit shall be the vertical plane of all undecorated and unfinished inner surfaces of all perimeter walls, doors, windows and sliding glass doors bounding the Unit extended to the intersections with each other and with the upper and lower boundaries of each Unit. In the event that any structural beam, air conditioning duct, heating duct or any other structural component projects into the area surrounded by the perimeter walls bounding the Unit, the vertical boundary of that part of the Unit shall be the vertical plane or the undecorated and unfinished inner surface of said projecting area.
- (iii) All heating, ventilating and air conditioning units and equipment located adjacent to a particular Unit, but outside of the boundaries of said Unit as set forth in subparagraph (i) and (ii) immediately above, and all pipes, conduits and wires running to and from said heating, ventilating and air conditioning units and said particular Unit, are part of the particular Unit to which they are adjacent and to which they run.
- (iv) The decks, stairways, railings, and entrance and exits are limited common elements appurtenant to those Units to which they attach or lead to and their use is restricted to Units to which they are appurtenant. Maintenance, other than structural, and upkeep of each deck, stairways, railings, and entrance and exits shall be the primary responsibility of the Co-Owner of the Unit to which that deck, stairway, railing, and entrance and exit area is appurtenant and the secondary responsibility of the HOA.
- (v) All doors and windows, including sliding glass doors, which are in or within the perimeter walls of a Unit shall be a limited common element.
- (vi) All pipes, wires or other conduits running to and from all electrical, television, telephone, water and sewer installations within a particular Unit, which branch off from or run from a common pipe or wire serving more than one Unit, shall be part of a Unit from the point at which it branches off from the common pipe or wire regardless of whether or not said pipe or wire is within the perimeter of a Unit. The upkeep and

maintenance of said pipes and wires shall be the responsibility of the Owner of the Unit. All other pipes and wires are part of the common elements and the upkeep and maintenance of the same shall be the responsibility of the HOA.

- (vii) All load bearing walls located within a Unit constitute a part of the common elements up to the plane of all undecorated and unfinished inner surfaces of said load bearing walls.
- (c) The floor plans of the building which shows graphically the dimensions, area unit number and location of the Units therein are set forth in Exhibit C, which is attached hereto and incorporated herein by reference.
- (d) The ownership of each Unit shall encompass and there shall pass with each Unit as appurtenances thereto, whether or not separately described, all of the rights, title and interest of a Co-Owner in the Property, which shall include but not be limited to the following:
  - (i) Membership in the HOA is composed of all Co-Owners. Membership in the HOA shall include the right to vote on all matters which under the Master Deed and Bylaws are to be decided by the Co-Owners. Each Co-Owner shall be entitled to a vote equal to his percentage of ownership in the Common Elements which percentage shall be the ratio of the value of the Co-Owner's Unit in relation to the value of the Property as a whole;
- (e) Each Unit shall be conveyed and treated as individual property capable of independent and fee-simple ownership.
- (f) Any Unit may be held and owned by more than one (1) person as tenants in common or in any other real estate tenancy relationship recognized under the laws of the State of South Carolina.

#### 2.4 Common Elements.

Common Elements mean and include the following:

- (a) The land on which the Building is located, together with all of the other real property described in Exhibit "A";
- (b) The foundations, main walls, roofs, and walkways of the Buildings, except for stairways, decks, railings, entrance and exits, which are Limited Common Elements, as hereinafter defined;

- (c) The yards, sprinkler systems in the yards, gardens, shrubs, vegetation, boardwalks, exterior lights, trash containers, signs, storm drainage system, and dryer exhausts, except as otherwise provided or stipulated;
- (d) The compartments or installations of central services such as power, light, telephone, television, cable television, water, sewer, and the like;
- (e) The parking areas, roads, except for the Limited Common Elements, hereinafter defined and all appurtenances thereto;
- (f) In general, all devices or installations existing for common use;
- (g) All other elements of the property rationally of common use or necessary to its existence, upkeep and safety; and
- (h) Any additions thereto by amendment.

The location of the common Elements are shown, insofar as possible, on the As-Built Survey which is attached hereto, as Exhibit B, and incorporated herein by reference, and on the floor plans which are attached hereto, as Exhibit C, and incorporated herein by reference.

2.5 **Limited Common Elements.** Limited Common Elements are those Common Elements including, but not limited to, doorsteps, stoops, decks, porches, patios, balconies, storage sheds and all exterior doors and windows, including sliding glass doors, which are designed to serve less than all the Units to the exclusion of the other Units and are located outside a Unit boundary. Doorsteps and stoops are limited in their use to the Units to which they afford access. Decks, porches, patios and balconies are limited in their use to the Units from which access is allowed from the interior of the Unit. Exterior doors and exterior windows are limited in their use to the Units to which they afford access or light.

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

2.6 **Percentage of Undivided Ownership Interest.** Each Co-Owner of a Unit shall own an undivided percentage interest ("Percentage Interest") in the Common Elements, which interest shall not be separately owned or conveyed. Further, said percentage interests shall have a permanent character and shall not be altered without the acquiescence of all the co-Owners. The Percentage Interest appertaining to each Unit, together with the statutory basic value of each Unit is set forth in Exhibit D, attached hereto and incorporated herein by reference. The Percentage Interest of each Co-Owner in the Common Elements shall be an inseparable part of the Co-Owner's Unit and no partition of these interests is permitted or allowed. In paragraph 2.8 set forth below, Declarant has the discretion to alter the order in which the various buildings and phases may be incorporated

into the Regime. In the event that Phases are incorporated into the Regime in an order different from the order set forth in paragraph 2.8(a) below, the Percentage Interest in the Common Elements appertaining to each Unit shall be the percentage equal to the ratio of the value of the Co-Owner's Unit as it bears to the value of the Property as a whole.

2.7 **Voting Rights.** Each Co-Owner shall have such voting rights in the HOA as is equivalent to the Percentage Interest pertaining to the said Co-Owner's Unit (See Article III, Section 3.3 regarding Co-Owner's vote in the Beach Walk Place Homeowners Association, Inc.)

2.8 **Incorporation of Additional Phases.** Declarant reserves the right, at its sole option, to incorporate Phases 2 through 17 or any of said phases, into the Regime; however, the Declarant shall be under no obligation to construct or submit any additional phases. If such phases are submitted the order of inclusion of these additional Phases shall be in the sole discretion of Declarant, and Declarant may incorporate said Phases in any order it so chooses.

(a) The following table shows the number of Units to be added to the Regime in each proposed Phase, although the Phases may be incorporated into the Regime out of numerical order, in the sole discretion of Declarant. The percentage of ownership attributable to units in each phase will be reduced as shown below as additional phases are submitted to the Regime. If Declarant exercises its right to incorporate Phases 2 through 17, the ownership of Common Elements and voting rights attributable to any particular Unit will be determined by the ratio of the value of that particular Unit to the value of all the Units in the Project from time to time. The Declarant, at the time of the filing of this Master Deed only intends to build two buildings with two bedroom units. The percentage of ownership interest for this scenario is set forth in Schedule 1 below. The Declarant reserves the right to alter the number of two and three bedroom units depending on the sales market for each type unit and may build one bedroom units if the market so desires. If the Declarant decides to build additional two bedroom units or one bedroom units, the percentage interest of each unit will change in accordance with schedule 2 below. Schedule 2 shows how the percentage interest of each unit given the scenario of all one bedroom, two bedroom or three bedroom units.

**Schedule 1**

Phase	Building Number	Number of Units	% of Ownership of Each Unit In Phase
1	100	6	1.0357%
2	200	6	1.0357%
3	300	6	0.8476%
4	400	4	1.0357%
5	500	6	1.0357%

PO  
S&G  
PERSONS, OUVERSON,  
MARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

6	600	6	1.0357%
7	700	6	1.0357%
8	800	6	1.0357%
9	900	6	1.0357%
10	1000	6	1.0357%
11	1100	6	1.0357%
12	1200	6	1.0357%
13	1300	6	1.0357%
14	1400	6	1.0357%
15	1500	6	1.0357%
16	1600	6	1.0357%
17	1700	4	0.8476%

Schedule 2		Total	98 Units		100%
Phase	Building Number	Number of Units	% Int. If 1 Bedroom	% Int. if 2 Bedroom	% Int. If 3 Bedroom
1	100	6	1.549%**	1.230%*	1.020%
2	200	6	0.986%	1.007%	1.020%
3	300	4	0.986%	1.007%	1.020%
4	400	6	0.986%	1.007%	1.020%
5	500	6	0.986%	1.007%	1.020%
6	600	6	0.986%	1.007%	1.020%
7	700	6	0.986%	1.007%	1.020%
8	800	6	0.986%	1.007%	1.020%
9	900	6	0.986%	1.007%	1.020%
10	1000	6	0.986%	1.007%	1.020%
11	1100	6	0.986%	1.007%	1.020%
12	1200	6	0.986%	1.007%	1.020%
13	1300	6	0.986%	1.007%	1.020%
14	1400	6	0.986%	1.007%	1.020%
15	1500	6	0.986%	1.007%	1.020%
16	1600	6	0.986%	1.007%	1.020%
17	1700	4	0.986%	1.007%	1.020%
Total		98 Units	100%	100%	100%

\* Phase 1 is a three (3) bedroom unit building. This chart assumes all sixteen (16) additional phases will be two (2) bedroom units.

\*\* Phase 1 is a three (3) bedroom unit building. This chart assumes all sixteen (16) additional phases will be one (1) bedroom units.

(b) Any incorporation of Phases 2 through 17 in the Regime will not substantially increase the proportionate share of the Common Expenses payable by any

PO  
S&G  
PERSONS, OUVERSON,  
PARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

existing Co-Owner and such increase, if at all, will be of a minor or incidental nature.

