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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas
William H. Seals, Jr., Circuit Court Judge

Appellate Case No.: 2022-001529

Frederick E. Brown, Charles O. Pakosta, Conrad A. Calvano, Gayle N. Scott, and Philip D. Cox, individually and derivatively on behalf of Myrtle Beach Resort Homeowners' Association, Inc., and on behalf of all other similarly situated Co-owners, and Lori Niedzwiecki, and Robert S. Rosencrans, individually and derivatively on behalf of the Myrtle Beach Resort Homeowners' Association, Inc. for its right and benefit.....Appellants,

v.

Jeffery L. Richardson and Nancy L. Moore, individually and as current members of the Board of Directors for Myrtle Beach Resort Homeowners' Association, Inc., and Peter A. Grusauskas and Jim Perkins, individually and as former members of the Board of Directors for Myrtle Beach Resort Homeowners' Association, Inc.....Respondents,

and

Myrtle Beach Resort Homeowners' Association, Inc.....Nominal Respondent

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RECORD ON APPEAL
VOLUME 3

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interpreted so as to give effect to all of their provisions, if practical. Reyhani v. Stone Creek Cove Condo. II Horizontal Prop. Regime, 329 S.C. 206, 212, 494 S.E.2d 465, 468 (Ct. App. 1997) (citing 17A Am. Jur. 2d Contracts § 385 (1991)).

19. Article IV of the Declaration lists the Powers of the Association and states, "The Association, acting through the Board of Directors, shall also have the power to: ..." The construction of a contract or even a phrase in the contract is not limited to one word, but rather the covenant as a whole must be taken into consideration. As stated above the covenant must be construed to give effect to all provisions. In accordance with the law, Article IV of the Declaration must then be read in light of Article IV Section 8(e) of the By-Laws which states, "Consistent with these By-Laws and applicable Declarations, the Board ***shall***: carry out all other duties and obligations imposed and ***exercise all rights granted it by these By-Laws, the Declaration, and the Act.***" (Emphasis added). When these two Sections are read in conjunction, the By-Laws mandate the execution of the powers of the Association in Article IV of the Declaration.

20. Furthermore, covenants are construed as a whole, keeping in mind their underlying purpose. 20 Am Jur 2d Covenants, Conditions, and Restrictions § 15. Recently in Callawassie Island Mbrs. Club, Inc. v. Dennis, 821 S.E.2d 667 (S.C. 2018), the Supreme Court looked to the plain language of membership documents to ascertain the intent with which the provisions were written. In analyzing the documents to ascertain the meaning in accordance with the drafters' intent, the Court made specific note that the provisions at issue were the very feature which enabled the members to sustain a viable Club and ensured that the Club would remain viable in the future. Id. at 671. Much the same, the drafters of the Declaration drafted these documents with the intent that the provisions would help further the development. Attorney Daniel L. Patrick drafted the Declaration and By-Laws and specifically stated in his May 17, 2018 Affidavit, "The enumerated

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powers of the Association set out in the DCCR (Article IV) were intended to be mandatory obligations, not optional." This is further evidenced in Article VI Section 6.4 which states, "Provisions shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development. Provisions shall be liberally interpreted and, if necessary, shall be extended or enlarged by implication as to make them fully effective." The general plan of the development as referenced in the language of Article VI Section 6.4 is to maintain a viable community. The intent of this plan is best effected when Article IV of the Declaration is read in conjunction with Article IV Section 8(e) of the By-Laws to make the powers of the Association affirmative duties. The exercise of these powers surely best effects the intent of the general plan of development of the community.

A. The Horizontal Property Regime Act and Article VI of the Declaration supports the affirmative obligation of the Board of Directors and their civil liability for not complying with the affirmative duties.

21. The Declaration was formed pursuant to the South Carolina Horizontal Property Act. Section 8(e) of the By-Laws states, "Consistent with these By-Laws and applicable Declarations, the Board shall: carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the **Act**." (Emphasis added). Earlier in the document, Section 1.1.0 of the "Definitions" states "Act" shall mean the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as Amended.

22. Two statutes in the Horizontal Property Regime Act which explain the purpose of By-Laws and the necessity of compliance with By-Laws lend further clarity to the fact that Section 4.1 must be interpreted as affirmative duties.

23. S.C. Code Ann. § 27-31-150 states "The administration of the property constituted into horizontal property, whether incorporated or unincorporated, shall be governed by bylaws

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which shall be inserted in or appended to and recorded with the master deed or lease." This statute notes that By-Laws must be part of the documents of the horizontal property regime and that the administration of the property must be governed by such. This language gives additional force to Article IV Section 8(e) of the By-Laws and further confirms that the Association, through the Board of Directors, must carry out the duties, obligations, and rights granted them in the Declaration as mandated by the By-Laws.

24. S.C. Code Ann. § 27-31-170 then explains the necessity of compliance with the By-laws and the remedy for non-compliance. "Each co-owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the master deed or lease or in the deed or lease to his apartment. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the administrator or the board of administration, or other form of administration specified in the bylaws, on behalf of the council of co-owners, or in a proper case, by an aggrieved co-owner."

25. Section 6.2 of the Declaration for the Master HOA authorizes the Plaintiffs as "aggrieved owner[s]" with the contractual right to bring an action for injunctive relief and/or for damages to ensure that the Defendants and their successors or designees are complying with their affirmative duties under Article IV, Section 4.1 of the Declaration as well as Article IV, Sections 1, 3, 5, 6, 7, 8(e), and 9 of the By-Laws in order to properly administer the Master HOA, pursuant to its recorded plan of development, for the protection of present and future Co-owners and their individual condominium associations. Specifically, Article VI of the Declaration provides in pertinent part:

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> Failure to comply with any of the same shall be grounds for imposing fines, for suspending rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages and/or ***for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association, or in a proper case, by an aggrieved Owner***. . . . Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, ***it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that the Association, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation of breach***. (Emphasis Added).

Thus, by not exercising the rights granted them in Article IV of the Declaration, as mandated by the By-Laws, the Board of Directors of the Association is subject to injunctive relief and liability for damages to the aggrieved co-owners.

II. Defendants assumed the duties in the Declaration thus creating affirmative obligations.

26. Even assuming arguendo that the language of Article IV, Section 4.1 was not intended to create affirmative obligations, Defendants have undertaken to perform these duties rendering them affirmative. "Ordinarily, the common law imposes no duty on a person to act. [When] an act is *voluntarily undertaken*, however, the actor assumes the duty to use due care." Walbeck v. I'On Co., LLC, 426 S.C. 494, 514, 827 S.E.2d 348, 358 (Ct. App. 2018) (quoting Hendricks v. Clemson Univ., 353 S.C. 449, 456-57, 578 S.E.2d 711, 714 (2003)).

27. Over the past twenty years, the past Board members of the Association have continuously undertaken to perform all of the powers in Article IV, Section 4.1 for the sole purpose of administering and managing the resort property for the mutual benefit of all members. While some of the Board members have now abandoned the performance of these tasks, it does not negate the fact that the prior Boards voluntarily undertook to perform these 4.1 duties which created a continuing obligation to execute these tasks with due care.

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28. The legal and practical nature of any condominium regime consists of a web of mutually reinforcing mandatory obligations of support, complemented by a series of powers for the Association if the nature of the Regime and the needs of the owners of units in the Regime require it. In the case of the Myrtle Beach Resort, the value of the individual apartment units depends upon the Association and the Board taking those steps required by the Declaration, ByLaws and the Act. Without an appropriate amendment, neither an individual unit owner nor any constituent regime or association may simply abandon its or their obligations, without serious practical, legal and financial detriment to the other unit owners and regimes to whom the defaulting party is bound.

PROFESSIONAL OPINIONS

29. Based upon my understanding of the history of the Myrtle Beach Resort , including the filed Declaration and By-Laws for the Myrtle Beach Resort Homeowners Association, review of pleadings and their attached exhibits and other relevant documents in this lawsuit as identified in Paragraph 31 of my affidavit, I have reached the following factual conclusions and hold the following expert opinions to a reasonable degree of professional certainty:

a. The Master HOA's Declaration and Bylaws are valid, enforceable, and/or legal;

b. In accordance with South Carolina law when the Declaration and By-Laws are construed together to give effect to all provisions, I find that Article IV, Section 4.1 imposes affirmative duties upon Defendants with respect to the administration and management of the Myrtle Beach Resort Property;

c. I further find that the past Board members undertook to perform these duties under Article IV, Section 4.1, thus further affirming the duty to perform these tasks; and

d. I find that the Master HOA's Board of Directors' powers under Section 4.1, Article IV of the Declaration are not optional as argued by the Defendant Richardson, but are affirmative obligations binding on each of the individual Board members. See Alala v. Peachtree Plantations, Inc., 292

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S.C. 160, 167, 355 S.E.2d 286, 290 (Ct. App. 1987)(Of course, all parties must be obligated under a contract in order for it to be enforceable.) (Citing as authority 1A A.L. CORBIN, CORBIN ON CONTRACTS § 152 (1963);1 S. WILLISTON, A TREATISE ON THE LAW OF CONTRACTS § 105A (3d ed. 1957 and also the case of Humble Oil & Refining Co. v. DeLoache, 297 F. Supp. 647, 658 (D.S.C. 1969) (Judge Russell: "In the law of contracts, **mutuality**, both in definition and application, is largely synonymous with consideration.")). There is no **mutuality of obligation** in a unilateral contract. Towles v. United Healthcare Corp., 338 S.C. 29, 38, 524 S.E.2d 839, 844 (Ct. App. 1999).

I reserve the right to amend my above stated opinions as additional information is made available to me.

30. My above stated opinions are, also, based upon my more than forty (40) years of real estate practice and upon the following deeds, agreements, declarations, and other documentation and information provided to me in this matter, including, but not limited to the following:

a. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Horizontal Property Regime, filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 750, Page 642 on June 15, 1982, which was established the Myrtle Beach Horizontal Property Regime and is attached hereto as **(Exhibit A)** and incorporated by reference as part of this Affidavit;

b. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 789, Page 362 on April 15, 1983, which was established the Oceanfront Spa Horizontal Property Regime and is attached hereto as **(Exhibit B)** and incorporated by reference as part of this Affidavit;

c. A copy of a document identified as the Master Deed and Bylaws for the Renaissance Tower Horizontal Property Regime, filed in the in the Office of the Cleric of Court for Horry County, South Carolina in Deed Book 917, Page 885 on December 11, 1984, established the Renaissance Tower Horizontal Property Regime and is attached hereto as **(Exhibit C)** and incorporated by reference as part of this Affidavit;

d. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 966, Page 654 on June 20, 1985, which was established the Five Seasons Centre Horizontal Property

Regime and is attached hereto as (**Exhibit D**) and incorporated by reference as part of this Affidavit;

e. A copy of a document identified as the Quit-Claimed Deed for Vacation Properties, Inc. to Myrtle Beach Resort Homeowner's Association, Inc. in Plat Book 98, Page 13 on March 18, 1987, attached hereto as (**Exhibit E**) and incorporated by reference as part of this Affidavit;

f. A copy of a document identified as the Assignment of Declarant's Rights for Vacation Properties, Inc. to The Myrtle Beach Resort Homeowners' Association, Inc. filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 1284, Page 239 on February 2, 1989, attached hereto as (**Exhibit F**) and incorporated by reference as part of this Affidavit;

g. A copy of the Declaration and Bylaws of the Myrtle Beach Resort Homeowners Association, Inc., filed with the Horry County Register of Deeds Office in Deed Book 1465, at Page 329, is attached hereto as (**Exhibit G**) and incorporated by reference as part of this Affidavit;

h. Affidavit of Daniel L Patrick, Esquire is attached hereto as (**Exhibit H**) and incorporated by reference as part of this Affidavit;

i. Affidavit of Daniel L Patrick, Esquire is attached hereto as (**Exhibit I**) and incorporated by reference as part of this Affidavit;

j. Plaintiffs' Motion for Summary Judgment is attached hereto as (**Exhibit J**) and incorporated by reference as part of this Affidavit; and

k. Defendant Richardson's Motion for Summary Judgment is attached hereto as (**Exhibit k**) and incorporated by reference as part of this Affidavit.

FURTHER AFFIANT SAYETH NOT.

Otis Allen Jeffcoat, III

SWORN to and subscribed before me this
21st day of April, 2021.

Notary Public for South Carolina
My Commission Expires: 4/21/2025

GLINDA K. RISHER
MY COMMISSION
EXPIRES
04/21/2025
NOTARY PUBLIC
SOUTH CAROLINA

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STATE OF SOUTH CAROLINA COUNTY OF HORRY FREDERICK E. BROWN, *et al.*, Plaintiffs, vs. JEFFERY L. RICHARDSON, *et al.*, Defendants. MYRTLE BEACH RESORT HOMEOWNERS' ASSOCIATION, INC., Nominal Defendant.	)	IN THE COURT OF COMMON PLEAS FIFTEENTH JUDICIAL CIRCUIT CIVIL ACTION NO. 2018-CP-26-03173 **PLAINTIFFS' NOTICE OF MOTION AND MEMORANDUM IN SUPPORT OF MOTION TO RECONSIDER, ALTER, OR AMEND THE COURT'S ORDER GRANTING DEFENDANTS' MOTION FOR SUMMARY JUDGMENT AND ALSO DENYING PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT PURSUANT TO RULES 52 AND 59, SCRCP**

TO: R. BRUCE WALLACE, ATTORNEY FOR THE DEFENDANTS' ABOVE NAMED:

YOU WILL PLEASE TAKE NOTICE that the Plaintiffs, hereby move the Court to reconsider, alter, or amend the Order granting Partial Summary Judgment to Defendants while at the same time denying Plaintiffs' Motion for Partial Summary Judgment, which Order is dated January 7, 2022; was filed on January 7, 2022, and was received by counsel for the Plaintiffs on May 7, 2021. The Plaintiffs' Motion to Reconsider, Alter, or Amend is made pursuant to Rules 52 and 59(e), SCRCP. Specifically, the Plaintiffs seek the reconsideration and/or vacating of the Court's Order granting Defendants' Motion for Partial Summary Judgment on the basis that the powers under Section 4.1 are only discretionary without any legal duty to act by the Board on behalf of the membership.

In the alternative, the Plaintiffs seek this Court's altered or Order explicitly addressing each of the grounds and/or issues raised in the Plaintiffs' Motion to Reconsider, including but not

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limited to, the established evidence of the record before the Court on the cross motions for Partial Summary Judgment as presented and argued at the hearing on May 2, 2021.

RELEVANT BACKGROUND

The Myrtle Beach Resort Homeowners' Association, Inc. ("MBRHOA") oversees and governs the Myrtle Beach Resort. Myrtle Beach Resort is comprised of four individual horizontal property regimes: (1) Myrtle Beach Resort Horizontal Property Regime; (2) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime ("HPR"); (3) Renaissance Tower Horizontal Property Regime; and (4) Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime (collectively, "regimes"). However, regardless of which regime an individual unit owner is a member of, he or she is still a member of the MBRHOA. The governing documents of the MBRHOA are the "Declaration of Covenants, Conditions, and Restrictions for the Myrtle Beach Resort Homeowners' Association, Inc." dated April 16, 1991, and filed on April 25, 1991, in the Deed Book 1465 at Page 329 in the Office of the Horry County Register of Deeds (the "Declaration") and the Amended By-Laws attached as Exhibit "B" to the Declaration ("By-Laws").

The MBRHOA manages and administers certain aspects of the Myrtle Beach Resort and the regimes that make it up, including certain common elements. As structured, the MBRHOA is managed by a four-member Board of Directors and each member of the Board is from one of the four horizontal property regimes that make up the MBRHOA. The Board has the power and the obligation to perform certain services or actions on behalf of the property owners under subsections (a) through (i) of Section 4.1, Article IV of the Declaration in order to control and manage the MBRHOA for their benefit. Moreover, each Director is assigned the number of votes that represents the number of units (whether residential or commercial) that exist in that director's

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individual regime.[1] There are 1,010 combined residential and commercial votes for any action taken at a meeting of the Board members for MBRHOA in the Myrtle Beach Resort. Under the MBRHOA's By-Laws Section 7 in order for any action to be approved by the Board, at least sixty-seven percent (67%) of the entire representative votes of the members of the MBRHOA must approve.

Over the last six (6) years, the four (4) member Board of Directors for the MBRHOA and the underlying associations have disagreed about the legality of the MBRHOA, interpretation of the restrictive covenants, the duties of the MBRHOA, and numerous other aspects pertaining to the upkeep and repair of the MBRHOA. In support of the above and below allegations in this matter, please see: the filed Affidavit of Freddy Brown, filed Affidavit of Daniel L. Patrick, filed Affidavit of Otis Allen Jeffcoat, III, the Order of Judge William H. Seals appointing Kenneth R. Moss, Esquire, a fifth (5th) Board of Director for MBRHOA, and Defendants' answers to Plaintiffs' Request to Admit, marked as **Exhibits A, B, C, D, and E**, respectively, and attached hereto and incorporated by reference.

PROCEDURAL HISTORY

This action was commenced by Plaintiffs derivatively on behalf of the MBRHOA on May 24, 2018, by the filing of their Verified Complaint seeking relief from the Court regarding the *Ultra Vires* and Breach of Contract Claims ("Personal Claims") against Defendants Jeffery L. Richardson ("Richardson"), Nancy L. Moore ("Moore"), and Jim Perkins ("Perkins"), who are either former and/or present Directors on the Board of Directors for the MBRHOA, and also seeking Declaratory Judgment Relief, among other things, on the following grounds:

[1] For example, the voting director of Myrtle Beach Resort Horizontal Property Regime has 251 votes; the voting director of Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime has 271 votes; the voting director of Renaissance Tower Horizontal Property Regime has 327 votes; and the voting director of Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime has 161 votes.

a. That the Defendants and their successors or designees have affirmative duties and responsibilities under Master HOA's governing documents to provide security services for the Resort Property, which are non-delegable to the individual condominium associations from the Master HOA;

b. That the Defendants and their successors or designees have affirmative duties and responsibilities under Master HOA's governing documents to provide trash collection services for the Resort Property, which cannot be legally delegated to the individual condominium associations from the Master HOA; and

c. That the Defendants and their successors or designees are bound by the express provisions of the Master HOA's governing documents and are required to comply with their affirmative obligations under these governing document.

On February 17, 2020, the Plaintiffs filed an Amended Complaint adding a cause of action for judicial dissolution under S.C. Code Ann. § 33-31-1430 requesting the Court either involuntarily dissolve MBRHOA or employ the statutory reasonable alternatives to dissolution.

On March 24, 2020, the Plaintiffs moved for Partial Summary Judgment, among other things, that the MBRHOA's Board of Directors' powers under Section 4.1, Article IV of the Declaration are not optional, but affirmative obligations binding on each of the individual Board members.

On March 22, 2021, the Defendants moved for Partial Summary Judgment and requested that the Court grant judgment by declaring Section 4.1 of Article IV of the Declaration grants additional not mandatory powers to the Board of Directors for MBRHOA.

On May 4, 2021, after hearing argument from counsel at a scheduled motion hearing, Judge R. Markley Dennis (the "Court") ruled from the bench and declared that "the language of Section 4.1 of Article IV of the Declaration grants additional powers or authority to the Board, but the Board is not required to exercise those powers," even though the Court found that "[b]oth parties agree[d] that section 3.2 of Article III of the Declaration and Section 8 of the By-Laws mandate[d] certain Board actions." In so declaring, the Court granted Defendants' Motion for Summary

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Judgment as to Plaintiff's Third Cause of Action, while at the same time denying the Plaintiffs' Motion for Summary Judgment.

On January 10, 2022, the Court signed the proposed order granting Defendants' Summary Judgment ("Order").[2]

The Plaintiffs assert the following exceptions with the Court's findings of fact and conclusion of law as stated in the Court's Order for the reasons set forth below:

LEGAL ISSUES/ANALYSIS

I. The circuit court erred in concluding Section 4.1, when read in conjunction with the language of the Declaration and By-Laws as a whole, including the incorporated language of both Article XVIII of the Master Deeds and Sections 27-31-160 and -240 of the Act, does not expressly and/or impliedly establish corresponding duties and responsibilities on the part of the Board with certain discretionary powers under this section.

Section 4.1 of Article IV of the Declaration states in relevant part

> The Association, acting through the Board of Directors, ***shall also have the power*** to: (a) maintain all streets and roads within the Property, including cleaning and periodic resurfacing; (b) provide for all refuse collection (c) obtain, for the benefit of the Property, by purchase, lease or otherwise, as deemed proper by the Board of Directors, cable or master television service and telephone service; (d) maintain the oceanfront area; (e) grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property; (f) maintain such policy or policies of liability and fire insurance with respect to property owned by the Association; (g) *employ or contract with a management company to perform all or any part of the duties and responsibilities of the Association, including further duties and responsibilities which may be delegated to the Association by the Individual Condominium Associations and to equitably apportion assessments of same; (h) install and maintain security devices, detectors and communication facilities and contract for employment of security services, guards and watchmen for the project*; (i) take such other reasonable action as the Board shall deem advisable with respect to the Myrtle Beach Resort for the benefit of the overall Property. (Emphasis added.)

[2] A copy of Order granting Defendants' Motion for Partial Summary Judgment is attached hereto as Exhibit "C" and incorporated by reference.

"Restrictive covenants are ***contractual in nature and bind the parties thereto in the same manner as would any other contract***." Queen's Grant II Horizontal Property Regime v. Greenwood Development Corp., 368 S.C. 342, 361, 628 S.E.2d 902, 913 (2006) (quoting from Seabrook Island Prop. Owners Assoc. v. Pelzer, 292 S.C. 343, 356 S.E.2d 411 (Ct. App. 1987)).[3] (Emphasis added). The paramount rule of contract construction is to ascertain and give effect to the intent of the parties as determined from the whole document. RV Resort and Yacht Club Owners Ass'n, Inc. v. Billy Bob's Marina, Inc., 386 S.C. 313, 321, 688 S.E.2d 555, 559 (2010) (citing Taylor v. Lindsey, 332 S.C. 1, 4, 498 S.E.2d 862, 863–64 (1998)). Where the agreement in question is a written contract, the parties' intention must be gathered from the contents of the entire agreement and not from any particular clause thereof. Thomas-McCain, Inc. v. Siter, 268 S.C. 193, 197, 232 S.E.2d 728, 729 (1977) (citing Bruce v. Blalock, 241 S.C. 155, 127 S.E.2d 439 (1962)). The specific words and phrases of a covenant cannot be read exclusive of other contractual provisions. 20 Am Jur. 2d Covenants, Conditions, and Restrictions § 15. In interpreting any single

[3] Restrictive covenants differ from contracts in that they "run with the land," meaning that they are enforceable by and against later grantees. 17 S.C. Jur. Covenants § 18 (2005). Restrictive covenants that require grantees to pay assessments for the upkeep of a particular parcel of property are held to be real covenants which "touch and concern" land, and therefore, run with the land. Epting v. Lexington Water Power Co., 177 S.C. 308, 314-317, 181 S.E. 66, 69-70 (1935); 17 S.C. Jur. Covenants §§ 18 and 19.

There are several ways in which restrictive covenants may be created. The most common means are: (1) by deed; (2) ***by declaration***; and (3) ***by implication from a general plan or scheme of development***. 17 S.C. Jur. Covenants § 60. The initial restrictive covenants applicable to Palmetto Dunes were created by the Declaration of Covenants when Palmetto Dunes Resort executed and recorded the 1972 Covenants. See Smith v. Commissioners of Pub. Works, 312 S.C. 460, 466, 441 S.E.2d 331, 335 (Ct. App. 1994); 17 S.C. Jur. Covenants § 8.

Restrictive covenants will be enforced unless they are indefinite or contravene public policy. Sea Pines Plantation Co. v. Wells, 294 S.C. 266, 270, 363 S.E.2d 891, 894 (1987). Moreover, a developer may generally reserve to himself the right to amend restrictive covenants in his sole discretion, and may do so without the consent of the grantee, so long as he exercises that right in a reasonable manner. Flamingo Ranch Estates, Inc. v. Sunshine Ranches Homeowners, Inc., 303 So.2d 665, 666 (Fla. Dist. Ct. App. 1974) (citing Johnson v. Three Bays Props. # 2, Inc., 159 So.2d 924, 925 n.1 (Fla. Dist. Ct. App. 1964)), cited with approval in Wright v. Cypress Shores Dev. Co., Inc., 413 So. 2d 1115, 1123-24 (Ala. 1982); Rossman v. Seasons at Tiara Rado Assocs., 943 P.2d 34, 37 (Colo. Ct. App. 1996); Markey v. Wolf, 92 Md. App. 137, 607 A.2d 82, 94 (Md. Ct. Spec. App. 1992); Appel v. Presley Cos., 111 N.M. 464, 806 P.2d 1054, 1056 (N.M. 1991); Scoville v. SpringPark Homeowner's Assoc., Inc., 784 S.W.2d 498, 509 n.7 (Tex. App. 1990); Lakemoor Cmty. Club, Inc. v. Swanson, 24 Wn. App. 10, 600 P.2d 1022, 1025 (Wash. Ct. App. 1979).

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provision in a covenant, the entire agreement must be viewed as a whole. Id. Wherever possible, a covenant should be construed to give effect to all of the provisions and to avoid rendering any provision meaningless. Id. Documents will be interpreted so as to give effect to all of their provisions, if practical. Reyhani v. Stone Creek Cove Condo. II Horizontal Prop. Regime, 329 S.C. 206, 212, 494 S.E.2d 465, 468 (Ct. App. 1997) (citing 17A Am. Jur. 2d Contracts § 385 (1991)). One part of the contract should not be interpreted so as to annul another provision of the same contract. Any inconsistency between a general clause and a specific clause must be resolved in favor of the specific. In re Crawford, 532 B.R. 645, 646 (Bankr. D.S.C. 2015).

Article IV of the Declaration lists the Powers of the Association and states, "The Association, acting through the Board of Directors, shall also have the power to: …." As stated above the covenant must be construed to give effect to all provisions. In accordance with the law, Article IV of the Declaration must then be read in light of Article VIII, Section 8(e) of the By-Laws which states, "Consistent with these By-Laws and applicable Declarations, the Board ***shall***: . . . ***exercise all rights granted it by these By-Laws, the Declaration, and the Act.***" (Emphasis added). Additionally, Article IV of the Declaration must be read in light of Article III, Section 3.2 of the Declaration which states, "***This Board of Directors shall act in accordance with the By-Laws*** . . . ."[4] (Emphasis added). When these three Sections are read in conjunction, the By-Laws mandate the exercise of all powers of the Association in Article IV of the Declaration. Rights are synonymous with powers. See also, Black's Law Dictionary (7th ed. 1999) (defining ***"right"*** as ***"[a] power***, privilege, or immunity secured to a person by law.") (Emphasis added).

For the reasons set forth in Plaintiffs' Memorandum of law and as discussed above, the Plaintiffs have not asked the Court to ignore the words "***also have the power to***" as stated in its

[4]See Exhibit B, p.7, Section 3.2 of the Declaration.

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Order, but instead ask the Court to read the phrase "***shall also have the power to***" in conjunction with Article VIII, Section 8(e) of the By-Laws which mandates the Board exercise all enumerated powers set forth in Section 4.1 with discretion or consideration. (Emphasis added).

In the Order,[5] the Court concludes that subsection 8(e), read in conjunction with the By-Laws and the Declaration as a whole, corroborates the discretion granted to the Board in Section 4.1. Further, the Court determined, when compared with other language in the Declaration and the By-Laws, [it] could not reconcile the documents in any other way than to conclude Section 4.1 grants additional discretionary powers without mandatory duties.[6] The Court reasoned that "[a]ny other interpretation eviscerates Section 4.1(i) of Article IV of the Declaration, which grants the Board the power to 'take other such reasonable action as the Board shall deem advisable with respect to the Myrtle Beach Resort for the benefit of the overall Property." [7]

The Court cannot interpret the language in Section 4.1 as purely discretionary where Section 3.2 of Article III of Declaration and the terms of Section 8 of Article VIII of the By-Laws require mandatory action from the Board of its Section 4.1 powers. Section 8 of the By-laws supports the Plaintiffs' argument. Section 8 of the By-Laws states in relevant part:

> Consistent with these By-Laws and applicable Declarations, the Board ***shall***: (a) transact all Association business …; (b) annually set a budget for the Association; (c) fix, impose, and remit penalties for violations of these By-Laws and the rules and regulations of the Association; (d) elect from the Board... the President, Vice-President, Secretary and Treasurer; (e) ***carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the Act.*** (emphasis added)

[5] See, Exhibit "C", p. 5, ¶ 5.
[6] See, Exhibit "C", p. 5, ¶ 5.
[7] See, Exhibit "C", p. 5, ¶ 5; p.6 ¶ 1.

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All parties agree that Section 3.2 of Article III of Declaration and Section 8 of Article VIII of the By-Laws require mandatory action from the Board as indicated in the Court's Order.[8]

The Court incorrectly concluded in its Order that subsection 8(e), when read in conjunction with the By-Laws and the Declaration as a whole, "corroborates the discretion granted to the Board in Section 4.1." The Court's construction of Section 8(e) in light of Section 4.1 is not a reasonable and fair interpretation consistent with the meaning of the subsection's defined terms, which provide that the Board ***shall***: . . . ***exercise all rights granted it by these By-Laws, the Declaration, and the Act.***" For example, "[a]according to Black's Law Dictionary, "shall," as used in contracts, means "***imperative or mandatory***." Black's Law Dictionary (6th Ed. 1990)." (Emphasis added). Palmetto Bank v. Bank First, No. 6:08-cv-4072-GRA, 2009 U.S. Dist. LEXIS 6391, at 6-7 (D.S.C. Jan. 27, 2009). "***'Shall' is a word of command, and one which has always or which must be given a compulsory meaning; as denoting obligation***." Id. (Emphasis added). Also, according to Black's Law Dictionary, the term "exercise" as used in contracts means "***to implement the terms of" and "to execute***". Black's Law Dictionary (7th ed. 1999). (Emphasis added). Finally, the term "right" as used in contracts means "***[a] power***, privilege, or immunity secured to a person by law." Black's Law Dictionary (7th ed. 1999). (Emphasis added). Considering the wording and the definitions of the terms: "shall", "exercise", and "right" as used in Section 8 (e) of the By-laws, the Court should have determined that Section 8(e) does not corroborate in any way that discretionary powers were only granted to the Board under Section 4.1 without corresponding duties based upon applicable standards of construction and common sense application of the rules for contract interpretation as discussed below:

A. The plain language of Article XVIII of the Master Deeds for the individual condominium regimes shows that the Declarant intended for

[8] See, Exhibit "C", p. 5, ¶ 5; p.6 ¶ 1.

the Board to have corresponding duties and responsibilities under Section 4.1.

It is important to note that once the MBRHOA's Declaration and By-Laws were filed on April 25, 1991, in the Office of Register of Deeds Horry County, South Carolina in Deed Book 1465 at 329 (hereinafter "Declaration")[9] said governing documents became an amendment to the Master deeds for HPR, Ocean Front Spa, RT, and Five Seasons Centre pursuant to the express language of Articles XVIII included in each of their Master Deeds.

Article of XVIII of each of these three respective Master Deeds provides in pertinent part:

> ***Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) may, in its sole discretion establish the Myrtle Beach Resort Homeowners Association (herein "Homeowners"), which shall be an association (which may in Declarant's sole discretion, be incorporated as a corporation or as corporation not for profit or unincorporated) and all Co-Owners shall, in addition to being Co-Owners, automatically become members thereof. In addition, the Board of Directors shall elect one of its members who shall serve on the Board of Directors of the Homeowners.*** The Board of Directors shall be comprised of one representative from ... [each of the existing and future Regimes], one representative from Myrtle Beach Resort Horizontal Property Regime, one representative from Myrtle Beach Oceanfront Spa Horizontal Property Regime and one representative from each other development as Declarant as developer of the Resort shall designate. ***In the event of such establishment, Declarant shall designate Homeowners as its designee to carry out the duties and responsibilities and have the powers granted herein to Declarant's designee***. In addition, Declarant (its successors or assigns in interest as developer of the Resort or Present Owner as the case may be) may, in its sole discretion, at any time convey to the Regime and its Co-Owners and/or any other horizontal property regimes or other multi-family developments within the Resort or which Declarant has developed in close proximity to the Resort having the like non-exclusive easements and Licenses for use, or to Homeowners, all or any portion of the Resort Facilities or any interests therein, provided such shall be for no consideration other than actual cost of such improvement or

[9] A copy of MBRHOA's Declaration and By-Laws are attached hereto as Exhibit "B" and incorporated by reference.

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> facility. Declarant... retaining unto itself and the right to grant to such third parties as it may designate easements and licenses for use consistent with the conveyed facilities and contracts for management thereof and all matters and right theretofore of record. **In such event, such documents shall be considered an amendment to this Master Deed and execution only by the Declarant (or its successors or assigns in interest as developer of the Resort or Present Owner as case may be), shall be sufficient and no execution, concurrence or consent shall be required of the Council of Co-Owners, any Co-owner, any Mortgagee or any third-party whatsoever.** (Emphasis added).

First, the incorporated language of Article XVIII shows that the Declarant intended for the Board of MBRHOA to have corresponding duties and/or responsibilities under Section 4.1 for the purpose of collecting common expenses for, including but not limited to, *"**providing management supervision and control thereof, property taxes, insurance, maintenance and reserve funds and all other costs connected or associated therewith (herein collectively 'Resort Expenses')**."* Further, Article of XVIII defines "Resort Facilities" as: ***"pathways, streets and roads (together with roadside and entrance areas), [lagoons and beach area], paved areas and recreational facilities and amenities of the Resort (herein 'Resort Facilities')"***.

The plain language of Article of XVIII requires members of the MBRHOA to pay pro-rata all costs of maintenance, upkeep, and repair arising out of or associated with the Resort Facilities.

It is illogical for the Board to have only discretionary powers without corresponding duties and/or responsibilities under Section 4.1 of the Declaration, while at the same time still being required to prepare an annual budget under Section 4 of the By-Laws for the collection of resort expenses, including, but not limited to: (a) for maintaining all streets and roads within the Myrtle Beach Resort; (b) for all trash collection (c) for obtaining, for the benefit of the four separate individual horizontal property regimes . . . cable or master television service and telephone service; (d) for maintaining the oceanfront area; (e) for granting easements, rights-of-way or strips of land, ***where necessary***, for utilities, and sewer facilities and other services over the Common Areas to

service the four separate individual horizontal regimes; (f) for maintaining such policy or policies of liability and fire insurance with respect to property owned by the Association; (g) for contracting with a management company to perform all or any part of the duties and responsibilities of the Association; and (h) for installing and maintaining security devices, detectors and communication facilities and contracting for employment of security services, guards and watchmen for the Resort.

B. The plain language of S.C. Code Ann. §§ 27-31-160 and 240 when read in conjunction with the language of the Declaration and By-Laws as a whole, is further proof that the Declarant intended for Section 4.1 powers to also include corresponding duties and responsibilities on the part of the Board.

Second, the Declarant's incorporation of South Carolina Horizontal Regime Property Act ("Act"), Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as , as a part of the Declaration and By-Laws is further proof that the Declarant intended for Section 4.1 to include mandatory obligations on the part of the Board. See Ayres v. Crowley, 205 S.C. 51, 53, 30 S.E.2d 785, 785 (1944) (When parties enter into a contract, ***all the laws of a state that may relate to the subject-matter of the contract are part of that contract. Every contract entered into in South Carolina embodies in its terms all applicable laws of the state just as completely as if the contract expressly so stipulated***). (Emphasis added).

Two sections of the Horizontal Property Regime Act explain the underlying purpose and mandatory obligations of the By-Laws as well as the Board's obligation to purchase property insurance against risks lends further clarity to the fact that the Declarant intended for the Section 4.1 powers to include affirmative duties.

S.C. Code Ann. § 27-31-240 provides that "***the council of co-owners [and/or Board] shall insure the property against risks.***" The incorporation of this statute as a part of the Declaration and By-Laws is confirmation that the Declarant intended for the Board under subsection (f) of

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Section 4.1 of the Declaration to affirmatively "***maintain . . . policies of liability and fire insurance with respect to property owned by the Association.***"

S.C. Code Ann. § 27-31-160 provides that the "***bylaws must necessarily provide for the Care, upkeep, and surveillance of the property and its general or limited common elements and services.***" The incorporation of this Statute as a part of the Declaration and By-Laws is also proof that the Declarant intended for the Board to affirmatively provide for: "(a) the maintenance of all streets and roads within the Property . . . "; "(b) all refuse collection"; "(c) obtaining, for the benefit of the Property . . . cable or master television service and telephone service;" "(d) the maintenance of the oceanfront area;" "(e) granting easements, rights-of-way or strips of land, ***where necessary***, for utilities, and sewer facilities and ***other services over the Common Areas to service the Property***;" and "(h) installation and maintenance for security devices, detectors and communication facilities and contracting for employment of security services, guards and watchmen for the Project." Section 4.1 of the Declaration.

C. The plain language of Section 6.4 of the Declaration when read together with Article XVIII and S.C. Code Ann. §§ 27-31-160 and 240 of the Act, as well as Section 8 of the By-Laws as a whole, indicates that the Declarant intended, expressly and/or impliedly, for Section 4.1 to include corresponding duties on the part of the Board.

Third, Section 6.4 provides in pertinent part; ***"the provisions of the Declaration shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective."*** (Emphasis added). Additionally, Section 6.2 of Article VI provides in pertinent part: ***"the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners . . . ."*** (Emphasis added). Enforcement of the provisions of the Declaration, the By-Laws, and the rules

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and regulations of the MBRHOA are clearly indispensable in order to maintain a viable plan of development and also for the protection of present and future Owners.