- (c) If Declarant elects to incorporate Phases 2 through 17 into the Regime, an amendment to this Master Deed shall be recorded in the Office of the Register of Deeds for Horry County and such election shall be effective on the date of recordation.
- (d) If Declarant elects to bring in phases out of sequence, or elects not to construct and add a particular phase, such elections shall not preclude Declarant from electing at a later date to construct and add a phase previously omitted. The sole limitation on Declarant's rights with respect to additional phases shall be that the maximum number of phases shall not exceed seventeen (17) and the maximum number of units shall not exceed 98 and Declarant's right to elect to add additional phases shall expire on December 1, 2010.

- 2.9 **Name.** The name by which the Horizontal Property Regime shall be known is **Beach Walk Place Horizontal Property Regime.**

### ARTICLE III

#### BEACH WALK PLACE HOMEOWNERS ASSOCIATION, INC.

- 3.1 **Formation.** Every Co-Owner as hereinafter defined, shall be a member of and constitute the Beach Walk Place Homeowners Association, Inc. (the "HOA"), a South Carolina not-for-profit corporation, which shall be managed by a board of directors (the "Board of Directors") elected by and from the Co-Owners and managed by a professional administrator (the "Manager"), if the Board so elects.
- 3.2 **Administration of the Regime.** To effectively and efficiently provide for the administration of the Regime by the Co-Owners, a non-profit corporation has been formed (herein the "HOA"), and said association shall administer the operation and management of the Regime and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Master Deed, its Declaration and Petition of Incorporation, and its Bylaws. A true copy of the Bylaws and the Declaration and Petition of the Incorporation of said HOA are annexed hereto and expressly made a part hereof as Exhibits "E" and "F" respectively. Each Co-Owner shall automatically become a member of the HOA upon acquisition of an ownership interest in any Unit, and the membership of such Co-Owner shall terminate automatically upon the Co-Owner being divested of such ownership regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance on any interest in a Unit shall be entitled by virtue of such, to membership in the HOA or to any other rights or privileges or such membership. In order to administer the Regime, the HOA shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, specifically including, but not limited to



the right to levy and collect assessments in the manner hereinafter provided and to adopt, promulgate, and enforce such rules and regulations governing such use of the Units and Common Elements as the HOA may deem to be in the best interest of the Regime.

- 3.3 **Voting.** On all matters relating to the HOA or to the Project upon which a vote of the Co-Owners is conducted, the Co-Owners shall vote in proportion to their respective Percentage Interests. Each Unit shall have, for purpose of voting, such vote as is proportionate to their respective Percentage Interests. All action taken by a vote of the Co-Owners shall be by majority vote unless a different vote is specified in the Master Deed or in the Bylaws.
- 3.4 **Binding Effect.** All agreements, decisions and determinations lawfully made by the HOA in accordance with the voting percentages established in the Act, this Master Deed or the Bylaws shall be deemed to be binding on all Co-Owners.

#### ARTICLE IV ASSESSMENTS

- 4.1 **Agreement to Pay Assessments.** Declarant, for each Unit owned by it within Beach Walk Place Horizontal Property Regime, hereby covenants and agrees to pay to the Association all Association Assessments, as hereinafter defined.
- 4.2 **HOA Assessments.** Each Co-Owner shall contribute prorata in accordance with their percentage of ownership as set forth herein toward the expenses of administration and of maintenance and repair of the Common Elements and in the proper case of Limited Common Elements of the Property and toward any other agreed upon expenses.
- 4.3 **HOA Expenses.** The HOA shall be responsible for and shall consider the following as common expenses: the costs of HOA administration, which shall include all expenses of the Project which are not the obligation of any individual Co-Owner, specifically including, but not limited to, the following: the cost of maintenance, repair and replacement, and insurance of common elements; utilities (including garbage service, but excluding electrical service, telephone, cable television, water and sewer expense of the individual Units which shall be metered separately) for the Project. Further, expenses would include any deficit from a previous period, the creation of a reasonable contingency reserves and other expenses and liabilities which may be incurred by the HOA for the benefit of all Co-Owners, under or by reason of this Master Deed (herein collectively referred to as the "HOA Expenses"). The HOA shall treat as common surplus the excess of HOA revenues over HOA expenses.
- 4.4 **Initial Capital Contribution.** Upon the sale of each Unit by Declarant, the Purchaser shall be required to pay to the HOA a start up fee of \$200.00 which shall constitute a separate payment to provide initial operating funds. Upon the re-sale of any unit, the purchaser shall pay to the HOA a transfer fee of \$100.00.

FO  
SG  
RSONS, OUVERSON,  
TARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

\$100/month

11

\$130/month begins Jan 2008

- 4.5 **Commencement of HOA Assessments.** Declarant shall be responsible for HOA assessments from the date the Master Deed for the Project or any amendments incorporating other phases is recorded until such date as the Unit is conveyed to a Purchaser. The initial purchaser and each purchaser thereafter shall be responsible for HOA Assessments from the date of purchase until such time as the Unit is conveyed to a subsequent purchaser.
- 4.6 **Apportionment.** Common surplus shall be owned and HOA expenses shall be distributed and allocated among and be the obligation and liability of the Co-Owners in proportion to their respective Percentage Interests.
- 4.7 **Annual Budget.** On or before December 1 of each year, the Board of Directors of the HOA shall prepare or cause to be prepared and adopt an operating budget for the upcoming calendar year. The budget shall itemize the estimated HOA anticipated receipts, and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessments for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period. Declarant shall estimate the budget for the first calendar year of the HOA or portion thereof.
- 4.8 **Notice and Payment.** The HOA shall furnish to each Co-Owner a copy of the budget and notify each Co-Owner as to the amount of the annual assessment with respect to his Unit on or before December 15 of each year for the next year following such date. The annual assessment "HOA Assessments" 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.

All unpaid installments of any HOA Assessment shall incur a late charge at a rate equal to the maximum interest allowed by applicable law from the date each such installment is due until paid. The failure of the HOA to give timely notice of any HOA Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this master Deed or a release of any Co-Owner from the obligation to pay such assessment or any other assessment, but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Co-Owner in the manner provided in this Master Deed.

- 4.9 **Special Assessments.** In addition to the HOA regular assessments authorized by this Article, the HOA may levy, at any time and from time to time, upon affirmative vote of a majority of the Board of Directors of the HOA, a Special Assessment, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Master Deed (including without limitation HOA expenses), and such assessment will be payable over such period as the HOA may determine. Such Special Assessments, if any, shall be included within any and all references to HOA Assessments. This

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

- 4.10 **Lien for Association Assessments.** Each Co-Owner, by acceptance of a deed to a Unit, also bargains, sells, grants and conveys to the Association a lien upon his Unit to secure the full and prompt payment of all Association Assessments in accordance with and pursuant to the terms and conditions of this Master Deed, Bylaws and the Declaration.
- 4.11 **Lien for HOA Assessments.** All sums assessed to the Co-Owners pursuant to the provisions herein and in the Bylaws, together with interest thereon as provided herein, shall be secured by a lien on the respective Units in favor of the HOA, which lien shall be prior to all other liens upon the Unit except: (a) tax liens in favor of any assessing Unit; and (b) mortgages duly recorded, encumbering the Unit. To evidence a lien for sums assessed pursuant hereto, the HOA may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Co-Owner of the Unit and a description of the Unit. Such a notice shall be signed and acknowledged by a duly authorized officer of the HOA and may be recorded in the Office of the Register of Deeds for Horry County, South Carolina. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. In the event that a lien is filed against a Co-Owner, such Co-Owner shall be personally liable for the assessment, interest on the assessment, and for all costs of collecting such assessment, including a reasonable attorney's fee, whether suit be brought or not.

Such lien may be enforced by judicial foreclosure by the HOA in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the Co-Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Co-Owner shall also be required to pay a reasonable rental for the Unit after commencement of the foreclosure, and the plaintiff in such a foreclosure action shall be entitled to the appointment of a receiver to collect such rents. The Co-Owner shall also be required to pay to the HOA any assessments against the Unit which shall become due during the period of foreclosure and all such assessments shall be secured by the lien being foreclosed. The HOA shall have the right and power to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit. When the purchaser of a Unit obtains title to the Unit as a result of foreclosure of a mortgage,

such purchaser, his successors and assigns, which may include but not be limited to the Mortgagee, shall not be liable for any of the HOA Assessments chargeable to such Unit accruing after the date of recording such Mortgage but prior to the acquisition of title to such Unit by such purchaser. However, the purchaser shall be responsible for all assessments which accrue from the date of the Judicial Sale, regardless of the date the Masters Deed to the Unit is recorded. Such unpaid share of HOA expenses shall be deemed to be HOA expenses collectible from all Co-Owners, including such purchaser, his successors and assigns. The provisions of this section, however, shall not release any Co-Owner from personal liability for unpaid assessments.

In addition to the rights of action set forth above, the Board of the HOA may suspend the membership rights of any Co-Owner during the period when the assessment or cost remains unpaid. During such period of suspension, however, the Co-Owner's responsibility for assessments shall continue unabated. Upon payment of such assessment, interest and late charges, and any costs or attorney's fees incurred in the collection thereof, the Co-Owner's rights and privileges shall be automatically restored. Furthermore, the rights of the HOA herein set forth above shall be in addition to any other rights provided by law with respect to liens for and collection of unpaid assessments.

- 4.12 **Personal Obligation of Owner.** The amount of any HOA Assessment against any Unit shall be the personal obligation of the Co-Owner of such Unit to the HOA. Suit to recover a money judgment for such personal obligation shall be maintainable by the HOA without foreclosing or waiving the lien securing the same. In the event of any suit to recover a money judgment for unpaid assessments hereunder, or in the event that the HOA must bring an action to enforce these covenants, the involved Co-Owner shall pay the costs and expenses incurred by the HOA in connection therewith, including reasonable attorneys' fees.

✓ No Co-Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his Unit or by waiving any services or amenities provided for in this Master Deed.

- 4.13 **Unpaid Assessments Shall be Paid from Sales Price.** In the case of a voluntary sale or conveyance of a Unit, all unpaid assessments against a Co-Owner for his prorata share of expenses shall be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatsoever nature, except the following:

- (a) Assessments, liens and charges for taxes past due and unpaid; and
- (b) Payments due under mortgage instruments duly recorded.

- 4.14 **Statement of Account.** Upon the request of any Co-Owner, Mortgagee, prospective Mortgagee, prospective purchaser or their agent of a Unit, the HOA, for a reasonable fee, shall issue a written statement setting forth the following:

- (a) The amount of the unpaid assessments, if any, with respect to such Unit;
  - (b) The amount of the current HOA Assessments and the date or dates upon which installments thereof become due;
  - (c) Credit for advanced payments or prepaid items, including without limitation the Co-Owner's share of prepaid insurance premiums; and
  - (d) That such statement shall be conclusive upon the HOA in favor of persons who rely thereon in good faith.
- 4.15 **Personal Liability of Purchaser.** Subject to the provisions herein, a purchaser of a Unit shall be jointly and severally liable with the seller thereof for all unpaid HOA Assessments against such unit up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.
- 4.16 **Audited Financial Statements.** On or before the working day nearest to April 15 each year, the Board shall cause an audited financial statement of the HOA to be prepared by a certified public accountant and distributed to the members.
- 4.17 **Subordination of the Lien to Mortgage.** The lien of unpaid assessments provided for herein shall be subordinate to the lien of any prior recorded first mortgage of the Unit. A sale or transfer of any Unit shall not affect the lien except, however, in the case of the sale or transfer of any Unit pursuant to a decree of foreclosure of a first mortgage, which mortgage became due prior to such sale or transfer. In such case, any assessment that became due prior to said sale shall be extinguished. No such sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due.
- 4.18 **Records.** The Board of Directors shall keep, or cause to be kept, a book with a detailed account, in chronological order, of the receipts and disbursements affecting the Project and its administration and specifying the expense of maintenance and repair of the Common Elements. The book shall be available for examination by all Co-Owners during normal business hours.

## ARTICLE V COVENANTS AND RESTRICTIONS

- 5.1 **Use of Project.** Each Co-Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Co-Owner may also use the Common Elements in accordance with the uses for which they are intended as long as such use does not

hinder or encroach upon the rights of other Co-Owners. The following restrictions shall apply to the use of the Units and the Common Elements:

- ✱ (a) The Project shall be used only for residential purposes.
- (b) No business shall be allowed upon the Project, nor any use or practice which shall be a nuisance to residents or which interferes with the peaceful possession and proper use of the Project by other residents. Declarant shall be permitted to maintain model units and for a model sales office on the Project until such time as all of the Units that Declarant owns in the Project have been sold. This includes those Units which Declarant may yet submit to the Project.
- (c) Each Co-Owner shall keep his Unit in a good state of maintenance and repair and shall repair and replace when necessary, at his expense, portions of the Unit which are within the boundaries of the Unit, and those items outside the boundaries of his Unit, for which he is responsible pursuant to the terms and conditions of this Master Deed.
- (d) The Project shall be kept in a clean and sanitary condition; no rubbish, refuse or garbage shall be allowed to accumulate on the Project, nor shall any fire hazard be allowed to exist.
- (e) No immoral, improper, offensive or unlawful use shall be made of the Project or any part thereof, and all Co-Owners, their families, invitees and guests, shall abide by all rules and regulations of the HOA, and all zoning ordinances and regulations of all governmental bodies having jurisdiction thereof.
- (f) Units may be rented, leased or subleased only in such manner as shall permit the independent use thereof. However, no Unit may be leased for less than a ninety (90) day period. Any lease agreements shall provide that the terms and conditions of the same shall be subject in all respects to the provisions of the Master Deed, Bylaws and any rules and regulations adopted by the Board of Directors of the HOA and that any failure by the lessee to comply with the terms of such documents shall constitute a default under the lease. All leases shall be in writing. Unit owners shall supply the HOA with the name of any Rental Agency used by the Owner.
- (g) No Unit may be sold under or utilized for or pursuant to any timesharing, time interval or similar right-to-use, lease or license programs as those terms are currently generally utilized in the real estate industry or as those or similar terms are expressed, used or defined in the Vacation Time Share Plan Act, Section 27-32-10 et seq., Code of Laws of South Carolina, 1976, as amended, or any similar successor or supplementary laws or regulations. This shall not prevent the sale or ownership of Vacation Multiple Ownership

Interest (defined in Section 27-32-250, Code of Laws of South Carolina) or other Multiple Ownership of Residential Dwelling Units. Such ownership being subject to the limitations on the use of facilities of Beach Walk Place Horizontal Property Regime, and subject to the rules and regulations that apply to memberships in the Beach Walk Place Homeowners Association, Inc., subject to manner of ownership and voting rights in the Beach Walk Place Homeowners Association, Inc., as set forth in the Declaration and as determined by the Beach Walk Place Homeowners Association, Inc., and subject to any further provisions set forth herein.

- (h) Reasonable regulations concerning the use and occupancy of the Units may be promulgated from time to time by the Board of Directors. Copies of such regulations and amendments thereto shall be furnished by the Manager or Board of Directors to all Co-Owners. All Co-Owners, their lessees, invitees and guests shall comply with such regulations, with the Master Deed and Bylaws, and all other rules and regulations that apply to the Units.
- (i) No signs, flags or advertising devices of any kind shall be displayed to public view on or for any Unit or the Common Elements without the Board's prior consent. Provided, however, that the Board shall have the right to erect such directional or other signs as it deems necessary to properly designate the various buildings and Units and to assist Co-Owners and renters in locating Units and Common Elements and for other purposes. Declarant may place one "For Sale" sign, no larger than 18" x 24" on each unit it owns so long as Declarant owns any unit in the Regime.
- (j) Co-Owners shall be permitted to keep common household pets including, but not limited to, dogs and cats, within their Unit, subject to the rules, regulations and policies adopted by the HOA.
- (k) The HOA Board of Directors shall have the authority to regulate the choice of color and other matters concerning the exteriors of the buildings in the Regime. No Owner shall make any structural change to the exterior of the buildings, change the color of the exteriors or otherwise do any structural work on the exteriors without first obtaining the written permission of the Board. No screen doors, storm windows, storm doors or other things can be added to the exteriors without first obtaining the written permission of the HOA Board or any designated Committee thereof.
- ✶ (l) All interior windows shall have treatments for shading purposes. The side of the treatments facing the outside of the buildings shall be white in color.
- (m) Without the prior written consent of the HOA, or except in the case of temporary loading or unloading, no part of the Project shall be used for parking of any trailer, truck (registered over 6,000 pounds), recreational vehicle, scooter, boat or anything other than an operative, currently licensed automobile, motorcycle, small truck or van licensed at 6,000 pounds or less.



Guests, licensees, renters and invitees may not bring motorcycles or boats on the premises. Guests, licensees, renters and invitees shall be permitted to park on paved, Common Elements designated for such use only to the extent that it shall not obstruct traffic flow or unreasonably inconvenience other Unit owners. Vehicles parked in violation of any part of this Master Deed or in violation of any rules and regulations of the HOA, shall be towed away without Notice and stored at the Co-Owner's risk and expense.

(n) The right of unit owner to sell, transfer or otherwise convey his/her/its unit in the project shall not be subject to any right of first refusal or similar restriction.

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

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

*"Waiver between parties"??*

**ARTICLE VI  
EASEMENTS**

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

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

6.3 **Access Easement.** Appurtenant to each Unit is an easement over any Common Element and Limited Common Element for necessary pedestrian and vehicular

PO  
S&G  
RSONS, OUVERSON,  
PARK & GUEST, PA  
P.O. Box 14579  
Windside Beach  
SC 29587



ingress and egress to and from such Unit to and from a thoroughfare. The easements shall be over such walkways, driveways or other ways as are designated by the Declarant and/or the HOA; however, the Declarant reserves the right to relocate said roads or right of ways at any time so long as said relocation does not adversely affect access to the property.

- 6.4 **Easement to Declarant.** Declarant reserves for itself, its successors and assigns and successors in title, the right to maintain a sales office on the Project, to maintain model Units on the Project, and to show Units until such time as the last unit is sold.

Declarant also reserves unto itself, its successors and assigns and successors in title, a perpetual easement over the Common Elements for ingress and egress for additional units construction, maintenance and operation of utilities and utility easements and for construction, maintenance and operation of all types of improvements whatsoever, on, under, over and across the Common Elements for the benefit of the Project and all owners, occupants, guests and invitees therein.

The aforesaid ingress and egress easement shall be for access, both for vehicles and pedestrians, to and from, over and across any Common Element to the real estate of Declarant which has been submitted to the Regime and to such real estate of Declarant which has not yet been brought into the Regime.

The ingress and egress easement shall be used by Declarant to develop said adjoining property and shall also be used by Declarant to complete construction upon the Property that has been submitted to the Act by virtue of this Master Deed and any amendment filed from time to time.

Further, with regard to the utility reservation, the Declarant reserves for itself, its successors and assigns and successors in title an easement in any and all sanitary sewer lines, storm water sewer lines, telephone lines, electricity or other power lines, cable television lines and/or any other lines and/or the accompanying easements. Declarant further reserves for itself, its successors and/or assigns the right to connect, at Declarant's own expense, to any such lines and/or easements. The Declarant further reserves for itself, its successors and/or assigns and successors in title easements and/or grants over any Common Elements of the project at a reasonable location to be designated by Declarant, for utilities and/or other services to benefit the additional phases which may, or may not, be brought under the condominium regime.

These reservations of easements shall be construed broadly in favor of the Declarant to complete the development of the improvements that are located upon the lands which have been submitted by this Master Deed and all amendments that may be filed from time to time and to facilitate the development of the additional lands which may, or may not, be brought under the condominium regime.