Additionally, Article II, Section 2 of the By-Laws provides in pertinent part: ***"[a]ll terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the various Master deeds of the Horizontal Property Regime comprising The Myrtle Beach Resort*** . . . ." Article I of the Master Deeds for four individual condominium regimes for Myrtle Beach Resort defines Association or Council of Co-Owners under subparagraph (c) as follows:

> Association or Council of Co-Owners means the Council of Co-Owners as defined in the Act and ***specifically formed for the purpose of exercising the powers and duties of the Council of Co-Owners*** of such Horizontal Property Regime. (Emphasis Added).

Article II, Section 2 of the By-Laws when read together with Section 6 of the Declaration requires the interpretation of Section 4.1 to be enlarged by implication to include duties to make the Board's powers more fully effective, and also to reconcile the alleged repugnancy or conflict between Sections 2.1 and 4.1 of Declaration and Section 8 of the By-Laws when read together as a whole. 20 Am. Jur. 2d Covenants, Conditions, and Restrictions § 12 ("While courts must construe covenants as a whole based upon their underlying purpose, and will liberally construe a covenant to give effect to its purpose and intent, they will enforce a covenant as written if the covenant is clear on its face).

"Under the doctrine of necessary implication, the law will imply a provision in a contract only when it is necessary to carry out the purpose for which the contract was made. The doctrine of necessary implication holds that if it can be plainly seen from all the provisions of the instrument taken together, that the obligation in question was within the contemplation of the parties when making their contract, or is necessary to carry their intention into effect, ***in other words, if it is a***

necessary implication from the provisions of the instrument, the law will imply the obligation and enforce it. Terms are to be implied in a contract, not because they are reasonable, but because they are necessarily involved in the contractual relationship so that the parties must have intended them and have only failed to express them because of sheer inadvertence or because they are too obvious to need expression." 17A Am. Jur. 2d Contracts § 361. (internal citations and quotes are omitted) (Emphasis added).

The South Carolina Supreme Court first recognized the "doctrine of implied obligations" in the case of Reynolds v. Stockman, 109 S.C. 112, 113, 95 S.E. 341, 341 (1918), wherein the Court indicated that "***an obligation may sometimes be implied from a contract as a whole or from the circumstances, and where the implication is necessary or is plain, it becomes as much a part of the contract as if it had been expressed***."(Emphasis added).

Considering the provisions of the Declaration and By-Laws as a whole, also including the incorporated parts of the Master Deeds and the Act, their language when read together clearly shows that the Declarant intended for Section 4.1 to include corresponding duties and/or responsibilities along with discretionary powers on the part of the Board. For example, the MBRHOA's members are obligated to pay their pro-rata share of assessments for Resort Expenses. The apparent purpose or object for imposing the covenants, conditions, and restrictions on the Resort properties was "to protect their value and desirability", and the fact that the prior Boards had already begun exercising all rights/powers granted them under Section 4.1 of the Declaration and Section 8 of the By-laws, and the Act as evidenced by the Affidavits of Daniel L. Patrick, Esquire and Freddy Brown, the Court should have found it was a reasonably fair interpretation that the Declarant had intended for the term "duties" to be included in the language of Section 4.1 as follows: "the Board of Directors shall also have the powers and **[duties]** to: ...." (Emphasis added).

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Consequently, the Declarant intended for the MBRHOA to also be ***"specifically formed for the purpose of exercising the powers and duties"*** like the Associations or Council of Co-Owners of the four individual horizontal property regimes in the Resort, which is corroborated by the plain language of Article of XVIII of the Master Deeds, S.C. Code Ann. §§ 27-31-160 and 240 of the Act, when read together with the Section 4.1 of the Declaration and Sections 2 and 8 of the By-Laws as a whole. Stated differently, the term – "duties" is to be implied as a matter of law in the language of Section 4.1 along with powers because they are necessary to the enforcement of the mutual and dependent covenants existing between the Association and its membership and that the Declarant did not express the term duties ***because they are too obvious to need expression***. See Fisher v. Shipyard Vill. Council of Co-Owners, Inc., 409 S.C. 164, 179, 760 S.E.2d 121, 129 (Ct. App. 2014)[10] (the Court of Appeals found the duties created by the Bylaws and South Carolina law support an "***implied duty"*** to investigate who is responsible for damage to the common elements, even if the obligation was not expressly stated in Master Deed and By-Laws. Specifically, the Court determined "that even though the Bylaws do not specifically state the Council had a duty to investigate, ***the duties created by the Bylaws and South Carolina law also support a duty to investigate who is responsible for damage to the common elements***. Therefore, the circuit court did not err in granting summary judgment on the issue of duty."). (Emphasis added). Accordingly, under the doctrine of implication, the Court erred in interpreting the powers under Section 4.1 to be purely discretionary notwithstanding the fact that Section 3.2 of Article III of Declaration as well as Sections 2 and 8 of Article VIII of the By-Laws all required mandatory

[10] 6A Home Owner Assocs & Planned Unit Developments § 7A.07 (2021) ("Where there is reason to believe damage to the common elements may have been in part caused by one or more owners, the association has a duty to investigate who is responsible for damage to the common elements even though that duty is not specifically stated in the documents.") (citing Fisher v. Shipyard Vill. Council of Co-Owners, Inc., 409 S.C. 164, 179, 760 S.E.2d 121, 129 (Ct. App. 2014)).

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action from the Board with respect to its Section 4.1 powers:

II. The circuit erred in failing to reconcile the apparent repugnancy or conflict between Section 4.1 of the Declaration and Section 8(e) of the By-Laws by incorrectly interpreting Section 4.1 to grant only discretion powers to the Board without any mandatory duties under this section. The Court's limiting and/or extraordinary interpretation of Section 4.1 has the unintended effect of eviscerating and/or annulling Article VIII, Section 8 of the By-Laws.

The purpose of the rules of contract construction is to ascertain the intention of the parties as gathered from the contents of the entire document and not from any particular provision within the contract. Koon v. Fares, 379 S.C. 150, 155-56, 666 S.E.2d 230, 233-34 (2008) (citing Litchfield Co. of S.C., Inc. v. Kiriakides, 290 S.C. 220, 223, 349 S.E.2d 344, 346 (Ct. App. 1986)). Where one interpretation of a contract makes it unusual or extraordinary and another interpretation, equally consistent with the language employed, would make it reasonable, fair, and just, the latter construction prevails. Koon v. Fares, 379 S.C. at 155-56, 666 S.E.2d at 233-34. (citing Farr v. Duke Power Co., 265 S.C. 356, 362, 218 S.E.2d 431, 434 (1975)). An interpretation which establishes the more reasonable and probable agreement of the parties should be adopted while an interpretation leading to an absurd result should be avoided. Id.

In its Order granting Defendants' Motion for Partial Summary Judgment and Denying Plaintiffs' Motion for Summary Judgment, the Court concludes:

> [S]ubsection 8(e) when read in conjunction with By-Laws and the Declaration as a whole, corroborates the discretion granted to the Board in Section 4.1. Again, when compared with other language in the Declaration and By-Laws, the Court cannot reconcile the documents other than to conclude Section 4.1 grants additional discretionary powers.[11]

The circuit court erred in concluding that conflicts between subsection 8(e) of the By-Laws and Section 4.1 of the Declaration could only be reconciled by concluding Section 4.1 grants only discretionary powers without mandatory duties. This interpretation leads to an absurd result by

[11] See, Exhibit "C"

annulling the Board's mandatory duties under subsections 8(a) and (e) of the By-Laws also and violates the rules of contract construction.

Common sense and good faith are the leading touchstones of construction of the provisions of a contract; where one construction makes the provisions unusual or extraordinary and another construction which is equally consistent with the language employed, would make it reasonable, fair and just, the latter construction must prevail. Farr v. Duke Power Co., 265 S.C. 356, 360, 218 S.E. (2d) 431, 434, (1975)). See.17A Am. Jur. 2d Contracts § 374 (2021). ("Since the intention of the parties controls, it should be given effect regardless of mere literal repugnancies in different clauses of an agreement. Where there is an apparent repugnancy or conflict between two clauses or provisions of a contract, it is the province and duty of the court to find harmony between them and to reconcile them if possible. In other words, and as a corollary of the rule that the entire contract and each and all of its parts and provisions must be given effect if that can consistently and reasonably be done, all clauses and provisions of a contract should, if possible, be so construed as to harmonize with one another; in doing so, however, the court need not embrace strained rules of interpretation to avoid ambiguity at all costs.") (citations omitted).

The circuit court erred by not harmonizing the conflicts between Section 4.1 of the Declaration and Section 8 of the By-Laws. The Plaintiffs contend the circuit court could have harmonized the conflicts between the sections by concluding that Section 4.1 grants discretionary powers under subsection (i) as well as mandatory duties under subsections (a), (b), (c), (d), (e), (f), (g), and (h). Such an interpretation by the Court would be fair, reasonable, and just by harmonizing these sections and along with being consistent with the Declarant's intention as discussed above. Any other interpretation annuls and/or eviscerates the mandatory requirements of the Sections 8(a) and (e) of the By-Laws, which provides in pertinent part that the Board ***shall***: (a) transact all

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Association business …; and (e) exercise all rights granted it by these By-Laws, the Declaration, and the Act. See Alala v. Peachtree Plantations, Inc., 292 S.C. 160, 167, 355 S.E.2d 286, 290 (Ct. App. 1987) (Of course, all parties must be obligated under a contract in order for it to be enforceable.) (Citing as authority 1A A.L. CORBIN, CORBIN ON CONTRACTS § 152 (1963); 1S. WILLISTON, A TREATISE ON THE LAW OF CONTRACTS § 105A (3d ed. 1957) and also the case of Humble Oil & Refining Co. v. DeLoache, 297 F. Supp. 647, 658 (D.S.C. 1969) (Judge Russell: "In the law of contracts, mutuality, both in definition and application, is largely synonymous with consideration.")). There is no mutuality of obligation in a unilateral contract. Towles v. United Healthcare Corp., 338 S.C. 29, 38, 524 S.E.2d 839, 844 (Ct. App. 1999). Defendants' contention that Article IV, Section 4.1 powers are optional means that the Declaration and By-laws are just unilateral covenants, conditions, and restrictions without any mutual obligations and/or duties of care owed to the members by the Board of Directors of MBRHOA. This contention is contrary to the common law and statutory law of South Carolina for the reasons described above.

Further, in the Order, the Court declares "***the Board is not required to exercise those powers***"[12] granted in Section 4.1 of Article IV of the Declaration. (Emphasis Added). The Court's finding negates any legal duty arising by contract or negligence owed to members of the MBRHOA by the Board in accordance with the provisions of Section 4.1. Carson v. Adgar, 326 S.C. 212, 217, 486 S.E.2d 3, 5 (1997) (An affirmative legal duty to act exists only if created by statute, contract, relationship, status, property interest, or some other special circumstance). The existence of a duty owed is not incidental to a cause of action for negligence; it is an indispensable element of the plaintiff's case. The question of liability for negligence cannot arise at all until it is

[12]See, Exhibit "C", p. 5, ¶ 5.

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established that the one who has been negligent owed some duty to the person who seeks to make him liable for his negligence. Le Lievre v. Gould, [1893] 1 Q.B.D. 491 (per Lord Esher, M.R.). "Proof of negligence in the air, so to speak, will not do." Palsgraf v. Long Island Railroad Co., 248 N.Y. 339, 341, 162 N.E. 99, 99 (1928) (quoting Sir Frederick Pollock). Our own Supreme Court has repeatedly affirmed this rule. In Kershaw Motor Co. v. Southern Railway Co., 136 S.C. 377, 382, 134 S.E. 377, 378 (1926), the Court stated:

> An essential ingredient in any ***conception of negligence is that it involves the violation of a legal duty***, which one person owes to another -- the duty to take care for the safety of the person or property of the other; ***and the converse of the proposition is that, where there is no legal duty to exercise, there can be no actionable negligence***. Therefore it is reasoned that a plaintiff, who grounds his action upon the negligence of the defendant, must show, not only that the conduct of the defendant was negligent, but also that it was a violation of some duty which the defendant owed him. (Emphasis Added).

Accordingly, where there is no legal duty to exercise, there can be no actionable negligence or Breach of Contract claim ever brought against the Board members for their non-performance under any circumstances. Stated differently, when the Court concluded "***the Board is not required to exercise those powers***" under Section 4.1, the Board members became completely immune from liability under any circumstances from the members of the Association under the business judgment for non-performance of their Section 4.1 powers for:

1. Failing to ever maintain all streets and roads within the Property, including cleaning and periodic resurfacing;
2. Failing to ever collect trash;
3. Failing to obtain cable or master television service and telephone service;
4. Failing to ever maintain the oceanfront area;
5. Failing to ever grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property;

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6. Failing to ever maintain such policy or policies of liability and fire insurance with respect to property owned by the Association;

7. Failing to install and maintain security devices, detectors and communication facilities and contract for employment of security services, guards and watchmen for the project.

In South Carolina, courts apply the business judgment rule to protect corporate directors. Fisher v. Shipyard Vill. Council of Co.-Owners, Inc., 415 S.C. 256, 270-71, 781 S.E.2d 903, 910-11 (2016). "'Under the business judgment rule, a court will not review the business judgment of a corporate governing board when it acts within its authority and it acts without corrupt motives and in good faith.'" Kuznik v. Bees Ferry Assocs., 342 S.C. 579, 599, 538 S.E.2d 15, 25 (Ct. App. 2000) (quoting Dockside Ass'n, v. Detyens, 291 S.C. 214, 217, 352 S.E.2d 714, 716 (Ct. App. 1987). The business judgment rule applies to disputes between directors of a homeowners' association and aggrieved homeowners, and the 'business judgment rule' and absent a showing of bad faith, dishonesty, or incompetence, the judgment of the directors will not be set aside by judicial action. Goddard v. Fairways Dev. Gen. P'ship, 310 S.C. 408, 414, 426 S.E.2d 828, 832 (Ct. App. 1993) (citing 4 S.C. Juris. *Condominiums* § 42 (1991)). A corporation may exercise only those powers granted to it by law, its charter or articles of incorporation, and any bylaws made pursuant thereto. Seabrook Island Prop. Owners Ass'n v. Pelzer, 292 S.C. 343, 347, 356 S.E.2d 411, 414 (Ct. App. 1987) (citing Lovering v. Seabrook Island Prop. Owners Ass'n, 289 S.C. 77, 344 S.E.2d 862 (Ct. App. 1986), *aff'd as modified*, 291 S.C. 201, 352 S.E.2d 707 (1987)).

For these reasons, the circuit court erred in failing to reconcile the apparent repugnancy or conflict between Section 4.1 of the Declaration and subsections 8(a) through (e) of Section 8 of the By-Laws by incorrectly interpreting Section 4.1 to grant only discretion powers to the Board without any mandatory duties under this section even though Section 8 requires mandatory action.

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The Court's limiting and/or extraordinary interpretation of Section 4.1 violates the common law rules of contract interpretation and has the unintended effect of annulling all affirmative duties on the part of the Board as expressly stated under Article VIII, Section 8 of the By-Laws. See 17A Am. Jur. 2d Contracts § 369 ("A construction will not be given to one part of a contract which will annul or obliterate another part. Courts also do not consider only the parts favoring one party and disregard the remainder, as that would render the latter meaningless"). See, Restatement 3d of Prop: Servitudes, § 6.13 (3rd 2000) (the restatement provides that association of a common interest community has separate legal duties owed to the members of the common-interest community in addition to duties imposed by statute and the governing documents).[13] See also, Restatement 3d of Prop: Servitudes, § 6.14 (3rd 2000) ("The directors and officers of an association ***have a duty to act in good faith, to act in compliance with the law and the governing documents, to deal fairly with the association and its members, and to use ordinary care and prudence in performing their functions***."). Id. (citing Murphy v. Yacht Cove Homeowners Ass'n, 345 S.E.2d 709 (1986) (members of unincorporated condominium association can sue association in contract for failure to adhere to bylaws, rules, and regulations, and in tort; negligence of association will not be imputed to members)). (Emphasis added).

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[13] (1) " In addition to duties imposed by statute and the governing documents, the association has the following duties to the members of the common-interest community: (a) ***to use ordinary care and prudence in managing the property and financial affairs of the community that are subject to its control***; (b) ***to treat members fairly***; (c) to act reasonably in the exercise of its discretionary powers including rulemaking, enforcement, and design-control powers; (d) to provide members reasonable access to information about the association, the common property, and the financial affairs of the association. (2) ***A member challenging an action of the association under this section has the burden of proving a breach of duty by the association. Except when the breach alleged is ultra vires action by the association, the member has the additional burden of proving that the breach has caused, or threatens to cause, injury to the member individually or to the interests of the common-interest community***." (Emphasis added).

Restatement 3d of Prop: Servitudes, § 6.13 (3rd 2000).

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III. The circuit court erred in not concluding the Defendants had voluntarily undertaken to perform the acts as described in subparagraphs (a) through (h) of Section 4.1 of Declaration thereby rendering them affirmative obligations.

In addition to the affirmative obligations contained in Article IV, Section 4.1, Defendants have undertaken to perform these duties by entering into binding contracts, rendering them mandatory. "Ordinarily, the common law imposes no duty on a person to act. [When] an act is *voluntarily undertaken*, however, the actor assumes the duty to use due care." Walbeck v. I'On Co., LLC, 426 S.C. 494, 514, 827 S.E.2d 348, 358 (Ct. App. 2018) (quoting Hendricks v. Clemson Univ., 353 S.C. 449, 456-57, 578 S.E.2d 711, 714 (2003)).

Over the past twenty years, the Board of the Association has continuously undertaken to perform all of the powers in Article IV, Section 4.1 for the sole purpose of administering and managing the resort property for the mutual benefit of all members.[14] While the Board has now abandoned the performance of some of these tasks, it does not negate the fact that the Board voluntarily undertook to perform these duties which created a continuing obligation to execute these tasks with due care.

For example, the Board has entered into the following contractual relationships on behalf of the members for mutual benefit, including, but not limited to the following:

- Securitas Security Services USA, Inc.'s Agreement.[15] The initial term of this Agreement begins on January 1, 2018, the Effective Date and continues for a period of seven years;

- Service and Marketing Agreement with Time Warner Cable Enterprises, LLC's TWC") Service and Marketing Agreement with MBRHOA;[16] The initial term of this Agreement begins on January 22, 2016, the Effective Date and continues for a period of seven years;

[14] See Exhibit D, Aff. of Brown, pp. 4-6, ¶ ¶ 16-19; and Exhibit E, Aff. of Patrick, p. 2 ¶13.

[15] A copy of the Security Agreement, marked as Exhibit G, is attached hereto and incorporated by reference.
[16] A copy of the Time Warner Cable Agreement, marked as Exhibit H, is attached hereto and incorporated by reference.

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- Empress Management, LLC - Management Agreement.[17] The initial term of this Agreement begins on January 1, 2018, the Effective Date and continues for a period of 24 months;

- Four of a Kind Services, LLC's General Maintenance, and Pool Service Agreement with MBRHOA.[18] The initial term of this Agreement begins on January 1, 2018, the Effective Date and continues for a period of 24 months;

- MESA Underwriters Specialty Insurance Company Commercial General Liability Insurance.[19] This policy was in effect from April 15, 2016 to April 15, 2017;

- Travelers Casualty and Surety Company of America Community Association Management Liability Coverage.[20] This policy was in effect from April 15, 2016 to April 15, 2017.

By signing and entering into these agreements, the Board voluntarily undertook to perform the powers found in Section 4.1. Therefore, the Board assumed these duties and must perform them with due care. In performing these duties, the Board has an affirmative obligation to assess the membership for these operations.

Based upon the foregoing, the Circuit Court erred in not concluding the Defendants had voluntarily undertaken to perform the acts as described in subparagraph (a) through (h) of Section 4.1 thereby rendering them affirmative obligations.

CONCLUSION

Based on the foregoing reasons and cited evidence before the Court, and upon such other arguments and submissions of counsel as may be reviewed by the Court, and viewing the evidence and all reasonable inferences to be drawn therefrom in the light most favorable to the Plaintiffs, Plaintiffs' respectfully request the following relief:

1. Reconsidering and vacating the previous Order granting Defendants' Motion for Partial Summary Judgment on the issue that Section 4.1 of the Declaration

[17] A copy of the Management Agreement, marked as Exhibit I, is attached hereto and incorporated by reference.
[18] A copy of the Maintenance Agreement, marked as Exhibit J, is attached hereto and incorporated by reference.
[19] A copy of the Insurance Policy, marked as Exhibit L, is attached hereto and incorporated by reference.
[20] A copy of the Insurance Policy, marked as Exhibit M, is attached hereto and incorporated by reference.

grants only discretionary powers with respect to subparagraphs (a through i) without any mandatory duties;

2. Alternatively, altering and amending its Order to specifically consider the questions, issues, arguments and grounds presented by Plaintiffs' Motion to Reconsider and make a ruling thereon; and

3. For such other and further relief as this Court deems reasonable and proper.

BELLAMY, RUTENBERG, COPELAND, EPPS, GRAVELY & BOWERS, P.A.

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Myrtle Beach, South Caolina

January 18, 2022

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EXHIBIT A

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FIFTEENTH JUDICIAL CIRCUIT
COUNTY OF HORRY	)	CIVIL ACTION NO. 2018-CP-26-03173
	)	
	)	
FREDERICK E. BROWN, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	AFFIDAVIT OF FREDDY BROWN
JEFFERY L. RICHARDSON, et al.,	)	
	)	
Defendants.	)	
	)	
MYRTLE BEACH RESORT HOMEOWNERS' ASSOCIATION, INC.	)	
	)	
Nominal Defendant	)	

PERSONALLY APPEARED BEFORE ME, the undersigned, who being duly sworn, deposes and states:

1. My name is Freddy Brown, I am over the age of eighteen (18) years and competent to make this Affidavit based on my personal knowledge, experience on this matter alleged in this lawsuit.
2. I am retired from Motion Industries, retiring after 40 years in 2015. I currently resided in Myrtle Beach, SC at 396 Posada Dr.
3. I am currently the owner of units 117A in the Horizontal Property Regime (HPR) and 242B in the Ocean Front Spa buildings at the Myrtle Beach Resort.
4. I am currently Board President of the HPR at Myrtle Beach Resort.
5. This Affidavit is submitted in support of the allegations contained in Plaintiff's Complaint and their Subsequent Motions for Amended Complaint in support of plaintiff's motion for

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Summary Judgment as well as being in opposition to defendant Richardson's Motion for summary judgement

BRIEF FACTUAL HISTORY OF MYRTLE BEACH RESORT REGIME

6. In 1987 when I purchased my first condo at Myrtle Beach Resort, the four regimes were each providing maintenance for each of their buildings and common elements. Telephone and Security were paid collectively by each regime on an equal pro-rata basis toward the overall resort wide cost for both.
7. In 1986, the original developer, U S Capital, and its subsidiaries. Resort Development and Resort Investment, filed for bankruptcy. The four regimes banded together, and with the assistance of their attorney, Dan Patrick, obtained first right of refusal for the properties consisting of the land on Hwy 17 where the current rental office is, the cabana bar, commercial properties in the Ocean Front Spa and the Renaissance Tower, and the property allotted for the fifth proposed regime, which would have included a conference center. Without the ability to borrow money to purchase the above properties, the regimes negotiated a deal to release the first right of refusal to Ocean Lakes Campground for the Convention Center Property in exchange for Ocean Lakes Campground financing the purchase of the remaining properties by The Myrtle Beach Resort Master HOA. This settlement was approved by the bankruptcy judge.
8. I was elected to the Board of the HPR in 1989 and was elected President of the Board in 1990. I have served on the HPR or the Ocean Front Spa Boards continuously since 1989.

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9. As part of the bankruptcy settlement, the developer deeded the properties and roadways to the Myrtle Beach Resort, and an umbrella Association (Master HOA) was formed to own and manage this newly purchased property on behalf of all Myrtle Beach Beach Resort Homeowners . The Master Deed of the individual regimes allowed for cross easements which allowed for a seamless 32 Acre Resort.

10. All four Boards had input into the creation of the documents of the MBRHOA, and I was one of the four presidents representing the HPR on the signing of the final document.

11. Myrtle Beach Resort Homeowners Association (MBRHOA) was created as an umbrella or "Master Association" as evidenced by the Articles of Incorporation filed with the Office of the South Carolina Secretary of State on April 30, 1987 and as governed by the Master HOA's Declaration of Covenants, Conditions and Restrictions and By-Laws (CCRs) and filed of record on April 25, 1991 in the Office of the Register of Mesne Conveyances (R.M.C.) for Horry County in Deed Book 1465 at Page 329 ("Master HOA's Declaration and By-Laws attached thereto").

12. The Master HOA is charged with administering specified affairs of the Myrtle Beach Resort, a resort within Horry County, South Carolina presently including: (a) Myrtle Beach Resort Horizontal Property Regime, Inc. ("HPR"); (b) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime, Inc.("Ocean Front Spa"); (c) Renaissance Tower Horizontal Property Regime, Inc.("Renaissance Tower"); (d) Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc. ("Five Seasons Centre"), (collectively known as "Four Individual Condominium Regimes").

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13. During the development and discussion between the Boards and Dan Patrick the Resort Attorney, the powers of the CCRs were clearly intended to be mandatory obligations and not in any manner optional or allow a regime to opt out of obligations or contracts .

14. The voting powers as called out in the CCRs were clear that each regime had an equal vote, with any motion of business conducted by the MBRHOA requiring a vote requiring a 67% majority. This provision was included to prevent any two regimes from passing business without the vote of the Five Seasons Center who only have 15.8% of the total project.

15. The original proposed development would have had a Fifth Regime but with the Conference Center canceled due to Bankruptcy, we were left with only four Regimes. Therefore a 4-person Master Board has created many deadlocks which have kept us from making decisions relevant to the Master Board

16. From inception of the MBRHOA in 1991 until roughly 2015 the CCRs and voting structure worked well as all boards worked well together for a common purpose and seamless resort operation. I was president in 1998 when the resort was having continuous issues with underage guests renting and creating both damage and loud and obnoxious behavior. A rule requiring at least one of the guests being the age of 23 was passed, and each regime worked to get 67% of the homeowners in each regime approve to amend or CCRs. Again, shortly after we worked together to replace tennis courts with a Lazy River paid for by the MBRHOA. Again, we had to get 67% of all homeowners to vote, and with each Board's support, we got the votes and built the Lazy River. The importance of these examples is to show that the Boards worked together to improve the property and make us more competitive with other properties without turf wars or favoritism towards individual regimes in the decisions made.

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17. Starting in roughly 2015, the Renaissance Tower and Ocean Front Spa started working to undermine the powers of the MBRHOA. Their primary purpose was to weaken the powers of the MBRHOA for the benefit of these two regimes and to reduce the overall costs of those regimes and therefore, the costs of the individual homeowners in those regimes – at the expense of the HPR and Five Seasons regimes. The president and MBRHOA representative of the Renaissance Tower, who owns 30 condos primarily in the Renaissance Tower and Ocean Front Spa, has led this constant cutting of services, interpreting that the responsibilities detailed in the CCR's are optional, and repeatedly moving the costs that should be Renaissance Tower costs to the MBRHOA. This is absolutely not a difference of opinion or failure to get along. The issue is money. Owning 30 condos as Mr. Richardson does or more than 10 condos as another owner and Board member in the Ocean Front Spa does, prevents their ability to make decisions that are in the best interest and for the good of the homeowners in all regimes.

18. Security has been the single largest expenditure of the MBRHOA and therefore has been the largest area of attempted cost cutting . Since 2017, the Renaissance Tower and Ocean Front Spa interpreted security as an optional duty of the MBRHPR and have broken the resort into segments with each regime providing security for its own building. Therefore, we are at a critical stage now as more and more costs are cut to the detriment of security at the entrance gate, grounds, and individual buildings. Homeowners are upset and continuously complain that the loss of safety for homeowners and guests is a major problem. In reality, the cost to the homeowners in HPR and Five Seasons increases when the costs for our individual building security is added to current MBRHOA cost. Effectively, we are paying the more to get less.

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19. In summary, the board of the MBRHOA has totally fallen into a dysfunctional group of four regimes that is failing to provide a vision and to maintain at the Resort a safe environment for our homeowners and guests. Maintaining a family-friendly environment for homeowners and guests is crucial to the success of our homeowners as most derive income from rentals. A fragmented security does not meet the needs nor desires of the homeowners. Our homeowners clearly want Myrtle Beach Resort to return to a level of Security provided prior to 2018. Arbitrary departure from the CCR's that successfully governed the Resort for more than 2 decades threatens the management and admistration of the MBRHOA. Furthermore Empress Management has failed to comply with the terms and conditions of the management contract with the Master Association. Their failure to provide financial reports and minutes has put the Representatives from HPR and Five Seasons in a position to not meet their fiduciary obligations. While contributing and allowing this to happen and continue Ken Moss must be replaced in order for the Master HOA to properly and legally function.

20. I affirm that the foregoing is true to the best of my personal knowledge or on information and belief. I understand that the penalty for intentionally providing false information involves prosecution for perjury and the penalties associated with doing the same.

FURTHER AFFIANT SAYETH NOT.

Freddy Brown

SWORN to and subscribed before me this

EXHIBIT B

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ELECTRONICALLY FILED - 2018 May 24 5:09 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

AFFIDAVIT

PERSONALLY appeared before me Daniel L. Patrick, who, after being duly sworn, does state as follows:

1. I am a licensed attorney in the state of South Carolina, now "of counsel" with the firm of Patrick and Stathos, L.L.C.

2. The Myrtle Beach Resort project ("Resort") located in Horry County, South Carolina includes four horizontal property regimes: the Myrtle Beach Resort Horizontal Property Regime ("HPR"), Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime ("OF Spa"), The Renaissance Tower Horizontal Property Regime ("RT") and the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime ("5 Seasons"), together with commercial properties located at the entrance to the Resort and beachfront as well as the entry/exit roads at the Resort.

3. The Master Deeds in Article XVIII of both the OF Spa (filed in April 1983) and the RT (filed in November 1984) provide that the Declarant (developer) may "establish The Myrtle Beach Resort Homeowners' Association… and all Co-owners shall… automatically become members thereof." The Master Deeds further provide that, if established, the Master Association board shall be comprised of one representative from each regime.

4. By 1986 I was legal Counsel for the four regimes.

5. By 1986 the original developer of the Resort, Resort Development Corporation f/k/a Resort Investment Corporation, had transferred to a successor certain rights and title it held at the Resort. Shortly thereafter the successor filed bankruptcy.

6. By February of 1987, the original developer assigned to its successor's Trustee-in-Bankruptcy ("Bankruptcy Trustee") certain remaining rights it had at the Resort including the right to establish a master homeowners' association for the present and future owners at the Resort, as referred to in paragraph 3 above.

7. On April 30, 1987, the four regimes, by their respective authorized representatives, incorporated The Myrtle Beach Resort Homeowners' Association, Inc. ("Association").

8. By assignment recorded February 3, 1989, the Bankruptcy Trustee transferred to the Association all rights it had acquired as referenced in paragraph 6 above. In 1989 the Trustee also transferred to the Association the commercial property mentioned in paragraph 2 above.

9. In April 1991 the Declaration of Covenants, Conditions and Restrictions ("DCCR") of Association and its By-laws were recorded in Horry County. The DCCR was signed by the authorized representatives of all four regimes and by the authorized representative of the Association.

10. I drafted the DCCR and By-laws ("governing documents") according to my clients' directions and consistent with the existing Master Deeds which require one board member from each Regime to be on the board of the Association.

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11. Those governing documents provide for a super-majority of 67% of the voting membership (1 elected from each Regime and totaling 4) or a majority of all members (which total 1,010) to take any action including without limitation, election of officers; entering into, terminating, or altering contracts; creating new or modifying or terminating existing rules, regulations, or procedures.

12. The super-majority provision was requested and agreed to by all board members to protect minority interests. To reach the super-majority requires no less than 3 of the 4 voting members to concur.

13. The enumerated powers of the Association set out in the DCCR (Article IV) were intended to be mandatory obligations, not optional. They include, among other obligations, employing security services for the overall Myrtle Beach Resort project, which includes all four regimes set out in paragraph 2 herein (DCCR 4.1(L)). From the beginning there has always been just one security company site-wide under contract at any given time, at first through the developer and then under the Association. In particular because of the cross-easements contained in the various Master Deeds of the regimes for vehicular and pedestrian ingress and egress and for the use of amenities it was reasoned that having multiple contracts for security created the risk of irreparable damage to the Resort because of potential conflicting security rules, enforcement, and oversight. Also having differing directions given to security from various regimes would conflict with the developer's design of a seamless Resort as reflected in the Master Deeds of all regimes..

14. It is my understanding that the gate pass "fee" is no longer being collected through direction or acquiescence of the RT and OF Spa representatives on the board of the Association without the requisite vote of the board. That fee was adopted approximately 15 years ago by the Association board to help offset the added expenses incurred by the Association as a result of the number of guests, including in particular, additional security costs. I am now informed that the line item for security in the Association's 2018 budget is substantially less than that in 2017. I am also informed that, unless the gate fee is immediately restored, the Master Association will be severely underfunded for security and with the influx of guests as high season is here will potentially cause irreparable damage.

15. Patrick & Stathos, LLC (of which I am no longer a member, but "of counsel") and its predecessor (of which I was either sole owner or principle member) has continuously represented the Master Association since its inception. To my knowledge neither the super-majority requirement nor the mandatory obligations in the governing documents recorded over 27 years ago have been challenged until recently.

Daniel L. Patrick

SWORN to before me this
17th day of May, 2018.

Notary Public for North Carolina

John P SALUTE
Print name of Notary Public

My Commission Expires: 3/20/22

JOHN P SALUTE
Notary Public – North Carolina
Polk County
My Commission Expires Mar 20, 2022

EXHIBIT B

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ELECTRONICALLY FILED - 2021 Apr 30 1:56 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

EXHIBIT C

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ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173
ELECTRONICALLY FILED - 2022 Jan 18 12:42 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA COUNTY OF HORRY	)	IN THE COURT OF COMMON PLEAS FIFTEENTH JUDICIAL CIRCUIT CIVIL ACTION NO. 2018-CP-26-03173
FREDERICK E. BROWN, *et al.*, Plaintiffs, vs. JEFFERY L. RICHARDSON, *et al.*, Defendants. MYRTLE BEACH RESORT HOMEOWNERS' ASSOCIATION, INC., Nominal Defendant.	)	**SUPPLEMENTAL AFFIDAVIT OF PLAINTIFFS' EXPERT OTIS ALLEN JEFFCOAT, III**

PERSONALLY APPEARED BEFORE ME, the undersigned, who being duly sworn, deposes and states:

1. My name is Otis Allen Jeffcoat, III., I am over the age of eighteen (18) years and competent to make this Affidavit based on my personal knowledge, experience and training, and expertise in the field of commercial and residential real estate law. I attended Princeton University, in Princeton, NJ from which I received an A.B. in Politics, magna cum Laude, in 1970. I received a J.D. from the University South Carolina Law Center, Columbia, SC in 1973. I am licensed in the States of South Carolina and North Carolina. A copy of my Curriculum Vitae ("CV") is attached hereto as **(Exhibit "A-1")** and incorporated by reference as part of my Affidavit.

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2. I am not a party to the above entitled action, and I am unrelated to any of the above-captioned members and/or partners of the various parties.

3. I am currently the owner of JeffcoatLaw, LLC located in Myrtle Beach, SC. My experience includes over Forty-eight (48) years in the practice areas of commercial and residential real estate, business transactions, estate planning, probate administration, business litigation, probate litigation, elder law, environmental law, and bankruptcy law.

4. This Affidavit is submitted in support of the allegations contained in Plaintiffs' Amended Complaint and Motion for Summary Judgment also in opposition of the Defendant Richardson's Motion for Summary Judgment.

RELEVANT FACTUAL BACKGROUND

5. The Master HOA is an umbrella or "Master Association" charged with administering the affairs of Myrtle Beach Resort, a resort within Horry County, South Carolina, consisting of the Myrtle Beach Resort HPR, Ocean Front Spa HPR, Five Seasons HPR and Defendant Renaissance Tower (collectively "Regimes.")

6. The Master HOA was created as an umbrella or "Master Association" as evidenced by the Articles of Incorporation filed with the South Carolina Secretary of State on April 30, 1987 and as governed by Declarations of Covenants, Conditions and Restrictions filed April 25, 1991 in Deed Book 1465 at Page 329 ("HOA Declaration.")

7. The aforementioned Regimes, including Renaissance Tower, agreed to Master HOA's creation and to be bound by its HOA Declaration.

8. In addition thereto, the authority of the Master HOA, stems from, and is in accordance with the individual Master Deeds of the aforementioned Regimes which specifically reserves to the developer the right to establish the HOA.

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9. Moreover, all developer's reserved rights were assigned to the Master HOA by that Assignment of Rights dated January 27, 1989 and recorded February 2, 1989 in Deed Book 1284 at Page 239.

10. The Defendant Renaissance Tower is subject to the HOA Declaration and By-Laws.

RELEVANT PROVISIONS OF THE MASTER HOA'S DECLARATION AND BYLAWS

11. Insofar as it is relevant to the assertions in this Complaint, Article I defines certain terms used in the Master HOA's Declaration as follows:

a. 1.1.0 "Act" shall mean the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, and Code of Laws of South Carolina, 1976, as Amended;

b. 1.1.2 "Assessment" shall mean and refer to a share of the Common Expenses, capital improvements or other charges from time to time assessed against Co-Owners in the manner herein provided;

c. 1.1.3 "Association" shall mean and refer to the Myrtle Beach Resort Homeowners Association, Inc., a South Carolina non-profit Corporation;

d. 1.1.4 "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association;

e. 1.1.5 "By-Laws of the Association" shall mean and refer to those By-Laws of the Myrtle Beach Resort Homeowners Association, Inc., which govern the administration and operation of the Association, as may be amended from time to time, which By-Laws are attached as Exhibit "B" to this Declaration;

f. 1.1.6 "Commercial Unit" shall mean and refer to any unit designated as commercial space in the Master Deed of the appropriate Condominium Association;

g. 1.1.7 "Common Areas" means as defined in the Individual Condominium Associations' respective Master Deeds;

h. 1.1.8 "Common Expenses" shall mean and refer to all expenditures, including debt retirement, capital improvements, and operating expenses,

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lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment, or material reserves consistent with the provisions and intent of this Declaration; and

i. 1.1.9 "Condominium Association" or "Individual Condominium Association" shall mean and refer to the four individual horizontal property regimes making up the Myrtle Beach Resort including the Myrtle Beach Resort Horizontal Property Regime (Phase I); Myrtle Beach Resort Oceanfront Spa (Phase II);Renaissance Tower Horizontal Property Regime (Phase III); and they Myrtle Beach Resort Five Seasons Centre (Phase IV).

12. Article V discusses the covenant for assessments as expressed in the Master HOA's Declaration as follows:

a. 5.1 ***Creation of the Lien.*** ***Each Individual Condominium Association together with each Co-owner is deemed to covenant and agrees to pay to the Association Assessments for the Association expenses including common expenses as provided for herein***. (Emphasis added).

Such assessments, together with interest, costs, and reasonable attorney's fees for the collect on thereof shall be a charge on any Dwelling Unit or Commercial Unit, and shall be a continuing lien upon it, until full payment of such Assessment is made a Co-owner shall become liable for payment of Assessments upon issuance of a Statement of Assessments by the Association.

On any Assessment that remains unpaid for over ten (10) days after its due date, at the sole discretion of the Board, a late charge not to exceed Ten and No/100 ($10.00) or Ten Percent (10%) of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection.

Further, the Association shall have a lien on each Dwelling Unit or Commercial Unit together with the common elements appurtenant thereto in the amount of each Assessment not paid when due as provided herein, which may be collected and/or the lien foreclosed upon as provided in the South Carolina Horizontal Property Regime Act. ***Reasonable attorney's fees incurred by the Board incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien and all other charges allowed by the Act shall be payable by the delinquent Co-owner and secured by such lien.*** The Board may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise same if deemed in its best interest.

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No Co-Owner may exempt himself from liability for his share of the Assessments by waiving the use or enjoyment of any of the common elements. **(Emphasis added).**

b. 5.2 ***Association Assessments may be assessed directly to the Co-owners or may be collected by the Individual Condominium Associations at the discretion of the Board.*** The assessments levied by the Association, as well as the manner of collecting same, shall be determined by the Board of Directors at a regularly scheduled or at a special meeting and the approval of the budget for the Association shall require the vote of 67% or more of all Voting Members of the Association. (Emphasis added).

c. 5.3 ***Allocation of Assessments for budgeted expenses shall be allocated and assessed as follows: Myrtle Beach Resort Horizontal Property Regime (Phase I) -24.8515%; Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime -26.8317%; Renaissance Tower Horizontal Property Regime, Inc. (Phase III) – 32.3762%; and Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc.(Phase IV) – 15.9406%.*** (Emphasis added).

13. Insofar as it is relevant to the assertions in this Complaint, Article II defines certain terms used in the Master HOA's By-laws as follows:

a. "Association" shall mean and refer to 27. The Myrtle Beach Resort Homeowners' Association, Inc., its successors and assigns.

b. "Member" shall mean and refer to each and every Co-Owner at The Myrtle Beach Resort which includes (a) Myrtle Beach Resort Horizontal Property Regime, Inc.; (b) Myrtle Beach Oceanfront Spa Horizontal Property Regime; (c) Renaissance Tower Horizontal Property Regime; (d) Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime.

c. "Voting Member" shall mean and refer to that representative from the Board of Directors of each Individual Condominium association who has been elected by that Board as a representative to the Board of Directors of this Association.

d. "Individual Condominium Associations" shall mean and refer to those Associations at The Myrtle Beach Resort presently including: (a) Myrtle Beach Resort Horizontal Property Regime, Inc.; (b) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime, Inc.; (c) Renaissance Tower Horizontal Property Regime; (d) Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc.

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14. Article IV of the By-Laws discusses voting, selection, term of office, and duties of the Board of Directors for the Master HOA. Article IV provides in pertinent part:

> Section 1. The Association shall be managed by a Board of Directors consisting of not less than four (4) Directors. Each Individual Condominium Association of the Myrtle Beach Resort shall have a representative from its Regime as a Director on the board of the Association. Each Board Member of this Association shall also be a board member of the Individual Condominium Association which he or she represents.
>
> Section 1.A. "Voting." Each Director is hereby assigned the number of votes that represents the number of Apartments (whether residential or commercial) that exists in that Director's Individual Condominium Association.
>
> Section 7. Voting: Any action taken at a meeting of the Board of Directors shall be only upon the affirmative vote of 67% of the entire votes of the Association.
>
> Section 8. Consistent with these By-Laws and applicable Declarations, the Board shall:
>
> a. Transact all Association business and prescribe the rules and regulations for the use of the assets, facilities and property for which it is so charged and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation;
>
> b. Annually set a budget for the Association;
>
> c. Fix, impose and remit penalties for violations of these By-Laws and the rules and regulations of the Association;
>
> d. Elect from the Board within thirty (30) days after each annual meeting the President, Vice-President, Secretary and Treasurer; and
>
> e. Carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the Act.

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RELEVANT BACKGROUND

15. This action was commenced by Plaintiffs derivatively on behalf of the Master HOA on May 24, 2018, by the filing of their Verified Complaint seeking relief from the Court regarding their *Ultra Vires* and Breach of Contract Claims ("Personal Claims") against the Defendants and also seeking Declaratory Judgment Relief, among other things, that the Defendants have affirmative duties under Master HOA's governing documents regarding administration and management of the Myrtle Beach Resort Property.

16. The Master HOA is a Master Umbrella Association ("Master Association") charged with certain affirmative duties related to the administration and management of Myrtle Beach Resort. Specifically, Article IV of the Declaration for the Master Association addresses the Board's affirmative duties under Section 4.1. This section provides:

> The Association, acting through the Board of Directors, shall also have the power to: (a) maintain all streets and roads within the Property, including cleaning and periodic resurfacing; ***(b) provide for all refuse collection*** (c) obtain, for the benefit of the Property, by purchase, lease or otherwise, as deemed proper by the Board of Directors, cable or master television service and telephone service; (d) maintain the oceanfront area; grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property; (e) grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property; (f) maintain such policy or policies of liability and fire insurance with respect to property owned by the Association; (g) ***employ or contract with a management company to perform all or any part of the duties and responsibilities of the Association, including further duties and responsibilities which may be delegated to the Association by the Individual Condominium Associations and to equitably apportion assessments of same; (h) install and maintain security devices, detectors and communication facilities and contract for employment of security services, guards and watchmen for the project***; . . . (Emphasis added.)

A true and correct copy of the Declaration and By-laws are attached hereto as **Exhibit "A"** and incorporated by reference.

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SUMMARY OF APPLICABLE LAW

It is my opinion that the following legal authorities are relevant to the rights and obligations of the parties to this transaction.

I. The Declaration and By-Laws impose affirmative duties upon Defendants.

17. South Carolina law requires that restrictive covenants such as the Declaration and By-Laws be read as a whole. When the document is construed to give effect to all provisions, Article IV Section 8(e) of the By-Laws mandates that the powers enumerated in Article IV of the Declaration be carried out by the Association acting through the Board of Directors.

18. Restrictive covenants are contractual in nature and bind the parties thereto in the same manner as would any other contract. Queen's Grant II Horizontal Property Regime v. Greenwood Development Corp., 368 S.C. 342, 361, 628 S.E.2d 902, 913 (2006) (citing 20 Am. Jur. 2d Covenants, Conditions, and Restrictions § 1 (2005)). The paramount rule of contract construction is to ascertain and give effect to the intent of the parties as determined from the whole document. RV Resort and Yacht Club Owners Ass'n, Inc. v. BillyBob's Marina, Inc., 386 S.C. 313, 321, 688 S.E.2d 555, 559 (2010) (citing Taylor v. Lindsey, 332 S.C. 1, 4, 498 S.E.2d 862, 863–64 (1998)). Where the agreement in question is a written contract, the parties' intention must be gathered from the contents of the entire agreement and not from any particular clause thereof. Thomas-McCain, Inc. v. Siter, 268 S.C. 193, 197, 232 S.E.2d 728, 729 (1977) (citing Bruce v. Blalock, 241 S.C. 155, 127 S.E.2d 439 (1962)). The specific words and phrases of a covenant cannot be read exclusive of other contractual provisions. 20 Am Jur 2d Covenants, Conditions, and Restrictions § 15. In interpreting any single provision in a covenant, the entire agreement must be viewed as a whole. Id. Wherever possible, a covenant should be construed to give effect to all of the provisions and to avoid rendering any provision meaningless. Id. Documents will be

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interpreted so as to give effect to all of their provisions, if practical. Reyhani v. Stone Creek Cove Condo. II Horizontal Prop. Regime, 329 S.C. 206, 212, 494 S.E.2d 465, 468 (Ct. App. 1997) (citing 17A Am. Jur. 2d Contracts § 385 (1991)).

19. Article IV of the Declaration lists the Powers of the Association and states, "The Association, acting through the Board of Directors, shall also have the power to: …" The construction of a contract or even a phrase in the contract is not limited to one word, but rather the covenant as a whole must be taken into consideration. As stated above the covenant must be construed to give effect to all provisions. In accordance with the law, Article IV of the Declaration must then be read in light of Article IV Section 8(e) of the By-Laws which states, "Consistent with these By-Laws and applicable Declarations, the Board ***shall***: carry out all other duties and obligations imposed and ***exercise all rights granted it by these By-Laws, the Declaration, and the Act.***" (Emphasis added). When these two Sections are read in conjunction, the By-Laws mandate the execution of the powers of the Association in Article IV of the Declaration.

20. Furthermore, covenants are construed as a whole, keeping in mind their underlying purpose. 20 Am Jur 2d Covenants, Conditions, and Restrictions § 15. Recently in Callawassie Island Mbrs. Club, Inc. v. Dennis, 821 S.E.2d 667 (S.C. 2018), the Supreme Court looked to the plain language of membership documents to ascertain the intent with which the provisions were written. In analyzing the documents to ascertain the meaning in accordance with the drafters' intent, the Court made specific note that the provisions at issue were the very feature which enabled the members to sustain a viable Club and ensured that the Club would remain viable in the future. Id. at 671. Much the same, the drafters of the Declaration drafted these documents with the intent that the provisions would help further the development. Attorney Daniel L. Patrick drafted the Declaration and By-Laws and specifically stated in his May 17, 2018 Affidavit, "The enumerated

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powers of the Association set out in the DCCR (Article IV) were intended to be mandatory obligations, not optional." This is further evidenced in Article VI Section 6.4 which states, "Provisions shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development. Provisions shall be liberally interpreted and, if necessary, shall be extended or enlarged by implication as to make them fully effective." The general plan of the development as referenced in the language of Article VI Section 6.4 is to maintain a viable community. The intent of this plan is best effected when Article IV of the Declaration is read in conjunction with Article IV Section 8(e) of the By-Laws to make the powers of the Association affirmative duties. The exercise of these powers surely best effects the intent of the general plan of development of the community.

A. <u>The Horizontal Property Regime Act and Article VI of the Declaration supports the affirmative obligation of the Board of Directors and their civil liability for not complying with the affirmative duties</u>.

21. The Declaration was formed pursuant to the South Carolina Horizontal Property Act. Section 8(e) of the By-Laws states, "Consistent with these By-Laws and applicable Declarations, the Board shall: carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the **Act**." (Emphasis added). Earlier in the document, Section 1.1.0 of the "Definitions" states "Act" shall mean the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as Amended.

22. Two statutes in the Horizontal Property Regime Act which explain the purpose of By-Laws and the necessity of compliance with By-Laws lend further clarity to the fact that Section 4.1 must be interpreted as affirmative duties.

23. S.C. Code Ann. § 27-31-150 states "The administration of the property constituted into horizontal property, whether incorporated or unincorporated, shall be governed by bylaws

which shall be inserted in or appended to and recorded with the master deed or lease." This statute notes that By-Laws must be part of the documents of the horizontal property regime and that the administration of the property must be governed by such. This language gives additional force to Article IV Section 8(e) of the By-Laws and further confirms that the Association, through the Board of Directors, must carry out the duties, obligations, and rights granted them in the Declaration as mandated by the By-Laws.

24. S.C. Code Ann. § 27-31-170 then explains the necessity of compliance with the By-laws and the remedy for non-compliance. "Each co-owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the master deed or lease or in the deed or lease to his apartment. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the administrator or the board of administration, or other form of administration specified in the bylaws, on behalf of the council of co-owners, or in a proper case, by an aggrieved co-owner."

25. Section 6.2 of the Declaration for the Master HOA authorizes the Plaintiffs as "aggrieved owner[s]" with the contractual right to bring an action for injunctive relief and/or for damages to ensure that the Defendants and their successors or designees are complying with their affirmative duties under Article IV, Section 4.1 of the Declaration as well as Article IV, Sections 1, 3, 5, 6, 7, 8(e), and 9 of the By-Laws in order to properly administer the Master HOA, pursuant to its recorded plan of development, for the protection of present and future Co-owners and their individual condominium associations. Specifically, Article VI of the Declaration provides in pertinent part:

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> Failure to comply with any of the same shall be grounds for imposing fines, for suspending rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages and/or ***for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association, or in a proper case, by an aggrieved Owner***. . . . Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, ***it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that the Association, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation of breach***. (Emphasis Added).

Thus, by not exercising the rights granted them in Article IV of the Declaration, as mandated by the By-Laws, the Board of Directors of the Association is subject to injunctive relief and liability for damages to the aggrieved co-owners.

II. Defendants assumed the duties in the Declaration thus creating affirmative obligations.

26. Even assuming arguendo that the language of Article IV, Section 4.1 was not intended to create affirmative obligations, Defendants have undertaken to perform these duties rendering them affirmative. "Ordinarily, the common law imposes no duty on a person to act. [When] an act is *voluntarily undertaken*, however, the actor assumes the duty to use due care." Walbeck v. I'On Co., LLC, 426 S.C. 494, 514, 827 S.E.2d 348, 358 (Ct. App. 2018) (quoting Hendricks v. Clemson Univ., 353 S.C. 449, 456-57, 578 S.E.2d 711, 714 (2003)).

27. Over the past twenty years, the past Board members of the Association have continuously undertaken to perform all of the powers in Article IV, Section 4.1 for the sole purpose of administering and managing the resort property for the mutual benefit of all members. While some of the Board members have now abandoned the performance of these tasks, it does not negate the fact that the prior Boards voluntarily undertook to perform these 4.1 duties which created a continuing obligation to execute these tasks with due care.

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28. The legal and practical nature of any condominium regime consists of a web of mutually reinforcing mandatory obligations of support, complemented by a series of powers for the Association if the nature of the Regime and the needs of the owners of units in the Regime require it. In the case of the Myrtle Beach Resort, the value of the individual apartment units depends upon the Association and the Board taking those steps required by the Declaration, ByLaws and the Act. Without an appropriate amendment, neither an individual unit owner nor any constituent regime or association may simply abandon its or their obligations, without serious practical, legal and financial detriment to the other unit owners and regimes to whom the defaulting party is bound.

PROFESSIONAL OPINIONS

29. Based upon my understanding of the history of the Myrtle Beach Resort , including the filed Declaration and By-Laws for the Myrtle Beach Resort Homeowners Association, review of pleadings and their attached exhibits and other relevant documents in this lawsuit as identified in Paragraph 31 of my affidavit, I have reached the following factual conclusions and hold the following expert opinions to a reasonable degree of professional certainty:

a. The Master HOA's Declaration and Bylaws are valid, enforceable, and/or legal;

b. In accordance with South Carolina law when the Declaration and By-Laws are construed together to give effect to all provisions, I find that Article IV, Section 4.1 imposes affirmative duties upon Defendants with respect to the administration and management of the Myrtle Beach Resort Property;

c. I further find that the past Board members undertook to perform these duties under Article IV, Section 4.1, thus further affirming the duty to perform these tasks; and

d. I find that the Master HOA's Board of Directors' powers under Section 4.1, Article IV of the Declaration are not optional as argued by the Defendant Richardson, but are affirmative obligations binding on each of the individual Board members. See Alala v. Peachtree Plantations, Inc., 292

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S.C. 160, 167, 355 S.E.2d 286, 290 (Ct. App. 1987)(Of course, all parties must be obligated under a contract in order for it to be enforceable.) (Citing as authority 1A A.L. CORBIN, CORBIN ON CONTRACTS § 152 (1963);1 S. WILLISTON, A TREATISE ON THE LAW OF CONTRACTS § 105A (3d ed. 1957 and also the case of Humble Oil & Refining Co. v. DeLoache, 297 F. Supp. 647, 658 (D.S.C. 1969) (Judge Russell: "In the law of contracts, **mutuality**, both in definition and application, is largely synonymous with consideration.")). There is no **mutuality of obligation** in a unilateral contract. Towles v. United Healthcare Corp., 338 S.C. 29, 38, 524 S.E.2d 839, 844 (Ct. App. 1999).

I reserve the right to amend my above stated opinions as additional information is made available to me.

30. My above stated opinions are, also, based upon my more than forty (40) years of real estate practice and upon the following deeds, agreements, declarations, and other documentation and information provided to me in this matter, including, but not limited to the following:

a. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Horizontal Property Regime, filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 750, Page 642 on June 15, 1982, which was established the Myrtle Beach Horizontal Property Regime and is attached hereto as **(Exhibit A)** and incorporated by reference as part of this Affidavit;

b. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 789, Page 362 on April 15, 1983, which was established the Oceanfront Spa Horizontal Property Regime and is attached hereto as **(Exhibit B)** and incorporated by reference as part of this Affidavit;

c. A copy of a document identified as the Master Deed and Bylaws for the Renaissance Tower Horizontal Property Regime, filed in the in the Office of the Cleric of Court for Horry County, South Carolina in Deed Book 917, Page 885 on December 11, 1984, established the Renaissance Tower Horizontal Property Regime and is attached hereto as **(Exhibit C)** and incorporated by reference as part of this Affidavit;

d. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 966, Page 654 on June 20, 1985, which was established the Five Seasons Centre Horizontal Property

Regime and is attached hereto as **(Exhibit D)** and incorporated by reference as part of this Affidavit;

e. A copy of a document identified as the Quit-Claimed Deed for Vacation Properties, Inc. to Myrtle Beach Resort Homeowner's Association, Inc. in Plat Book 98, Page 13 on March 18, 1987, attached hereto as **(Exhibit E)** and incorporated by reference as part of this Affidavit;

f. A copy of a document identified as the Assignment of Declarant's Rights for Vacation Properties, Inc. to The Myrtle Beach Resort Homeowners' Association, Inc. filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 1284, Page 239 on February 2, 1989, attached hereto as **(Exhibit F)** and incorporated by reference as part of this Affidavit;

g. A copy of the Declaration and Bylaws of the Myrtle Beach Resort Homeowners Association, Inc., filed with the Horry County Register of Deeds Office in Deed Book 1465, at Page 329, is attached hereto as **(Exhibit G)** and incorporated by reference as part of this Affidavit;

h. Affidavit of Daniel L Patrick, Esquire is attached hereto as **(Exhibit H)** and incorporated by reference as part of this Affidavit;

i. Affidavit of Daniel L Patrick, Esquire is attached hereto as **(Exhibit I)** and incorporated by reference as part of this Affidavit;

j. Plaintiffs' Motion for Summary Judgment is attached hereto as **(Exhibit J)** and incorporated by reference as part of this Affidavit; and

k. Defendant Richardson's Motion for Summary Judgment is attached hereto as **(Exhibit k)** and incorporated by reference as part of this Affidavit.

FURTHER AFFIANT SAYETH NOT.

Otis Allen Jeffcoat, III

SWORN to and subscribed before me this
21st day of April, 2021.

Notary Public for South Carolina
My Commission Expires: 4/21/2025

GLINDA K. RISHER
MY COMMISSION
EXPIRES
04/21/2025
NOTARY PUBLIC
SOUTH CAROLINA

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EXHIBIT D

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STATE OF SOUTH CAROLINA COUNTY OF HORRY	IN THE COURT OF COMMON PLEAS THE FIFTEENTH JUDICIAL CIRCUIT CASE NO. 2018-CP-26-03173
Frederick E. Brown, et al., Plaintiffs, vs. Jeffery L. Richardson, et al., Defendants. Myrtle Beach Resort Homeowners' Association, Inc., Nominal Defendant.	**ORDER**

This case is before the Court on Plaintiffs' Motion for Temporary Corporate Custodian to Operate and Manage Myrtle Beach Resort Homeowners' Association, Inc. ("MBRHOA"). The motion was argued before the Court at the Horry County Courthouse in Conway, South Carolina, on December 12, 2018. Present before the Court was Howell V. Bellamy, III, Esquire for the Plaintiffs, Molly Hughes Cherry, Esquire for the Defendants, and Nicholas J. Rivera, Esquire for the Nominal Defendant. During the hearing, this Court heard testimony from Robert E. Lee, Esquire, corporate counsel for the MBRHOA. For the reasons stated below, the Motion is DENIED as to Plaintiffs' request for a Temporary Custodian and GRANTED as to Plaintiffs' request for equitable relief.

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The MBRHOA is comprised of four (4) individual condominium associations within the Myrtle Beach Resort: (1) Myrtle Beach Resort Horizontal Property Regime ("HPR"); (2) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime ("Ocean Front Spa"); (3) Renaissance Tower Horizontal Property Regime, Inc. ("Renaissance Tower"); and (4) Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc. ("Five Seasons Centre"). Each individual condominium association elects a member from its Board to serve on the Board of Directors for the MBRHOA.

Plaintiffs' motion was filed before this Court based on the premise that the four (4) directors of the MBRHOA are deadlocked in the management of the corporation's affairs, the directors and members are unable to break the deadlock, and the corporation is suffering or will suffer irreparable injury unless this Court grants relief. After careful review of the pleadings, the motion, submissions of the parties, arguments of counsel, exhibits, and testimony, it is apparent to the Court that the MBRHOA has an imminently serious problem in that the Board of Directors cannot fulfill their duties to the Members of the MBRHOA. Thus, this Court hereby invokes its equitable powers and appoints Kenneth R. Moss, Esquire[1] as a fifth (5th) Board of Director for the MBRHOA during the pendency of this action with full power and authority to vote and assist the Board in establishing officers to immediately have the power to sign and bind insurance coverage for the Members, as this is the most immediate problem. It is hereby ordered that this must take place within fifteen (15) days of the date of this Order. Furthermore, Mr. Moss is to continue to assist the Board as a fifth (5th) Board of Director with full power and authority to vote to address other immediate problems involving the MBRHOA.

[1] Mr. Moss is an attorney with the law firm of Wright, Worley, Pope, Ekster & Moss located at 628 A Sea Mountain Highway, North Myrtle Beach, 29582.

It is ordered that Mr. Moss is to be paid $250.00 per hour for his services during the pendency of this action. The MBRHOA shall ensure that Mr. Moss is provided the same insurance coverage that other Board of Directors receive for their service and add him as an additional insured on their policy.[2]

For the reasons set forth above, IT IS SO ORDERED.

The Honorable William H. Seals, Jr.

December _____, 2018
_____, South Carolina

[2] For all intents and purposes, Mr. Moss is a director under S.C. Code § 33-31-180.

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Horry Common Pleas

Case Caption: Frederick E Brown , plaintiff, et al VS Jeffery L Richardson , defendant, et al

Case Number: 2018CP2603173

Type: Order/Other

IT IS SO ORDERED

s/ The Honorable William H. Seals Jr. #2157

EXHIBIT E

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STATE OF SOUTH CAROLINA COUNTY OF HORRY Frederick E. Brown, et al., Plaintiffs, vs. Jeffery L. Richardson, et al., Defendants. Myrtle Beach Resort Homeowners' Association, Inc., Nominal Defendants.	IN THE COURT OF COMMON PLEAS Case No. 2018-CP-26-03173 **RESPONSES TO PLAINTIFF'S REQUESTS FOR ADMISSIONS OF FACT**

TO: HOWELL V. BELLAMY, III, ESQ., ATTORNEY FOR PLAINTIFFS:

Pursuant to Rules 26 and 36 of the South Carolina Rules of Civil Procedure, Defendants Jeffrey Richardson, Nancy Moore, Peter Grusauskas and Jim Perkins (the "Defendants"), by and through their undersigned counsel, hereby submit their Responses to Plaintiff's Requests for Admissions of Fact.

RESPONSES TO REQUESTS FOR ADMISSIONS OF FACT

1. Admit that the Declaration of Covenants, Conditions and Restrictions for the Myrtle Beach Resort Homeowners' Association, Inc. ("Declaration of Covenants, Conditions and Restrictions for the Association") dated April 25, 1991 filed of record in the Office of the R.M.C. for Horry County in Deed Book 1465, at Page 329 (Exhibit A), are legally valid, binding on its members, and enforceable as a matter of law by its current board of directors.

RESPONSE: Defendants admit that the document attached as Exhibit A to Plaintiffs' Requests for Admission is a true and genuine copy of the recorded Declaration of Covenants, Conditions and Restrictions for the Association dated April 25, 1991 (the "Declaration"). The validity, enforceability and interpretation of the Declaration presents a genuine issue for trial. Defendants cannot truthfully admit or deny the validity and

enforceability of the Declaration because only the Court can make such determination. Defendants state that the Declaration may be flawed or invalid to the extent that it exceeds the reserved authority provided under the Master Deeds of the Regimes or for any other reason determined by the Court. Finally, Defendants admit that, nevertheless, they have at all times acted in accordance with and under the authority provided by the Declaration while serving as members of the Board of the Myrtle Beach Resort Homeowners' Association ("MBRHOA").

2. Admit that the By-Laws of the Myrtle Beach Resort Homeowners' Association, Inc. ("By-Laws for the Association") dated April 25, 1991 filed of record in the Office of the R.M.C. for Horry County in Deed Book 1465, at Page 347 (Exhibit B), are legally valid, binding on its members, and enforceable as a matter of law by its current board of directors. If you deny any or all of said Request, please state the reason for your denial of same.

RESPONSE: RESPONSE: Defendants admit that the document attached as Exhibit B to Plaintiffs' Requests for Admission is a true and genuine copy of the recorded Amended By-Laws of the MBRHOA dated April 25, 1991 (the "Declaration"). The validity, enforceability and interpretation of the By-Laws presents a genuine issue for trial. Defendants cannot truthfully admit or deny the validity and enforceability of the By-Laws because only the Court can make such determination. Defendants state that the By-Laws may be flawed or invalid to the extent that the Declaration is declared invalid in whole or in part or for any other reason determined by the Court. Finally, Defendants admit that, nevertheless, they have at all times acted in accordance with and under the authority provided by the By-Laws while serving as members of the Board of the MBRHOA.

Krista M. McGuire
PARKER POE ADAMS & BERNSTEIN LLP
200 Meeting Street, Suite 301
Charleston, SC 29401
(843) 727-2650

Attorney for Defendants Jeffrey Richardson, Nancy Moore, Peter Grusauskas and Jim Perkins

September 29, 2018

Charleston, South Carolina

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing **RESPONSES TO PLAINTIFF'S REQUESTS FOR ADMISSIONS OF FACT** has been served upon the following counsel of record this 28th day of September, 2018, by placing a copy of the same in the United States Mail, first-class postage prepaid, addressed as follows:

Howell V. Bellamy, III
Bellamy, Rutenberg, Copeland,
Epps, Gravely & Bowers, P.A.
1000 29th Ave. N.
Myrtle Beach, SC 29577

Edward D. Buckley, Jr.
Nicholas J. Rivera
Young Clement Rivers, LLP
P.O. Box 993
Charleston, SC 29402

Kimberly S. Nagy, Legal Professional Assistant
PARKER POE ADAMS & BERNSTEIN LLP

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EXHIBIT F

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SECURITY SERVICES AGREEMENT ("Agreement")

Between Company and Client (as defined below)

Effective Date: January 1, 2018

Company: Securitas Security Services USA, Inc.
Street: 1004 29th Ave North Suite C
City, State, Zip: Myrtle Beach, SC 29577
Contact Name/Title: Ricky Davis I Branch Manager
E-mail Address: Ricky.Davis@securitasinc.com
Phone: (843) 712-1523 Fax:

Client: Myrtle Beach Resort Homeowners Association, Inc.
Street: 5905 S Kings Hwy
City, State, Zip: Myrtle Beach, SC 29575
Contact Name/Title: Peter Grusauskas
E-mail Address: pgrussy.mbr@gmail.com
Phone: (860) 307-4981 Fax:

For services ("Services") provided by Company, Client will pay the Service Fee, plus all applicable (i) sales, use and similar taxes, (ii) interest, and (iii) penalties. Services are as specified (i) in any agreed-upon post orders or scope of work (collectively, "Scope of Work"), and (ii) below.

Service Site

☒ Check box if Site is same as above.	Street:	City:	State:	Zip:
Contact Name/Title:		E-mail:	Phone:	

☒ Traditional Guarding (check box if providing traditional guarding; check all Services that apply below)

	Guard Type:	Guard HPW:	Straight Rate/Hour:	Premium (OT) Rate/Hour:	Special Rate/Hour:
☒ On-Site Total HPW: 280	• Security Supervisor • Security Officer •	• 40 • 240 •	• $15.75 • $15.75 • $	• $23.63 • $23.63 • $	• $N/A • $N/A • $
☐ Mobile Patrol # of daily visits: ____	Straight Rate/Inspection: • $		Premium (OT) Rate/Inspection: • $		Special Rate/Inspection: • $
☐ Mobile Alarm Response	Rate/Response: $				
☐ Remote Guarding	Weekly Rate: $				
☐ Other Expenses	Description: •	Rate: • $	Description: •	Rate: • $	
	•	• $	•	• $	

Billing: Weekly (at end of service period) | **Payment:** ACH/Wire

☒ Integrated Guarding (check box if providing integrated guarding; check all Services that apply below)

☒ On-Site (HPW: 280)	☐ Mobile Patrol (# of weekly visits: ___)	☐ Mobile Alarm Response	☒ Remote Guarding
Integrated Guarding Fee: $3611.66	**Billing:** Calendar Monthly In Advance	**Payment:** ACH/Wire	

Additional Information

For more detail on Integrated Guarding, Refer to Technology Addendum and Attachment A for list of equipment

Bill Rates Includes: One Securitas Community Visitor Management System (Powered by TEKWave), 5 Access Control Panels, & Integration to each Control Panel (Note: Labor for installation is not included in the bill rate but is included in the Electronic Security Ammedment). Securitas Vision with Client Portal Access

TERMS AND CONDITIONS

1. DEFINITIONS: "Company Equipment" means all equipment, tools, documents, materials, software, applications, systems, processes, etc. provided, installed, developed or used by Company in connection with the Services; "Contractors" means contractors, subcontractors and/or vendors; "In writing" or "written document" means any written communication that has been signed by an authorized representative of the party, including, without limitation, printed documents, facsimiles, e-mails and other electronic means of communication; "Loss" means all suits, claims, losses, damages and expenses (including, without limitation, penalties, fines, investigative costs, reasonable attorneys' fees and costs of suit) arising from all events or circumstances related to or in connection with the same general condition; "Remote Guarding" means guarding and related services (including, without limitation, burglar/intrusion alarm monitoring) conducted from a remote location using electronic security equipment (including, without limitation, video and voice communication equipment); "Service Fee" collectively means the rates for traditional guarding or the Integrated Guarding Fee, as appropriate; "Site" means all premises where Services are performed under this Agreement.
2. PAYMENT: (a) Invoices are payable, without any setoff, to the remittance address on the invoice. Traditional guarding invoices are payable 30 days from the end of service period; Integrated guarding invoices are payable in advance. Client's failure to pay any amount when due will be a material breach by Client. A late charge of 1.5% per month will be added to balances not paid when due. Client must notify Company in writing of any dispute regarding the amount of an invoice on or before payment is due; otherwise all disputes will be deemed waived. Client will bear all costs associated with Company receiving payments due for Services rendered under this Agreement. If Company must institute suit or collection services to collect amounts owed to Company, Client will pay Company's attorneys' fees and other costs of suit or collection.

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(b) In the event of payment delay, Company may suspend the performance of Services upon 10 days' prior written notice. Suspension will not release Client from any of its obligations under this Agreement. In case of non-payment based on Client liquidity problems, Company may condition continued performance on immediate cash payment for Services rendered (invoiced or not) or to be rendered.

(c) Rates for traditional guarding do not include coverage for labor disputes, civil disorder, national disaster, or other similar emergency situations. Also, the premium (OT) rates will apply to the following: all work according to applicable laws and regulations; extended shifts or hours performed at the request of Client; additional personnel or hours requested by Client with less than 72 hours' notice, but only for the first 72 hours; additional personnel or hours requested by Client for special occasions or temporary or short durations; and work on New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday After Thanksgiving, and Christmas Day.

(d) Company may raise the Service Fee upon 30 days' prior written notice to account for any increases in (i) health care, benefit, or insurance costs, (ii) labor or fuel costs, (iii) costs arising from changes to laws, regulations, or insurance premiums, (iv) SUI or similar taxes, (v) Contractors' rates, or (vi) any other taxes, fees, costs or charges related to the Services.

3. TERM & TERMINATION: This Agreement will commence upon the Effective Date and continue until terminated by either party; any Services provided before the Effective Date are subject to this Agreement. Either party may terminate this Agreement at any time, without cause or penalty, upon 30 days' prior written notice to the other party. Either party may also terminate this Agreement for good cause upon 5 days' prior written notice to the other party. "Good cause" for Company will include, without limitation, the following: (i) any material or persistent minor breach by Client of this Agreement; (ii) cancellation of or material change to any of Company's insurance coverage relevant to this Agreement; (iii) a change in applicable laws or regulations that has a material effect on, or causes a material change to, the Services; (iv) any act or omission of Client which, in Company's reasonable opinion, brings or may bring Company's business or reputation into disrepute; or (v) Client or the Services becoming subject to economic or trade sanctions. Client will be responsible for payment for all Services rendered through the termination date. If Client terminates this Agreement for any reason, Client will pay for any unamortized costs related to any Company Equipment.

4. SCOPE OF SERVICES; PERSONNEL: (a) Company will only provide Services specified in this Agreement or the Scope of Work, which is incorporated into this Agreement. Company will not be obligated to perform, and will bear no responsibility for, any Services or duties performed that are not expressly specified in this Agreement. Company does not accept overall responsibility for security at the Site, and Company is not engaged as a security consultant. Company may use Contractors to provide some or all of the Services.

(b) Company is not selling or leasing any Company Equipment, which will always be property of Company or its Contractors. Company is not transferring any intellectual property rights in any Company Equipment; such rights will remain solely with Company or its Contractors. Company will be provided with reasonable time and access to remove Company Equipment upon termination of this Agreement; all rights granted to Client to use or access any Company Equipment end upon termination of this Agreement.

(c) Company is an independent contractor, and nothing in this Agreement creates a partnership or relationship of principal/agent or employer/employee. Personnel providing the Services are employees of Company or its Contractors. Company may change such personnel at any time. Client may reasonably request changes in such personnel for lawful reasons. If Company makes Client's requested changes, Client will be solely responsible for, and will defend and indemnify Company against, any Loss arising from such changes.

(d) If Client employs, directly or indirectly, any Company employee formerly assigned to the Site within one year from the last date on which the Company employee was employed by Company, Client will reimburse Company $2,500 per Company employee for costs related to recruiting, screening, training, etc.

(e) If Services include Remote Guarding, (i) neither Company nor its Contractors will be responsible for any interruption or failure of power; (ii) neither Company nor its Contractors will be responsible for any faulty, failed, interrupted, circumvented, or compromised data transmissions; (iii) Client is responsible for the design, installation, repair and maintenance of its own monitoring equipment and systems ("Monitoring System"); (iv) Company may, without penalty, modify, terminate or suspend Remote Guarding, shut down Client's Monitoring System, lock Client's panel, or render any monitoring equipment incapable of sending signals (1) if permitted, requested, or required to do so by any governmental authority, standards setting entity, or insurance interest, or (2) in Company's reasonable discretion; (v) Client is responsible for (1) providing and maintaining adequate lighting for all video equipment, and (2) ensuring Client's personnel and Monitoring System comply with all laws applicable to the use of video equipment; (vi) any Remote Guarding failure will not release Client from its obligations to pay any fees for Services; and (vii) any software, hardware, firmware, shareware, codes, information and documentation ("Proprietary Information") associated with Remote Guarding are, and will remain, the property of Company or its Contractors, as applicable, and any developments to the Proprietary Information will be the intellectual property of Company or its Contractors, as applicable. Further, Client, on behalf of itself, its employees, agents and guests, grants consent to Company and its Contractors to (i) intercept, record, retrieve, review, copy, disclose and use the contents of all transmissions received as part of Remote Guarding, and (ii) represent themselves as a security agent of Client and notify government agencies of suspicious or suspected criminal activities at the Site.

5. LIABILITY LIMITATION; INDEMNIFICATION: (a) The Service Fee is based upon the value of Services provided, not the value of the interests or property protected. Accordingly, Company makes no representation or warranty, express or implied, that the Services will produce a result or prevent any loss or damage. *Client agrees that the limitations of liability and Client's defense/indemnity obligations in Sections 5(c)-5(h) apply regardless of whether the Loss is alleged to arise, directly or indirectly, in whole or in part, from the negligence (active or passive) or misconduct of Company, its employees or agents, including that related to the hiring, training, supervision or retention of Company's employees or agents,* and Sections 5(c)-5(h) apply in favor of Company's Contractors.