- 6.5 **HOA Access Easement.** The HOA shall have the irrevocable right, to be exercised by the Manager or the Board of Directors and their designated agents and representatives, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Limited Common Elements and/or the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.
- 6.6 **Use of Easements Shall be Reasonable.** Any use of the rights and easements granted and reserved in this Article shall be reasonable. If any damages, destruction or disturbance occurs to a Unit, a Limited Common Element or the Common Elements as a result of the use of any easement or right, the Unit, Limited Common Element or Common Element shall be restored by the HOA promptly in a reasonable manner at the expense of the person or persons making the use of the easement or right that resulted in the damage, destruction or disturbance. Before beginning work, the HOA may require all or part of the expected expense to be prepaid by that person or those persons liable for the expense. No easement may be granted across, through, over or under any Unit, limited Common Element or Common Element, which materially restricts ingress and egress to the Unit, Limited Common Element or Common Element, unless reasonable alternate ingress and egress is provided or unless the restriction is only temporary.

## ARTICLE VII INSURANCE

- 7.1 **General.** The Board of Directors of the HOA shall use their best efforts to obtain and maintain at all times insurance of the type and kind and in the amounts hereafter provided, including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other horizontal property regimes similar in construction, design and use, which insurance shall be governed by the provisions of this Article.
- 7.2 **Coverage.** For the benefit of the HOA and the Co-Owners, the Board of Directors shall use their best efforts to obtain and maintain at all times and shall pay for out of the HOA's funds, the following insurance:
- (a) A master policy or subscription policies, of casualty insurance on all Units, Common Elements and Limited Common Elements and all personal property owned by the HOA located therein, with extended coverage, special extended coverage and use and occupancy coverage for at least one hundred (100%) percent of the replacement value of all Units, Common Elements and Limited Common Elements, and all HOA personal property located therein, and such other fire and casualty insurance as the Board of Directors shall deem necessary for the protection of the Co-Owners, and their mortgagees, as their respective interests appear, which policy or

policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, of each Unit, if any; provided, however, that notwithstanding such loss payable endorsement, the application of all proceeds recovered thereunder shall be determined by the Board of Directors in its sole discretion.

- (b) A master policy or subscription policies in an amount of not less than One Million (\$1,000,000.00) Dollars, insuring the HOA, its Board of Directors, the Co-Owners and HOA Manager against any liability to the public and Co-Owners and their invitees or tenants, occurring in, on or about the Units, Common Elements and limited Common Elements, or any part thereof, arising out of, or incident to, the ownership or any use of the Project, and including the personal liability of the Co-Owners. Limits of liability under such insurance shall be not less than One Million (\$1,000,000.00) Dollars for all persons injured in any one accident and not less than Five Hundred Thousand (\$500,000.00) Dollars property damage in each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and to be increased in its discretion). The policy, or policies, shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.
- (c) Workers' Compensation Insurance to the extent necessary to comply with any applicable laws.
- (d) Such other types of insurance or coverages including but not limited to Flood Insurance that the Board, in its sole discretion, deems advisable and in the best interests of the HOA.

7.3 **Insurance Underwriter.** The Board of Directors must make every effort to secure policies written by a company or companies falling into a financial category, as designated in Best's Key Rating Guide, of no less than Class A +10.

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

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

**Co-Owner's Insurance.** Each Co-Owner may obtain additional insurance at his own expense; provided, however, that no Co-Owner shall be entitled to exercise his

PO  
S&G  
PERSONS, OUVERSON,  
HARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

6

such reconstruction, except in the event that reconstruction will comprise the whole or more than two-thirds of the Project. In this case, and unless otherwise unanimously agreed upon by the Co-Owners, the insurance proceeds shall be delivered prorata to the Co-Owners entitled to it in accordance with a decision of three-fourths (3/4) of the Co-Owners.

- 8.2 **Reconstruction.** Reconstruction of the damaged or destroyed building as used in this section means restoring the building to substantially the same condition in which it or they existed prior to the fire, casualty or disaster, with each Unit and the Common Elements having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the HOA.
- 8.3 **Personal Property.** Repair and replacement of personal property, if insurance proceeds are sufficient to do so in whole or part, shall be undertaken by the HOA.
- 8.4 **Deficiency of Insurance Proceeds.** Where the property is not insured or where the insurance indemnity is insufficient to cover the cost of reconstruction, the rebuilding costs shall be paid by all the Co-Owners directly affected by the damage, in proportion to the value of their respective Units, or as may be provided in the Bylaws; and if any one or more of those composing the minority shall refuse to make such payments, the majority may proceed with the reconstruction at the expense of all the Co-Owners benefitted thereby, upon proper resolution setting forth the circumstances of the case and the cost of the works, with the intervention of the council of Co-Owners.
- 8.5 **Surplus Proceeds.** Co-Owners and lien holders are not entitled to receive payments of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements, the Units and the personal property have been reconstructed, repaired or replaced, or unless the Project is terminated.

## ARTICLE IX MAINTENANCE AND ALTERATION OF COMMON ELEMENTS

- 9.1 **HOA.** The maintenance and operation of the Common Elements shall be the responsibility of the HOA, which shall bear the expense of the same. All maintenance, repair and replacement of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided for in the Act, this Master Deed or the ByLaws.
- 9.2 **Maintenance and Repair by Co-Owners of Units.** Every Co-Owner must perform promptly all maintenance and repair work within his Unit which, if omitted, would adversely affect the Project, and every Co-Owner shall also be expressly responsible for the damages and liability which his failure to do so may engender.

right to maintain insurance coverage in such a way as to decrease the amount which the HOA, on behalf of all the Co-Owners, may realize under any insurance policy that the Board of Directors may have in force on the Project at any particular time.

- 7.7 **Notice to HOA.** Any Co-Owner who obtains individual insurance covering any portion of the Project, other than the Co-Owner's Unit or personal effects belonging to such Co-Owner, shall file a copy of such individual policy or policies with the HOA's Directors within thirty (30) days after purchase of such insurance.
- 7.8 **Policy Provisions.** The HOA must make every effort to secure insurance policies containing the following provisions:
- (i) A waiver of subrogation by the insurer as to any claim against the HOA, Manager, Co-Owners and their respective servants and agents;
  - (ii) A provision that the master policy on the Project cannot be canceled, invalidated or suspended on account of the conduct of any Co-Owner, the HOA, any officer or employee of the HOA, or HOA Manager, without demand in writing thirty (30) days prior to such cancellation, invalidation or suspension which provides that the HOA or HOA Manager can cure the defect and notice of the failure thereof to do so within such period;
  - (iii) A provision that any "other insurance" clause in the master policy exclude individual Co-Owner's policies from consideration; and
  - (iv) A provision that the insurer issue certificates of insurance specifying the portion of the master policy allocated to each Co-Owner's interest, and that until the insurer furnishes written notice and a grace period of thirty (30) days to the mortgagee insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the Unit mortgagor-owner, the HOA or other Unit owners-mortgagors, nor canceled for nonpayment of premiums.
- 7.9 **Annual Review.** At least annually, the Board of Directors shall review all insurance carried by the HOA and such review shall include an appraisal of all improvements within the Project by a person, firm or corporation designated by the Board of Directors.

**ARTICLE VIII  
DAMAGE TO UNITS AND PERSONAL PROPERTY:  
RECONSTRUCTION AND REPAIR**

- 8.1 **Insurance Proceeds.** In case of fire, casualty or any other disaster, the insurance proceeds of the HOA's policy and individual owner's policies shall be applied to

## ARTICLE X AMENDMENTS

- 10.1 **By Declarant.** Declarant reserves the right for itself, its successors and assigns to amend this Master Deed, the Bylaws, the Plat and any Plans for the following purposes:
- (a) To incorporate Phases 2 through 17 and the Units therein, or any of said Phases and Units, into the Project;
  - (b) To amend, delete or make additions to the Master Deed, the Plat and any plans in order to cause the same to conform to the buildings, Units, Common Elements and Limited Common Elements as the same exist after construction of the same has been completed.
- 10.2 **Right to Amend for Correction of Errors and to Conform to Lenders Requirements.** The Declarant reserves the right for itself, its successors and assigns and successors in title to amend this Master Deed to correct typographical and scrivener's errors and to make the same conform to the requirements of FHA, VA, FNMA, FHLMC or other secondary mortgage loan markets upon filing by the Declarant of an Amendment signed by it reciting this provision as authority. Anyone may thereafter rely on the amendment as being duly adopted without further investigation.
- 10.3 **By Co-Owners.** This Master Deed and the Bylaws may be amended from time to time by resolution adopted by the affirmative vote of two-thirds of the Co-Owners of all of the voting interests subject to the following conditions:
- (a) No amendment by the Co-Owners shall alter the dimensions of a Unit or the percentage of interest in the Common Elements appurtenant thereto without the consent of the Co-Owner of such Unit; and
  - (b) No amendment by the Co-owners shall be effective without the consent of Declarant so long as Declarant owns any Unit.
- 10.4 **Recording.** No amendments to this Master Deed shall be effective unless and until recorded in accordance with the Act.

## ARTICLE XI TERMINATION

- 11.1 **Termination of Regime.** This Project may be terminated as a horizontal property regime and sold only by an affirmative vote of all the Co-Owners at an HOA meeting duly called for such purpose and with the consent of all mortgagees of record. To

accomplish termination and sale of the property, each Co-owner shall, by proper statutory deed, convey their unit to the HOA as trustee. Until all the real estate is sold and the proceeds thereof distributed, the HOA shall continue in existence with all powers that it had before the termination. Sales proceeds shall be distributed to the Co-Owners and lien holders as their interests may appear.