(b) Company will defend and indemnify Client against any Loss arising from the Services only to the extent the Loss is caused by the negligence of Company, its employees or agents while acting within the scope of their duties and authority. Client will defend and indemnify Company against any Loss in connection with this Agreement only to the extent the Loss is caused by the negligence of Client, its employees or agents.

(c) Notwithstanding Section 5(b), in no event will the total liability of Company and its insurers for any Loss exceed $2,500.

(d) Notwithstanding Section 5(b), Client will defend and indemnify Company against any Loss to the extent the Loss exceeds $2,500.

(e) Notwithstanding anything to the contrary in this Agreement, in no event will Company or its insurers be liable for any (i) environmental Loss, (ii) punitive, special, exemplary, liquidated, indirect, or consequential Loss (including, without limitation, loss of profits or business), (iii) violent or armed action, or hi-jacking, (iv) Loss arising from any remote or on-site cyber activity or event, (v) injuries or deaths arising from any conditions of the Site, or (vi) Loss arising from or related to any circumstance beyond Company's reasonable control (including, without limitation, any failure on the part of Company's Contractors, any act of God or war, etc.).

(f) Notwithstanding anything to the contrary in this Agreement, in connection with the US Safety Act, each party waives all claims against the other party for damages arising from or related to an act of terrorism; the parties intend for this waiver to flow down to their respective Contractors.

(g) Notwithstanding anything to the contrary in this Agreement, if Company employees operate any vehicle other than one supplied by Company, Client will maintain insurance for the vehicle, Client's insurance will be primary, and Client will defend and indemnify Company against any Loss arising out of Company's use of the vehicle.

(h) Notwithstanding anything to the contrary in this Agreement, in no event will Company be responsible for any theft or other loss of property (including, without limitation, electronic data) not directly attributable to proven security officer thefts. In the event of allegation of security officer thefts, Client waives all right of recovery unless Company is notified of the allegations within 10 days, Client fully cooperates with Company in the investigation of the facts, Client presses formal charges, and a conviction is obtained; however, if all the foregoing conditions are satisfied, all applicable limitations of liability in this Agreement still apply.

(i) Written notice of any Loss arising out of or relating to this Agreement must be received by Company within 30 days following the date of the occurrence giving rise to such Loss. No action to recover any Loss will be instituted or maintained against Company unless such notice is received by Company. No action to recover any Loss will be instituted or maintained against Company unless the action is instituted no later than 12 months following the date of the occurrence from which the Loss arises.

(j) Services are only for the benefit of Client; neither this Agreement nor any Services confer rights on any other party as a third-party beneficiary.

6. INSURANCE: Client will maintain insurance to protect Client against loss or damage to the Site, Client's business and property, and others' property on the Site. Client (on behalf of itself and its insurers) waives all rights of subrogation against Company, its Contractors, and their respective employees, agents and insurers. If Company provides any insurance coverage (additional insured or otherwise) for Client or any others, such insurance coverage will only cover Client and the others for liability specifically assumed by Company in this Agreement. As security for Client's defense and indemnity obligations in this Agreement, Client will name Company as an additional insured under Client's relevant insurance policies, and Client will provide Company with a certificate of insurance evidencing such coverage upon request.

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7. FORCE MAJEURE: The following circumstances will be considered as grounds for relief if they delay or impede the performance of this Agreement: any circumstance beyond the reasonable control of a party such as fire, war, mobilization or military call up of a comparable scope, requisition, seizure, currency restrictions, insurrection and civil commotion, hi-jacking or an act of terrorism, shortage of transport, general shortage of materials or personnel, industrial disputes and defects or delays in deliveries by Contractors caused by any such circumstance as referred to in this Section. The party desiring relief under this Section will inform the other party by written notice without delay on the occurrence and on the cessation of such circumstance. If grounds for relief prevent Client from fulfilling its obligations, Client will reimburse Company for costs incurred in securing and protecting the Site. Client will also reimburse Company for costs incurred for personnel, Contractors and equipment which, with the consent of Client, are held in readiness to resume the Services.
8. CLIENT'S COMMITMENT: Client represents it (i) is not, and will not be during the term of this Agreement, subject to economic or trade sanctions, and (ii) will at all times cooperate with Company to allow Company to provide the Services under the best possible conditions; such cooperation includes, without limitation, Client providing (i) a safe, healthy working environment for Company personnel in accordance with applicable laws and regulations, (ii) all relevant information, access and assistance that Company reasonably requires to perform the Services without interruption, including, without limitation, suitable office space and utilities, and (iii) prompt notice of anything that may affect Company's safety, risk or obligations under this Agreement or which may lead to an increase in Company's costs of providing the Services. Any breach of this representation will be a material breach by Client.
9. DATA: To try to improve Company's service offerings, Company requires the use of data and information collected by or for Company or Client in the course of the provision of the Services. Accordingly, intellectual property rights, database rights, and all other rights in any such data or information will belong to Company.
10. SEVERABILITY: If any provision of this Agreement is held to be unenforceable, it will be modified to be enforceable to the maximum extent permitted under applicable law; all other terms will remain in full force. If the unenforceable provision cannot be so modified, it will be excluded from this Agreement; all other terms of this Agreement will remain in full force.
11. PRECEDENCE: In the event that the different parts of this Agreement are conflicting, the written documents forming part of this Agreement will prevail in the following order: (i) this Agreement; (ii) the Scope of Work; and (iii) any other written documentation attached hereto.
12. NOTICES: All official notices will be in writing and made by overnight mail or certified mail, addressed to the other party at its address set forth in the opening header of this Agreement or at such other address as the other party may have designated in writing.
13. ASSIGNMENT: Neither party will assign this Agreement without the other party's prior written consent, which will not be unreasonably withheld. However, upon 30 days' prior written notice to the other party, either party may assign this Agreement at any time to any of its affiliates, subsidiaries or successors.
14. LAW & JURISDICTION: (a) This Agreement will be governed by the law of the State in which the applicable Services are performed. The parties hereby submit to the jurisdiction of the courts of such State. All terms in this Agreement are only intended to apply to the maximum extent permitted by applicable law.
(b) The Equal Opportunity requirements of 41 CFR §§ 60-1.4, 60-300.5(a) and 60-741.5(a) are incorporated in this Agreement. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require Company to take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
15. ENTIRE AGREEMENT: This Agreement, and anything attached to or incorporated into it, constitutes the entire agreement between the parties. Any representations, promises or agreements not embodied in this Agreement will not be enforceable. No Client contracts, purchase orders, work orders, or similar documents, regardless of when dated, will modify this Agreement. All changes to this Agreement will only be binding on a party if approved in writing by an authorized representative of that party.

Client:		**Securitas Security Services USA, Inc.**	
By:	Jeff Perkins	By:	Justin Heyward
Name:	JEFF PERKINS	Name:	Justin Heyward
Title:	SEC - MAP HOA	Title:	Area Vice President

CLIENT'S ATTENTION IS DIRECTED TO *SECTION 5 – LIABILITY LIMITATION; INDEMNIFICATION*

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SECURITAS

ADDENDUM
To Security Services Agreement (the "Agreement") Between
Myrtle Beach Resort Homeowners Association, Inc. ("Client")
and Securitas Security Services USA, Inc. ("Company")

Addendum Effective Date: 12/15/2017

This Addendum is incorporated into the Agreement. In case of any conflict between the Agreement and this Addendum, this Addendum controls; except as modified by this Addendum, all terms of the Agreement remain in full force.

1. Company will provide and use the Company Equipment described in Attachment A to this Addendum in connection with the Services provided by Company under the Agreement. If the Company Equipment affects the Service Fee under the Agreement, the effect will be described in Attachment A. If additional Services will be provided in addition to the Company Equipment, the additional Services will be described in Attachment A. The Company Equipment and any additional Services are subject to the terms of the Agreement.
2. The following terms will also apply to the Company Equipment:
   (a) Any preparatory work to be done by Client before installation of Company Equipment will be performed in accordance with Company's instructions. Client will certify completion of such preparatory work to Company in writing before Company commences installation. Company may charge Client the portion of the Service Fee for the Company Equipment from the date installation of the Company Equipment is completed. If installation of the Company Equipment is delayed due to circumstances for which Client is responsible, Company may charge Client the portion of the Service Fee for the Company Equipment as of the date on which installation would have otherwise been completed;
   (b) (i) Company does not guarantee the Company Equipment will operate without faults. Company may audit the Company Equipment at any time; (ii) In the event of repeated operational disruptions or errors, Company may disconnect the Company Equipment or parts thereof and carry out a test period. Client acknowledges that during this test period, the Company Equipment may not be operational; and (iii) Upon Company request, Client will remediate anything in Client's environment that causes false alarms. In the event of repeated false alarms, Company may make necessary modifications in the configuration of hardware or software to reduce false alarms;
   (c) Client is responsible for all loss of or damage to Company Equipment, except to the extent caused by the negligence of Company;
   (d) Client is responsible for obtaining and maintaining all third-party communication services used in connection with the Company Equipment. Company will not be responsible for any failures caused by third-party communication services;
   (e) Company will store images and other information received by the Company Equipment for [x] days other than alarm signal records which will be stored for [x] days. After these periods have elapsed Company may destroy the information; and
   (f) Company will bill Client for any additional costs arising from Client's failure to fulfill any of Client's obligations relating to Company Equipment.
3. In addition to any applicable limitations of liability in the Agreement, (a) in no event will the liability of Company (and its contractors and vendors) arising from or related to the Company Equipment exceed the cost of repair or replacement of defective or inoperable Company Equipment, and (b) in no event will the liability of Company (and its contractors and vendors) arising from or related to Remote Guarding exceed Two Thousand Five Hundred Dollars. Burglar/intrusion alarm monitoring services, if any, are also considered Remote Guarding.
4. Preventative maintenance and service calls (collectively, "Equipment Service") for the Company Equipment, which will remain the property of Company or its contractors, is included in the Service Fee during the Minimum Term, defined later in this Addendum (any Equipment Service that Company elects to perform after the Minimum Term will be performed at an additional charge). Included Equipment Service consists only of the following: (a) 1 scheduled preventative maintenance visit(s) per year, and (b) unlimited service calls upon request. With respect to a service call, Company will make reasonable efforts to respond to a service call request within 1-3 business days of receipt of the request, based on order of priority. During a preventative maintenance visit or requested service call, Company technician will attempt to repair or replace any defective or inoperable equipment at no additional cost to Client. Equipment Service will only be provided during Company's normal business hours (M-F-, 8:30 AM – 5:00 PM, not including holidays).
5. (a) The parties expect the Agreement to run for at least 3 years (the "Minimum Term") from the Addendum Effective Date. Client acknowledges that Company has incurred expenses ("Company Equipment Expenses") for the Company Equipment in reliance on this expectation. Accordingly, if for any reason, Client terminates the Agreement prior to the end of the Minimum Term, Client will pay Company a lump sum payment (the "LSP") equal to $3,611.58
6. per month for every month remaining in the Minimum Term, from (and including) the month of the termination date through (and including) the month in which the Minimum Term ends. The LSP will be to reimburse Company for the Company Equipment Expenses and will be due on the termination date. Client will be obligated to make the LSP if Company terminates the Agreement for good cause (but not if Company terminates the Agreement for convenience) prior to the end of the Minimum Term; and
   (b) After execution of this Addendum, if Client decides it does not want the Company Equipment, and Company receives written notice before installation of the Company Equipment commences, Company will not provide the Company Equipment and Client will not be obligated to pay any LSP. However, Client will pay Company a restocking fee (the "Restocking Fee") equal to 10% of the Company Equipment Expenses. Company will invoice Client for the Restocking Fee, which will be due and payable 30 days from Client's receipt of the invoice.
7. At the end of the Minimum Term (or upon earlier termination of the Agreement, and in addition to any applicable LSP payable by Client), Client may purchase the Company Equipment for $10, in which case Client must execute a Bill of Sale acceptable to Company in Company's discretion.
8. Commencing 3 months before the end of the Minimum Term and continuing through the end of the Minimum Term, the parties agree to discuss, in good faith, new contract terms and conditions, including, but not limited to, new or modified services, revised service fees, and new equipment. If the parties come to an agreement over the new terms and conditions, they will execute a new, mutually acceptable contract (materially consistent with the terms of the Agreement) or an extension of the Agreement that documents the agreed-upon changes.

MYRTLE BEACH RESORT

Client:	HOMEOWNERS ASSOCIATION, INC	Securitas Security Services USA, Inc.	
By:	Jim Perkins	By:	Justin Heyward
Name:	JIM PERKINS	Name:	Justin Heyward
Title:	SEC - MBR HOA	Title:	AVP

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AMENDMENT 1
Modifying Security Services Agreement (the "Agreement")
Between
Myrtle Beach Resort Homeowners Association, Inc. ("Client")
and Securitas Security Services USA, Inc. ("Company")

As of the commencement of the Agreement, the portion of the Agreement entitled "Terms and Conditions" is deleted in its entirety and replaced with the following:

TERMS AND CONDITIONS

1. DEFINITIONS: "Company Equipment" means all equipment, tools, documents, materials, software, applications, systems, processes, etc. provided, installed, developed or used by Company in connection with the Services; "Contractors" means contractors, subcontractors and/or vendors; "in writing" or "written document" means any written communication that has been signed by an authorized representative of the party, including, without limitation, printed documents, facsimiles, e-mails and other electronic means of communication; "Loss" means all suits, claims, losses, damages and expenses (including, without limitation, penalties, fines, investigative costs, reasonable attorneys' fees and costs of suit) arising from all events or circumstances related to or in connection with the same general condition; "Remote Guarding" means guarding and related services (including, without limitation, burglar/intrusion alarm monitoring) conducted from a remote location using electronic security equipment (including, without limitation, video and voice communication equipment); "Service Fee" collectively means the rates for traditional guarding or the Integrated Guarding Fee, as appropriate; "Site" means all premises where Services are performed under this Agreement.
2. PAYMENT: (a) Invoices are payable, without any setoff, to the remittance address on the invoice. Traditional guarding invoices are payable 30 days from the end of service period; Integrated guarding invoices are payable in advance. Subject to Section 7, Client's failure to pay any amount owed by the due date listed on the invoice will be a material breach by Client. A late charge of 1.5% per month will be added to balances not paid when due. Client must notify Company in writing of any dispute regarding the amount of an invoice on or before payment is due; otherwise all disputes will be deemed waived. Client will bear all costs associated with Company receiving payments due for Services rendered under this Agreement. If Company must institute suit or collection services to collect amounts owed to Company, Client will pay Company's attorneys' fees and other costs of suit or collection.

(b) In the event Client does not pay the amount owed by the due date listed on the invoice, Company may suspend the performance of Services upon 10 days' prior written notice. Suspension will not release Client from any of its obligations under this Agreement. In case of non-payment based on Client liquidity problems, Company may condition continued performance on immediate cash payment for Services rendered (invoiced or not) or to be rendered.

(c) Rates for traditional guarding do not include coverage for labor disputes, civil disorder, national disaster, or other similar emergency situations. Also, the premium (OT) rates will apply to the following: all work according to applicable laws and regulations; extended shifts or hours performed at the request of Client; additional personnel or hours requested by Client with less than 72 hours' notice, but only for the first 72 hours; additional personnel or hours requested by Client for special occasions or temporary or short durations; and work on New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday After Thanksgiving, and Christmas Day.

(d) Company may raise the Service Fee upon 60 days' prior written notice to account for any increases in (i) health care, benefit, or insurance costs, (ii) labor or fuel costs, (iii) costs arising from changes to laws, regulations, or insurance premiums, (iv) SUI or similar taxes, (v) Contractors' rates, or (vi) any other taxes, fees, costs or charges related to the Services.
3. TERM & TERMINATION: This Agreement will commence upon the Effective Date and continue until terminated by either party; any Services provided before the Effective Date are subject to this Agreement. Either party may terminate this Agreement at any time, without cause or penalty, upon 30 days' prior written notice to the other party. Either party may also terminate this Agreement for good cause upon 5 days' prior written notice to the other party. "Good cause" will include, without limitation, the following: (i) any material or persistent minor breach by the non-terminating party of this Agreement; (ii) cancellation of or material change to any insurance coverage relevant to this Agreement; (iii) a change in applicable laws or regulations that has a material effect on, or causes a material change to, the Services; (iv) any act or omission of the other party which, in in the terminating party's reasonable opinion, brings or may bring the terminating party's business or reputation into disrepute; or (v) a party or the Services becoming subject to economic or trade sanctions. Client will be responsible for payment for all Services rendered through the termination date. If Client terminates this Agreement for any reason, Client will pay for any unamortized costs related to any Company Equipment.
4. SCOPE OF SERVICES; PERSONNEL: (a) Company will only provide Services specified in this Agreement or the Scope of Work, which is incorporated into this Agreement. If the need for future services arises, an amendment for such services will be prepared and signed by both parties prior to Company providing any services not specified in this Agreement or the Scope of Work at the time of execution. Company will not be obligated to perform, and will bear no responsibility for, any Services or duties performed that are not expressly specified in this Agreement. Company may use Contractors to provide some or all of the Services with the prior written consent of Client.

(b) Company is not selling or leasing any Company Equipment, which will always be property of Company or its Contractors. Company is not transferring any intellectual property rights in any Company Equipment; such rights will remain solely with Company or its Contractors. Company will be provided with reasonable time and access to remove

Company Equipment upon termination of this Agreement; all rights granted to Client to use or access any Company Equipment end upon termination of this Agreement.

(c) Company is an independent contractor, and nothing in this Agreement creates a partnership or relationship of principal/agent or employer/employee. Personnel providing the Services are employees of Company or its Contractors. Company may change such personnel at any time. Client may reasonably request changes in such personnel for lawful reasons.

(d) If Client employs, directly or indirectly, any Company employee formerly assigned to the Site within one year from the last date on which the Company employee was employed by Company, Client will reimburse Company $2,500 per Company employee for costs related to recruiting, screening, training, etc.

(e) If Services include Remote Guarding, (i) neither Company nor its Contractors will be responsible for any interruption or failure of power; (ii) neither Company nor its Contractors will be responsible for any faulty, failed, interrupted, circumvented, or compromised data transmissions; (iii) Client is responsible for the design, installation, repair and maintenance of its own monitoring equipment and systems ("Monitoring System"); (iv) Company may, without penalty, modify, terminate or suspend Remote Guarding, shut down Client's Monitoring System, lock Client's panel, or render any monitoring equipment incapable of sending signals (1) if permitted, requested, or required to do so by any governmental authority, standards setting entity, or insurance interest, or (2) in Company's reasonable discretion; (v) Client is responsible for (1) providing and maintaining adequate lighting for all video equipment, and (2) ensuring Client's personnel and Monitoring System comply with all laws applicable to the use of video equipment; (vi) any Remote Guarding failure will not release Client from its obligations to pay any fees for Services; and (vii) any software, hardware, firmware, shareware, codes, information and documentation ("Proprietary Information") associated with Remote Guarding are, and will remain, the property of Company or its Contractors, as applicable, and any developments to the Proprietary Information will be the intellectual property of Company or its Contractors, as applicable. Further, Client, on behalf of itself, its employees, agents and guests, grants consent to Company and its Contractors to (i) intercept, record, retrieve, review, copy, disclose and use the contents of all transmissions received as part of Remote Guarding, and (ii) represent themselves as a security agent of Client and notify government agencies of suspicious or suspected criminal activities at the Site.

5. LIABILITY LIMITATION; INDEMNIFICATION: (a) The Service Fee is based upon the value of Services provided, not the value of the interests or property protected. Accordingly, Company makes no representation or warranty, express or implied, that the Services will produce a result or prevent any loss or damage. ***Client agrees that the limitations of liability and Client's defense/indemnity obligations in Sections 5(c)-5(h) apply regardless of whether the Loss is alleged to arise, directly or indirectly, in whole or in part, from the negligence (active or passive) or misconduct of Company, its employees or agents, including that related to the hiring, training, supervision or retention of Company's employees or agents,*** and Sections 5(c)-5(h) apply in favor of Company's Contractors.

(b) Company will defend and indemnify Client against any Loss arising from the Services only to the extent the Loss is caused by the negligence of Company, its employees or agents while acting within the scope of their duties and authority. ***(c) Notwithstanding Section 5(b), in no event will the total liability of Company and its insurers for any Loss exceed $1,000,000.***

(d) [Intentionally deleted.]

(e) Notwithstanding anything to the contrary in this Agreement, in no event will Company or its insurers be liable for any (i) environmental Loss, (ii) punitive, special, exemplary, liquidated, indirect, or consequential Loss (including, without limitation, loss of profits or business), (iii) violent or armed action, or hi-jacking, (iv) Loss arising from any remote or on-site cyber activity or event, (v) injuries or deaths arising from any conditions of the Site, or (vi) Loss arising from or related to any circumstance beyond Company's reasonable control (including, without limitation, any act of God or war, etc.).

(f) Notwithstanding anything to the contrary in this Agreement, in connection with the US Safety Act, each party waives all claims against the other party for damages arising from or related to an act of terrorism; the parties intend for this waiver to flow down to their respective Contractors.

(g) Notwithstanding anything to the contrary in this Agreement, if Company employees operate any vehicle other than one supplied by Company, Client will maintain insurance for the vehicle, Client's insurance will be primary, and Client will defend and indemnify Company against any Loss arising out of Company's use of the vehicle.

(h) Notwithstanding anything to the contrary in this Agreement, in no event will Company be responsible for any theft or other loss of property (including, without limitation, electronic data) not directly attributable to proven security officer thefts.

(i) Written notice of any Loss arising out of or relating to this Agreement must be received by Company within 30 days following the date of the occurrence giving rise to such Loss. No action to recover any Loss will be instituted or maintained against Company unless such notice is received by Company. No action to recover any Loss will be instituted or maintained against Company unless the action is instituted no later than 12 months following the date of the occurrence from which the Loss arises.

(j) Services are only for the benefit of Client; neither this Agreement nor any Services confer rights on any other party as a third-party beneficiary.

6. INSURANCE: During the term of this Agreement, Company will maintain the following insurance with the indicated minimum limits: General Liability - $1,000,000; Workers' Compensation – in compliance with applicable law. Company will add Client to Company's General Liability insurance as an additional insured. Any additional insureds will only be covered by Company's insurance for liability assumed by Company in this Agreement, subject to the terms of Company's insurance. Company will provide Client with a certificate of insurance evidencing the foregoing insurance.

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7. FORCE MAJEURE: The following circumstances will be considered as grounds for relief if they delay or impede the performance of this Agreement: any circumstance beyond the reasonable control of a party such as fire, war, mobilization or military call up of a comparable scope, requisition, seizure, currency restrictions, insurrection and civil commotion, hi-jacking or an act of terrorism, shortage of transport, general shortage of materials or personnel, industrial disputes and defects or delays in deliveries by Contractors caused by any such circumstance as referred to in this Section. The party desiring relief under this Section will inform the other party by written notice without delay on the occurrence and on the cessation of such circumstance. If grounds for relief prevent Client from fulfilling its obligations, Client will reimburse Company for costs incurred in securing and protecting the Site. Client will also reimburse Company for costs incurred for personnel, Contractors and equipment which, with the consent of Client, are held in readiness to resume the Services.

8. COMMITMENT: Client represents it (i) is not, and will not be during the term of this Agreement, subject to economic or trade sanctions, and (ii) will at all times cooperate with Company to allow Company to provide the Services under the best possible conditions; such cooperation includes, without limitation, Client providing (i) a safe, healthy working environment for Company personnel in accordance with applicable laws and regulations, (ii) all relevant information, access and assistance that Company reasonably requires to perform the Services without interruption, including, without limitation, suitable office space and utilities, and (iii) prompt notice of anything that may affect Company's safety, risk or obligations under this Agreement or which may lead to an increase in Company's costs of providing the Services. Company represents that it is licensed to provide Services in the state the Services are being performed in, and Company agrees to perform said Services in a professional manner.

9. DATA: To try to improve Company's service offerings, Company requires the use of data and information collected by or for Company or Client in the course of the provision of the Services. Accordingly, intellectual property rights, database rights, and all other rights in any such data or information will belong to Company.

10. SEVERABILITY: If any provision of this Agreement is held to be unenforceable, it will be modified to be enforceable to the maximum extent permitted under applicable law; all other terms will remain in full force. If the unenforceable provision cannot be so modified, it will be excluded from this Agreement; all other terms of this Agreement will remain in full force.

11. PRECEDENCE: In the event that the different parts of this Agreement are conflicting, the written documents forming part of this Agreement will prevail in the following order: (i) this Agreement; (ii) the Scope of Work; and (iii) any other written documentation attached hereto.

12. NOTICES: All official notices will be in writing and made by overnight mail or certified mail, addressed to the other party at its address set forth in the opening header of this Agreement or at such other address as the other party may have designated in writing.

13. ASSIGNMENT: Neither party will assign this Agreement without the other party's prior written consent, which will not be unreasonably withheld. However, upon 30 days' prior written notice to the other party, either party may assign this Agreement at any time to any of its affiliates, subsidiaries or successors.

14. LAW & JURISDICTION: (a) This Agreement will be governed by the law of the State of South Carolina. The parties hereby submit to the jurisdiction of the courts of such State. All terms in this Agreement are only intended to apply to the maximum extent permitted by applicable law.

(b) The Equal Opportunity requirements of 41 CFR §§ 60-1.4, 60-300.5(a) and 60-741.5(a) are incorporated in this Agreement. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require Company to take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

15. ENTIRE AGREEMENT: This Agreement, and anything attached to or incorporated into it, constitutes the entire agreement between the parties. Any representations, promises or agreements not embodied in this Agreement will not be enforceable. No Client contracts, purchase orders, work orders, or similar documents, regardless of when dated, will modify this Agreement. All changes to this Agreement will only be binding on a party if approved in writing by way of an amendment, signed by both parties.

Myrtle Beach Resort Homeowners Association, Inc.

By: Jim Perkins

Name: JIM PERKINS

Title: SEC - MBR HOA

Date: JAN - 9 - 18

Securitas Security Services USA, Inc.

By: Justin Heyward

Name: Justin Heyward

Title: AVP

Date: 01/10/2018

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ATTACHMENT A
Company Equipment and Additional Services

Service Site			
Street: 5905 S Kings Hwy	City: Myrtle Beach	State: SC	Zip: 29575
Contact Name/Title: Peter Grusauskas, Board President	E-mail: pgrussy.mbr@gmail.com	Phone: (860) 307-4981	

Description and Rates

CCTV/Intercom/Arm Barriers/Access Control $3,611.56 across 36 months.

1	ADI	Tripp Lite	TC-SR18UB	SR 18U XTRADEEP RCK ENCL,BLK
2	ADI	Tripp Lite	TC-SRSHF4PHD	4-POST RACK ENCL FXED HD SHLF
1	Lowes	Lowes	MISC	Grounding Lugs/materials
1	Avigilon	Avigilon	VMA-AS2-8P2-NA	HD Video Appliance 8-port 2TB unit with ACC Core 8-ch license
1	Avigilon	Avigilon	8C-ACC6-COR-ENT-UPG	ACC 6 upgrade license Core to Enterprise for 8 camera channels
1	ADI	W-box	0E-1500V8VRD	1500VA/900W/8 OUT/LCD/AVR UPS
1	ADI	W-box	0E-22LED	22 LED MONITOR VGA HDMI BNC W-box
1	ADI	ICC	H2-107PPU6A	PTCH PNL, BLNK, C6A, 24PRT, 1RMS
24	ADI	ICC	H2-1078GABL	MODULE,CAT6A HD, BLUE
1	ADI	Dlink	DK-RM12POE	SURG PROT RACK MT 12PORT 1U
2	SES	Ubiquiti	R5AC-Lite-US	5GHz Rocket ac Lite 2x2 US
2	SES	Ubiquiti	AMO-5G10	Ubiquiti: 5GHz airMAX Omni 10dBi 2x2
5	Anixter	Hoffmen	654620	J Box Type 4X / QR Cover, Size/Dims: 400x300x173mm, Material/Finish: Polycarb HOFFMAN ENCLOSURES
5	Anixter	Hoffman	654622	Panel, QLINE I / 360x260mm, Size/Dims: fits 400x300mm, Material/Finish: Steel/zinc HOFFMAN ENCLOS
5	Anixter	Lapp Group	s2112	Non-Metallic Strain Relief Cable Glands; Liquid Tight, Non-Metallic Strain Relief Cable Gland with
5	Anixter	Lapp Group	911371	Non-Metallic Strain Relief Cable Glands; Hexagonal Locknuts for NPT, PG & Metric Connectors
5	Anixter		366631	Din rail 35mm
4	ADI	Alarm Controls	AC-1200WP	WEATHER PROOF MAG GATE LOCK
4	ADI	Altronix	AX-SMP3PMCTX	SMP3 W/CAB/CAM LOCK/TRANSFORMR
4	ADI	Pedestal Pro	PM-LANDOPC20	HSING, LANDSCAPE,20X16X6, BLK
4	SES	Ubiquiti	NBE-5AC-GEN2-US	5GHz NanoBeam ac Gen2 19dBi
6	Avigilon	Avigilon	H4-BO-JBOX1	Junction box for the H4A or H4SL HD Bullet cameras.
6	Avigilon	Avigilon	3.0C-H4A-BO1-IR	3.0 Megapixel WDR, LightCatcher, 3-9mm f/1.3 P-Iris lens, Integrated IR, Self- Learning Video A
1	ADI	Trendnet	TQ-TK207K	2-PORT USB KVM SWITCH KIT Trendnet
1	Avigilon	Avigilon	6.0L-H4F-DO1-IR	6.0 MP, Fisheye Camera, LightCatcher, Day/Night, 1.45mm f/2.2, Integrated IR
6	Avigilon	Avigilon	AC-HID-READ-ICLASS-SE-RPK40	ICLASS SE RPK40 Contactless Smart Card Keypad Reader, Wall Switch, STD Prox
5	ADI	Trendnet	TQ-TIS24048	240 W SINGLE OUTPUT INDUSTRIAL
5	ADI	Trendnet	TQ-TIPG62B	6-PORT HARDENED INDSTRL GIGABIT POE+
3000	Avigilon	Avigilon	AC-HID-CARD-ICLASS-SE-3000-AVG	ICLASS SE Contactless Smart Card, 2k bit with 2 application areas
1	ADI	Aiphone	AJ-IXMV	IP VIDEO MASTER
6	ADI	Aiphone	AJ-IXDA	IP VIDEO DR, SURFACE
1	ADI	Aiphone	AJ-RYIP44	4 IN/ OUT RELAY ADAPTOR
1	ADI	Linear	LN-BGUD10211	10 115V/24VDC BARRIER GATE
2	ADI	Pedestal Pro	PM-429CBLK	42 PEDSTL,PAD MNT,STL,BLK
2	ADI	Pedestal Pro	PM-LANDOPC20	HSING, LANDSCAPE,20X16X6, BLK
2	ADI	Linear	LN-25002346	LOOP DETECTOR MODULE PLUG-IN
2	ADI	Linear	LN-2510222	LOOP WIRE(200)W/ SEALANT(2)
2	ADI	Linear	LN-2520031	PHOTO EYE MOD 25 W/ REF & HOOD
2	ADI	Linear	LN-2120478YS	PHOTOEYE PEDESTAL SET YELLOW
3	ADI	Genesis	WG-50975008	CAT 5E DRCT BRL H20 RSSTNT BK Honeywell Cable&Communications
2	ADI	W-box	0E-C5EGY16	1FT CAT5E PATCH CABLE GRAY 6PK
1	ADI	Platinum Tools	TS-202003J	EZ-RJ45 CT5/5E CNNCTR 100PC JR
100	Lowes	Southwire	20497401	SIMpull 6 AWG Stranded Green Copper THHN Wire (By-the-Foot)
2	ADI	Genesis	WG-41575008	18/4 FPL outdoor stnd fpl 5c blk
2	ADI	West Penn	WP-AQC373500	3P 22G SLD 2SHLD 4UNS WBLK West Penn Wire-Z
20	Lowes	Lowes	72715	1 in conduit EMT 10ft Stick
25	Lowes	Lowes	555885	Gampak 1-in EMT Coupling
10	Lowes	Lowes	816310	Sigma Electric 5-Pack 1-in EMT Straps
2	ADI	Altronix	AX-SMP3PMCTX	SMP3 W/CAB/CAM LOCK/TRANSFORMR
1	ADI	HES	HE-500010412	5000C-LBM ELEC STRIKE Hanchett Entry Systems (Hes)
1	ADI	D-link	8E-DES1008PA	8-PORT 10/ 100 SWITCH 4POE PORT D-Link Systems Inc
1	Securitas	Securitas	ILBR	(lot) Installation Labor
24	Securitas	Securitas	EPMLBR	(lot) Engineering & Project Management Labor
16	Securitas	Securitas	SPLBR	(lot) System Programming Labor
2	Securitas	Securitas	EUTLBR	(lot) End User Training Labor
2	Securitas	Securitas	CODLBR	(lot) Close Out Documentation
1	Contractor		Contractor	DBore1.5 (lot) Directional Boring w/1.5" PVC, Includes Locate, Set Up & Bore Hole Patch
1	SUSA	SUSA	SUSA-MTL	(lot) Miscellaneous Installation Materials
1	SUSA		Concrete/asphalt patch-(lot)	Concrete or Asphalt Patch Work/Repair
2	SUSA	United	URBL_Rental-(lot)	Rental Equipment street saw/blade
3	SUSA	r	CONDUIT / MISC	(lot) Misc Enclosures, Conduit, Fittings, Hardware

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EXHIBIT G

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SERVICE AND MARKETING AGREEMENT
Discounted Services, TWC System Install (Existing Property)

This Service and Marketing Agreement ("**Agreement**") is entered into by and between the following customer ("**Customer**") and Time Warner Cable Enterprises LLC ("**Operator**"), effective as of the Effective Date set forth below:

Effective Date: 1/22, 2016

Operator:		**Customer:**	
Time Warner Cable Enterprises LLC		Myrtle Beach Resort Homeowners Association, Inc.	
1901 Oak Street		5905 South Kings Highway	
Myrtle Beach, SC 29577		Myrtle Beach, SC 29572	
Contact Name	Jolene Boyer	Contact Name	Rusty Magill
Contact Telephone	843-315-7937	Contact Telephone	843-828-1300
Contact Email	Jolene.boyer@twcable.com	Contact Email	Rusty.magill@kadiehl.com
		Taxpayer ID	Taxpayer ID

Property Info:		**Property Management Co. Info (if applicable):**	
Myrtle Beach Resort		K.A. Diehl AAMC	
5905 South Kings Highway		5905 South Kings Highway	
Myrtle Beach, SC 29572		Myrtle Beach, SC 29572	
Number of Units	999		
On-Site Contact Name	Rusty Magill	Contact Name	Rusty Magill
On-Site Telephone	843-828-1300	Contact Telephone	843-828-1300
On-Site Email	Rusty.magill@kadiehl.com	Contact Email	Rusty.magill@kadiehl.com

Customer owns (or is building), or, in the case of an owner's association, is the authorized representative for the multi-unit property referred to above (including the underlying land, the "**Property**"). Customer and Operator desire to make the Services (as defined hereafter) available to residents occupying the Property ("**Residents**") in accordance with the terms of this Agreement and its Attachments. Customer and Operator agree as follows:

1. Term. The initial term of this Agreement begins on the Effective Date and continues for a period of 7 years after the Service Start Date (the "**Initial Term**"). After the Initial Term, this Agreement will automatically renew for successive periods of one year (each a "**Renewal Term**") unless either party notifies the other of its intent not to renew at least 90 days before the expiration of the then-current term. The Initial Term and any Renewal Terms are collectively referred to as the "**Term.**" "**Service Start Date**" means (a) the date that the System (as defined in Attachment B) installation is complete (if necessary) and Operator confirms that it can provide Services to all Units at the Property; or (b) the Effective Date if Operator currently serves the Property and no construction, upgrading, interconnection, inspection or testing is necessary.

2. Services. Customer grants to Operator the right to offer and provide such services as may be made available and offered by Operator at the Property, including Discounted Services (collectively, "**Services**") to any Residents who desire to subscribe to any such Services.

3. Access. Customer grants, or has previously granted, to Operator a non-exclusive right of access on, over, under, across, and through the Property and all its improvements, together with all rights of access, ingress, and egress in order to permit Operator to exercise its rights and fulfill its obligations under this Agreement, all as more expressly set forth in the Right of Access and Memorandum of Agreement attached as Attachment A (the "**Right of Access**"). At the time of signing this Agreement, Customer shall execute the Right of Access, which may be recorded by Operator at any time, and provide a current, complete, and accurate legal description of the Property for attachment to the Right of Access, unless Customer previously granted Operator access rights in which case the parties shall attach a copy of the previously recorded Right of Access as Attachment A. If Customer adds units to the Property after the Service Start Date, at Operator's option, this Agreement shall extend to all such additional units and Customer shall execute such reasonable documents as Operator may request to extend the rights granted to Operator hereunder to such additional units.

4. System. The scope of the System installation and maintenance responsibilities and the ownership, use, and disposition of the System are described in Attachment B.

5. Marketed Services. Customer grants to Operator the exclusive right to market on-site at the Property the Services marked below (the "**Exclusive Marketed Services**"), and the non-exclusive right to market on-site at the Property all Services not

designated as Exclusive Marketed Services (together with the Exclusive Marketed Services, the "**Marketed Services**"), and Customer shall use its best efforts to assist Operator, as directed by Operator, in marketing on-site at the Property the Marketed Services in accordance with Operator's then-current on-site marketing program.

☒ Video ☐ High Speed Data ☒ Digital Phone

Customer itself or through its agents will, (a) provide Residents and prospective Residents with Operator-provided promotional materials and sales literature for the Marketed Services ("**Marketing Materials**") in Customer's informational, leasing, and move-in packages; (b) display the Marketing Materials in reasonably conspicuous locations (such as model units, sales/leasing offices, clubhouse, fitness center, common areas and other office locations where Customer permits such advertising); (c) permit Operator (if desired by Operator and at Operator's expense) to host on-site events to promote the Marketed Services, subject to Customer's reasonable approval as to frequency, time, format, location and activities; (d) at Operator's election, install hang-tags and/or other notifications in vacant rental units advertising certain free Services for a limited duration, discounts, or other promotions available from Operator; (e) promptly forward to Operator service request/interest forms for the Services received from any Resident who wishes to subscribe; (f) provide Operator with exposure and marketing on its web-page (if applicable), community information channel (if available), or any other Internet-accessible service ordering format for the Marketed Services, in a form, appearance, and content reasonably acceptable to Operator and such exposure and marketing to be exclusive with respect to any Exclusive Marketed Services; (g) subject to Laws and Customer's security and privacy policies, within 60 days of the Effective Date, and thereafter from time to time upon Operator's request (but not more than once per calendar year) provide Operator a written list of the current name, telephone number, and mailing address of each Resident; (h) make management staff and rental agents available to Operator on a reasonable basis for training by Operator on marketing the Marketed Services and ensure their cooperation with Operator to market the Marketed Services; and (i) if requested by Operator, enter all Resident contact information via a web-based service or other process designated by Operator.

6. **Discounted Services**. Customer desires to purchase the following Services on a bulk-billing basis in accordance with the terms of this Agreement and Attachment C ("**Discounted Services**"). The fee for each Discounted Service selected shall be as set forth below per Unit at the Property per month (plus applicable taxes and fees), regardless of whether Units are occupied. CPE is only included as part of the Discounted Services fees if the quantity of CPE per Unit specified is greater than zero. Operator shall be entitled to raise the Discounted Services fees at any time during the Term upon 30 days prior notice to Customer; provided that during the Initial Term: (a) Operator shall not increase the Discounted Services fees during the first year; and (b) thereafter such increases shall not exceed 5% during any calendar year.

The monthly Discounted Services fee per month per Unit shall be:

Multi-Channel Video	$13.48
Digital Phone	$ 5.10
TOTAL	$18.58 (plus applicable taxes and fees)

Multi-Channel Video Services:
Select Video Package: Clear QAM solution including Showtime

Clear QAM Delivery.

a. Customer has requested and Operator will deliver the Discounted Multi-Channel Video Services to a single headend located on the Property using an unencrypted clear QAM signal such that Residents will not be required to use a set top box, which installation will be completed within a mutually agreeable time frame. Access to, and viewing of, Discounted Multi-Channel Video Service is only permitted on, and must be restricted to, the System within Customer-owned facilities on the Property. Distribution of the Discounted Multi-Channel Video Service by Customer (if any) must be simultaneous and preserve all content as delivered by Operator without degradation, including encryption (if any), closed captioning, ratings data, vertical blanking interval (VBI) information, secondary audio programming (SAP) feeds, and copy-control information (CCI bits). Customer may not change any Discounted Multi-Channel Video Service signals to a different format (*i.e.*, digital or IP-format). Premium, pay-per-view, video-on-demand, and similar services (if any) must remain encrypted as delivered by Operator, and Customer may not display such services in common viewing areas and such premium components of the Services may only be displayed in individual living units (i.e. dorm rooms). All administrative taps must be trapped to prevent premium components of the Services from being displayed anywhere other than inside residential units. Operator will provide the traps for any tap that TWC deems should be content restricted.

b. In no event shall Operator be responsible to Customer or to any third party (including Residents) in connection with the operation or provision of any systems, content, and/or programming not provided by Operator, including community information channels and emergency alert systems (if any). Only in the manner and to the extent allowed under law, Customer shall defend, indemnify, and hold harmless Operator and its Related Parties from and against all Losses related to (i) any systems, content, and/or programming not provided by Operator, including community information channels and emergency alert systems; and (ii) piracy, unauthorized access, recording, and/or redistribution of any content (including content provided by Operator) after the point that such content enters any Customer-controlled portion of the System.

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c. The channel lineup for the Discounted Multi-Channel Video services is attached hereto as Attachment C-1.

Digital Phone Services:
Select Digital Phone Package: National

Digital Phone CPE included (if any):
Modem 1 per Unit

7. **Special Terms**. The following special terms, if any, shall apply.

Promotional Services. Following receipt of a completed and signed IRS Form W-9 from Customer, Operator will provide the number of promotional primary account(s) for the designated services on-site at the Property as set forth in the table below. Such promotional accounts are allocated and managed by Operator at the Property in its sole discretion. Customer shall pay Operator's actual installation and activation charges for such promotional services and for any CPE necessary to receive such services. No premium, pay-per-view, video-on-demand, or similar services will be ordered for or viewed in common viewing areas.

Type of Service	Number of Primary Accounts	Service Package
HSD Service	9	Turbo HSD with wireless modems

Operator may display reasonable signage in any common area where it provides the promotional services so long as it is approved by Customer as to size and location (such as a small placard attached to a set-top box stating "brought to you by Time Warner Cable", etc.). Subject to Laws, Operator may change or discontinue from time to time any term, aspect, or feature of the promotional services, including, but not limited to, adding to, deleting from, and moving channel positions and the content and applications accessible through or provided via promotional services, consistent with changes to its promotional services offered to customers in the Area generally or with respect to the Property for technical reasons. Operator may, with or without notice, disconnect or refuse to provide promotional services if (i) the recipient fails to execute or strictly abide by Operator's Subscriber Terms, employment verification requirements, or other requirements imposed by Operator in its discretion from time to time; (ii) the recipient is no longer employed by Customer; or (iii) there is any use of the promotional service in violation of Laws or Subscriber Terms. Operator shall not be obligated to provide any promotional services during any period in which (1) Customer is in breach of its marketing or other material obligations under this Agreement; (2) the percentage of Residents subscribing to the HSD Service is less than 35%; or (3) the percentage of Residents subscribing to the Multi-Channel Video Service is less than 50%. Customer shall cause each individual receiving any such promotional services within a private residential unit to deliver to Operator a completed and signed IRS Form W-9 before Operator provides such promotional services to such recipient. Such obligation is ongoing and applies with respect to any new, additional or different recipients from time-to-time during the Term.

Operator shall have the right, upon reasonable prior notice and during Customer's normal business hours, and subject to any reasonable security requirements, to audit the use of the promotional services to ensure Customer's compliance with this Agreement. If Operator's audit reveals that the use of the promotional services exceeds Customer's rights hereunder, then Customer shall pay Operator an amount equal to the Services fee that would have been due for such use. Thereafter, Customer shall either discontinue any excess usage or thereafter continue to pay Operator's then-current fees for such additional usage.

By executing this Agreement, Customer accepts and agrees to be bound by the terms of each applicable Attachment, which are hereby incorporated into and made a part of this Agreement by this reference.

Attachment A – Right of Access
Attachment B – System
Attachment C – Discounted Services
Attachment C-1 – Discounted Services Lineup
Attachment D – Terms and Conditions

The individuals signing below represent, warrant and covenant to each other, to Customer and to Operator that they are duly authorized to execute and deliver this Agreement on behalf of the entity for which they have signed. If an agent or a manager is signing this Agreement on behalf of Customer, such individual also represents, warrants and covenants that it has provided Operator with a complete copy of its current, valid and enforceable agency or management agreement signed by Customer granting such person actual authority to negotiate, execute and deliver this Agreement on behalf of Customer. This Agreement may be signed electronically, in which case the signature lines below will remain blank and evidence of each party's electronic signatures will appear on the bottom of the last page of this Agreement. If Customer has not signed this Agreement and returned a signed copy to Operator within 45 days of the Effective Date, Operator may elect to rescind this Agreement and the terms contained herein by not signing this Agreement and notifying Customer of such election.

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Time Warner Cable Enterprises LLC

By:

Printed Name:

Title:

Date:

Myrtle Beach Resort Homeowners Association, Inc.

By: Wayne M Hrbn

Printed Name: WAYNE M HRBN

Title: PRESIDENT

Date: 1/21/2016

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ATTACHMENT A – RIGHT OF ACCESS

In Instrument# 2006030060 Misc, DEED BK:
3286 PG: 994 DOCTYPE: 002 12 2006 at
09:03:32 AM. 1 OF 2 BALLERY V.
CHAPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

Return to:
Time Warner Cable
Marketing Dept
1001 Oak St
Myrtle Beach, SC 29577

EASEMENT AND
MEMORANDUM OF AGREEMENT

STATE OF SOUTH CAROLINA }
COUNTY OF HORRY } COMMUNICATIONS EASEMENT

This Easement is made and executed this 24th day of August, 2006, by Myrtle Beach Resort Homeowners Association, Inc. authorized to do business under the laws of the State of South Carolina, and having a principal place of business 9998-B Kings Hwy. Myrtle Beach, SC 29577 hereinafter called the Grantor, to TIME WARNER ENTERTAINMENT-ADVANCE/NEWHOUSE PARTNERSHIP, through its Time Warner Cable South Carolina Division, d/b/a Time Warner Cable, a New York general partnership, having a place of business at 1001 Oak Street, Myrtle Beach SC 29577, hereinafter called the Grantee.

GRANTOR, being the owner(s) of the following described land in consideration of One and No/100 Dollar ($1.00) and other valuable consideration, the receipt and sufficiency of which is acknowledged,

HEREBY GRANTS, bargains, and sells to Grantee, its agents, successors and assigns, a perpetual non-exclusive easement for the construction, operation, and maintenance of communications facilities (including without limitation, wires, conduit, conductors and related equipment) installed or to be installed from time to time; with the right to reconstruct, improve, add to or remove any such facilities, and the right to ingress and egress to the premises at all times, this easement shall be for the benefit of Grantee, its successors and assigns as an easement in gross described as follows:

The land and building and improvements thereon, situated in Horry County, South Carolina, and currently known as " Myrtle Beach Resort" and legally described in Deed Book 760, Page 842, filed in the Office of the ROD of Horry County of Deeds, TMS No. 192-05-01-001 thru -251, 192-05-02-001 thru -171, 192-05-03-001 thru -346, 192-05-04-001 thru -080, 192-05-05-001 thru -071, 192-05-06-001 thru -005, 192-00-01-031.

Restoration and Clean-Up. Upon the completion of any installation, maintenance, repair, removal, or other work performed by Grantee upon the Property, Grantee shall restore, repair, reconstruct and replace, at the Grantee's sole cost and expense, any portion thereof affected by Grantee's activities including landscaping, to substantially the same condition as before such work was performed by Grantee including, but not limited to, replacement of sod and hydration. Except in the case of emergency, all work performed by Grantee under this Agreement shall use its reasonable efforts to minimize any disturbance to any residents.

IN WITNESS WHEREOF, this easement runs with the title to the aforementioned property (inclusive of land and buildings) and is binding on Grantor and on all subsequent owners of such property, as well as on others who may claim an interest in such property. This easement is freely assignable by Grantee. Each Grantor has executed this easement in its name and has affixed its corporate seal hereto, by its officers, duly authorized to do so, on the day and year first written above.

WITNESS:

Myrtle Beach Resort HOA, Inc.

First Witness

Second Witness

By:

Its: Community Manager

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STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF HORRY)

PERSONALLY APPEARED before me the first witness signing above, and made oath and s/he saw the within-named Myrtle Beach Regal I HOA, Inc. by [illegible] its [illegible] and sign, seal, and as its act and deed, deliver the within-written Communications Easement and that s/he with the second witness signing above witnessed the execution thereof.

Cindy Fankey
(Signature of First Witness)

SWORN to before me this
24th day of October 2022
[illegible]
Notary Public for South Carolina
My Commission Expires 10-8-19

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ATTACHMENT 1
TO
EASEMENT AND MEMORANDUM OF AGREEMENT

Property Legal Description

The Regime, and all Phases thereof (should such Phases be included within the Regime or not), are located within and may become a part of a certain 44.62, more or less, acres tract of land owned and/or under option by Declarant in Horry County, South Carolina, lying between U.S. Highway 17 and the Atlantic Ocean which Declarant has named The Myrtle Beach Resort (herein "Resort"). The only real property lying with and presently constituted the Resort is the Submitted Property, but Declarant reserves unto itself, its successors and assigns, and the present owner of the balance of the real property shown within the Resort in the Exhibits (herein "Present Owner"), the right to include up to the entire tract shown as the Myrtle Beach Resort within the Resort.

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ATTACHMENT B - SYSTEM

1. **Defined Terms**. When capitalized in this Agreement, or any Attachments thereto, these terms have the following meanings:

   "Equipment Room" means an internal, secured, and adequately ventilated room (minimum 10' x 10') within one of the Property's buildings to house Operator's electronic System equipment.

   "Plans" means a construction plan and schedule agreed upon by Customer and Operator, or, where no such plans exist or are required, Operator's then-current installation methods.

   "System" means all equipment, hardware, WiFi access points, wiring, (including internal building wiring and external distribution wiring), lockboxes, conduit, molding and other facilities that Operator installs or upgrades on the Property, that Operator provides for installation by Customer or a third party at the Property, or that exist on the Effective Date and that are or may be used by Operator to deliver Services, regardless of whether any System components (including wiring) are in use at any given time.

2. **Installation**. The System was installed before the Effective Date. Operator may, in its sole discretion, elect to install additional components of the System and/or upgrade any portion of the System to continue to provide the Services under this Agreement. Customer shall be liable to Operator for any costs arising from changes to the agreed upon Plans directed by Customer that affect the work to be performed by Operator or the System design.

3. **Ownership and Use**. Operator owns and has the exclusive right to access, control, maintain, upgrade, use, and operate the System, except for (a) any equipment, facilities, or wiring installed and owned by Customer or a third party, in which case (as between Customer and Operator) Customer shall own such items and Customer hereby grants to Operator the exclusive right to access, use, maintain, and upgrade such items during the Term; and (b) any conduit, molding, risers, raceways, or other spaces where the System is located that are installed and owned by Customer or a third party, in which case (as between Customer and Operator) Customer shall own such items and Customer hereby grants to Operator the non-exclusive right to access, use and maintain such items during the Term. For purposes of clarity, Operator owns any wiring provided by Operator to Customer for installation by Customer or its contractors. Customer shall not, and Customer shall not authorize any third party to, access, move, use, or interfere with any part of the System. The System is not, and shall not be deemed to be, affixed to or a fixture of the Property.

4. **Maintenance of System; Restoration of Property**. Operator shall, at its sole expense, (a) maintain, repair, and operate the System in compliance with Laws; and (b) repair and restore all portions of the Property damaged by Operator (regardless of whether such damage occurred during installation, upgrade, repair, or removal activities) to its condition immediately prior to such damage. Notwithstanding the foregoing, Operator shall have no obligation to maintain or repair any wiring used by another provider.

5. **Disposition and Use of System after Term**. Operator shall retain ownership of, and for 90 days after the expiration of the Right of Access, be entitled at Operator's option, to remove, abandon, disable, or sell all of the respective components of, the System, except for any System components installed and owned by Customer or a third party, which Operator shall leave in place undisturbed.

6. **System Inspection Requirement**. Upon Operator's reasonable request, but in no event more than one time per calendar quarter during the Term, Customer shall cause its on-site management to carefully and diligently inspect (but not open) the pedestals, lockboxes, and other secured or accessible areas housing the components of the System to ensure the integrity thereof and to ensure that no other party has accessed or is using the System. Customer immediately shall notify Operator of (a) any damage to, forced access of, or unauthorized use of, the System (including any pedestal, lockbox, or other secured or accessible area housing the components of the System); and (b) any condition or occurrence that is likely to adversely affect the System or provision of Services.

7. **Liens**. Operator shall not cause, suffer or authorize any lien, claim, or other encumbrance to be filed against the Property in connection with Operator's construction, installation, maintenance, use, or repair of the System or the exercise of any right or privilege of Operator under this Agreement. If Customer notifies Operator that such a lien has been filed against the Property by Operator or by any contractor performing work at the Property at Operator's request, then Operator promptly shall have the lien removed and released of record at Operator's sole cost and expense.

8. **Equipment Room**. If requested by Operator and available at the Property, Customer shall, at no cost, provide the following facilities and services for Operator's use: (a) an Equipment Room; (b) 24-hour per day access to the Equipment Room; and (c) electric power, lighting, and climate control (HVAC) for the Equipment Room in compliance with specifications provided by Operator or to Operator's reasonable satisfaction.

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ATTACHMENT C – DISCOUNTED SERVICES

1. Discounted Services. Operator will provide Discounted Services to each Unit as outlined in this Agreement. Except as specifically provided in this Agreement, Discounted Services do not include provision of CPE that may be necessary to view, access, or use Discounted Services, and such CPE will be provided and billed by Operator directly to Residents in accordance with this Agreement. Customer shall promptly inform each Resident (including all new Residents upon move-in) that it must contact Operator to set up an individual account before Resident will be able to receive any CPE and the Discounted Services. The Discounted Digital Phone Service fee does not include Operator's provision of international calling, directory assistance, operator services, or pay-per-call services, which shall be billed to and paid for by Residents. Individual Resident account information is necessary for the establishment of emergency 911 service and other digital phone services that Operator provides.

2. Invoices and Billing for Discounted Services. Operator will bill Customer for the Discounted Services on a monthly basis in advance and payment by Customer shall be due within 30 days after the date of such invoice; provided that Customer shall not be required to pay any invoice more than 30 days prior to the month to which such invoice applies. If Operator does not present an invoice before the first day of the month for which Discounted Services are being provided, such failure shall not constitute a waiver of the Discounted Services fee, and Customer promptly shall pay such invoice when delivered by Operator. Any payments not received by Operator within 30 days after the date of invoice automatically shall incur a late payment fee of up to 1.5% per month (pro-rated on a daily basis), or the maximum monthly amount permitted by Laws, whichever is less. The late payment fee shall apply from the due date of such payment until the date such amount is paid in full.

3. Audit. Operator has the right, upon reasonable prior notice and during Customer's normal business hours, and subject to any reasonable security requirements, to audit the use of the Discounted Services to ensure Customer's compliance with this Agreement. If Operator's audit reveals that the use of the Discounted Services exceeds Customer's rights hereunder, then Customer shall pay Operator an amount equal to 1.5 times the Discounted Services fee that would have been due for such excessive use as liquidated damages, and not as a penalty. In addition, Customer shall either discontinue any excess usage or thereafter continue to pay Operator's then-current fees for such additional usage.

4. Services Standards; Outage Credits. Operator will use commercially reasonable efforts to ensure that the Discounted Services are available to Residents 24 hours per day, 7 days per week, excluding scheduled maintenance and required repairs. If the Discounted Services are disrupted, fail, or otherwise are unavailable for normal use by Residents due to a technical or other malfunction in Operator's System or delivery network for 24 consecutive hours or more, then Customer will be entitled to a pro-rated credit in accordance with Operator's then-current standard policies for the affected Discounted Service (a "**Credit**"). To receive a Credit, Customer must request a Credit from Operator within 30 days after the date of such failure, and if confirmed by Operator, Operator shall credit Customer's account for the Credit(s) on the invoice generated for Operator's next billing cycle. In no event shall Credits awarded for any month of Discounted Services exceed the monthly recurring charges received by Operator for such month of the affected Discounted Service. Operator shall have no liability for, and this provision shall not apply to, any disruptions, failures or unavailability caused by a Force Majeure Event. Operator's provision of Credits shall constitute Customer's exclusive remedy for Discounted Services disruptions, failures, or unavailability.

5. Changes to Discounted Services. Subject to Laws, Operator shall be entitled to change or discontinue any aspect or feature of the Discounted Services, including, but not limited to, adding to, deleting from, and moving channel positions and the content and applications accessible through or provided via such Discounted Services. Where reasonably practicable, Operator shall provide advance notice to Resident-subscribers prior to any material change to the Discounted Services by posting notice of such change over the Discounted HSD Service (if applicable), notification by mail or email, or as otherwise permitted by Laws. If Customer notifies Operator that it objects to any material adverse change to a Discounted Service ("**Customer's Objection**") within 30 days after the change takes effect, and if Customer and Operator are unable to agree upon such change (or modify it to the reasonable satisfaction of the parties) within 30 days after Operator's receipt of Customer's Objection, then, as its sole remedy, Customer may terminate the Discounted Services arrangement for the affected Discounted Service under this Agreement upon an additional 30 days' notice to Operator, at which time Operator shall offer such Discounted Services directly to Residents at its standard rates on an individually-billed basis. Any change in the Discounted Services lasting 30 days or less shall not constitute a material adverse change under this paragraph. Customer's failure to notify Operator of any change within 30 days after the change became effective shall be deemed acceptance of the change by Customer.

6. Cooperation with Governmental Authorities. To the extent not prohibited by Laws, Customer shall fully cooperate with Operator and any appropriate governmental legislative, judicial or enforcement agency in responding to and complying with court orders, search warrants, subpoenas, discovery demands, investigations and other similar requests, including providing testimony, information, names, addresses, telephone numbers, location and other information about current or previous Residents.

7. Use of the Internet. CUSTOMER ACKNOWLEDGES THAT THE PERFORMANCE OF THE HSD SERVICE WILL VARY FROM TIME TO TIME BASED ON NETWORK USAGE AND OTHER FACTORS, AND THAT NO MINIMUM TRANSMISSION SPEED IS GUARANTEED AT ANY TIME. OPERATOR MAKES NO REPRESENTATION, WARRANTY OR GUARANTY REGARDING THE ACCURACY OR RELIABILITY OF ANY INFORMATION,

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SERVICES OR MERCHANDISE ADVERTISED, PURCHASED OR PROVIDED THROUGH THE SERVICES. CUSTOMER ACKNOWLEDGES THAT ACCESS TO THE INTERNET IS AT THE RESIDENTS' AND CUSTOMER'S SOLE RISK AND THAT OPERATOR SHALL BE NOT BE LIABLE IN ANY WAY IN CONNECTION WITH ANY USE OF THE INTERNET BY RESIDENTS, CUSTOMER OR ANY THIRD PARTY, INCLUDING CIRCUMSTANCES WHERE THE USE OF THE HSD SERVICE OR DISCOUNTED SERVICES RESULTS IN FILE OR DATA LOSS OR HARDWARE OR SOFTWARE LOSS OR DESTRUCTION (E.G., WHERE SUCH LOSS OR DESTRUCTION IS CAUSED BY VIRUSES CONTRACTED OVER THE INTERNET). CUSTOMER ACKNOWLEDGES THAT THE HSD SERVICE OR DISCOUNTED SERVICES MAY PROVIDE RESIDENTS WITH A CONNECTION TO THE INTERNET THAT MAY BE UNFILTERED AND UNSECURED AND THAT RESIDENTS MAY ACCESS CERTAIN CONTENT, MERCHANDISE AND SERVICES THAT ARE NOT CONTROLLED OR PROVIDED BY OPERATOR AND FOR WHICH THERE ARE CHARGES PAYABLE TO THIRD PARTIES (WHICH MAY INCLUDE OPERATOR), AND THAT OPERATOR SHALL NOT BE RESPONSIBLE OR LIABLE IN ANY WAY FOR SUCH CONTENT, SERVICES OR CHARGES.

8. **Security of Information and Transmissions**. OPERATOR MAKES NO WARRANTY AS TO THE SECURITY OF RESIDENTS' COMMUNICATIONS VIA OPERATOR'S SYSTEM OR THE SERVICES, OR THAT THIRD PARTIES WILL NOT GAIN UNAUTHORIZED ACCESS TO OR MONITOR RESIDENTS' PHONE, INTERNET OR OTHER COMMUNICATIONS. CUSTOMER AND RESIDENTS HAVE THE SOLE RESPONSIBILITY TO SECURE THEIR COMPUTERS AND PHONE EQUIPMENT AND COMMUNICATIONS. CUSTOMER EXPRESSLY ACKNOWLEDGES THAT (I) THE DIGITAL PHONE SERVICE DOES NOT HAVE ITS OWN POWER SOURCE AND WILL NOT BE AVAILABLE WITHOUT AN INDEPENDENT POWER SUPPLY AND THAT, UNDER CERTAIN CIRCUMSTANCES, INCLUDING IF THE ELECTRICAL POWER IS UNAVAILABLE, A RESIDENT'S BROADBAND CONNECTION IS DOWN, AND/OR OPERATOR'S CABLE NETWORK OR FACILITIES ARE NOT OPERATING, THE DIGITAL PHONE SERVICE, INCLUDING THE ABILITY TO ACCESS EMERGENCY 911 SERVICES, WILL NOT BE AVAILABLE; (II) THE ADDRESS ASSOCIATED WITH AN EMERGENCY 911 CALL IS THE AUTHORIZED ADDRESS WHERE THE DIGITAL PHONE SERVICE WAS ORIGINALLY PROVIDED AND THAT MOVEMENT OF THE SYSTEM OR OTHER EQUIPMENT FROM THE ORIGINAL SERVICE LOCATION WILL RESULT IN THE IDENTIFICATION OF EMERGENCY 911 CALLS FROM THE ORIGINAL SERVICE LOCATION; AND (III) THE DIGITAL PHONE SERVICE MAY NOT BE COMPATIBLE WITH SECURITY SYSTEMS, DIGITAL SUBSCRIBER LINE (DSL) SERVICE, FACSIMILE TRANSMISSION SERVICE, OR OTHER TYPES OF SERVICES AND THAT, IN ORDER TO OBTAIN OR MAINTAIN ANY NECESSARY ALARM MONITORING FUNCTIONS, INTERNET ACCESS, FACSIMILE CAPABILITY, OR OTHER SERVICES, CUSTOMER MAY BE REQUIRED TO MAINTAIN A TELEPHONE CONNECTION THROUGH A LOCAL EXCHANGE CARRIER AND/OR MAKE SEPARATE ARRANGEMENTS DIRECTLY WITH ITS OTHER SERVICE PROVIDERS.

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ATTACHMENT C-1 – DISCOUNTED SERVICES LINEUP

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ATTACHMENT D – TERMS AND CONDITIONS

1. Certain Definitions. Capitalized terms not defined in these Terms and Conditions shall have the meaning set forth in this Agreement. When capitalized in this Agreement, or any Attachments thereto, these terms have the following meanings:

"**Area**" means the geographic area served by the same Operator headend that serves the Property.

"**CPE**" means Operator-provided customer premises equipment, such as receivers, set-top boxes, remote control units, converters, and modems that may be necessary to view or receive certain Services.

"**Dedicated Unit Wiring**," if applicable, is defined in the System Attachment.

"**Digital Phone Service**" means the residential digital phone service that Operator offers generally to its customers in the Area and delivers to Residents.

"**Discounted Services**" means those Services designated as Discounted Services in this Agreement that Operator will provide to Customer on a bulk-billing or discounted basis as set forth in the Discounted Services Attachment. Discounted Services shall be deemed Exclusive Marketed Services.

"**Distribution System**," if applicable, is defined in the System Attachment.

"**Force Majeure Event**" means an event beyond a party's reasonable control, other than payment of monies due, including an act of God or government, fire, flood, earthquake, accident, storm, any labor dispute, failure of usual sources of supply, war, riot, insurrection, vandalism, blocked or delayed access rights, loss of the right to use rights of way or to make pole attachments.

"**HSD Service**" means the residential high speed data service that Operator offers generally to its customers in the Area and delivers to Residents.

"**Laws**" means all applicable federal, state, and local statutes, rules, regulations, and ordinances, including the rules and regulations of the Federal Communications Commission.

"**Losses**" means all claims, liabilities, losses, costs, or damages of any nature whatsoever.

"**Multi-Channel Video Service**" means the multi-channel video and sound services that Operator offers generally to its customers in the Area and delivers to Residents.

"**Related Parties**" means shareholders, members, partners, directors, officers, managers, employees, contractors, agents, and affiliates of the subject party.

"**Services**" means any and all services that Operator makes available at the Property, including any Discounted Services provided.

"**Subscriber**" means any person or entity that subscribes to a Service.

"**Subscriber Terms**" means any subscription agreement, terms and conditions of use, or acceptable use or other policies established by Operator from time to time, as may be amended (available at http://help.twcable.com).

"**System**" is defined in the System Attachment.

"**Unit**" means a single dwelling unit or billing unit either within a multiple dwelling unit community or single family or mobile home community.

2. Services and Rates.

a. Unless otherwise provided in this Agreement, the Services to be provided to Residents, and the rates to be charged for the Services, will be Operator's standard retail Services and rates for the Area. Customer acknowledges that Operator (and its designated affiliates) is the sole provider of the Services (including Discounted Services) under the terms of this Agreement, and that Customer is not a reseller or provider of the Services. Residents will be billed for all Services (other than the Discounted Services) and any taxes, franchise fees, and other fees assessed in conjunction with the Services. In no event will Customer be responsible for any fees or charges incurred by Residents in connection with the Services. Operator will use commercially reasonable efforts to ensure that the Services are available to Residents 24 hours per day, 7 days per week, excluding Force Majeure Events, scheduled maintenance, and required repairs. Operator may, with or without notice and without breaching this Agreement, disconnect or refuse to provide Services or equipment to any person who (i) fails to execute or abide by Operator's Subscriber Terms; (ii) uses the Services or equipment in violation of Laws; or (iii) fails to provide Operator with the information required to establish a Service account. If Operator reconnects such users, then Operator shall be entitled to charge the Resident Operator's then-current standard disconnection and reconnection fees.

b. Subject to Laws, Operator retains the right to control, add to, discontinue or change the rates and Services or any features or components thereof, including the channel line-up and those features or channels provided in connection with Discounted Services as further provided in the Discounted Services Attachment, from time to time. Customer acknowledges and understands that Operator uses certain programming owned by third parties. Customer shall not make any claims or undertake

any legal action against any person or entity, including Operator, if certain programming is interrupted, discontinued or substituted.

c. Unless otherwise provided in this Agreement, Operator owns all CPE provided to Residents or supplied to the Property. Residents are responsible for any lost, stolen, or damaged CPE, and are responsible for returning all CPE to Operator after termination of Services. Customer will use reasonable efforts to safeguard and return to Operator any CPE left by Residents in vacated units, the Property management office, or other areas of the Property.

3. **Interference.** Customer acknowledges that certain signal splitting devices (which may include, but are not limited to, diplexers) will cause signal interference with the provision of Operator's Services over the System. Customer shall not, and shall not permit Residents or other service providers to: (a) install signal splitting devices to any portion of the System, or (b) make any modifications to the System if any modifications or installation of signal splitting devices are likely to cause interference with Operator's Services without Operator's consent. If interference occurs, Customer shall use its best efforts to eliminate such interference, or cause Residents or other service providers to eliminate such interference, in a commercially reasonable time period.

4. **Mandatory Access.** Notwithstanding anything to the contrary in this Agreement, if Laws require Customer to provide Operator with access to the Property for the provision of any Service, then (a) Operator shall continue to own and be permitted to access and use any System components as provided in the System Attachment to provide Services to the Property, and (b) any System ownership and removal rights as provided in the System Attachment shall apply at such time as Laws no longer provide for Operator's access to the Property. Nothing in this Section shall operate as, or be construed to be, a waiver of any rights that Operator may have under any Laws, and all such rights are hereby reserved by Operator.

5. **Grant of Marketing Rights.**

a. Customer hereby grants to Operator during the Term the exclusive right to market on-site at the Property the Exclusive Marketed Services (including Discounted Services) to Residents and the non-exclusive right to market on-site at the Property all other Services to Residents. During the Term, (i) Customer shall exclusively market the Exclusive Marketed Services to Residents and prospective Residents; (ii) Customer shall not accept compensation from any other provider of services that are materially similar to the Exclusive Marketed Services, whether for access, marketing or other rights relating to such services; and (iii) Customer shall not, and Customer shall not permit or in any way assist other parties (including other service providers) to, promote, market or solicit services on-site at the Property that are materially similar to the Exclusive Marketed Services, or facilitate another party's efforts to do so through off-site activities (such as mail, email, facsimile, or telephone marketing campaigns, property specific advertisements, *etc.*). If Operator installs WiFi access points at the Property, Operator may promote the Property as a WiFi access point in all forms of media, and shall have exclusive right to market provision of WiFi at the Property.

b. Notwithstanding anything in this Agreement to the contrary, and without limiting the parties' exclusive marketing rights and obligations with regard to Exclusive Marketed Services, if any, during the Term, Customer shall provide Operator the same or better marketing opportunities with regard to Marketed Services as it provides any other provider of services that are materially similar to Marketed Services, including (i) placement, location and size of materials and signage; (ii) times, duration and frequency of on-site marketing and events; (iii) general on-site marketing exposure; and (iv) access to Resident information. During the Term, Customer shall not enter into any bulk billed, bulk provision (regardless of whether for a fee), bulk or volume discount, Customer-guaranteed payment, Customer-subsidized (e.g., construction reimbursement or subsidy), or any other similar arrangement with any other provider for video service.

c. Operator may provide Customer with marketing materials, service-order materials, sales support, and sales training so that Customer, its employees or leasing agents can market the Marketed Services consistent with Operator's then-current on-site marketing program in the Area for similar properties or as may be more specifically outlined in this Agreement. Terms and conditions of any referral or incentive programs may be provided and modified from time to time by Operator, in its sole discretion, and may be set forth via a web-based service or other process designated by Operator.

d. Except for Customer's distribution of Operator-provided marketing materials at the Property and Operator's right to promote the Property as a WiFi access point, nothing in this Agreement shall be deemed or construed to be a license or other grant of rights to use the other party's copyrighted materials, trademarks, service marks, trade names, logos, or other intellectual property or proprietary rights without the prior consent of such party.

6. **Representations and Warranties.**

a. Customer represents, warrants, and covenants to Operator that (i) Customer is the sole legal and equitable owner in fee simple of the Property; provided, however, that if Customer is an owner's association, this subsection shall not apply; (ii) no purchase contract exists with respect to the Property, other than sale of individual units that may be owned by Residents; (iii) Customer has the full power and authority to negotiate, execute, deliver, and perform this Agreement and any Right of Access granted to Operator; (iv) the legal description attached to any recordable Right of Access document is the complete, accurate, and current legal description for the Property; (v) the Property is not part of a bankruptcy proceeding, foreclosure action, deed-in-lieu-of-

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foreclosure transaction, or similar proceeding; (vi) the party(ies) signing this Agreement and the easement or other access document is duly authorized to execute and deliver such documents on behalf of Customer; (vii) if Customer installed any portion of the System, Customer has installed and will maintain such portion of the System in compliance with Laws during the Term; (viii) Customer owns or has the right to grant to Operator the right to use all System components not owned by Operator as contemplated by this Agreement, including any attachments; (ix) Customer shall not rebroadcast or display the Services in a public place or use any part of the Services in connection with a "public performance" unless it has obtained the requisite licenses, consents, and authorizations (*e.g.*, for music rights, rebroadcast rights, *etc.*) and paid the appropriate fees (*e.g.*, license fees, music royalties, *etc.*); and (x) there are no prior or existing agreements, understandings, or intentions with or between Customer and any third parties that conflict with this Agreement.

b. Operator represents, warrants, and covenants to Customer that (i) Operator has the full power and authority to negotiate, execute, deliver, and perform this Agreement; (ii) the party signing this Agreement is duly authorized to execute and deliver this Agreement on behalf of Operator; (iii) Operator will maintain during the Term all required licenses, permits, and approvals necessary to permit Operator to operate the System and provide the Services; and (iv) there are no prior or existing agreements, understandings, or intentions with or between Operator and any third parties that conflict with this Agreement.

7. **Default and Remedies.**

a. The following shall constitute material breaches of this Agreement: (i) a party materially breaches or fails to meet or perform any material representation, warranty, covenant or other obligation contained in this Agreement and then fails to cure such matter within 45 days (or such other time period specified in this Agreement) after receiving notice from the other party that details the breach in a manner sufficient to permit its cure, unless such breach is not reasonably curable within such period, in which case the breaching party shall not be deemed to be in breach so long as it has commenced a cure within such period and diligently pursues such cure to completion; (ii) a party becomes insolvent or a debtor in a bankruptcy or similar action or proceeding; (iii) the Property becomes subject to foreclosure or similar action or proceeding; or (iv) Customer fails to timely pay any invoices provided by Operator more than two times in any 12-month period or Customer becomes more than 30 days delinquent in its payment of Discounted Services fees.

b. Except as specifically provided otherwise in this Agreement, the non-defaulting party shall be entitled to seek all remedies available at law or in equity with respect to a breach under this Agreement by the defaulting party (including injunctive relief and specific performance in cases where a breach is causing or would cause irreparable damage or where no adequate remedy at law is available), and such rights and remedies shall be cumulative. If the defaulting party fails to cure a breach as provided in this Agreement, then the non-defaulting party may, in addition to all other available remedies, terminate this Agreement upon notice to the defaulting party. If Discounted Services are provided and Customer defaults pursuant to Section 7(a)(iv), then in addition to any other remedies available to Operator, Operator may, without further notice, stop providing any or all of the Discounted Services on a bulk-billed basis and begin providing such Services on an individually-billed basis directly to Residents during the remainder of the Term. Operator may also terminate this Agreement upon notice to Customer if: (i) Operator's System has been damaged more than three times in any 12-month period due to vandalism, unauthorized access, or other activity not authorized by Operator, or (ii) the number of units at the Property subscribing to Operator's Multi-Channel Video Service, divided by the total number of units at the Property, averages below 20% during any 60-day period. Notwithstanding termination for either (i) or (ii), Operator's Right of Access shall continue in full force and effect until such time as the Right of Access would have expired had this Agreement remained in effect for its full Term or Operator decides to stop providing any of its Services at the Property, whichever occurs earlier.

c. If this Agreement is (i) terminated prior to its natural expiration for any reason other than Operator's material, uncured breach; or (ii) not honored by any assignee or successor of Customer (regardless of whether such assignee or successor acquires the Property by purchase, transfer, operation of Laws, or otherwise), then Customer shall pay to Operator, within 30 days after the date of Operator's invoice therefor, an amount equal to Operator's reasonably expected revenues for the remainder of the Initial Term (or then-current Renewal Term) had this Agreement been fully performed by the parties (the "**Termination Payment**"). Nothing in this Section affects ownership or disposition of the System. Provided that Operator receives the Termination Payment within 30 days after the date of Operator's invoice, this Agreement automatically shall terminate (if not already terminated) and the remedies provided for in this Section shall be Operator's sole remedy and Customer's sole liability for an early termination of this Agreement.