- 11.2 **Proceeds of Distribution.** As a basis for distributing proceeds from the sale of the real estate following termination, the respective interests of the Co-Owners shall be said Units' percentage of ownership interest immediately before the termination. The fair market value of each Co-Owner's interests shall be determined by one or more independent appraisers selected by the HOA. The decision of the independent appraisers shall be distributed to the Co-Owners and become final unless within thirty (30) days after such distribution, it is disapproved by a vote of twenty-five (25%) percent of the Common Element interests.
- 11.3 **Prorata Proceeds.** Each Co-Owner's share of the distributable sale proceeds shall be the ratio of the appraised value of his interests to the aggregate appraised value of all Co-Owners' interests.
- 11.4 **Distributable Sales Proceeds.** However, if any Unit or Limited Common Element has been destroyed to the extent that an appraisal of fair market value thereof prior to destruction cannot be made, each Co-Owner's share of the distributable sale proceeds shall be his respective undivided percentage interest in the Common Elements.

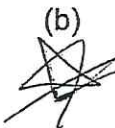
## ARTICLE XII RIGHTS OF HOLDERS OF MORTGAGES

- 12.1 **Notification of Default.** From and after the time a Mortgagee makes written request to the Board or the HOA therefor, the Board or the HOA shall notify such Mortgagee in writing in the event that the Co-owner of the unit encumbered by the Mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Master Deed.
- 12.2 **Subordination of Lien for Assessments.** The lien or claim against a Unit for unpaid assessments or charges levied by the HOA pursuant to this Master Deed or the Act shall be subordinate to (a) assessments, liens and charges for taxes past due and unpaid on the Unit, and (b) payments due under duly recorded prior mortgages, affecting the Unit. A Mortgagee who obtains title to a Unit by foreclosure of its Mortgage shall not be liable for such Unit's unpaid assessments which accrue after the date of recording of the Mortgage and prior to the acquisition of title to such Unit by the mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or

The Co-Owner of each Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, whether located within the Unit or on a Limited or Common Element, hot water heaters, stoves, refrigerators, garbage disposals, dishwashers, fans, or other appliances or equipment, including any fixtures and/or their connections or receptacles required to provide water, light, power, telephone, television, sewerage and sanitary service to his Unit, which may now or hereafter be situated in his Unit including, toilets, lavatories, sinks, tubs and showers. Such Co-Owners shall further be responsible and liable for maintenance, repair and replacement of any and all window glass, glass doors, wall, ceiling and floor surfaces or coverings, paintings, decorating and furnishings, and all other accessories which such Co-Owner may desire to place or maintain in his Unit. Whenever the maintenance, repair and replacement of any items for which the Co-Owner of a Unit 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 the HOA, the proceeds of the insurance received by the HOA shall be used for the purpose of making such maintenance, repair and replacement as shall exceed the deductible.

To the extent that the HOA provides any maintenance or repair of the Limited Common Elements described herein, the Co-Owner of the affected Unit(s) shall immediately, upon receipt of an invoice from the HOA, fully reimburse the HOA for all costs of such maintenance or repair services, which liability shall be considered as an additional HOA assessment against the Co-Owner and the Unit. (See Article II, Section 2.3 regarding Co-Owner's responsibility for care and maintenance of Limited Common Elements).

### 9.3 Limitation Upon Right of Co-Owners to Alter and Modify Units.

- (a) No Co-Owner, other than Declarant, shall make or permit there to be made any structural modification or alteration to any Unit without first obtaining the written consent of the HOA, which consent may be withheld in the event that a majority of the Board of Directors of the HOA determine, in their sole discretion, that such structural modification or alteration would affect or in any manner endanger the building in part or its entirety.
- (b)  No Co-Owner shall cause the porch or balcony abutting his Unit, if such exists, to be enclosed or cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, without the written consent of the HOA being first obtained.
- (c) Declarant may make modifications to a Unit, or may physically connect any Unit as it may deem necessary as long as the percentage of interest of the other Units not owned by Declarant is not changed as a result of such modifications or combining of Units.



charges which accrue after the date of recording of the Mortgage and prior to the acquisition of title to such Unit by the Mortgagee (except for claims for a prorata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage shall be collected or enforced by either the Board or the HOA from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the mortgagee interested in such Unit).

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

- (a) To seek to abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Master Deed (except as provided in Section 8.1 thereof in the event of certain destruction or damage);
- (b) To partition or subdivide any Unit;
- (c) To seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Elements except
  - (i) for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements; or
  - (ii) as provided in Section 8.1 hereof in the event of certain destruction or damage;
- (d) To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Elements) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Elements;
- (e) To change the percentages of ownership interests allocable to Units encumbered by the Mortgage; or
- (f) To alter the provisions of Section 7.2 hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby or to fail to maintain the insurance coverage described therein.

- 12.4 **Right of Mortgagee to Examine Books and Records.** Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Board or the HOA. From and after the time a Mortgagee makes written request to the Board or the HOA therefor, the Board or the HOA shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Board, the HOA, or the Co-Owners.
- 12.5 **Reserves for Repairs and Replacements.** The Board and the HOA shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Elements and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.
- 12.6 **Condemnation.** From and after the time a mortgagee makes written request to the Board or the HOA therefor, the Board or the HOA shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking of;
- (a) the Common Elements involving an amount in excess of, or reasonably estimated to be in excess of One Thousand (\$1,000.00) Dollars; or
  - (b) the Unit covered by the Mortgage to such Mortgagee involving an amount in excess of, or reasonably estimated to be in excess of One Thousand (\$1,000.00) Dollars. Said notice shall be given within ten (10) days after the Board or the HOA learns of such damage, loss, taking or anticipated condemnation.
- 12.7 **Priority as to Insurance Proceeds and Condemnation Awards.** Nothing contained in this Declaration shall give a Co-Owner, or any other party, priority over any rights or a Mortgagee pursuant to its Mortgage in the case of a distribution to such Co-Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.
- 12.8 **Conflicting Provisions.** In the event another provision or clause of this Master Deed deals with the same subject matter as is dealt with in any provision or clause of this Section, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations or limits of authority as the case may be, applicable to the Board and HOA with respect to the subject concerned.
- 12.9 **Restrictions on Amendments.** No amendment which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Section shall be

accomplished by an instrument executed by the Board and filed for record in the Office of the Register of Deeds for Horry County, South Carolina. In any such instrument an officer of the HOA shall certify that any prior written approval of mortgagees required by this Section as a condition to amendment has been obtained.

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

### ARTICLE XIII ADMINISTRATION BY DECLARANT

- 13.1 **Interim Management and Administration.** Until such time as control is turned over to the HOA, all references to HOA shall mean Declarant. Until such time as the HOA commences to function, the Declarant shall be responsible for the administration of the horizontal property regime and shall have all the duties and powers of the HOA including those of the Board of Directors and the Manager as specified in the Master Deed and the Bylaws. Such responsibilities shall be performed by the Declarant and/or such other representative or agent as may be employed by the Declarant. The Declarant shall secure a Manager for the HOA who shall be entitled to reasonable compensation for its services until control and selection of a manager is turned over to the HOA.
- 13.2 <sup>Jan 2009</sup> **Turnover of Accounts.** At such time as the affairs of the horizontal property regime are turned over to the HOA, the Declarant shall turn the books, records and accounts over to the HOA which shall be in balance.

### ARTICLE XIV CONDEMNATION

- 14.1 **Condemnation.** If at any time or times during the continuance of this Project pursuant to this Master Deed all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Section shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.
- 14.2 **Representation.** The HOA shall represent the Unit owners in any condemnation proceedings involving any part of the Project conducted before any condemning authority. By accepting a deed to any Unit, each Co-Owner hereby agrees to appoint the HOA as its attorney-in-fact for such purpose.

*Records  
Jan 2009*

- 14.3 **Proceeds.** All compensation, damages and other proceeds resulting from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the HOA and shall be distributed by the HOA as herein provided.
- 14.4 **Complete Taking.** In the event the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Co-Owners in proportion to their respective Total Percentage Interest. Such distribution shall be made by check payable jointly to the respective Co-Owners and their respective Mortgagees, as appropriate.
- 14.5 **Partial Taking.** In the event less than the entire Project is taken by power of eminent domain, the following shall occur:
- (a) **Allocation of Award.** As soon as practicable, the HOA shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages or other proceeds and shall allocate such apportioned amounts and pay the same to the Co-Owners as follows:
- (i) The total amount apportioned to the taking of or injury to the Common Elements shall be allocated among and distributed to all Co-Owners (including Co-Owners whose entire Units have been taken) in proportion to their respective Total Percentage Interests;
  - (ii) The total amount apportioned to severance damages shall be allocated among and distributed to the Co-Owners of those Units that have not been taken, in proportion to their respective Total Percentage Interests;
  - (iii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Co-Owner of such Unit;
  - (iv) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the HOA determines to be equitable under the circumstances;
  - (v) If apportionment or allocation is already established by negotiation, judicial decree, statute or otherwise, the HOA shall employ such apportionment and allocation to the extent it is relevant and applicable; and

- (vi) Distribution of allocated proceeds shall be made by check payable jointly to individual Co-Owners and their respective Mortgagees, as appropriate.
- (b) **Continuation and Reorganization.** If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. If any partial taking results in the taking of an entire Unit, the Co-Owner thereof shall cease to be a member of the HOA. The HOA shall reallocate the voting rights and the undivided interest in the Common Elements appurtenant to such Unit in accordance with the Act.
- (c) **Repair and Reconstruction.** Any repair and reconstruction necessitated by condemnation shall be governed by the provisions specified in Section 8.1 hereof for cases of damage or destruction.

#### ARTICLE XV OBSOLESCENCE

- 15.1 **Adoption of Plan.** Co-Owners, by unanimous vote of the total votes of the HOA, may agree that the Project is obsolete and may adopt a written plan for the sale or other disposition of the Project, provided that such plan has the unanimous written approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice or adoption of such plan shall be given to all Co-Owners.
- 15.2 **Sale of Project.** In the event of adoption of a plan for sale or other disposition in accordance with Section 15.1 hereof, the HOA shall forthwith record in the Office of the Register of Deeds for Horry County, South Carolina, a notice setting forth such facts, and upon the recording of such notice by the HOA, the Project shall be sold or otherwise disposed of by the HOA as attorney-in-fact for all of the Co-Owners. By acceptance of a deed to any Unit, the Co-Owner hereby agrees to appoint the HOA as his/her/its attorney-in-fact to conduct the sale or disposition of the Project. Such action shall be binding upon all Co-Owners, and each Co-Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or other disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Co-Owners in proportion to their respective Total Percentage Interests and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the HOA and shall be further identified by the Unit designation and the name of the Co-Owner. The HOA, as attorney-in-fact, shall use and disburse the total amount of each such account, without contribution from one account to another, first to the payment of valid tax and special assessment liens on the Unit in favor of any governmental assessing authority, second to the

assessments made pursuant to the Declaration, third to the payment of assessments made pursuant to this Master Deed, fourth to the payment of holders of other liens or encumbrances on the Unit in the order of priority of their liens, and the balance remaining, if any, to the respective Co-Owner.

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

**ARTICLE XVI  
APPORTIONMENT OF TAX OR SPECIAL  
ASSESSMENT IF LEVIED AND ASSESSED**

In the event that any taxing authority having jurisdiction over the Regime shall levy or assess any tax or special assessment against the Regime as a whole, as opposed to levying and assessing such tax or special assessment against each individual Unit and its appurtenant undivided interest in Common Elements, as now provided by Section 27-31-270 of the Horizontal Property Act of the Code of Laws of South Carolina, 1976, as amended, then such tax or special assessment so levied shall be paid as common expense by the HOA. Such tax or special assessment shall be included, wherever possible, in the estimated annual budget of the HOA or shall be separately levied and collected as an assessment by the HOA against all of the Co-Owners of all Units if not included in said annual budget.

The amount of such tax or special assessment paid, or to be paid by the HOA, shall be apportioned among all Units pursuant to said Unit's percentage of ownership interest as set forth herein.

The amount of such tax or special assessment so designated shall be and shall constitute a lien prior to all mortgages and encumbrances upon any Unit 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 Unit and its appurtenant undivided interest in Common Elements.

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

**ARTICLE XVII  
MISCELLANEOUS**

- 17.1 **Application.** All Co-Owners, tenants of Co-Owners, employees of Owners and tenants, or any other persons that may in any manner use the Project or any part

thereof, shall be subject to the Act, this Master Deed, the Bylaws, the Declaration and any Rules and Regulations adopted by the Board of Directors.

- 17.2 **Compliance.** Each Co-Owner shall comply strictly with the Bylaws and with administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time. Each Co-Owner shall further strictly comply with the covenants, conditions and restrictions set forth in this Master Deed, the Declaration or in the deed to the Unit of such Co-Owner. Failure to comply with any of the same shall be grounds for an action to require compliance maintainable by the Manager or the Board of Directors on behalf of the HOA or, in a proper case, by an aggrieved Co-Owner.
- 17.3 **Waiver.** No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.
- 17.4 **Conflicts.** This Master Deed is intended to comply with the requirements of the Act and, in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall control.
- 17.5 **Severability.** The provisions of this Master Deed are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.
- 17.6 **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or proscribe the scope of this Master Deed or the intent of any provision hereof.
- 17.7 **Gender and Number.** All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

4th IN WITNESS WHEREOF, Declarant has hereunto executed this Master Deed this day of April, 2001.

SIGNATURE PAGE TO FOLLOW

EXHIBIT "A"

TO MASTER DEED OF  
BEACH WALK PLACE HORIZONTAL PROPERTY REGIME

ALL THAT CERTAIN piece, parcel or lot of land situate, lying and being in the County of Horry and State of South Carolina, containing 0.50 acres, 21,665 square feet and being more particularly shown and delineated as Phase 1, Beach Walk Place on a plat prepared for Beachwalk Development, LLC prepared by Terry Watson, RLS dated June 16, 2000, revised December 13, 2000 and further revised January 26, 2001 and recorded in the Office of the Register of Deeds for Horry County on April 9, 2001 in Plat Book 176 at Page 49, said plat being incorporated by reference herein as a part of this description.

THIS being a portion of the property conveyed to Beachwalk Development, LLC by Quit Claim Deed of Allied Capital, Inc., dated October 19, 1999, and recorded in the Office of Deeds for Horry County in Deed Book 2204 at page 1453 on November 4, 1999; further the same premises conveyed unto Beachwalk Development, LLC by Corrective Quit Claim Deed of Allied Capital, Inc., dated December 22, 1999, and recorded in the Office of the Register of Deeds for Horry County in Deed Book 2219 at page 514 on December 28, 1999.

The aforesaid real property and the particular improvements thereon, which are hereby committed ( and the location of such improvements ) are shown and described on the above referenced surveys, the plot plans and the building plans, which are incorporated in the description by reference and which constitute, together with this description, Exhibit 'A' to the Master Deed of Beach Walk Place Horizontal Property regime, Phase 1. The improvements consisting of one building within which Six (6) units are located and the location of individual units within the building, is located as shown on the building plans which are referred to in Exhibit "B" to this Master Deed.

This conveyance is expressly made subject to all easements, reservations, and rights-of-way of record. Including those contained within the Master Deed and Exhibits thereto, as shown on this Exhibit and all other of record.

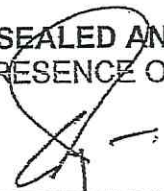


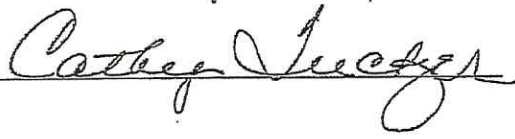
EXHIBIT "B"

TO MASTER DEED OF  
BEACH WALK PLACE HORIZONTAL PROPERTY REGIME

The floor plans and elevations depicting the Units and Buildings are recorded in the Office of the Register of Deeds for Horry County in Condominium Cabinet D at Page 5, and are included herein by reference.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

  
\_\_\_\_\_

  
\_\_\_\_\_

BEACHWALK DEVELOPMENT, LLC

BY:   
\_\_\_\_\_ RALPH USSHER  
ITS: MEMBER

STATE OF SOUTH CAROLINA )  
  )  
COUNTY OF HORRY          )

ACKNOWLEDGMENT

The foregoing document was acknowledged before me this 4<sup>th</sup> day of April, 2001, by Ralph Ussher, Member of Beachwalk Development, LLC.

Sworn to before me this 4<sup>th</sup> day of April, 2001.

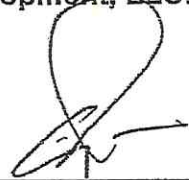
  
\_\_\_\_\_  
Notary Public for South Carolina  
My Commission Expires: March 22, 2010

EXHIBIT "G"

STATE OF SOUTH CAROLINA )

)

ENGINEER'S CERTIFICATE

COUNTY OF Horry )

I certify to the best of my knowledge, information and belief, that the plot plan referred to in the description of the property and Exhibit " B " [Floor Plans and Specifications] adequately and accurately depict the land, buildings, and improvements and elevations of Beach Walk Place Horizontal Property Regime, Phase I, in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.



Registered Engineer  
State of South Carolina  
License No. 19639

Date: March 14, 2001

EXHIBIT "D"

TO MASTER DEED OF  
BEACH WALK PLACE HORIZONTAL PROPERTY REGIME

Schedule of percentage of undivided interest in the common elements appurtenant to units in Beach Walk Place Horizontal Property Regime, pursuant to South Carolina Ann. 27-31-60 (1976).

**BUILDING 1, PHASE 1**

Unit Number	Statutory Value	Percentage Ownership Phase 1
Unit 1	55,000.00	16.666%
Unit 2	55,000.00	16.666%
Unit 3	55,000.00	16.666%
Unit 4	55,000.00	16.666%
Unit 5	55,000.00	16.666%
Unit 6	55,000.00	16.667%*

\* The percentage interest has been rounded up to make the total 100%

TOTAL:                      \$330,000.00                      100%

See paragraph 2.8(a) herein for a table setting forth modified percentage interest for each stage of development from Phase 2 through 17.

**EXHIBIT "E"**  
**TO MASTER DEED OF**  
**BEACH WALK PLACE HORIZONTAL PROPERTY REGIME**

**BYLAWS**  
**OF**  
**BEACH WALK PLACE HOMEOWNERS ASSOCIATION, INC.**

A Not-For-Profit Corporation

Pursuant to the provisions of the South Carolina Business Corporation Act, the Board of Directors of Beach Walk Place Homeowners Association, Inc., a South Carolina eleemosynary corporation, hereby adopts the following Bylaws for such corporation.

**ARTICLE I**

**NAME AND PRINCIPAL OFFICE**

- 1.01. **Name.** The name of the eleemosynary corporation is Beach Walk Place Homeowners Association, Inc., hereinafter referred to as the "HOA".
- 1.02. **Offices.** The principal offices of the HOA shall be at 7993 Moss Creek Road, Surfside Beach, South Carolina 29575.

**ARTICLE II**  
**PURPOSE**

- 2.01. The HOA has been formed in order to provide for the acquisition, construction, management, maintenance, and care of the common elements of the Beach Walk Place Horizontal Property Regime. The powers, duties, responsibilities of the HOA are set forth in these ByLaws, the Articles of Incorporation, the Master Deed and the Horizontal Property Regime Act. To properly administer the operation and management of the Project, the HOA will incur for the mutual benefit of all Co-owners of Units, costs and expenses which might be recurring or non-recurring expenses, as the case may be, which costs and expenses are sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation and management, the HOA, as set forth in Article IV of the Master Deed, shall notify Co-Owners of the annual assessments and shall levy against such Co-Owner and Co-Owner's Unit in the event of non-payment.

**ARTICLE III**  
**DEFINITIONS**

- 3.01. **Definitions.** Except as otherwise provided herein or required by the context hereof, all terms defined in the Master Deed of Beach Walk Place Horizontal Property Regime, shall have such defined meanings when used in these Bylaws.