8. **Insurance.**

a. Operator maintains standard insurance coverages in connection with its provision of services to all properties in the Area, including the Property. Upon request, Operator will provide to Customer a photocopy of the insurance certificate listing such coverages.

b. Customer shall maintain insurance in the following forms and amounts during the Term: Commercial General Liability Insurance, on an "occurrence" basis, against all claims for bodily injury, death, and tangible property damage liability for a combined single limit of not less than $2,000,000 per occurrence.

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9. **Indemnification**.

a. Except for claims arising out of the negligence or intentional misconduct of Customer, Operator will defend, indemnify, and hold harmless Customer and, as applicable, Customer's Related Parties, from and against all Losses incurred by Customer or its Related Parties resulting from third party claims based on (i) Operator's installation, maintenance, or operation of the System, except for any Losses resulting from any pre-existing conditions at the Property (including environmental hazards); or (ii) Operator's breach of its covenants, representations, or warranties in Section 6(b).

b. Except for claims arising out of the negligence or intentional misconduct of Operator, Customer will defend, indemnify, and hold harmless Operator and, as applicable, Operator's Related Parties, from and against all Losses incurred by Operator or its Related Parties resulting from (i) Customer's design, installation, or maintenance of the conduit or Dedicated Unit Wiring (if installed or owned by Customer); (ii) damage to any part of the System caused by Customer or its Related Parties; (iii) Customer's operation of the Property; or (iv) Customer's breach of its covenants, representations, or warranties in Section 6(a).

c. A party seeking defense and indemnification under this Section ("**Indemnitee**") promptly shall (i) notify the other party ("**Indemnitor**") of any claim for which it is requesting indemnification and tender the defense; and (ii) provide all reasonably available facts, circumstances, documents and particulars of the claim and reasonably assist where requested to enable Indemnitor to defend, settle, and indemnify for such claim. Indemnitor shall have sole control over such defense, investigation, and settlement negotiations, but shall not settle any claim without first obtaining Indemnitee's prior consent where the settlement of such claim (1) results in any admission of guilt on the part of Indemnitee; (2) imposes any obligation or liability on Indemnitee; or (3) has a judicially binding effect on Indemnitee, in each case, other than monetary liabilities for which Indemnitee is indemnified by Indemnitor under this Section. Indemnitor shall have no liabilities or obligation to Indemnitee under this Section in connection with (x) any claims not promptly tendered to Indemnitor for defense in compliance with this Section; provided that if Indemnitor provides a defense notwithstanding such failure, then those Losses that could have been avoided, minimized, or otherwise mitigated had the claims been promptly tendered shall be excluded from the indemnification obligation; (y) any attorneys' fees or other costs or expenses incurred by Indemnitee in connection with a claim (such as costs of investigation, verification, review, etc.) with this Section; or (z) any settlements that Indemnitor does not approve.

10. **Successors; Assignment**. Except as specifically permitted below, neither party shall assign this Agreement without the prior consent of the other party.

a. If Customer sells or otherwise transfers the Property, Customer shall (i) promptly provide Operator with the name, address, telephone, and contact name of the new owner of the Property; and (ii) make the assumption of this Agreement by the new Customer of the Property a condition of any sale, transfer or assignment of the Property. Upon the new owner's written assumption of all of Customer's obligations and duties under this Agreement, Customer will be relieved of any further liability or obligations to Operator attributable to periods from and after the effective date of such assumption.

b. Operator may assign this Agreement to (i) any parent, "**Operator Affiliate**" (an entity in which Operator, Time Warner Cable Inc. ("TWCI"), or Time Warner Entertainment-Advance/Newhouse Partnership ("TWEAN"), and any other corporation, partnership, joint venture, trust, joint stock company, or other entity as to which any one or more of Operator, TWCI, or TWEAN owns or controls at least 25% of the voting securities of such entity), successor (by operation of Laws or otherwise), or subsidiary that Operator may have; or (ii) any entity that purchases Operator's assets used to provide Services in the Area. Upon the new operator's written assumption of all of Operator's obligations and duties under this Agreement, Operator will be relieved of any further liability or obligations to Customer attributable to periods from and after the effective date of such assumption. Operator, at its option, may exercise any of its rights or remedies under this Agreement, and perform any of its duties or obligations hereunder, by itself or through any Operator Affiliate in conformity with the terms and conditions of this Agreement.

c. Promptly upon the creation at any time of a Resident-controlled homeowners' association for the Property ("**Resident-Controlled HOA**"), Customer shall assign all of its rights and delegate all of its duties under this Agreement to the Resident-Controlled HOA and shall cause the Resident-Controlled HOA to assume this Agreement and all of Customer's rights and obligations hereunder. If this Agreement is, for any reason, not assumed by the Resident-Controlled HOA within a reasonable time, not to exceed 180 days of its creation, then, upon notice from Operator, which may be provided at any time prior to such assumption by the Resident-Controlled HOA, Customer shall pay to Operator the Termination Payment as provided in Section 7(c). Upon providing to Operator a copy of the Resident-Controlled HOA's written assumption of all of Customer's obligations and duties under this Agreement, Customer will be relieved and released of any further liability or obligations to Operator attributable from and after the effective date of such assumption, and Resident-Controlled HOA will become "Customer" under this Agreement.

11. **Confidentiality**. Except as specifically provided in this Agreement, and except for disclosures required by Laws, Customer and Operator will (a) keep confidential and not disclose to any other party the terms of this Agreement or any attachments hereto; (b) keep confidential and not disclose to any other party any information that is provided by one party to the other in connection with the performance of this Agreement that is conspicuously marked "confidential," "proprietary," or with words of similar import; (c) not disclose or use any such confidential information for any purpose other than performance of this Agreement; and (d) not make any public announcement or press release about this Agreement without the other's prior approval. Notwithstanding the foregoing, each

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party shall be entitled to (x) announce publicly and in business presentations that Customer and Operator have entered into a business arrangement under which Operator will be providing its services to the Property (without disclosing any further specifics of this Agreement); and (y) disclose the terms of this Agreement to its financial, legal, and other advisors and consultants, and to prospective lenders or purchasers of the Property or the System, in each case on a need-to-know basis and provided that such recipients are obligated in writing to maintain the confidentiality of the terms of this Agreement without further disclosure to any other party.

12. Limitation of Warranties and Liability. **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, OPERATOR MAKES NO REPRESENTATIONS OR WARRANTIES—EXPRESS OR IMPLIED—REGARDING THE SYSTEM OR THE SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE, AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED BY OPERATOR AND WAIVED BY CUSTOMER TO THE EXTENT NOT PROHIBITED BY LAWS. NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY THEREOF. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT SHALL OPERATOR'S AGGREGATE LIABILITY TO CUSTOMER OR TO ANY THIRD PARTY UNDER THIS AGREEMENT, REGARDLESS OF THE BASIS FOR SUCH LIABILITY, EXCEED THE TOTAL AMOUNT RECEIVED BY OPERATOR DURING THE PREVIOUS 12-MONTH PERIOD UNDER THIS AGREEMENT. ALL CLAIMS UNDER THIS AGREEMENT MUST BE INITIATED NOT LATER THAN ONE YEAR AFTER THE OCCURRENCE GIVING RISE THERETO OR THEY SHALL BE DEEMED WAIVED, EXCEPT WITH RESPECT TO CLAIMS BY CUSTOMER RELATING TO SERVICE CHARGES, INVOICES, OR PAYMENTS DUE FROM OR MADE BY OPERATOR, WHICH MUST BE INITIATED NOT LATER THAN SIX MONTHS AFTER THE DATE OF SUCH CHARGE, INVOICE OR PAYMENT.**

13. Miscellaneous.

a. Notices. Unless otherwise specified in this Agreement, all notices, requests, approvals, demands, consents, and other communications that are required to be or may be given under this Agreement shall be (i) in writing; (ii) when being sent to Operator, delivered by facsimile *and* by a nationally-recognized, traceable delivery service (*e.g.*, overnight courier, U.S. mail with return receipt, *etc.*) to Operator's address stated at the head of this Agreement; (iii) when being sent to Customer, delivered to the address provided by Customer to Operator for billing invoices or payments (where applicable) or to Customer's address stated at the head of this Agreement where no separate billing or payment address is provided (but not to the Property address unless that also is the billing address); and (iv) deemed properly given upon receipt or rejection by the addressed recipient. If questioned, the sender of the notice shall have the burden of producing written documentation proving delivery and receipt or rejection. Either party may change its notice information by providing notice to the other in accordance with this Section.

b. Force Majeure. Despite anything to the contrary in this Agreement, (i) neither party shall be liable to the other or in breach of or default under this Agreement for any delay or failure to meet any of its obligations or perform under this Agreement, where such delay or failure is the result, in whole or part, of any Force Majeure Event; and (ii) Operator may, but shall not be required to, rebuild any portion of the System substantially damaged or destroyed by a Force Majeure Event or other casualty. So long as the non-performing party diligently and continuously attempts to cure the non-performance caused by the Force Majeure Event, the Term and the time for performance shall be extended to account for the delay caused by the Force Majeure Event.

c. Compliance with Laws; Governing Law; Waiver of Jury Trial. This Agreement shall be subject to, and in the performance of their respective obligations under this Agreement the parties shall comply with, all Laws and such compliance shall be deemed not to constitute a breach of this Agreement. Unless otherwise specified, nothing in this Agreement shall operate as a waiver of a party's rights under all Laws. This Agreement shall be governed by the laws of the state in which the Property is located (the "State"), other than such Laws that would result in the application of the laws of a jurisdiction other than the State. The parties hereby submit to the *in personam* jurisdiction of the State and waive any objection to improper venue in the applicable federal and state courts. If Laws prohibit Customer from granting or Operator from obtaining any of the exclusive rights granted under this Agreement, then such rights automatically shall be deemed non-exclusive, but only to the extent and for so long as required by Laws. **TO THE EXTENT NOT PROHIBITED BY LAWS, EACH PARTY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO, AND SHALL NOT REQUEST, A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY A PARTY AGAINST THE OTHER REGARDING ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT.**

d. Severability. If any portion of this Agreement is rendered invalid or otherwise unenforceable under Laws or by a governmental, legal, or regulatory authority with jurisdiction over the parties, then the remainder of this Agreement will continue in full force unless such continuance will deprive one of the parties of a material benefit hereunder. In such event, and subject to any Attachment, which may contain agreed upon alternative provision(s) that automatically shall become effective upon certain changes in Laws, the party that has been deprived of such material benefit may notify the other, and the parties promptly thereafter shall use commercially reasonable efforts to replace or modify the invalid or unenforceable provision with a provision that, to the extent not prohibited by Laws, achieves the purposes intended under the invalid or unenforceable provision.

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e. **Scope of Agreement; Modifications**. This Agreement and all attachments thereto constitute the entire agreement between Customer and Operator with respect to, and supersedes all other agreements relating to, the subject matter contained herein. This Agreement can be modified or changed only by a written instrument signed by both parties. A party's waiver of enforcement of any of the terms or conditions of this Agreement will be effective against such party only if contained in a written instrument signed by an authorized representative of such party. The waiver of a party's breach of this Agreement or failure to perform any covenant, condition or obligation shall not constitute or be construed to be a waiver of any succeeding breach or failure. The relationship between Customer and Operator is that of independent contractors, and not one of principal and agent, joint venture or partnership.

f. **Enforcement Costs**. If either party sues or brings any other type of enforcement action in connection with this Agreement, then the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs in connection with such enforcement.

g. **Rules of Construction**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly requires otherwise: (i) the words "including," "included" and "includes" means inclusion without limitation; (ii) references to "day(s)" means calendar day(s), unless specifically stated otherwise (*e.g.*, "business day(s)"); (iii) because the parties have had sufficient opportunity to have this Agreement reviewed by their respective legal counsel, the rule of construction under which ambiguities are resolved against the drafting party shall not apply; and (iv) headings are for reference only and do not affect the interpretation of this Agreement.

h. **Survival**. The provisions of Sections 1, 4, 9 (for a period of six months), 11, 12, and 13 shall survive the termination or expiration of this Agreement.

i. **Counterparts and Facsimile Signatures**. This Agreement may be executed in counterparts. Exact copies and facsimiles or original signatures shall have the same force and effect as original signatures.

j. **Further Assurances**. Each party shall, at the request of the other, execute, acknowledge (if appropriate) and deliver additional documents, and do such other acts, as reasonably may be requested by the other, to reflect the terms and carry out the purpose of this Agreement.

k. **No Third Party Beneficiaries**. This Agreement constitutes an agreement solely among the parties hereto, and is not intended to and will not confer any rights, remedies, obligations or liabilities, legal or equitable, on any person (including any Resident or Subscriber) other than the parties hereto and their respective successors or assigns, or otherwise constitute any person (including any Resident or Subscriber) a third party beneficiary under or by reason of this Agreement.

l. **Order of Precedence**. To the extent that the terms of this Agreement or any Attachments are inconsistent with the terms of these Terms and Conditions, these Terms and Conditions shall control.

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Electronic Signature Page to Service and Marketing Agreement

If this Agreement is signed electronically, evidence of each party's electronic signatures will appear on the bottom of this page of this Agreement.

Signature: Mike Sloan
Mike Sloan (Jan 26, 2016)

Email: mike.sloan@twcable.com

Title: Paralegal

Company: Time Warner Cable

Signature: R Lynn Dodson
R. Lynn Dodson (Jan 26, 2016)

Email: lynn.dodson@twcable.com

Title: MDU/HOA, Director

Company: Time Warner Cable Community Solutions

Signature: Kathy Santoro
Kathy Santoro (Jan 26, 2016)

Email: kathy.santoro@twcable.com

Title: Sales Manager

Company: Time Warner Cable

Signature: Bill Erickson
Bill Erickson (Jan 26, 2016)

Email: bill.erickson@twcable.com

Title: GVP Field Sales & Business Development

Company: Time Warner Cable

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EXHIBIT H

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EMPRESS MANAGEMENT, LLC
MANAGEMENT AGREEMENT

THIS AGREEMENT CONTAINS A BINDING IRREVOCABLE AGREEMENT TO ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15, CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF SOUTH CAROLINA

THIS AGREEMENT, made and entered into this ___ day of _____, 2017, by and between The Myrtle Beach Resort HOA, Inc., hereinafter "Association," and Empress Management, LLC, hereinafter "Managing Agent."

WITNESSETH

WHEREAS, Association is a nonprofit corporation consisting of the owners of lots or units in The Myrtle Beach Resort HOA, Inc, located in Horry County, South Carolina, and is vested with certain duties relative to the administration and operation of The Myrtle Beach Resort HOA, Inc.; and

WHEREAS, The Myrtle Beach Resort HOA, Inc, Inc. consists of Units, Common Elements, and Common Property, and improvements as described in the Governing Documents, defined below; and

WHEREAS, the nature of the duties and responsibilities of the Association is such that the Association desires to employ a Managing Agent;

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged by the parties hereto, the parties agree as follows:

1. DEFINITIONS:

a. "Assessments" means those assessments, dues, charges, and/or fees established and approved by the Board pursuant to the Governing Documents and/or applicable law, which the Owners are bound to pay as their share of the common expenses of the Association.

b. "Association" means the Association consisting of all the Owners of units and/or lots in the Project, as organized under the Governing Documents of the Project for the purpose of administering the Project.

c. "Approved Budget" means the annual financial projection for Association operations, which has been approved by the Board.

d. "Board of Directors" or "Board" means the Board of Directors or other body in charge of the Association pursuant to the Governing Documents.

e. "Common Elements," "Common Property," or "Common Properties" means the common elements and any property and improvements specified in the Governing Documents as belonging to the Association or the Owners in common. These terms do not include the interior

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space of any unit, any lot or residence owned by an individual Owner and not owned by the Association or in common with other Owners.

f. "Governing Documents" means the Articles of Incorporation, Declaration, Master Deed, Covenants, Conditions, and Restrictions, By-Laws, and other recorded or adopted documents and amendments thereto as may be applicable that govern or control the administration, management, and operation of the Project.

g. "Monthly Financial Reports" shall include the following: Balance Sheet, Income Statement, and supporting reports and schedules for Accounts Receivable and Accounts Payable.

h. "Owner" or "Owners" shall mean all of the persons or entities which own Units and/or Lots in the Project and shall also refer to a particular person owning a Unit or Lot in the Project.

i. "Project" shall mean the property that is subject to the Governing Documents.

j. "Unit[s]" or "Lot[s]" shall mean a portion of the Project which may be independently owned and is intended for use and occupancy as a single family residence. The terms shall include, by way of illustration but not limitation, condominium units, townhouse units, duplex homes, cluster homes, patio or zero lot in homes, and single family detached houses on separately plotted lots, and vacant land intended for development for use and occupancy as a residence or residences, but shall not include Common Areas or Common Property.

2. EMPLOYMENT:

a. The Association hereby appoints the Managing Agent as its exclusive Association Manager and Managing Agent hereby accepts the appointment on the terms, covenants, and conditions set forth in this Agreement. The Managing Agent will deliver services as provided in this Agreement under the direction of the Board of Directors of the Association. The Board may appoint a single representative to furnish information and instructions to the Managing Agent for performance of its duties. In the event the Board does not appoint a single representative, the President shall serve as the representative. The Managing Agent shall be entitled to rely on the appointed representative or President as being authorized by the Association's Board.

b. The Association acknowledges the importance and value of the Managing Agent's employees and agents to the business of the Managing Agent, and agrees to refrain from hiring or employing, directly or indirectly, any person who is or was employed by the Managing Agent during the term of this Agreement, including any renewal term or holdover period, and for a period of one year after the termination of this Agreement without first obtaining the written consent of the Managing Agent.

3. TERM:

Unless sooner terminated, as provided herein, this Agreement shall remain in full force and effect for an initial period of 24 month(s) commencing January 1, 2018 through December 31, 2020 ("Initial Term"). Thereafter, this Agreement shall automatically renew for one (1) year periods ("Renewal Term"). After the expiration of the Initial Term and Renewal Term this Agreement shall continue on a month to month basis. This Agreement may be terminated by either party hereto by giving 90 days written notice to the other party; however, the Association

shall be responsible for the payment of all compensation due to the Managing Agent through the effective date of cancellation.

4. COMPENSATION:

a. The Association agrees to pay all reasonable costs and expenses incurred by the Managing Agent in the performance of its duties, and agrees to pay the Managing Agent a fee of $68,000 annually, payable in equal monthly installments which shall be billed on the first day of each month and due for payment no later than the fifth day of each month. If the Association is late in its payment, a late fee of $100.00 will be added. The fee due to the Managing Agent shall be subject to an annual increase as approved and/or negotiated between the agent and the Board of Directors.

b. Additional Services: The Association may request the Managing Agent provide additional or expanded services beyond the services set forth in this Agreement and not included in the annual compensation. Such additional or expanded services may include but are not limited to insurance claim management, assistance with special projects such as roofing, siding, painting, seal coating, or other construction or maintenance projects, and assistance, participation, or research related to legal action initiated by or against the Association or the Board. The Association agrees to pay the Managing Agent a fee for such services as described in Exhibit "A" hereto. If such additional or expanded services are requested, the Managing Agent will bill the Association and the Association will pay the Managing Agent on a monthly basis for such services.

c. The Association agrees to pay the Managing Agent on a monthly basis for office, administrative, and other charges as described in Exhibit "A" hereto.

d. Transfer and Set-Up Fee: Association shall pay the Managing Agent a one-time fee of $500.00 upon acceptance of this Agreement.

5. LIMITATIONS ON AUTHORITY:

It is understood and agreed that the authority and duties conferred on the Managing Agent hereunder are limited as provided herein and are in accordance with the Association's governing documents and applicable state law. The Managing Agent shall be responsible for implementing the policy decisions of the Board and shall be subject to the lawful decisions of the Board, but shall be entitled to exercise its discretion as to the means of implementation of such policies within the scope and intent of the Agreement.

6. RESPONSIBILITY OF THE ASSOCIATION:

The Association shall retain the primary responsibility for enforcement of the provisions of its Governing Documents and its contractual agreements.

7. DUTIES OF MANAGING AGENT:

The Managing Agent shall perform the following services and duties, consistent with the Governing Documents and consistent with such budgetary limitations as may be imposed by the Association and pursuant to the consent of the Association's Board:

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a. Financial Services:

1. Prepare and submit to the Board for approval a proposed budget for the Project, setting forth the projected revenue and expenses for the Project for the next fiscal year. The proposed budget shall be submitted to the Board for its approval prior to the commencement of the new accounting year. Any proposed budget prepared by the Managing Agent shall be subject to the approval of the Board, and the Board retains full responsibility for the appropriateness of data contained within the budget.

2. Prepare and review routine monthly financial reports on an accrual basis of receipts and disbursements, itemized according to the budget, and submit these statements to the Board of Directors.

3. Maintain accounting records in a manner to facilitate an annual audit and the preparation of tax returns by an independent accountant. Such records shall be available for inspection by members of the Association during regular business hours.

4. Prepare an annual letter to members of the Association reflecting the adopted budget and outlining the members' assessments for each Unit or Lot as computed by reference to the appropriate section of the Governing Documents.

5. Be the exclusive receiving agent to receive assessment payments due the Association. In the name of the Association, the Managing Agent shall have the authority to bill, request, demand, collect, receive, and give receipt for all assessments which may be due to the Association.

6. Maintain a monthly record of assessment billings, payments, late fees, and adjustments.

7. Assist in the development and enforcement of procedures to collect assessments from delinquent Owners. In the name of the Association, the Managing Agent may institute legal or equitable action against a defaulting Owner for assessment payments due the Association. The Managing Agent shall not institute a lawsuit against a defaulting Owner unless authorized to do so by the Board of Directors.

8. Inform the Board of Directors of any monetary shortfalls and request that the Board provide the funds or make a special assessment to remedy the anticipated insufficiency. Failure on the part of the Association to provide said funds or make a special assessment when requested by the Managing Agent may, at the option of the Managing Agent, be construed as a material breach of the Agreement, and Managing Agent may provide 30-day notice. The Managing Agent shall not undertake to pay expenses of the Association from the Managing Agent's own funds, but shall only be required to pay expenses of the Association to the extent that funds have been received by the Association.

9. Establish and maintain a separate account for all operating funds of the Association in a federally insured institution selected by the Managing Agent, indicating the agency or custodial nature thereof. *Unless prohibited by the Governing Documents or applicable state law, the Managing Agent shall be an authorized signatory on such account.* Managing Agent shall be authorized to deposit all funds collected from the

Association's Members or otherwise accruing to the Association. The Managing Agent may also establish and maintain such other accounts for the Association as may be requested by the Board of Directors or required by the Governing Documents, including Operating, Reserve, Savings or Insurance accounts.

10. Be responsible for processing all payments due to the Association and paying all expenses and obligations of the Association out of the Association's funds.

11. Be authorized to purchase, out of the Association's funds equipment, tools, goods, supplies, and materials as shall be reasonably necessary to perform the maintenance, upkeep, repair, replacement, refurbishing, and preservation of the Common Areas.

12. Arrange for and assist in the preparation of annual federal tax returns and annual State tax returns.

13. Handle all correspondence related to business matters concerning financial transactions of the Association.

b. Administration:

1. The Managing Agent shall confer with the Board when so requested in connection with the performance of the Managing Agent's duties. The Managing Agent shall be available to attend four (4) Board meetings per year either in person or via teleconference, with each up to two (2) hours duration. In the case of additional meeting time and / or special meetings, there will be an additional charge. The Managing Agent shall prepare and send notice of the board meeting and prepare the Agenda. The Managing Agent shall prepare minutes and send to each Board member.

2. Attend one (1) Annual and one (1) Organizational Meeting per year. In addition, shall assist the Board in preparing for the Annual Meeting.

3. Assist the Officers of the Board in maintaining the Association's minute book(s), membership list, all financial record books, accounts and other records required to be kept by the Association. Such records shall be kept by the Managing Agent and shall be available for use and inspection by the Association members upon request during normal business hours.

4. Assist in conjunction with a qualified insurance agent and make recommendations to the Board as to the form or forms of Insurance for the Association, and which may be required to comply with the provisions of Association documents. The Managing Agent shall assist the Board in acquiring its insurance policies. The Association may delegate to the Managing Agent its authority to obtain bids for, contract to purchase and actually purchase such insurance for the Association following final selection and at the direction of the Board of Directors.

5. Assist in preparing and distributing Bulletins to the general membership relating to affairs of the Association and/or new policies as promulgated by the Board.

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6. At the direction of the Board of Directors and at the expense of the Association, the Managing Agent may retain and employ attorneys, accountants, engineers and such other experts and professionals whose services are reasonably required to effectively perform its duties and exercise the powers hereunder.

7. Assist the Board and/or appointed Committees in drafting and notifying owners of Rules and Regulations as promulgated by the Board of Directors.

8. Archived files / records will be stored on Association property whenever practicable. If needed, the Managing Agent will warehouse archived files / records at a rate of $4.00 per box per month.

9. When the Association institutes an action of foreclosure against a unit / lot owner, the Managing Agent will be due a fee of $100.00 for special preparation of attorney requested information. This fee will be added to the amounts due to the Association in the foreclosure action.

c. Property Supervision:

1. The Managing Agent shall, with the assistance and/or guidance of the Board, cause the Common Elements and Limited Common Elements to be maintained and repaired, including landscaping, cleaning and such other normal maintenance and repair work as may be necessary. The Managing Agent shall inspect, with the assistance and / or guidance of the Association's appointed committees, the general appearance of the buildings and grounds, to determine that the facility manager and/or maintenance subcontractors are causing the general Common Elements and Limited Common Elements to be reasonably maintained. For any one item of repair, replacement or refurbishment, the expense incurred may not exceed the sum of one thousand dollars ($1000.00) unless specifically authorized by the Board, excepting, however, that emergency repair involving manifest danger to persons or property or immediately necessary for the preservation or safety of the property or for the safety of persons or require to avoid suspension of any necessary services to the Association, may be made by the Managing Agent, with regard to the above limitation.

2. The Association grants to the Managing Agent access at all times to all of the Common Elements, Limited Common Elements and all other Association property to carry out its obligations in this Agreement. Subject to the provisions of the Association documents, the Association grants the Managing Agent access to each unit / lot during reasonable hours as may be necessary for the maintenance of the Common Elements or Limited Common Elements. The Association shall indemnify the Managing Agent from any claims, demands, judgments or suits that may be brought against or incurred as a result of its exercising its right of access to individual units/lots as herein provided.

3. Be reasonably available to negotiate and supervise, at the direction of the Board of Directors, any needed maintenance and service contracts.

4. Assist the Association in obtaining professional personnel and services to repair items in the Common Elements and Limited Common Elements.

5. The Managing Agent shall make regular visual inspections of the Common Elements to ensure compliance with the Association's covenants, rules, and regulations,

and shall report the results of the inspections to the Board of Directors. If more visual inspections are requested, an additional fee may be required.

d. Maintenance Services/Supplying Goods and Services:

1. The Managing Agent may provide or cause to be provided on-site personnel, assigned to the Association on a full time and/or part time basis for such purposes as may be necessary or appropriate to carry out the maintenance responsibilities of the Association. The fee for the maintenance personnel will be the approved budget allocation, including, but not limited to, payroll, social security, state and federal unemployment, employer and employee liability insurance, payroll administration, worker's compensation, and applicable benefits, invoiced and payable per pay period. In the event the Association approves overtime and/or increases in payroll or benefits, the fee payable will be adjusted accordingly.

2. The Managing Agent may provide or cause to be provided pest control treatment to the Common Elements, the Limited Common Elements, and the Unit/Lot invoiced and payable monthly in advance. The Managing Agent shall not be responsible nor have any obligations for the inspection and/or treatment of any property for termites, fungus, mold, excessive moisture, or any other wood destroying organisms.

3. The Managing Agent has disclosed and further discloses to the Association that, primarily by virtue of its services to other similar Associations, the Managing Agent is, on occasion, able to obtain some discounts by dealing on a volume basis with suppliers, subcontractors and laborers. All goods and services provided or caused to be provided shall be priced at or below market, reflecting its volume purchasing ability. Any deviation from the budget for goods and/services provided by the Managing Agent must have prior approval of the Board and/or its designee before the rendering of said services, except in the event of an emergency, when the Managing Agent is authorized to act in its sole discretion.

e. Casualty Loss, Restoration, Major Projects, and Improvements:

1. Casualty Loss and Restoration: In respect to casualty loss and restoration of Association property, or any portion thereof, including restoration or repair made necessary by Acts of God or other cause of any portion of the Common Area or Limited Common Area, the Managing Agent shall, if authorized by the Board, provide the necessary service for the filing of insurance claims, coordination with insurance adjusters, assist in filing proof of losses, coordinate restorations efforts through general contractors and / or individual contractors and inspect workmanship. The Managing Agent shall make recommendations to the Board as to determine, assess, charge and levy the cost of casualty loss, restoration among the Owners in such proportions as it deems advisable, notwithstanding the fact that in the event of casualty loss, damage may be covered by insurance. All services rendered by the Managing Agent hereunder shall be additional services for which the Managing Agent is entitled to additional compensation as set forth in Exhibit "A."

2. Major Projects and Improvements: In respect to major projects and improvements of any Association property, or any portion thereof, including painting,

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waterproofing, roofing, carpeting, and paving of any portion of the Common Area or Limited Common Area, the Managing Agent shall, if authorized by the Board, provide necessary service to coordinate work efforts through general contractors and/or individual contractors and inspect workmanship. The Managing Agent shall make recommendations to the Board as to determine, assess, charge and levy costs of major projects and improvements among the Owners in such proportions as it deems advisable. All services rendered by the Managing Agent hereunder shall be additional services for which the Managing Agent is entitled to compensation as set forth in Exhibit "A."

f. Additional Services:

1. The Managing Agent, when authorized by the Board, will be available as an Association witness or representative when involved in legal claims. The hourly rate for the Managing Agent shall be $60.00 per hour clerical, research and discovery time and $100.00 per hour for court appearance and deposition time.

2. The Managing Agent, when required by the Board, shall have the right, but not the duty, to provide or perform or cause to be provided or performed, other specialized services, other than those listed in items identified above, and shall be paid a fee as follows: Association Manager $100.00, Administrative $60.00 and Accounting Staff $80.00 per hour.

8. MANAGER AS MANAGING AGENT or AGENT OF THE ASSOCIATION:

It is understood and agreed that everything done by the Managing Agent under the provisions of Section 7 herein shall be done as the Managing Agent for the Association and any and all obligations or expenses incurred thereunder shall be on behalf of and at the expense of the Association. Any payments to be made hereunder shall be made out of the accounts of the Association. The Managing Agent shall not be obligated to make any advance on account of the Association or pay any sum on the Association's behalf, nor shall the Managing Agent be required or obligated to incur any liability or obligation under this Agreement.

9. DWELLINGS (UNITS/LOTS):

This Agreement does not contemplate nor is the Managing Agent responsible or required to perform the upkeep and repair of non-Association property, including Units and Lots, the responsibility for which belongs to a third party under the Governing Documents. However, the Managing Agent may, in its sole discretion, perform such maintenance and repair services for and to a Unit or Lot as may be required and shall attempt to obtain reimbursement from the owner of the Unit or Lot as permitted by the Governing Documents and/or applicable law.

10. INDEMNITY AND EXCULPATION:

The Managing Agent and its officers, directors, agents, and employees shall not be liable to the Association and/or its members or any other party for any loss or damage caused by acts or omissions of the Managing Agent, its officers, directors, agents, and employees unless such acts or omissions constitute gross negligence or willful misconduct. The Association agrees to indemnify, defend, and hold harmless the Managing Agent, its officers, agents, members, directors, and employees from all claims, damages, judgments and fees arising from any injury to any person or persons or damage to any property in, about, or in connection with the

Association, unless such injury or damage has been caused by the Managing Agent's gross negligence or willful misconduct. The Association agrees to include the Managing Agent as a named insured on all Association liability policies.

In the event of failure by the Association to fully perform hereunder, the Managing Agent may do so, but all costs and expenses so incurred by the Managing Agent shall be reimbursed by the Association to the Managing Agent, together with interest on the same from the date any such expense was paid until reimbursed, at the rate of 8% per annum.

All indemnity and exculpation provisions contained herein shall survive the termination of this Agreement.

11. INSURANCE:

The Managing Agent will at all times during the term of this Agreement keep in force and furnish the Association with Certificates of Insurance for the following coverage, upon written request from the Association:

a. Fidelity Coverage for the employees of the Managing Agent in an amount not less than $500,000.00. *(If the Board of Directors requires additional coverage or increased limits, this can be completed prior to the start date.)*

b. Comprehensive general liability coverage, including completed operations, blanket contractual and personal injury coverage, in an amount not less than $1,000,000.00.

c. Errors and Omissions Insurance/Professional Liability in an amount not less than $1,000,000.00.

d. Workers Compensation insurance in the statutory amount covering all employees who work at the Project.

The Association will at all times during the term of this Agreement keep in force and name the Managing Agent as an Additional Named Insured for the following coverage:

a. Comprehensive general liability insurance in an amount not less than $1,000,000.00.

b. Directors and Officers liability insurance in an amount not less than $1,000,000.00.

12. DEFAULT:

a. By the Association: If the Association or its Members shall interfere with the Managing Agent in the performance of its duties and the exercise of its powers hereunder, or if the Association shall fail to promptly do any of the things required of it under the terms of this Agreement, then after ten (10) days written notice to the Association, the Managing Agent, may, in addition to any other remedy find it in law or in equity, bring an action against the Association for damages and / or specific performance and / or such other rights and remedies as it may have. In the event the Association breaches this Agreement, the Managing Agent shall be

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entitled to be reimbursed for its attorney's fees and costs incurred by it in enforcing its rights under this Agreement.

b. By the Managing Agent: Failure by the Managing Agent to substantially perform its duties and obligations under this Agreement for a continuous period of thirty (30) days after written notice of default from the Association, specifying the default complained of, shall be grounds for the Association's cancellation of this Agreement. In addition to any other remedy in law or in equity, the Association may bring an action against the Managing Agent for damages and/or specific performance and/or such other rights and remedies as it may have and shall further be entitled to be reimbursed for its attorney's fees and costs incurred by it in enforcing its rights under this Agreement.

13. ARBITRATION:

In the event of any controversy or claim arising out of or relating to this Agreement, or the breach, termination or validity of this Agreement, the parties will attempt in good faith to resolve such controversy or claim. If the matter has not been resolved within sixty (60) days of the commencement of such discussion (which period may be extended by mutual agreement), then the parties hereby agree to immediately submit the controversy to binding arbitration, for the parties agree to waive their right to a jury trial. The arbitration shall be conducted by a single arbitrator in accordance with the commercial rules of the American Arbitration Association.

Judgment upon the award rendered by the arbitrator may be entered by a court having jurisdiction thereof. All proceedings relating to the arbitration shall occur in Horry County, South Carolina. The arbitration shall have the authority to resolve the legal disputes between the parties, but shall not have the authority to abridge or enlarge the substantive rights or remedies available under existing law, and shall determine the right and obligations of the parties according to the substantive and procedural laws of South Carolina. Each of the parties shall use all reasonable efforts to ensure that any arbitration proceeding is completed within ninety (90) days following notice of a request for arbitration. The prevailing party in any arbitration proceeding shall be entitled to an award of all reasonable out-of-pocket costs and expenses. Upon request of either party, (i) the arbitrator may require that the subject arbitration proceedings be kept confidential, and (ii) no party shall disclose or permit the disclosure of any information procedural or disclosed in the arbitration proceedings until the award is final. A party shall not be prevented from seeking temporary injunctive relief before a court of competent jurisdiction in an emergency or other urgent or exigent situation, but responsibility for resolution of any disputes shall be appropriately transferred to the arbitrator upon appointment in accordance with the provisions hereof.

14. ENTIRE AGREEMENT:

This Agreement contains the entire agreement between the parties hereto and any agreement hereafter made shall be ineffective to modify or amend this Agreement unless such subsequent agreement is in writing and signed by both parties.

15. APPLICABLE LAW:

This Agreement shall be construed in accordance with the laws of the State of South Carolina.

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16. SEVERABILITY:

If any section, subsection, clause, phrase, or word of this Agreement shall be and is for any reason held or ruled to be inoperative, void, or unenforceable, such holding or ruling shall not affect the remaining provisions of this Agreement, and it shall be construed to have been the intent of the parties hereto to agree without such void or inoperative part therein and the remaining provisions of this Agreement shall be deemed and held to be valid and fully effective as if the excluded parts had never been included herein.

17. SUCCESSORS AND ASSIGNS:

This Agreement shall inure to the benefit of and constitute a binding obligation upon the Managing Agent, Association, Board, and their successors and assigns.

18. FORCE MAJEURE:

For the purposes of this Agreement, "Force Majeure" shall mean Acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, or any cause beyond the reasonable control of the Managing Agent. In the event of a Force Majeure, the time for performance under this Agreement shall be appropriately extended by the amount of delay so caused.

19. WAIVER:

The failure of any party to exercise any right or power given hereunder, or to insist upon strict compliance by the other party with its obligations set forth herein and/or any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver of either party's rights to demand strict compliance with the terms and conditions of this Agreement.