**ARTICLE IV**  
**MEMBERS**

- 4.01. **Members.** All Unit owners (Co-Owners) shall be members of the HOA. Such membership shall automatically terminate when such Co-Owner is no longer the owner of such Unit; membership in the HOA shall be limited to Co-Owners.
- 4.02. **Annual Meetings.** The annual meetings of members shall be held on a Saturday in October each year to be selected annually by the Board of Directors at a time selected by the Board, beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Directors and transacting such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for the annual meeting of the members, or at any adjournment thereof, the Board of Directors ("Board") shall cause the election to be held at a special meeting of the members to be convened as soon thereafter as may be convenient.
- 4.03. **Special Meetings.** Special meetings of the members may be called by the Board, the president, or upon the written request of members holding not less than ten (10%) percent of the total votes of the HOA, such written request to state the purpose or purposes of the meeting and to be delivered to the Board or the President.
- 4.04. **Place of Meetings.** The Board may designate any place in Horry County, South Carolina, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all members may designate any place, either within or without the State of South Carolina, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the HOA.
- 4.05. **Notice of Meetings.** The Board shall cause written or printed notice of the time, place and purpose of all meetings of the members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his registered address, with first class postage thereon prepaid. Each member shall register with the HOA such member's current mailing address for purposes of notice hereunder. Each registered address may be

changed from time to time by notice in writing to the HOA. If no address is registered with the HOA, a member's Unit address shall be deemed to be his registered address for purposes of notice hereunder.

- 4.06. **Members of Record.** Upon purchasing a Unit in the Project, each Co-Owner shall promptly furnish to the HOA a copy of the recorded instrument by which ownership of such Unit has been vested in such Co-owner, which shall be maintained in the records of the HOA. For the purposes of determining members entitled to notice of or to vote at any meeting of the members, or any adjournment thereof, the Board may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining members entitled to notice of or to vote at any meeting of the members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the HOA on such record date as the Co-Owners of record of Units in the project shall be deemed to be the members of record entitled to notice of and to vote at the meeting of the members. In the event a Unit is owned by more than one person or by a corporation, trust or other entity, the individual entitled to cast the vote for that Unit shall be designated by a certificate filed with the Secretary of the HOA ten days prior to any meeting and signed by all joint Co-Owners of the Unit or by an authorized agent of the corporation or other entity. If no certificate is filed, the vote of such Unit shall not be considered.
- 4.07. **Quorum.** At any meeting of the members, the presence of members holding, or holders of proxies entitled to cast, fifty-one (51%) percent of the total votes of the HOA shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the members as provided above. At the reconvened meeting, the presence of members holding, or holders of proxies entitled to cast, fifty-one (51%) percent of the total votes of the HOA shall again constitute a quorum for the transaction of business, with the members present though less than a quorum, being able to adjourn the meeting in order to obtain a quorum, and so from time to time thereafter until a quorum is obtained.
- 4.08. **Proxies.** At each meeting of the members, each member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by the designated member of record or that person's attorney thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the HOA or to such other officer or person who may be

acting as secretary of the meeting. The minutes of the meeting shall indicate whether the votes cast at the meeting were cast in person or by proxy.

- 4.09. **Votes.** With respect to each matter (except the election of the Board) submitted to a vote of the members, each member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the weighted vote appertaining to the Unit of such member, as set forth in the Master Deed. The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Master Deed or South Carolina law. The election of Directors shall be by secret ballot. If a membership is jointly held, all or any holders thereof may attend each meeting of the members, but must designate one voting member in writing prior to the meeting.
- 4.10. **Waiver of Irregularities.** All inaccuracies and/or irregularities in calls or notices of meetings and in the manner of voting, form of proxies and/or method of ascertaining members present shall be deemed waived if no objection thereto is made at the meetings.
- 4.11. **Informal Action by Members.** Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action to taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.

## **ARTICLE V** **BOARD OF DIRECTORS**

- 5.01. **General Powers.** The property, affairs and business of the HOA shall be managed by its Board. The Board may exercise all of the powers of the HOA, whether derived from law, the Master Deed or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation or these Bylaws, or by the Master Deed, vested solely in the members. The Board may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions and powers, or those of any officer, as are properly delegable.
- 5.02. **Number, Tenure, and Qualifications.** The number of Directors of the HOA shall be not less than three (3) or more than five (5). At the first annual meeting of the members held after the adoption hereof, the members shall elect three (3) Directors to serve as follows: The two candidates receiving the highest number of votes shall be elected to serve for a term of two (2) years; and the candidate receiving the next highest number of votes shall be elected to serve for a term of one (1) year. At each annual meeting thereafter, the members shall elect for a two (2) year term the number of Directors required to fill the number of vacancies created by the expiring



terms of Directors. Directors must be members of the HOA or representatives of corporate or partnership members. Notwithstanding anything herein to the contrary, Declarant shall have the right to appoint all Directors until the earlier of the following:

*Jan 2008*

- (i) 120 days after the date by which 75 percent of the units have been conveyed to unit purchasers, or
- (ii) December 31, 2007. *Records go back to Dec 2007*

(The term "Units" as used in this section shall include those Units which Declarant may submit to the horizontal property regime at some future point in time.) Such appointees need not be Co-Owners or members. Such appointees may be removed, with or without cause, by Declarant at any time, and from time to time, and a successor appointed by Declarant.

5.03. **Duties and Responsibilities of the Board.** The duties and responsibilities of the Board shall include, but shall not be limited to, the following:

- (a) To make and collect assessments against members as Co-Owners to defray the costs, expenses and losses of the Project;
- (b) To use the proceeds of assessments in the exercise of its powers and duties;
- (c) To maintain, repair, replace, improve and operate the property of the Project;
- (d) To purchase insurance upon the Project property including all Units and Common Elements, for the protection of the HOA and the Co-Owners;
- (e) To reconstruct improvements after casualty, if reconstruction is required pursuant to this Master Deed or the Act;
- (f) To make and amend reasonable regulations respecting the use of the Project property;
- (g) To enforce by legal means the provisions of the Act, the Master Deed and the regulations promulgated thereunder for the use of the Project property;
- (h) To contract for the management of the Project and to delegate to such manager all powers and duties of the Association except such as are specifically required by the Master Deed to have approval of the Board of Directors of the Association or of the Co-Owners;
- (i) To employ personnel to perform the services required for proper operation of the Project and to terminate such employment; and

- (j) To foreclose any lien for unpaid assessments in like manner as any mortgage of real property, as provided in the Master Deed of the Regime and the By-laws of this HOA.

All funds and the title to all properties acquired by the HOA and the proceeds thereof shall be held in trust for the members in accordance with the provisions of the Act and the Master Deed.

The powers of the HOA shall be subject to and shall be exercised in accordance with the provisions of the Act and the Master Deed.

- 5.04. **Initial Board of Directors.** The initial Board, appointed by Declarant shall consist of three (3) Directors, and they shall hold office until their successors are elected and qualified or until they are removed. The individuals comprising the initial Board are Ralph Ussher, Rita L. Ussher and Eric Scharrf.
- 5.05. **Regular Meetings.** The regular annual meeting of the Board shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the members. The Board may provide by resolution the time and place, within Horry County, South Carolina, for the holding of such additional regular meetings without other notice than such resolution.
- 5.06. **Special Meetings.** Special meetings of the Board may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Board may fix any place, within Horry County, South Carolina, as the place for holding any special meeting of the Board called by such person or persons. Notice of any special meeting shall be given at least four (4) days prior thereto by written notice delivered personally, or mailed to each Director at his registered address, or by telefax or telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of a meeting.
- 5.07. **Quorum and Manner of Acting.** A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. The Directors shall act only as a Board and individual Directors shall have no powers as such.
- 5.08. **Compensation.** No Director shall receive compensation for any services that he may render to the HOA as a Director: provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the HOA other than in their capacities as Directors.

- 5.09. **Resignation and Removal.** A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause by the affirmative vote of fifty-one (51%) percent or more of the total votes of the HOA at a special meeting of the members duly called for such purpose and may be removed otherwise as provided by South Carolina law.
- 5.10. **Vacancies and Newly Created Directorships.** If vacancies shall occur in the Board by reason of the death or resignation of a Director, or if the number of Directors shall be increased, the Directors then in office shall continue to act and such vacancies or newly created Directorships shall be filled by a vote of the Directors then in office, though less than a quorum, in any way approved by such Directors at the meeting. Any vacancies in the Board occurring by reason of the member's removal of a Director may be filled by election of the members at the meeting at which such Director is removed. Any Director elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Directorship, as the case may be.
- 5.11. **Informal Action by Directors.** Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

**ARTICLE VI**  
**OFFICERS**

- 6.01. **Number.** The officers of the HOA shall be a President, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board.
- 6.02. **Election, Tenure and Qualification.** The officers of the HOA shall be chosen by the Board annually at the regular annual meeting of the Board. To the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any regular or special meeting of the Board. Each such officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board and until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such officer except that the President may not also be the Secretary or the Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President and the Secretary must be Directors.
- 6.03. **Subordinate Officers.** The Board may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as the

Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities and duties. Subordinate officers need not to be members or Directors of the HOA.

- 6.04. **Resignation and Removal.** Any officer may resign at any time by delivering a written resignation to the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board at any time, for or without cause.
- 6.05. **Vacancies and Newly Created Offices.** If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.
- 6.06. **The President.** The President shall preside at meetings of the Board and at meetings of the members. He shall sign on behalf of the HOA all conveyances, mortgages, documents and contracts and shall do and perform all other acts and things that the Board may require of him.
- 6.07. **The Secretary.** The Secretary shall keep the minutes of the HOA and shall maintain such books and records as these Bylaws, the South Carolina statutes, the Master Deed or any resolution of the Board may require him to keep. He shall be the custodian of the seal of the HOA, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board may require of him.
- 6.08. **The Treasurer.** The Treasurer shall have the custody and control of the funds of the HOA, subject to the action of the Board, and shall, when requested by the President to do so, report the State of the finances of the HOA at each annual meeting of the members and at any meeting of the Board. He shall perform such other duties as the Board may require of him.
- 6.09. **Compensation.** No officer shall receive compensation for any services that he may render to the HOA as an officer; provided, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the HOA other than in their capacities as officers.

## **ARTICLE VII** **COMMITTEES**

- 7.01. **Designation of Committees.** The Board may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The membership of each such committee

designated hereunder shall include at least one (1) Director. No committee member shall receive compensation for services that he may render to the HOA as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the HOA other than in their capacities as committee members.

- 7.02. **Nature of Committees.** All committees shall act only in an advisory capacity to the Board of Directors and shall not have any power or authority to carry out any of the duties or responsibilities of the Board of Directors.
- 7.03. **Proceedings of Committees.** Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board.
- 7.04. **Quorum and Manner of Acting.** At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least two-thirds of the authorized membership of such committee shall constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee and the individual members thereof shall have no powers as such.
- 7.05. **Resignation and Removal.** Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it hereunder.
- 7.06. **Vacancies.** If any vacancy shall occur in any committee designated by the Board hereunder, due to disqualification, death, resignation, removal or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.
- 7.07. **Architectural Control Committee.** There is hereby established an Architectural Control Committee which shall control all matters in regards to and all changes in regards to the exteriors of the Buildings in the Regime. This Committee shall make all decisions in regards to any structural changes to the exteriors of the Buildings, any changes in the color on the exterior of the Buildings and any and all other

changes or decisions effecting the exteriors of the Buildings. No screen doors, storm windows, storm doors or other things can be added to the exterior without first obtaining the permission of the Committee. All decisions by the Architectural Control Committee in regards to the exteriors of the Buildings must be approved by the Board of Directors, prior to said decision being adopted or implemented. No approval of plans or specifications by the Committee and Board and no publication of architectural standards by the Committee or Board shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in properly designed improvements. Such approval shall in no event be construed as a representation or guarantee that any repair or improvement undertaken in accordance therewith will be built in a good, workman-like manner. Neither Declarant, the HOA, or the Board of Directors or any committee of the Board, nor any members of any of the above shall be responsible or liable for any work, or for the quality of work pursuant to such architectural plans or specifications.

#### **ARTICLE VIII** **DISSOLUTION**

The HOA may be dissolved during the first twenty (20) years following recordation of the Declaration only with the written assent of one hundred (100%) percent of the membership entitled to vote; thereafter, upon written assent of one hundred (100%) percent of the membership entitled to vote. Upon dissolution of the HOA, other than incident to a merger or consolidation, the assets of the HOA shall be distributed pursuant to the Articles of Incorporation for the HOA.

#### **ARTICLE IX** **INDEMNIFICATION**

9.01. **Indemnification Against Third Party Actions.** The HOA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the HOA) by reason of the fact that he is or was a Director, officer, employee or agent of the HOA, or is or was serving at the request of the HOA as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the HOA and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by an adverse judgment, order or settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the HOA and, with respect to any criminal

action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- 9.02. **Indemnification Against Association Actions.** The HOA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the HOA to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the HOA, or is or was serving at the request of the HOA as a Director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the HOA and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the HOA, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- 9.03. **Determination.** To the extent that a Director officer, employee, or agent of the HOA has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01 or 9.02 hereof, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Section 9.01 or 9.02 hereof shall be made by the HOA only upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he had met the applicable standard of conduct set forth respectively in Section 9.01 or 9.02 hereof. Such determination shall be made either (i) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding or (ii) by the Owners by the affirmative vote of at least fifty-one (51%) percent of the total votes of the HOA at any meeting duly called for such purpose.
- 9.04. **Advances.** Expenses incurred in defending a civil or criminal action, suit or proceeding as contemplated in this Article may be paid by the HOA in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board and upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the HOA as authorized by this Article.
- 9.05. **Scope of Indemnification.** The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled

under any provision in the HOA's Articles of Incorporation, Bylaws, agreements, vote of disinterested members or Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees and agents of the HOA and shall continue as to such persons who cease to be Directors, officers, employees or agents of the HOA and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

9.06. **Insurance.** The HOA may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee or agent of the HOA, or who was or is serving at the request of the HOA as a Director, officer, employee or agent of another corporation, entity or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the HOA would have the power to indemnify him against such liability under the laws of the State of South Carolina as the same may hereafter be amended or modified.

9.07. **Payments and Premiums.** All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the HOA and shall be paid with funds from the Common Expense fund referred to in the Master Deed.

#### **ARTICLE X** **FISCAL YEAR AND SEAL**

10.01. **Fiscal Year.** The fiscal year of the HOA shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation and end of the 31st day of December next following.

10.02. **Seal.** The Board may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal".

#### **ARTICLE XI** **AMENDMENT**

11.01. **Rules and Regulations.** The procedure to be followed in order to amend these ByLaws is set forth in Article X of the Master Deed.



**ARTICLE XII**  
**COLLECTING FROM MEMBERS FOR PAYMENT**  
**OF COMMON EXPENSES**

12.01. **Method of Collecting.** The manner of collecting from the members for the payment of the common expenses shall be as set forth in Article IV of the Master Deed.


**ARTICLE XIII**  
**CONFLICTS**

13.01. In the event of any conflicts between the provisions of the Master Deed or the Act and the provisions of these ByLaws, the provisions of the Master Deed or Act shall control.

IN WITNESS WHEREOF, the undersigned, being all of the directors of Beach Walk Place Homeowners Associations, Inc., have hereunto set their hands and seals this 4<sup>th</sup> day of April, 2001.

4<sup>th</sup> IN WITNESS WHEREOF, Declarant has hereunto executed this Master Deed this day of April, 2001.

**BEACH WALK PLACE HOMEOWNERS  
ASSOCIATION, INC.**

  
Ralph Ussher

  
Rita L. Ussher

  
Eric Scharr

**EXHIBIT "F"**

**TO MASTER DEED OF  
BEACH WALK PLACE HORIZONTAL PROPERTY REGIME**

Articles of Incorporation of Beach Walk Place Homeowners Association, Inc. are attached hereto and incorporated by reference herein.

PO  
SOG  
PERSONS, OUVERSON,  
PARK & GUEST, PA  
P.O. Box 14579  
Surfside Beach  
SC 29587

S:\Kay\Beach Walk Place HPR\Master Deed.wpd

CERTIFIED TO BE A TRUE AND CORRECT COPY  
AS TAKEN FROM AND COMPARED WITH THE  
ORIGINAL ON FILE IN THIS OFFICE

APR 07 2000

*Jim Miles*  
SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA  
SECRETARY OF STATE  
JIM MILES  
NONPROFIT CORPORATION  
ARTICLES OF INCORPORATION



1. The name of the nonprofit corporation is: Beach Walk Place Homeowner's Association, Inc.
2. The initial registered office of the nonprofit corporation is:  
7993 Moss Creek Road  
Street & Number  
Surfside Beach, Horry SC 29575  
City, County, State, Zip Code

The name of the registered agent of the nonprofit corporation at that office is: Ralph Ussher

I hereby consent to the appointment as registered agent of the corporation.

*Ralph Ussher*  
Agent's Signature

3. Check (a), (b), or (c) whichever is applicable. Check only one ox.  
A.  The nonprofit corporation is a public benefit corporation.  
B.  The nonprofit corporation is a religious organization.  
C.  The nonprofit corporation is a mutual benefit corporation.
4. Check (a) or (b), whichever is applicable:  
A.  This corporation will have members.  
B.  This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is:  
7993 Moss Creek Road Surfside Beach Horry SC 29575  
Street & Address City, County, State, Zip Code
6. If this nonprofit corporation is either a public benefit or religious corporation (box a, or b, of ¶ 3, is checked), complete either (a) or (b), whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.  
A.  Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall

determine, which are organized and operated exclusively for such purposes.

Beach Walk Place Homeowner's Association, Inc.  
Name of Corporation

B.  Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to: \_\_\_\_\_

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

A.  Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefitting or serving.

B.  Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with law, shall be distributed to: \_\_\_\_\_

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See § 33-31-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form):

9. The name and address of each incorporator is as follows (only one is required):

<u>Ralph Ussher</u>	<u>7993 Moss Creek Road, Surfside Beach, SC</u>	<u>29575</u>
Name	Address	Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles:

\_\_\_\_\_  
Name (only if named in articles)                      Signature of director

\_\_\_\_\_  
Name (only if named in articles)                      Signature of director

\_\_\_\_\_  
Name (only if named in articles)                      Signature of director

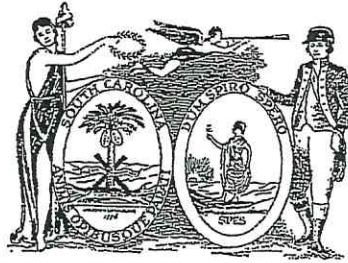
11. Each incorporator must sign the articles.

  
Signature of incorporator, Ralph Ussher

\_\_\_\_\_  
Signature of incorporator

\_\_\_\_\_  
Signature of incorporator

# *The State of South Carolina*




## *Office of Secretary of State Jim Miles* **Certificate of Incorporation, Nonprofit Corporation**

I, Jim Miles, Secretary of State of South Carolina Hereby certify that:

***BEACH WALK PLACE HOMEOWNER'S ASSOCIATION, INC.,***  
a nonprofit corporation duly organized under the laws of the state of South Carolina on **April 7th, 2000**, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose.

Now, therefore, I Jim Miles, Secretary of State, by virtue of the authority in me vested, by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great Seal of  
the State of South Carolina this 17th day of  
April, 2000.

  
Jim Miles, Secretary of State