20. NOTICE:

Any notice required to be given under this Agreement by either party to the other shall be in writing and shall be deemed to have been sufficiently given when made in writing and sent via United States Mail as certified mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE ASSOCIATION:

_____

_____

_____

IF TO THE MANAGING AGENT:

_____

_____

_____

Either party may change its address to which notices shall be sent by giving the other party written notice of such change of address.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or members on the date above first written.

WITNESS:

Nancy Moore

Ocean Front Sys. President

The Myrtle Beach Resort HOA, Inc:

By: _____

Its: SEC

WITNESS:

Barbara Johnson

Michelle Payson

EMPRESS MANAGEMENT, LLC

By: _____

Its: Owner

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EXHIBIT I

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GENERAL MAINTENANCE,
AND POOL CLEANING SERVICE AGREEMENT

This Agreement made this 1st day of January, 2018 by Four of a Kind, Services LLC., hereafter called the "Contractor" and Myrtle Beach Resort Master Homeowners' Association, Inc., hereafter called "MASTER HOA", .

Contractor is excited to offer general maintenance, and pool cleaning services under the following terms and as provided in the Bid Proposal and the below referenced attachments:

I. GENERAL MAINTENANCE

Common Area Cleaning: The Contractor shall provide all labor to keep in a reasonably clean condition all common areas as defined in Attachment A and B of this Agreement. Further, the Contractor shall provide a Certified Pool Operator for pool operations and cleaning and keep a daily log as specified in Attachment A.

General Maintenance: The Contractor shall provide reasonable and necessary labor for general routine maintenance and minor repair services to the buildings and common areas as described in Attachment A and B. "Routine" shall mean any regularly occurring repair and/or maintenance required on a scheduled basis for the continued proper and safe use and operation of buildings and common areas. "Minor" shall mean any repair of less than fifty and 00/100 ($50.00) dollars, including usual and customary labor charges.

The Contractor shall also perform limited repair of the buildings and common areas for an additional charge. The Contractor shall invoice the HOA at thirty and 00/100 ($30) dollars per man hour for non-technical labor and fifty and 00/100 ($50) dollars per man hour for technical labor and services to be billed at (1/2) hour intervals. Contractor shall also invoice for any parts or materials used in the repair. Prior approval of the MASTER HOA shall not be required when said repair or maintenance will not exceed Two Hundred and 00/100 ($200.00) dollars. Should the anticipated expense exceed Two Hundred and 00/100 ($200.00) dollars, Contractor will obtain prior approval from the MASTER HOA prior to beginning work.

For any major repairs, re-construction and/or maintenance requiring a third party contractor's expertise, equipment and manpower, the Contractor shall present an overview analysis of the existing problem and the need for outside third party contractors to the MASTER HOA. Contractor will assist the MASTER HOA as a consultant with recommendations of third party contractors and will upon request review proposals submitted for repairs. Provided however, Contractor shall not be liable for any negligence of the third party contractor or any breach of any agreement between the third party contractor and the Association.

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In the event of an emergency, the Contractor shall be authorized to proceed with repairs exceeding two hundred and 00/100 ($200.00) dollars should the emergency repair be necessary to maintain a safe and secure building operation. However, the Contractor will notify the Association within twenty-four (24) hours of said emergency.

Payment of Outstanding Billing(s) is/are due within 10 days of billing. Outstanding Billing(s) not paid within 10 days shall accrue interest at 18% per annum.

Notwithstanding anything herein to the contrary, Contractor in the performance of its general maintenance duties, shall not be responsible for conducting structural inspections of the physical condition of the building or its major components.

II. DEFAULT

Failure of the Contractor to substantially and materially perform its duties and obligations under this Agreement for a continuous period of fourteen (14) days after written notification of the default shall be grounds for forfeiture of a portion of all the monthly charges. Failure of the Contractor to substantially and materially perform its duties and obligations under this Agreement for a continuous period of thirty (30) days after written notice of default from the Association or its Agent shall be grounds for the Association's cancellation of this Agreement.

If the Association under this agreement by failing to pay all monthly billings, including any additional charges (Outstanding Billing), the Contractor shall be entitled to charge interest on any Outstanding Billing at the rate of 18% percent per annum. If the Association defaults under any other of its duties or obligations or fails to pay its Outstanding Billing for a period greater than 30 days, or attempts to improperly terminate this agreement or any renewal thereof, the Contractor shall be entitled to collect its reasonable attorney fees and any other cost of collection or enforcement of this Agreement. If the Association improperly terminates this agreement, Contractor shall be entitled to payment of the balance of the annual fee and any Outstanding Billing or amounts subject to be billed from the date of notice of termination as its liquidated damage.

III. INSURANCE

The Association shall not be liable for any debts incurred by the Contractor nor be liable for any accidental injury to any employee while performing services under this Agreement. The

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Contractor shall provide proof of Workers' Compensation and liability insurance and shall name the Association as an additional insured on said policy.

IV. TERM:

The term of this Agreement is for twenty four (24) months, commencing January 1, 2018 and ending December 31, 2019. This Agreement renews automatically for successive twelve (12) month periods, unless cancelled by either party on or before sixty (60) days prior to the end of the term. Notice of termination shall be given in writing and delivered by certified mail or other commercial delivery service such as Federal Express. The monthly fees for the above mentioned Routine services, commencing on January 1, 2018 are referenced below in the bid proposal section.

V. MISCELLANEOUS

Waiver of Jury Trial: **THE PARTIES TO THIS AGREEMENT HEREBY WAIVE THEIR RIGHT TO A JURY TRIAL FOR ANY CLAIM, CONTROVERSY OR DISPUTE RELATED TO THIS AGREEMENT AND CONSENT TO JURISDICTION IN THE STATE OF SOUTH CAROLINA, AND VENUE IN HORRY COUNTY, SOUTH CAROLINA.**

This agreement shall be interpreted in accordance with South Carolina law.

This agreement may not be modified except in writing by the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Myrtle Beach Resort Master Homeowners' Association, Inc.

By: _____
its _____

Four of a Kind, Services LLC.

By: _____
its _____

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ATTACHMENT A

General Maintenance and Common Area Cleaning/Janitorial

The Master HOA Buildings and common areas which are the subject of this contract shall include the areas listed below.

1. Common grounds are to be checked daily. Duties include, but are not limited to:
   a. Common grounds to remain free of debris.
   b. Empty all trash bins.
   c. Empty ash urns (if any) as needed.
   d. Clean all accessible common area windows weekly.
   e. Replace burned out light bulbs in light fixtures.
   f. Ensure all equipment is operational.
   g. Implement preventative maintenance programs to extend life of association assets.
   h. Clean all Master HOA common area restrooms daily.

2. Pools to be cleaned daily. Duties include, but are not limited to:
   a. Clean skimmer baskets daily
   b. Hose down deck daily.
   c. Vacuum as needed.
   d. Scrub tile as needed.
   e. Check water chemicals daily. Add as needed. MASTER HOA to provide all chemicals and supplies necessary in maintaining pools. The MASTER HOA shall be invoiced directly for all pool supplies.
   f. Check chlorinator to ensure functioning properly, three times per week. Add chemicals as needed.
   g. Back-wash the sand filters as needed.
   h. Check water level daily. Add water as needed.
   i. Check pool lights weekly. Replace as needed.
   j. Keep log in accordance with DHEC requirements.

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3. The Contractor shall clean any loose debris or trash in the area around the trash receptacles daily. The Contractor shall remove trash as necessary daily.

4. Hurricane Preparation Procedures: Provide appropriate hurricane preparations to protect MASTER HOA assets upon approval from HOA.

5. Report to Managing Agent any needed repairs to common areas that are beyond the scope of this Agreement.

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ATTACHMENT B

Routine and Minor Repair and Maintenance Functions

Duties include, but are not limited to:

1. Repair minor damage to MASTER HOA equipment.
2. Ensure that all light fixtures are functioning properly.
3. Ensure proper operation of all common area doors, gates and entranceways: oil, grease, replace any hinges, locks, etc. as required.
4. Repair minor, as previously defined, damage to the common areas including but not limited to railings, stair treads, fence posts, etc.
5. Paint minor areas, less than ten (10') feet high.
6. Coordinate projects with the MASTER HOA BOD.
7. Ensure maintenance area is kept in a professional manner.
8. Assist in All MASTER HOA issues as requested by management and MASTER HOA BOD.
9. Ensure all drainage ponds/lakes are clean of debris and ensure sprayers are operational. Chemicals will be supplied by a third party.
10. Coordinate all maintenance requirements with vendors and repair contractors. Submit bids to MASTER HOA manager for final approval or approval of Board of Directors, as required.
11. Attend all annual and Board meetings and represent management on building issues.
12. Attend Board Meetings and provide building manager's report.

HOA Initial

Contractor Initial



BID PROPOSAL

Four of a Kind, Services LLC. located at 514 Alder St. Myrtle Beach, S.C. hereby submits this proposal to Myrtle Beach Resort Master Homeowners' Association, Inc. for general maintenance, and pool services.

Maintenance Staff. The Contractor shall provide properly trained and experienced personnel who shall be on property to provide maintenance/repair and janitorial services for the buildings and common areas as follows:

- **OPTION A: Off Season, October 1 through March 31, Two Personnel 5 Days Per week 6 hours per day equating to 60 man hours weekly. The price for this option will be $1,680.00 weekly and invoiced monthly.**
- **OPTION B: In Season, April 1 through September 30, Two Personnel 6 Days per week 7 hours per day equating to 84 man hours weekly. The price for this option will be $2,352.00 weekly and invoiced monthly.**
- **Option C: May 1 through September 30, Pool Attendant/ CPO, One Personnel , 7 Days per week, One Eight (8) Hour Shift that runs from 9:00 am to 5:00 pm will be added to keep pools within DEHEC regulations, cleaning of pools, pool monitoring and enforcing the rules and regulations at the pool area. The price for this option will be $1,568.00 weekly and invoiced monthly.**
- **Option D: Pool repairs over and above daily maintenance will be charged at a discounted rate of $50.00 per hour.**

Further, the Contractor shall provide a property supervisor to oversee performance of all maintenance personnel. This manager will also be on property for routine checks a minimum of twice per week. The property supervisor and all maintenance staff shall have "on call" phone numbers. This number will be provided to association board members and the property manager for use.

HOA Initial

Contractor Initial

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EXHIBIT J

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TRAVELERS

April 21, 2016

MYRTLE BEACH RESORT HOA
C/O KA DIEHL & ASSOCIATES
PO BOX 15159
MYRTLE BEACH, SC 29587

Re: Important Information about **Claims Information Line**

Dear **MYRTLE BEACH RESORT HOA**

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

·The information that needs to be included with the claim notice

·The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information

· Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.

Best regards,
Veraliz Williams

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TRAVELERS

Risk Management Helpline for Community Associations

MANAGEMENT LIABILITY

Too often in today's increasingly litigious environment, you may find your association caught in the middle of a potential conflict with an employee, homeowner, vendor or other third party. To address these growing exposures, now more than ever, Travelers understands that you need high-quality risk management services provided by your management liability carrier. Travelers is pleased to now offer a risk management helpline that provides up to one hour of free consultative risk management services through Cole, Scott & Kissane, P.A., a premier liability defense law firm with extensive experience representing community associations.* The helpline is confidential, and neither your association's identity nor any identifying details of your association's issue or question are disclosed to Travelers.

Risk management topics

The helpline has been structured to provide you with access to a confidential, knowledgeable and expert resource on a wide range of risk management topics, including:

- Employee liability avoidance
- Customer contracts and conflicts
- Board elections, policies and procedures
- Property management, policies and procedures

Helpline instructions

The helpline can be accessed by any current Travelers insured with Community Association Management Liability coverage.

Call: 1.855.548.8656
Hours of operation: Monday - Friday, 8 a.m. - 5 p.m. EST (excluding holidays)

After taking relevant details and analyzing the problem, a legal professional from Cole, Scott & Kissane, P.A. will return your call and discuss the matter for up to one hour, at no cost to you or your firm.

* Assistance from Cole, Scott & Kissane, P.A. attorneys is not intended to replace your firm's need to hire counsel to assist in making risk management decisions.

About Cole, Scott & Kissane, P.A.

Cole, Scott & Kissane, P.A. is a defense-oriented law firm based in Florida, with 10 offices and over 220 lawyers. Their lawyers are highly experienced in association liability defense matters.

Note: This service is available for consultation purposes only and is not to discuss actual claim situations. Any actual or potential claims must be reported to the Travelers Bond & Financial Products Claim department.

Please keep this card for easy access to Travelers risk management helpline:

TRAVELERS

Travelers helpline: 1.855.548.8656
Policy number: 106504255
Effective date: 04/15/2016
Website: rmplusonline.com

The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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TRAVELERS
One Tower Square
Hartford, CT 06183

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance (www.rmplusonline.com)

Travelers Bond & Specialty Insurance is pleased to provide you with Risk Management PLUS+ Online, the industry's most comprehensive program for mitigating your management liability and crime exposures related to:

- Community Association Management
- Crime
- Kidnap and Ransom
- Identity Fraud Expense Reimbursement

Risk Management PLUS+ Online is a flexible, comprehensive loss prevention program specifically designed for Travelers Bond & Specialty Insurance customers and is available to you at no additional cost. Included in the site is a library of articles, checklists and training on relevant risk mitigation, employment and management topics.

Risk Management PLUS+ Online is a full-featured knowledge base developed to aid you in more than just protection against lawsuits, but as a great resource for HR administrators, managers and executives as well. Browse from the Quick Links or News & Information sections. Share industry articles with managers and executive leaders to help develop ideas to increase workplace productivity, solutions for business issues and more!

Highlights of Risk Management PLUS+ Online services include:

- Web-based training for executives, managers and human resource personnel
- Practical solutions for problems faced in the workplace and managing your organization
- Topical webinars and weekly articles on current issues
- Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace

The attached Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS + Online representative. It's that simple.

We strongly encourage you to take full advantage of this program to improve your organization.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization. As your risks evolve, so do we, through our ability to provide you with responsive risk management services.

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Instructions for Registration & Orientation to Risk Management PLUS+ Online®

Registration for Site Administrators:
The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP140000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:
1. Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

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TRAVELERS
One Tower Square
Hartford, CT 06183

Community Association Management Liability Hotline

As part of the services provided through Risk Management PLUS+ Online ®, Travelers Bond & Specialty Insurance is pleased to provide its Community Association Management Liability policyholders with limited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day employment and homeowner and condominium association issues.

To utilize the hotline, call **1-855-548-8656**.

Through this hotline, policyholders are eligible to receive free general guidance from the law firm of Cole, Scott & Kissane. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Cole, Scott & Kissane, a law firm exclusively dedicated to representing management on workplace and homeowner and condominium association issues in Florida. With more than 220 attorneys, in ten offices throughout the State of Florida, the firm has a recognized expertise in workplace and homeowner and condominium association related issues. Cole, Scott & Kissane is comprised of attorneys licensed to practice law in the State of Florida.

The firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing homeowner and condominium association management related claims. As part of this program, policyholders are also eligible to receive regular fees for matters beyond the scope of the hotline, such as risk management training or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Cole, Scott & Kissane.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

Travelers Casualty and Surety Company of America, One Tower Square, Hartford, CT 06183

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IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND BROKER COMPENSATION

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

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TRAVELERS

Wrap+®

Community Association Management Liability Coverage
Declarations

POLICY NO. 106504255

Travelers Casualty and Surety Company of America
One Tower Square
Hartford, Connecticut 06183
(A Stock Insurance Company, herein called the Company)

THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST INSUREDS DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY IN ACCORDANCE WITH THE TERMS OF THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY. THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION.

MT INSUREDS: THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION.

ITEM 1 **NAMED INSURED:**

MYRTLE BEACH RESORT HOA

D/B/A:

Principal Address:
C/O KA DIEHL & ASSOCIATES
PO BOX 15159
MYRTLE BEACH, SC 29587

ITEM 2 **POLICY PERIOD:**

Inception Date: **April 15, 2016** Expiration Date: **April 15, 2017**
12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.

ITEM 3 **ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:**

Email:BSIclaims@travelers.com
FAX:(888) 460-6622

Mail:Travelers Bond & Specialty Insurance Claim
385 Washington St. – Mail Code 9275-NB03F
St Paul, MN 55102

ITEM 4 **COVERAGE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:**

Community Association Management Liability Coverage

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ITEM 5 Only those coverage features marked "☒ Applicable" are included in this policy.

COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE

Limit of Liability:	**$1,000,000**	for all **Claims**
Additional Defense Coverage:	☐ Applicable	☒ Not Applicable
Additional Defense Limit of Liability:	**Not Covered**	for all **Claims**
Retention:	**$0**	for each **Directors and Officers Claim** under Insuring Agreement A
	$5,000	for each **Directors and Officers Claim** under Insuring Agreement B
	$5,000	for each **Directors and Officers Claim** under Insuring Agreement C
	$5,000	for each **Employment Claim** under Insuring Agreement D
Prior and Pending Proceeding Date:	**April 15, 2016**	
Continuity Date:	**April 15, 2016**	

ITEM 6 **PREMIUM FOR THE POLICY PERIOD:**

$4,433.00	Policy Premium
N/A	Annual Installment Premium

ITEM 7 **TYPE OF CLAIM DEFENSE:**

Duty-to-Defend

ITEM 8 **EXTENDED REPORTING PERIOD:**

Additional Premium Percentage: **75 %**

Additional Months: **12**

(If exercised in accordance with section ***V. CONDITIONS***, **Q. EXTENDED REPORTING PERIOD** of the Community Association Management Liability Coverage Policy)

ITEM 9 **RUN-OFF EXTENDED REPORTING PERIOD:**

Additional Premium Percentage: **120 %**

Additional Months: **12**

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(If exercised in accordance with section ***V. CONDITIONS,*** **N. CHANGE OF CONTROL** of the Community Association Management Liability Coverage Policy)

ITEM 10 **ANNUAL REINSTATEMENT OF THE LIMIT OF LIABILITY:**

☐ Applicable

☒ Not Applicable

Only those coverage features marked "☒ Applicable" are included in this policy.

ITEM 11 **FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:**

AFE-19004-0115; AFE-19008-0115; CAM-16001-0113; CAM-19004-0113; CAM-19061-0315; CAM-17043-0113

PRODUCER INFORMATION:

HUB INTL SOUTHEAST
PO DRAWER 7188
MYRTLE BEACH, SC 29572

Countersigned By

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Thomas M. Kimmel
President, Bond & Specialty Insurance

Wendy C. Skypeck
Corporate Secretary

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement modifies any Coverage Part or coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

It is agreed that:

The following is added to this policy. This provision can limit coverage for any loss arising out of a **Certified Act Of Terrorism** if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of **Certified Acts Of Terrorism** in another endorsement to this policy.

If aggregate insured losses attributable to **Certified Acts Of Terrorism** exceed $100 billion in a calendar year and the Company has met its insurer deductible under **TRIA**, the company will not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of **TRIA**, to be an act of terrorism pursuant to **TRIA**. The criteria contained in **TRIA** for a **Certified Act Of Terrorism** include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to **TRIA**; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

TRIA means the federal Terrorism Risk Insurance Act of 2002 as amended.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **106504255**

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FEDERALTERRORISM RISK INSURANCE ACT
DISCLOSURE ENDORSEMENT

This endorsement applies to the insurance provided under any Coverage Part or coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds $100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed $100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for the terrorism coverage required by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

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THIS IS A CLAIMS-MADE AND REPORTED POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.

PLEASE READ THE POLICY CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application**, subject to the Declarations, and pursuant to all the terms, conditions, exclusions and limitations of this **Community Association Management Liability Coverage Policy,** the Company and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

The Company will pay on behalf of:

A. the **Insured Persons**, **Loss** for **Directors and Officers Wrongful Acts**, except for **Loss** that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification;

B. the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**, that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification; and

C. the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**,

that results from any **Directors and Officers Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

D. The Company will pay on behalf of the **Insured**, **Loss** for any **Employment Practices Wrongful Act,** resulting from any **Employment Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

II. DEFINITIONS

Wherever appearing in this **Community Association Management Liability Coverage Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

A. ***Additional Defense Limit of Liability*** means the amount set forth in ITEM 5 of the Declarations. If "Not Applicable" is selected for the **Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from this **Community Association Management Liability Coverage Policy**.

B. ***Annual Reinstatement of the Limit of Liability*** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each **Policy Year** during the **Policy Period**.

C. ***Application*** means the application deemed to be attached to and forming a part of this **Community Association Management Liability Coverage Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Community Association Management Liability Coverage Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Community Association Management Liability Coverage Policy** will waive or change any of the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**.

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D. ***Builder or Developer Board Member*** means any natural person appointed or elected to serve on the board of directors of the **Named Insured** by the builder, developer, sponsor, or declarant of the **Named Insured**, and who was both a director or officer of the **Named Insured** and a director, officer, employee or agent of such builder, developer, sponsor, or declarant of the **Named Insured**.

E. ***Change of Control*** means:

1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
2. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than 50% of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.

F. ***Claim*** means a **Directors and Officers Claim** or **Employment Claim**.

G. ***Claimant*** means:

1. a past, present or future **Employee** or applicant for employment with the **Insured Entity**; or
2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local agency, when acting on behalf of or for the benefit of a past, present or future **Employee** or applicant for employment with the **Insured Entity**.

Solely as respects any **Employment Claim**, **Claimant** does not include any independent contractor.

H. ***Community Association Management*** means any natural person sole proprietor, director, officer or employee of a **Community Association Management Organization**, but only in his or her capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.

I. ***Community Association Management Liability Coverage Policy*** means, collectively, the Declarations, the **Application**, this Community Association Management Liability Coverage, and any endorsements attached hereto.

J. ***Community Association Management Organization*** means any sole proprietor or entity providing real estate property management services to an **Insured Entity** pursuant to a written contract, but only in its capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.

K. ***Construction Defect*** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:

1. faulty or incorrect design or architectural plans;
2. improper soil testing;
3. inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
4. the construction, manufacture or assembly of any tangible property;
5. the failure to provide construction related goods or services as represented or to pay for such goods or services; or
6. the supervision of any of the activities described in 1. through 5. above.

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L. ***Defense Expenses*** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured**.

M. ***Directors and Officers Claim*** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** for any **Directors and Officers Wrongful Act**.

Provided that **Directors and Officers Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

Directors and Officers Claim does not mean any motion for, demand for, or award of, amounts from or against an **Insured** solely consisting of legal costs, whether or not including attorneys' fees, arising out of a legal proceeding or alternative dispute resolution proceeding or brought by an **Insured**.

A **Directors and Officers Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Directors and Officers Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of a **Directors and Officers Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Directors and Officers Claim** until after the **Policy Period** has expired, then such **Directors and Officers Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Directors and Officers Claim**.

N. ***Directors and Officers Wrongful Act*** means:

1. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, or any matter asserted against, an **Insured Person** in his or her capacity as such;
2. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, the **Insured Organization**; or
3. any matter asserted against an **Insured Person** solely by reason of his or her status as such.

Provided that **Directors and Officers Wrongful Act** does not mean any **Employment Practices Wrongful Act**.

O. ***Employee*** means a natural person whose labor or service is engaged by and directed by the **Insured Entity** and:

1. who is on the payroll of the **Insured Entity**, including any full-time, part-time, temporary and seasonal worker; or
2. whose services have been leased by the **Insured Entity**.

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Independent contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

P. ***Employment Agreement*** means any express or implied employment agreement regardless of the basis in which such agreement is alleged to exist, other than a collective bargaining agreement.

Q. ***Employment Claim*** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document, including a proceeding before the Equal Employment Opportunity Commission or any similar governmental agency; provided that in the context of an audit conducted by the Office of Federal Contract Compliance Programs, **Employment Claim** will be limited to a Notice of Violation or Order to Show Cause or written demand for monetary damages or non-monetary relief;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** by or on behalf of or for the benefit of a **Claimant** for any **Employment Practices Wrongful Act**.

Provided that **Employment Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

An **Employment Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Employment Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of an **Employment Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Employment Claim** until after the **Policy Period** has expired, then such **Employment Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Employment Claim**.

R. ***Employment Practices Wrongful Act*** means any actual or alleged:

1. violation of any employment discrimination law;
2. **Retaliation**;
3. **Sexual Harassment**;
4. **Workplace Harassment**;
5. **Wrongful Termination**;
6. breach of **Employment Agreement**;
7. violation of the Family Medical Leave Act;
8. employment-related misrepresentation;
9. employment-related defamation, including libel or slander, or invasion of privacy;
10. failure or refusal to create or enforce adequate workplace or employment policies and procedures, employ or promote, including wrongful failure to grant bonuses or perquisites, or grant tenure;
11. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
12. employment-related wrongful infliction of emotional distress;

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13. negligent hiring, supervision of others, training, or retention committed or allegedly committed by any **Insured**, but only if such act is alleged in connection with an **Employment Practices Wrongful Act** set forth in 1. through 12. above; provided that the **Claim** alleging the negligent hiring, supervision of others, training, or retention is brought by or on behalf of any **Claimant**; or

14. the violation of responsibilities, duties, or obligations imposed on an **Insured** under any **Wage and Hour Law**.

S. ***Executive Officer*** means any member of the board of directors, officer, director, trustee, chairperson, or general counsel of the **Insured Organization** or a functional equivalent thereof, or member of the staff of the human resources department of the **Insured Organization** or functional equivalent thereof, or any on-site or off-site manager of the **Community Association Management Organization**, any **Employee** performing property management services for the **Insured Entity**, or any duly appointed member of a legal committee of the **Insured Entity**.

T. ***Financial Insolvency*** means, with respect to the **Insured Entity**, the appointment of a receiver, conservator, liquidator, trustee, or similar official; or the inability of the **Insured Entity** financially to indemnify the **Insured Persons**.

U. ***Insured*** means the **Insured Person** and **Insured Organization**.

V. ***Insured Entity*** means the **Named Insured**, any **Subsidiary**, and any such entity as a debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.

W. ***Insured Organization*** means **Insured Entity** and **Community Association Management Organization**.

X. ***Insured Person*** means any natural person who was, is or becomes an **Employee**, duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, member of the board of regents, member of the board of governors, or a functional equivalent thereof, member of a duly constituted committee, or volunteers of the **Insured Entity** or any **Executive Officer**. **Insured Person** also means any **Community Association Management**.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

Y. ***Loss*** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including compensatory damages, punitive or exemplary damages where insurable under applicable law, prejudgment and postjudgment interest, judgments, and settlements. **Loss** does not include:

1. the multiple portion of any multiplied damage award;

2. any amount not indemnified by the **Insured Organization** for which the **Insured** is absolved from payment by reason of any covenant, agreement or court order;

3. civil or criminal fines, sanctions, liquidated damages other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act; payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;

4. future compensation, including salary or benefits, for a **Claimant** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **Claim**; or that part of any judgment or settlement which constitutes front pay, future monetary losses including pension and other benefits, or other future economic relief or the value or equivalent thereof, if the **Insured** has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a **Claim**, to promote, accommodate, reinstate, or hire the **Claimant** to whom such sums are to be paid, but fails to do so;

5. medical, pension, disability, life insurance, stock options or other similar employee benefits except and to the extent that a judgment or settlement of a **Claim** includes a monetary component

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measured by the value of medical, pension, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a **Wrongful Act**; or

6. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION.

Z. ***Named Insured*** means any entity named in ITEM 1 of the Declarations.

AA. ***Personal Injury*** means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel or slander, invasion of privacy or wrongful entry or eviction.

BB. ***Policy Period*** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy**.

CC. ***Policy Year*** means:

1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; and
2. the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy** if such time period is less than one year.

DD. ***Pollutant*** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

EE. ***Potential Claim*** means any **Wrongful Act** that may subsequently give rise to a **Claim**.

FF. ***Publishers Liability*** means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.

GG. ***Related Wrongful Act*** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.

HH. ***Retaliation*** means any actual or alleged **Wrongful Termination** or other adverse employment action against a **Claimant** on account of such **Claimant's** exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law, or on account of the **Claimant** having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.

II. ***Sexual Harassment*** means any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature that:

1. is made a term or condition of a **Claimant's** employment or advancement;
2. the submission to or rejection of is used as a basis for decisions affecting the **Claimant**; or
3. has the purpose or effect of creating an intimidating, hostile or offensive work environment.

JJ. ***Subsidiary*** means:

1. any non-profit entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** has the ability to exercise managerial control;
2. any for-profit entity; provided that it has been added specifically by endorsement to this **Community Association Management Liability Coverage Policy**; or

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3. subject to the provisions set forth in section V. CONDITIONS, O. ACQUISITIONS, any non-profit entity that the **Insured Entity** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which the **Named Insured** has the ability to exercise managerial control.

KK. ***Wage and Hour Law*** means any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time, minimum wages, meal breaks, rest breaks or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws.

LL. ***Wage and Hour Law Employment Claim*** means an **Employment Claim** for an alleged violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that **Wage and Hour Law Employment Claim** does not include any **Employment Claim** for **Retaliation** or any actual or alleged violation of the Equal Pay Act.

MM. ***Workplace Harassment*** means any actual or alleged harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.

NN. ***Wrongful Act*** means **Directors and Officers Wrongful Act** or **Employment Practices Wrongful Act**.

All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Community Association Management Liability Coverage Policy**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

OO. ***Wrongful Termination*** means the actual, alleged or constructive termination of an employment relationship between a **Claimant** and the **Insured Entity**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, or loss of use of any tangible property, including any **Construction Defect**, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation; provided that this exclusion will not apply to allegations of emotional distress or mental anguish if, and only to the extent, that such allegations are made as part of any **Employment Claim**.
3. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious waste or medical waste.
4. The Company will not be liable for **Loss** for any **Claim**:
   a. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of;

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b. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; or

c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of,

any **Pollutant**, any oil or oil products, any electric, magnetic, or electromagnetic field, any odor, or any actual or alleged presence or actual, alleged, or threatened dispersal of any asbestos, asbestos fibers, or products containing asbestos; provided that this exclusion will not apply to **Employment Claims** for **Retaliation**.

5. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.

6. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a claim about which any **Executive Officer** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.

7. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event, or **Wrongful Act** which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of **Claim** or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Community Association Management Liability Coverage Policy** is a direct renewal or replacement or which it succeeds in time.

8. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation; or for an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an employee or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided that this exclusion will not apply to **Employment Claims** for **Retaliation**.

9. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** by an entity that is or was a **Subsidiary**, or any **Insured Person** of such entity, occurring at any time during which such entity was not a **Subsidiary**.

10. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state or local law or regulation, or for any violation of the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation or for any violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that this exclusion will not apply to:

a. **Employment Claims** for **Retaliation**;

b. **Employment Claims** for any actual or alleged violation of the Equal Pay Act; or

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c. **Defense Expenses**, not to exceed $100,000, for any **Wage and Hour Law Employment Claim**.

11. The Company will not be liable for **Loss** for any **Claim** by or on behalf of the **Insured Entity** against any **Community Association Management** or **Community Association Management Organization**.

12. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** by an **Insured Person** as a director, officer or employee of any entity other than the **Insured Entity**, even if such service is directed or requested by the **Insured Entity**.

13. The Company will not be liable for **Loss** for any **Claim** made against any **Builder or Developer Board Member** after the end of the **Policy Year** in which such **Builder or Developer Board Member** ceases to serve on the board of directors of the **Named Insured**.

14. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the ownership, control, management or operation of any for-profit entity of the **Insured Entity** until and unless it has been added specifically by endorsement as a **Subsidiary** to this **Community Association Management Liability Coverage Policy**.

15. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any deliberately fraudulent or dishonest act or omission or any purposeful violation of any statute or regulation by such **Insured**; provided that this exclusion will not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or purposeful violation.

16. The Company will not be liable for **Loss** for any **Claim** for an **Insured** gaining in fact any profit, remuneration or advantage to which any **Insured** was not legally entitled.

17. The Company will not be liable for **Loss** for any **Claim** by or on behalf of an employee of the **Community Association Management Organization** for employment-related **Wrongful Acts**.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES

1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured's** obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** for liability under or breach of any oral, written, or implied contract or agreement, including any liability of others assumed by an **Insured** under any such contract or agreement; provided that this exclusion will not apply to:

   a. any **Employment Claim**; or

   b. the extent that the **Insured** would have been liable in the absence of such contract or agreement.

3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking severance pay, damages or penalties under an express written **Employment Agreement**, or under any policy or procedure for payment in the event of separation from employment; or sums sought solely on the basis of a claim for unpaid services.

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IV. SEVERABILITY OF EXCLUSIONS

No fact pertaining to or knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above. Only facts pertaining to or knowledge or information possessed by an officer, director, or trustee of the **Insured Organization** will be imputed to the **Insured Organization** for purposes of applying any exclusion in section III. EXCLUSIONS above.

V. CONDITIONS

A. TERRITORY

This **Community Association Management Liability Coverage Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world, where legally permissible.

B. RETENTION

The **Insured** will bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss**.

If any **Claim** gives rise to coverage under this **Community Association Management Liability Coverage Policy**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under this **Community Association Management Liability Coverage Policy**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under this **Community Association Management Liability Coverage Policy**.

No Retention will apply to an **Insured Person** if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of its **Financial Insolvency**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Insured Organization**, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

Regardless of whether **Loss** resulting from any **Claim** against **Insured Persons** is actually indemnified, Insuring Agreement B and the Retention amount set forth in ITEM 5 of the Declarations will apply to any **Loss** as to which indemnification by the **Insured Organization** is legally permissible, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

The certificate of incorporation, charter, articles of association or other organizational documents of the **Insured Organization**, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

C. LIMITS OF LIABILITY

1. Limits of Liability

   This section applies as described herein regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established.

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Subject to any applicable **Annual Reinstatement of the Limit of Liability**, the Limit of Liability set forth in ITEM 5 of the Declarations is the maximum amount the Company will pay for all **Loss**, including **Defense Expenses**, for all **Claims** under this **Community Association Management Liability Coverage Policy**.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** is further limited by the following:

The Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** will not exceed $100,000, which amount is included within, and is not in addition to, any applicable limit of liability.

2. Annual Reinstatement of the Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an **Annual Reinstatement of the Limit of Liability**:

a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining Limit of Liability stated in ITEM 5 of the Declarations; and

b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining Limit of Liability for the last **Policy Year** in effect at the time of the termination or cancellation of the **Community Association Management Liability Coverage Policy** or the **Change of Control**.

3. Other Provisions

If any **Claim** made against a **Community Association Management Organization** or **Community Association Management** gives rise to coverage both under this **Community Association Management Liability Coverage Policy** and any other liability policy of similar insurance issued by the Company or any of its affiliates, the Company's maximum aggregate limit of liability under all such policies for all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed $1,000,000 subject to the remaining Limits of Liability of such policies or if the Limit of Liability for this **Community Association Management Liability Coverage Policy** is less than $1,000,000, then all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed the Limit of Liability for this **Community Association Management Liability Coverage Policy** as set forth in ITEM 5 of the Declarations subject to the remaining Limit of Liability for such policies.

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss**, including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If the Limit of Liability set forth in ITEM 5 of the Declarations is exhausted by the payment of amounts covered under this **Community Association Management Liability Coverage Policy**, the premium for this **Community Association Management Liability Coverage Policy** will be fully earned, all obligations of the Company under this **Community Association Management Liability Coverage Policy** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligation of any kind or nature whatsoever under this **Community Association Management Liability Coverage Policy**.

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D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this **Community Association Management Liability Coverage Policy** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under this **Community Association Management Liability Coverage Policy** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of the **Community Association Management Liability Coverage Policy's** applicable limit of liability. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the **Annual Reinstatement of the Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defense Limit of Liability**:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured**, with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** that are paid pursuant to the **Additional Defense Limit of Liability** will not exceed $100,000 for all **Wage and Hour Law Employment Claims**. Such **Defense Expenses** will be part of, and not in addition to, the $100,000 limit of liability for all **Wage and Hour Law Employment Claims** and such $100,000 limit of liability for all **Wage and Hour Law Employment Claims** will be reduced and may be exhausted by payment of such **Defense Expenses** under the **Additional Defense Limit of Liability**.

E. CLAIM DEFENSE

1. The Company will have the right and duty to defend any **Claim** even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided, that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under such **Community Association Management Liability Coverage Policy**, and will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by an **Executive Officer**. If an **Executive Officer** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Community Association Management Liability Coverage Policy**, must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable, but in no event later than 60 days after the expiration date of the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the

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Insured's own cost, voluntarily make any payment, pay or incur any **Defense Expenses**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** becomes aware of a **Potential Claim** and gives the Company written notice of the particulars of such **Potential Claim**, including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, the dates of the alleged events, and the reasons for anticipating a **Claim**, as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Community Association Management Liability Coverage Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** were made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SETTLEMENT

The Company may, with the written consent of the **Insured**, make any settlement of a **Claim** it deems expedient. If the **Insured** withholds consent to such settlement, the Company's liability for all **Loss** on account of such **Claim** will not exceed the amount for which the Company could have settled such **Claim** plus **Defense Expenses** accrued as of the date such settlement was proposed in writing by the Company.

J. OTHER INSURANCE AND INDEMNIFICATION

If any **Loss** otherwise covered under this **Community Association Management Liability Coverage Policy** is insured under any other valid and collectible policy or policies, then this **Community Association Management Liability Coverage Policy** will apply only in excess of the amount of any deductibles, retentions and limits of liability under such other insurance, whether such other insurance is stated to be primary, contributory excess, contingent or otherwise, unless such other insurance is written specifically excess of this **Community Association Management Liability Coverage Policy** by reference in such other policy to the policy number of this **Community Association Management Liability Coverage Policy**.

Additionally, this **Community Association Management Liability Coverage Policy** will apply only as excess insurance over, and will not contribute with indemnification to which any **Insured Person** is entitled from any outside entity other than the **Insured Organization**. This **Community Association Management Liability Coverage Policy** will not be subject to the terms of any other insurance.

K. ORDER OF PAYMENTS

If **Loss**, other than **Defense Expenses**, from any **Directors and Officers Claim** exceeds the remaining applicable limit of liability as set forth in ITEM 5 of the Declarations:

1. the Company will first pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreement A. applies; then
2. to the extent that any amount of the applicable limit of liability remains available, the Company will pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreements B. and C. apply.

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Upon written request of the **Insured Entity** by and through any **Executive Officer** of the **Insured Entity**, the Company will either pay or withhold payment of **Loss** from such **Directors and Officers Claim** under Insuring Agreements B. and C., as applicable. In the event of a written request to withhold payment, the Company will make any future payment only for **Loss** from any such **Directors and Officers Claim** to which Insuring Agreement A. applies, unless otherwise so instructed upon written request by and through an **Executive Officer** of the **Insured Entity**.

L. SUBROGATION

In the event of payment under this **Community Association Management Liability Coverage Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

M. RECOVERIES

All recoveries from third parties for payments made under this **Community Association Management Liability Coverage Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided that recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

N. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, this **Community Association Management Liability Coverage Policy** may not be canceled by the **Named Insured** and the entire premium for the **Community Association Management Liability Coverage Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Named Insured** will have the right to give the Company notice that it desires to purchase a Run-Off Extended Reporting Period for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability; and
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this **Community Association Management Liability**

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Coverage Policy, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 30 days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD of this **Community Association Management Liability Coverage Policy** will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Named Insured** will have the right to purchase the Extended Reporting Period under the terms of section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD.

If, at any time during the **Policy Period**, the **Insured Entity** eliminates or reduces its ownership interest in or control over a **Subsidiary**, such that it no longer meets the definition of a **Subsidiary**, coverage will continue for such entity and its directors, officers, and employees, but only with regard to **Claims** for **Wrongful Acts** which occurred wholly during the time that the entity was a **Subsidiary**.

O. ACQUISITIONS

If, during the **Policy Period**, the **Insured Entity** acquires or forms a **Subsidiary**, this **Community Association Management Liability Coverage Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Community Association Management Liability Coverage Policy** provided written notice of such acquisition or formation has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such formation or acquisition. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Named Insured** has paid the Company any additional premium as may be required by the Company.

The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired or formed **Subsidiary** do not exceed 30% of the total assets of the **Insured Entity** as reflected in the **Insured Entity's** most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than 90 days prior to the end of the **Policy Period**.

P. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Community Association Management Liability Coverage Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Community Association Management Liability Coverage Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

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Q. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this **Community Association Management Liability Coverage Policy** for any reason other than nonpayment of premium, the **Named Insured** may give the Company written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability; and

2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this **Community Association Management Liability Coverage Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation. If the **Named Insured** obtains a subsequent policy at the expiration of a **Policy Period** from the Company, no termination or cancellation shall have occurred.

R. ALLOCATION

1. If there is a **Claim** under this **Community Association Management Liability Coverage Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Community Association Management Liability Coverage Policy** and also loss that is not covered by this **Community Association Management Liability Coverage Policy** because such **Claim** includes both covered and uncovered matters, then such covered **Loss** and uncovered loss will be allocated as follows:

   a. one hundred percent of **Defense Expenses** incurred by and on behalf of the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and

   b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of, the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under this **Community Association Management Liability Coverage Policy**. In making such a determination, the **Insured Organization**, the **Insured Persons** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of Loss which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Community Association Management Liability Coverage Policy** and applicable law.

S. CANCELLATION AND NONRENEWAL

The Company may cancel this **Community Association Management Liability Coverage Policy** in which case 20 days written notice will be given to the **Named Insured**. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

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Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

T. ACTION AGAINST THE COMPANY

No action will lie against the Company unless there has been full compliance with all of the terms of this **Community Association Management Liability Coverage Policy**.

No person or organization has any right under this **Community Association Management Liability Coverage Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

U. CHANGES

Only the **Named Insured** is authorized to make changes in the terms of this **Community Association Management Liability Coverage Policy** and solely with the Company's prior written consent. This **Community Association Management Liability Coverage Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Community Association Management Liability Coverage Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Community Association Management Liability Coverage Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Community Association Management Liability Coverage Policy** issued by the Company.

V. ASSIGNMENT

This **Community Association Management Liability Coverage Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

W. REPRESENTATIONS

By acceptance of the terms set forth in this **Community Association Management Liability Coverage Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Community Association Management Liability Coverage Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Community Association Management Liability Coverage Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;

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2. any **Insured Organization**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and

3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Community Association Management Liability Coverage Policy**, contained any such untrue statement or representation.

X. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Community Association Management Liability Coverage Policy** was issued, to make any changes in the form of this **Community Association Management Liability Coverage Policy**, by which the insurance afforded by this **Community Association Management Liability Coverage Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

Y. AUTHORIZATION

By acceptance of the terms herein, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Community Association Management Liability Coverage Policy**.

Z. ENTIRE AGREEMENT

This **Community Association Management Liability Coverage Policy**, including the Declarations, the **Application**, and any endorsements attached thereto, constitute the entire agreement between the Company and the **Insured**.

AA. HEADINGS

The titles of the various paragraphs of this **Community Association Management Liability Coverage Policy** and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED CLAIM, EVENT, CIRCUMSTANCE, LITIGATION, PERSON OR ENTITY EXCLUSION ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS**, **A. EXCLUSIONS APPLICABLE TO ALL LOSS**:

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of claims #331084, #355100, and #360785 under Federal Insurance Company policy #8235-5148..

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **106504255**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability

It is agreed that:

1. The following is added to section **II. DEFINITIONS**:

   Financial Interest means the **Named Insured's** insurable interest in an **Insured Organization** that is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, as a result of the **Named Insured's**:

   1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;

   2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for **Loss** incurred by such **Insured Organization**; or

   3. election or obligation to obtain insurance for such **Insured Organization**.

2. The following is added to section **V. CONDITIONS**:

   SANCTIONS

   This **Community Association Management Liability Coverage Policy** will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

3. The following replaces section **V. CONDITIONS**, **A. TERRITORY**:

   A. TERRITORY AND VALUATION

   1. This **Community Association Management Liability Coverage Policy** applies anywhere in the world; provided, this **Community Association Management Liability Coverage Policy** does not apply to **Loss** incurred by an **Insured**, residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

   2. In the event an **Insured Organization** incurs **Loss** referenced in 1. above to which this insurance would have applied, the Company will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to any rights under this **Liability Policy**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Community Association Management Liability Coverage Policy**.

   3. All premiums, Limits of Liability, Retention, **Loss**, and other amounts under this **Community Association Management Liability Coverage Policy** are expressed and payable in the currency of

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the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Community Association Management Liability Coverage Policy** is stated in a currency other than United States dollars, payment under this **Community Association Management Liability Coverage Policy** will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

4. The following is added to section **V. CONDITIONS, E. CLAIM DEFENSE**:

In the event of a **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, the Company will have the right and duty to defend such **Claim** as set forth in this section V. CONDITIONS, E. CLAIM DEFENSE, to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such **Claim:**

a. the Company will have no duty to defend any **Claim** covered by this **Community Association Management Liability Coverage Policy**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage** and the selection of appropriate defense counsel; and

b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under such **Community Association Management Liability Coverage Policy**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Community Association Management Liability Coverage Policy**.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

1. The following is added to section **V. CONDITIONS, Q. EXTENDED REPORTING PERIOD**:

   The minimum Extended Reporting Period will be 12 months.

2. The following replaces section **V. CONDITIONS**, **S. CANCELLATION AND NONRENEWAL**:

   S. CANCELLATION AND NONRENEWAL

   The Company may cancel this **Community Association Management Liability Coverage Policy** by providing written notice of such cancellation to the **Named Insured**:

   1. At least 20 days before the effective date of cancellation, if cancellation is for failure to pay a premium or any installment when due; or
   2. At least 30 days before the effective date of cancellation, if cancellation is for any other reason.

   The Company may cancel only for the following reasons:

   1. Any reason if the policy has been in effect for less than 120 days and is not a renewal of a policy issued by the Company;
   2. Nonpayment of premium;
   3. Material misrepresentation of fact that would have caused us not to issue the policy;
   4. Substantial breach of contractual duties;
   5. Substantial change in risk assumed;
   6. Loss of the Company's reinsurance; or
   7. Where continuation would threaten solvency or place the Company in violation of the law.

   A notice of cancellation resulting from the failure to pay a premium when due will be rescinded if payment in full is received by the Company within 20 days of the **Named Insured's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

   Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

   The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 90 days before the Expiration Date set forth in ITEM 2 of the

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Declarations. Any notice of cancellation or nonrenewal will be mailed or delivered to the **Named Insured** and to the agent or broker of record at their addresses shown in the policy or, if not reflected therein, at the last mailing address known to the Company.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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EXHIBIT K

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The Hanover Insurance Group

REC'D MAR 28

Customer Number: 1508749318-001-000
Statement Date: 3/21/2016

Our Valued Customer(s):

MYRTLE BEACH RESORT HOA
C/O K A DIEHL & ASSOC
PO BOX 15159
MYRTLE BEACH, SC 29587

Contact Us

Billing Questions	800-922-8427
Make a Payment	www.myhanoverpolicy.com or 1-800-573-1187
24 Hour Claims	1-800-628-0250

For Policy and Address Changes

Agent: 4109020	TRIVEDI-CAPACITY ASSOC LLC ONE INTERNATIONAL BLVD. MAHWAH, NJ 07495
Agent Telephone	201-661-2000

Summary

Due Date	Amount Due
5/21/2016	$575.00

Billing Detail

Policy Number and Details	Effective Date	Previously Billed	Current Amount Billed	Amount Due
Workers Compensation Policy WDF 9703905	4/15/16 - 4/15/17	$0.00	$575.00	$575.00
			Total Amount Due:	$575.00

PROP ID	INV DATE	INV #
0137	5-21-16	1508749318-001-000
AMT	ACCNT#	
$575.00	5023	
APPROVED		

PLEASE SEE BACK OF THIS BILL FOR IMPORTANT POLICY INFORMATION

[redacted] Please visit us at www.myhanoverpolicy.com.

293-1040 *Please detach and return bottom portion with your payment in the enclosed envelope.* 4383

Make your payment at www.myhanoverpolicy.com or 1-800-573-1187

Please include the 16 digit customer number when making your payment.		Due by 5/21/2016
Customer Number 1508749318-001-000	Total Balance $575.00	**Total Due** **$575.00**
Amount Paid $		

MYRTLE BEACH RESORT HOA
C/O K A DIEHL & ASSOC
PO BOX 15159
MYRTLE BEACH, SC 29587

For address changes, please contact your agent.

Please make check payable to:

The Hanover Insurance Group
PO Box 580045
Charlotte, NC 28258-0045

1508749318001000ABC9 1603210000575000000575009625 00

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IMPORTANT INFORMATION – PLEASE READ

ALLOCATION OF PREMIUM

- You may pay your new balance or any amount that fits your budget; however, you must pay at least the minimum amount due or your policy will be subject to cancellation.
- If you pay less than the minimum amount due, your payment will be allocated first to any fees charged and the balance to the minimum amount due in the order of the payment due date for the policies in your account. Any policy for which the minimum amount due is not paid will be subject to cancellation.
- If one or more of your policies is pending cancellation, please make your payment in advance to ensure it is received before the cancellation effective date and time.
- To ensure proper allocation of your payment, please return your bill stub with your check.
- Any credit balance on a policy will be applied to the amount due on any other policy/policies within your account in the order of their due dates and any remaining credit will be refunded to you.

SCHEDULE OF FEES

- An invoice fee will be charged whenever an invoice for payment is generated. The amount of the fee varies by state. When an invoice includes policies in multiple states the lowest fee applicable will be charged.
- In some states, an 'invoice fee' may be defined as an 'installment fee' or by some other term.
- If payment is not received by the due date, each policy on your account may generate a notice of intent to cancel for non-payment. Depending on your state, a late fee of up to $25.00 will apply per notice.
- Depending on your state, a return payment fee of up to $30.00 will be charged for any payment not accepted by your financial institution.
- If your policy is cancelled for nonpayment of premium, depending on your state, a reinstatement fee of up to $20.00 may be charged to reinstate your policy should an offer of reinstatement be extended. Any premium and accrued charges due are payable and are not waived by the reinstatement.

OTHER INFORMATION

- For changes to your policy including address changes, please contact your agent. Your agent's name and number are located on the front of this bill.
- Your premium on one or more of your policies has been calculated on an estimated basis. A premium audit may be performed when the policy period expires to determine the actual premium for the policy period. This means the business exposures used to determine the premium, which may include payroll, sales/receipts, subcontract cost and other items, may be reviewed at the end of the policy term. Changes in your business may result in changes in premium. Any changes in your business should be reported to your agent and the policy premium adjusted accordingly.

COMPANY INFORMATION

- An 'account' is defined as all policies listed in the section below:
  Your policies are underwritten by the following companies:
  - WDF 9703905-03 Massachusetts Bay Insurance Company
  - WDF 9703905-04 Massachusetts Bay Insurance Company

4394

For Agent Use Only: Please use the information below to complete sweep payments.

Policy Number	Min. Amt Due	Policy Number	Min. Amt Due	Policy Number	Min. Amt Due
WDF 9703905-04	$575.00				

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Activity Since Last Statement: 3/21/2015-3/21/2016

Activity Date	Description	Policy Number	Activity Effective Date	Amount
4/22/2015	Multiple Changes	WDF 9703905-03	4/15/2015	$0.00
4/23/2015	Cancelled at Company Request	WDF 9703905-03	4/15/2015	($675.00)
5/15/2015	Payment - Thank you			$675.00
5/15/2015	Reinstatement	WDF 9703905-03	4/15/2015	$675.00
2/11/2016	Renewal	WDF 9703905-04	4/15/2016	$575.00

Summary

Policy	Effective Date	Previous Balance	Payments/Credits	New Activity	Outstanding Balance
Workers Compensation Policy WDF 9703905	4/15/15 - 4/15/16	$675.00	$675.00	$0.00	$0.00
Workers Compensation Policy WDF 9703905	4/15/16 - 4/15/17	$0.00	$0.00	$575.00	$575.00

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Billing terms

Policy The program

Term The policy length

Product Identifies PHLY niche product group

Bill plan Full or interval payment plan applied to the policy, see section opposite for details

Premium charged Policy premium at inception plus any additional premium or return premium endorsements

Premium applied Payments or adjustments made to date

Previous balance Amount due at the end of prior month

Installment amount Divided portion of premium invoiced this month based on the Bill Plan

Taxes/surcharges and fees State imposed taxes or surcharges based on specific coverage and/or premium

Payment / credits Payments or adjustments made during prior month

Balance due Total amount currently due

RECD APR 07

PROP ID 037 | INV DATE 04/01/16 | INV # 04024394925

AMT $13.00 | ACCT # 80622291

5034

APPROVED

Available bill plans

Fixed Annual
One bill is produced for the annual premium as of the effective date of the policy.

Installment plans
For the following plans, a $500 installment minimum is required. Any endorsement activity will be billed or credited over any remaining installments. These plans do not reflect options available for Rental and Leasing policies.

• 25% & 9
25% of the annual premium is billed the first month, 1/9th of the remaining annual will be billed in consecutive monthly intervals.

• 25% & 5
25% of the annual premium is billed the 1st month, The remaining installments of 1/5th will be billed in consecutive monthly intervals.

• 25% & 3
25% of the annual premium is billed the 1st month, 1/3rd of the remaining annual will be billed in consecutive monthly intervals.

• 50% & 2
50% of the annual premium is billed the 1st month, 1/2 of the remaining annual will be billed in consecutive monthly intervals.

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group
PO BOX 70251 PHILADELPHIA PA 19176-0251

A8 01 027682 37318 B 104 A

MYRTLE BEACH RESORT HOA, INC.
PO BOX 15159
C/O K A. DIEHL & ASSOC
MYRTLE BEACH SC 29587-5159

Invoice Number:	04024394925
Account Number:	80622291 3
Billing Date:	04/01/2016
Due Date:	04/21/2016
Amount Due:	**$13.00**

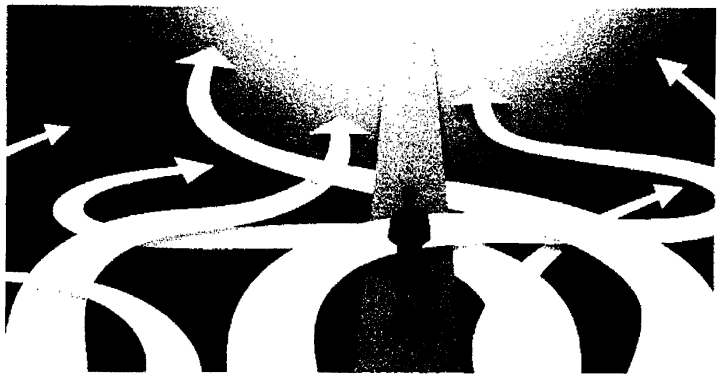
Remittance Amount: $

PHILADELPHIA INSURANCE COMPANIES
PO BOX 70251
PHILADELPHIA PA 19176-0251

04024394925 0000000080622291 3 20160401 20160421 0000000000001300 2

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Our risk management services



Philadelphia Insurance Companies' Risk Management Services give you peace of mind with well-developed procedures, action plans and projects that protect your business and improve customer satisfaction.

What can we help you with?

- **We help you control risk** through analyzing what's driving up your losses, and assessing your existing management programs to see what can be improved.
- **We offer training to suit your needs:** whether for onsite defensive driving or online content development, our training is interactive and implementable for everyone that takes part.

We're driven to help prevent loss and help your business achieve measurable results.
To find out how we can help you, visit **PHLY.com** or call us on **800.873.4552**

PHLY

PHLY Tree Planting Initiative

PHLY is bringing hope and healing to forest and communities nationwide that have been devastated by record wildfires, storms, and other natural disasters by partnering with the Arbor Day Foundation to pledge $80,000 for the planting of 80,000 trees.

Help PHLY Reach Our Planting Goals

Direct Bill Customers: Switch to paperless billing and PHLY will plant 15 trees in forests or communities in need.

Follow these steps to enroll:

Login or create a MyPHLY user account at **PHLY.com/myphly**.

Choose Create a new account.

Once logged in, please follow the eBill instructions.

All Customers: You can also donate to the tree planting initiative directly, at: **PHLY.com/trees**. $1 plants 1 tree.

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Your account summary

Your balance breakdown

Product	Policy	Term / Bill plan	Premium charged ($)	Premium applied ($)	Previous balance ($)	Installment amount ($)	Taxes / surcharge ($)	Fees ($)	Payment / credits	Balance due ($)
80622291 Myrtle Beach Resort HOA, Inc.										
HOA Pkg	PHPK1321747	04/15/2015 - 18 25% & 9	27,329.00*	-27,316.00	0.00	13.00	0.00	0.00	0.00	13.00
	Endorsements *to be applied across remaining installments:*									
	1:Amend IM - Add 39hp Kabola Tractor:2016-03-01 00:00:00		Added: 13.00	Return: 0.00						
			[illegible]	[illegible]	[illegible]	13.00	0.00 Payments will be allocated towards these charges first	[illegible]	[illegible]	13.00

Total Balance: 13.00

Applications, policy forms, risk management services, and claims management services are available at www.phly.com

*Denotes change in term premium

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PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

service@phly.com 877-438-7459
Lines open Monday to Friday: 8.30am - 8.00pm EST

April Invoice

MYRTLE BEACH RESORT HOA, INC.
Account number 80622291

Invoice number: 04024394925 Date: 04/01/2016

$13.00
Due 04/21/2016

Breakdown on page 2

Please pay $13.00

Visit **PHLY.com/myphly** to pay your invoice online by Electronic Funds Transfer (EFT).

Or detach the coupon on the last page and return with check made payable to:
Philadelphia Insurance Companies
PO Box 70251
Philadelphia, PA 19176-0251

Or call 877-438-7459 to make a single credit card or EFT payment.

Managing your policy

For coverage questions, policy changes or claims please contact your agent at:

ADP Barlow Insurance, LLC
(908) 382-6625

To pay your invoice online or update your details access your account at
PHLY.com/myphly

Your payment history

Payment date	Check number

Your full payment history is available online through your MyPHLY account.

Hub International Southeast
PO Box 7188
Myrtle Beach, SC 29572
Phone: (866) 903-5324
Fax: (866) 492-8155

INVOICE- Revised-New Business 2016/2017

Date:	May 5, 2016
Account No:	MYRTBEA-20
Policy #:	**Binders**
Period:	**04/15/16 – 04/15/17**
Producer:	**Jonathan Williams**

Myrtle Beach Resort Homeowners Association
5985 Highway 17 Business
Myrtle Beach, SC 29575

Item #	Eff. Date	Trn	Description	Amount Due
1		Prop	Property	$ 21,231.80
2		GL	General Liability	$ 4,721.24
3		Crime	Crime	$ 683.00
4		D&O	D&O	$ 4,433.00
5		UMB	UMB	$ 2,032.51
6		IM	IM	$ 2,650.00
7		WC	WC	$ 615.00
			Total Premium Due to HUB-	$ 36,366.55

Please make payable to HUB International .

PROP ID 017	INV DATE 5-5-16	INV # 90K30737
AMT	ACCNT#	
$36,366.55	5023	
APPROVED		

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ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FIFTEENTH JUDICIAL CIRCUIT
COUNTY OF HORRY	)	CIVIL ACTION NO. 2018-CP-26-03173
	)	
	)	
FREDERICK E. BROWN, *et al.*,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	AFFIDAVIT OF FREDDY BROWN
JEFFERY L. RICHARDSON, et al.,	)	
	)	
Defendants.	)	
	)	
MYRTLE BEACH RESORT HOMEOWNERS' ASSOCIATION, INC.	)	
	)	
Nominal Defendant	)	

PERSONALLY APPEARED BEFORE ME, the undersigned, who being duly sworn, deposes and states:

1. My name is Freddy Brown, I am over the age of eighteen (18) years and competent to make this Affidavit based on my personal knowledge, experience on this matter alleged in this lawsuit.
2. I am retired from Motion Industries, retiring after 40 years in 2015. I currently resided in Myrtle Beach, SC at 396 Posada Dr.
3. I am currently the owner of units 117A in the Horizontal Property Regime (HPR) and 242B in the Ocean Front Spa buildings at the Myrtle Beach Resort.
4. I am currently Board President of the HPR at Myrtle Beach Resort.
5. This Affidavit is submitted in support of the allegations contained in Plaintiff's Complaint and their Subsequent Motions for Amended Complaint in support of plaintiff's motion for

Summary Judgment as well as being in opposition to defendant Richardson's Motion for summary judgement

BRIEF FACTUAL HISTORY OF MYRTLE BEACH RESORT REGIME

6. In 1987 when I purchased my first condo at Myrtle Beach Resort, the four regimes were each providing maintenance for each of their buildings and common elements. Telephone and Security were paid collectively by each regime on an equal pro-rata basis toward the overall resort wide cost for both.
7. In 1986, the original developer, U S Capital, and its subsidiaries. Resort Development and Resort Investment, filed for bankruptcy. The four regimes banded together, and with the assistance of their attorney, Dan Patrick, obtained first right of refusal for the properties consisting of the land on Hwy 17 where the current rental office is, the cabana bar, commercial properties in the Ocean Front Spa and the Renaissance Tower, and the property allotted for the fifth proposed regime, which would have included a conference center. Without the ability to borrow money to purchase the above properties, the regimes negotiated a deal to release the first right of refusal to Ocean Lakes Campground for the Convention Center Property in exchange for Ocean Lakes Campground financing the purchase of the remaining properties by The Myrtle Beach Resort Master HOA. This settlement was approved by the bankruptcy judge.
8. I was elected to the Board of the HPR in 1989 and was elected President of the Board in 1990. I have served on the HPR or the Ocean Front Spa Boards continuously since 1989.

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9. As part of the bankruptcy settlement, the developer deeded the properties and roadways to the Myrtle Beach Resort, and an umbrella Association (Master HOA) was formed to own and manage this newly purchased property on behalf of all Myrtle Beach Beach Resort Homeowners . The Master Deed of the individual regimes allowed for cross easements which allowed for a seamless 32 Acre Resort.

10. All four Boards had input into the creation of the documents of the MBRHOA, and I was one of the four presidents representing the HPR on the signing of the final document.

11. Myrtle Beach Resort Homeowners Association (MBRHOA) was created as an umbrella or "Master Association" as evidenced by the Articles of Incorporation filed with the Office of the South Carolina Secretary of State on April 30, 1987 and as governed by the Master HOA's Declaration of Covenants, Conditions and Restrictions and By-Laws (CCRs) and filed of record on April 25, 1991 in the Office of the Register of Mesne Conveyances (R.M.C.) for Horry County in Deed Book 1465 at Page 329 ("Master HOA's Declaration and By-Laws attached thereto").

12. The Master HOA is charged with administering specified affairs of the Myrtle Beach Resort, a resort within Horry County, South Carolina presently including: (a) Myrtle Beach Resort Horizontal Property Regime, Inc. ("HPR"); (b) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime, Inc.("Ocean Front Spa"); (c) Renaissance Tower Horizontal Property Regime, Inc.("Renaissance Tower"); (d) Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc. ("Five Seasons Centre"), (collectively known as "Four Individual Condominium Regimes").

13. During the development and discussion between the Boards and Dan Patrick the Resort Attorney, the powers of the CCRs were clearly intended to be mandatory obligations and not in any manner optional or allow a regime to opt out of obligations or contracts .

14. The voting powers as called out in the CCRs were clear that each regime had an equal vote, with any motion of business conducted by the MBRHOA requiring a vote requiring a 67% majority. This provision was included to prevent any two regimes from passing business without the vote of the Five Seasons Center who only have 15.8% of the total project.

15. The original proposed development would have had a Fifth Regime but with the Conference Center canceled due to Bankruptcy, we were left with only four Regimes. Therefore a 4-person Master Board has created many deadlocks which have kept us from making decisions relevant to the Master Board

16. From inception of the MBRHOA in 1991 until roughly 2015 the CCRs and voting structure worked well as all boards worked well together for a common purpose and seamless resort operation. I was president in 1998 when the resort was having continuous issues with underage guests renting and creating both damage and loud and obnoxious behavior. A rule requiring at least one of the guests being the age of 23 was passed, and each regime worked to get 67% of the homeowners in each regime approve to amend or CCRs. Again, shortly after we worked together to replace tennis courts with a Lazy River paid for by the MBRHOA. Again, we had to get 67% of all homeowners to vote, and with each Board's support, we got the votes and built the Lazy River. The importance of these examples is to show that the Boards worked together to improve the property and make us more competitive with other properties without turf wars or favoritism towards individual regimes in the decisions made.

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17. Starting in roughly 2015, the Renaissance Tower and Ocean Front Spa started working to undermine the powers of the MBRHOA. Their primary purpose was to weaken the powers of the MBRHOA for the benefit of these two regimes and to reduce the overall costs of those regimes and therefore, the costs of the individual homeowners in those regimes – at the expense of the HPR and Five Seasons regimes. The president and MBRHOA representative of the Renaissance Tower, who owns 30 condos primarily in the Renaissance Tower and Ocean Front Spa, has led this constant cutting of services, interpreting that the responsibilities detailed in the CCR's are optional, and repeatedly moving the costs that should be Renaissance Tower costs to the MBRHOA. This is absolutely not a difference of opinion or failure to get along. The issue is money. Owning 30 condos as Mr. Richardson does or more than 10 condos as another owner and Board member in the Ocean Front Spa does, prevents their ability to make decisions that are in the best interest and for the good of the homeowners in all regimes.

18. Security has been the single largest expenditure of the MBRHOA and therefore has been the largest area of attempted cost cutting . Since 2017, the Renaissance Tower and Ocean Front Spa interpreted security as an optional duty of the MBRHPR and have broken the resort into segments with each regime providing security for its own building. Therefore, we are at a critical stage now as more and more costs are cut to the detriment of security at the entrance gate, grounds, and individual buildings. Homeowners are upset and continuously complain that the loss of safety for homeowners and guests is a major problem. In reality, the cost to the homeowners in HPR and Five Seasons increases when the costs for our individual building security is added to current MBRHOA cost. Effectively, we are paying the more to get less.

19. In summary, the board of the MBRHOA has totally fallen into a dysfunctional group of four regimes that is failing to provide a vision and to maintain at the Resort a safe environment for our homeowners and guests. Maintaining a family-friendly environment for homeowners and guests is crucial to the success of our homeowners as most derive income from rentals. A fragmented security does not meet the needs nor desires of the homeowners. Our homeowners clearly want Myrtle Beach Resort to return to a level of Security provided prior to 2018. Arbitrary departure from the CCR's that successfully governed the Resort for more than 2 decades threatens the management and admistration of the MBRHOA. Furthermore Empress Management has failed to comply with the terms and conditions of the management contract with the Master Association. Their failure to provide financial reports and minutes has put the Representatives from HPR and Five Seasons in a position to not meet their fiduciary obligations. While contributing and allowing this to happen and continue Ken Moss must be replaced in order for the Master HOA to properly and legally function.

20. I affirm that the foregoing is true to the best of my personal knowledge or on information and belief. I understand that the penalty for intentionally providing false information involves prosecution for perjury and the penalties associated with doing the same.

FURTHER AFFIANT SAYETH NOT.

Freddy Brown

Freddy Brown

SWORN to and subscribed before me this

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ELECTRONICALLY FILED - 2021 Apr 30 1:56 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173
ELECTRONICALLY FILED - 2018 May 24 5:09 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

AFFIDAVIT

PERSONALLY appeared before me Daniel L. Patrick, who, after being duly sworn, does state as follows:

1. I am a licensed attorney in the state of South Carolina, now "of counsel" with the firm of Patrick and Stathos, L.L.C.

2. The Myrtle Beach Resort project ("Resort") located in Horry County, South Carolina includes four horizontal property regimes: the Myrtle Beach Resort Horizontal Property Regime ("HPR"), Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime ("OF Spa"), The Renaissance Tower Horizontal Property Regime ("RT") and the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime ("5 Seasons"), together with commercial properties located at the entrance to the Resort and beachfront as well as the entry/exit roads at the Resort.

3. The Master Deeds in Article XVIII of both the OF Spa (filed in April 1983) and the RT (filed in November 1984) provide that the Declarant (developer) may "establish The Myrtle Beach Resort Homeowners' Association... and all Co-owners shall... automatically become members thereof." The Master Deeds further provide that, if established, the Master Association board shall be comprised of one representative from each regime.

4. By 1986 I was legal Counsel for the four regimes.

5. By 1986 the original developer of the Resort, Resort Development Corporation f/k/a Resort Investment Corporation, had transferred to a successor certain rights and title it held at the Resort. Shortly thereafter the successor filed bankruptcy.

6. By February of 1987, the original developer assigned to its successor's Trustee-in-Bankruptcy ("Bankruptcy Trustee") certain remaining rights it had at the Resort including the right to establish a master homeowners' association for the present and future owners at the Resort, as referred to in paragraph 3 above.

7. On April 30, 1987, the four regimes, by their respective authorized representatives, incorporated The Myrtle Beach Resort Homeowners' Association, Inc. ("Association").

8. By assignment recorded February 3, 1989, the Bankruptcy Trustee transferred to the Association all rights it had acquired as referenced in paragraph 6 above. In 1989 the Trustee also transferred to the Association the commercial property mentioned in paragraph 2 above.

9. In April 1991 the Declaration of Covenants, Conditions and Restrictions ("DCCR") of Association and its By-laws were recorded in Horry County. The DCCR was signed by the authorized representatives of all four regimes and by the authorized representative of the Association.

10. I drafted the DCCR and By-laws ("governing documents") according to my clients' directions and consistent with the existing Master Deeds which require one board member from each Regime to be on the board of the Association.

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ELECTRONICALLY FILED - 2018 May 24 5:09 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

11. Those governing documents provide for a super-majority of 67% of the voting membership (1 elected from each Regime and totaling 4) or a majority of all members (which total 1,010) to take any action including without limitation, election of officers; entering into, terminating, or altering contracts; creating new or modifying or terminating existing rules, regulations, or procedures.

12. The super-majority provision was requested and agreed to by all board members to protect minority interests. To reach the super-majority requires no less than 3 of the 4 voting members to concur.

13. The enumerated powers of the Association set out in the DCCR (Article IV) were intended to be mandatory obligations, not optional. They include, among other obligations, employing security services for the overall Myrtle Beach Resort project, which includes all four regimes set out in paragraph 2 herein (DCCR 4.1(L)). From the beginning there has always been just one security company site-wide under contract at any given time, at first through the developer and then under the Association. In particular because of the cross-easements contained in the various Master Deeds of the regimes for vehicular and pedestrian ingress and egress and for the use of amenities it was reasoned that having multiple contracts for security created the risk of irreparable damage to the Resort because of potential conflicting security rules, enforcement, and oversight. Also having differing directions given to security from various regimes would conflict with the developer's design of a seamless Resort as reflected in the Master Deeds of all regimes..

14. It is my understanding that the gate pass "fee" is no longer being collected through direction or acquiescence of the RT and OF Spa representatives on the board of the Association without the requisite vote of the board. That fee was adopted approximately 15 years ago by the Association board to help offset the added expenses incurred by the Association as a result of the number of guests, including in particular, additional security costs. I am now informed that the line item for security in the Association's 2018 budget is substantially less than that in 2017. I am also informed that, unless the gate fee is immediately restored, the Master Association will be severely underfunded for security and with the influx of guests as high season is here will potentially cause irreparable damage.

15. Patrick & Stathos, LLC (of which I am no longer a member, but "of counsel") and its predecessor (of which I was either sole owner or principle member) has continuously represented the Master Association since its inception. To my knowledge neither the super-majority requirement nor the mandatory obligations in the governing documents recorded over 27 years ago have been challenged until recently.

Daniel L. Patrick

SWORN to before me this
17th day of May, 2018.

Notary Public for North Carolina

John P SALUTE
Print name of Notary Public

My Commission Expires: 3/20/22

JOHN P SALUTE
Notary Public – North Carolina
Polk County
My Commission Expires Mar 20, 2022

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STATE OF SOUTH CAROLINA COUNTY OF HORRY	)	IN THE COURT OF COMMON PLEAS FIFTEENTH JUDICIAL CIRCUIT CIVIL ACTION NO. 2018-CP-26-03173
FREDERICK E. BROWN, *et al.*, Plaintiffs, vs. JEFFERY L. RICHARDSON, *et al.*, Defendants. MYRTLE BEACH RESORT HOMEOWNERS' ASSOCIATION, INC., Nominal Defendant.	)	**SUPPLEMENTAL AFFIDAVIT OF PLAINTIFFS' EXPERT OTIS ALLEN JEFFCOAT, III**

PERSONALLY APPEARED BEFORE ME, the undersigned, who being duly sworn, deposes and states:

1. My name is Otis Allen Jeffcoat, III., I am over the age of eighteen (18) years and competent to make this Affidavit based on my personal knowledge, experience and training, and expertise in the field of commercial and residential real estate law. I attended Princeton University, in Princeton, NJ from which I received an A.B. in Politics, magna cum Laude, in 1970. I received a J.D. from the University South Carolina Law Center, Columbia, SC in 1973. I am licensed in the States of South Carolina and North Carolina. A copy of my Curriculum Vitae ("CV") is attached hereto as **(Exhibit "A-1")** and incorporated by reference as part of my Affidavit.

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2. I am not a party to the above entitled action, and I am unrelated to any of the above-captioned members and/or partners of the various parties.

3. I am currently the owner of JeffcoatLaw, LLC located in Myrtle Beach, SC. My experience includes over Forty-eight (48) years in the practice areas of commercial and residential real estate, business transactions, estate planning, probate administration, business litigation, probate litigation, elder law, environmental law, and bankruptcy law.

4. This Affidavit is submitted in support of the allegations contained in Plaintiffs' Amended Complaint and Motion for Summary Judgment also in opposition of the Defendant Richardson's Motion for Summary Judgment.

RELEVANT FACTUAL BACKGROUND

5. The Master HOA is an umbrella or "Master Association" charged with administering the affairs of Myrtle Beach Resort, a resort within Horry County, South Carolina, consisting of the Myrtle Beach Resort HPR, Ocean Front Spa HPR, Five Seasons HPR and Defendant Renaissance Tower (collectively "Regimes.")

6. The Master HOA was created as an umbrella or "Master Association" as evidenced by the Articles of Incorporation filed with the South Carolina Secretary of State on April 30, 1987 and as governed by Declarations of Covenants, Conditions and Restrictions filed April 25, 1991 in Deed Book 1465 at Page 329 ("HOA Declaration.")

7. The aforementioned Regimes, including Renaissance Tower, agreed to Master HOA's creation and to be bound by its HOA Declaration.

8. In addition thereto, the authority of the Master HOA, stems from, and is in accordance with the individual Master Deeds of the aforementioned Regimes which specifically reserves to the developer the right to establish the HOA.

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9. Moreover, all developer's reserved rights were assigned to the Master HOA by that Assignment of Rights dated January 27, 1989 and recorded February 2, 1989 in Deed Book 1284 at Page 239.

10. The Defendant Renaissance Tower is subject to the HOA Declaration and By-Laws.

RELEVANT PROVISIONS OF THE MASTER HOA'S DECLARATION AND BYLAWS

11. Insofar as it is relevant to the assertions in this Complaint, Article I defines certain terms used in the Master HOA's Declaration as follows:

a. 1.1.0 "Act" shall mean the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, and Code of Laws of South Carolina, 1976, as Amended;

b. 1.1.2 "Assessment" shall mean and refer to a share of the Common Expenses, capital improvements or other charges from time to time assessed against Co-Owners in the manner herein provided;

c. 1.1.3 "Association" shall mean and refer to the Myrtle Beach Resort Homeowners Association, Inc., a South Carolina non-profit Corporation;

d. 1.1.4 "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the governing body of the Association;

e. 1.1.5 "By-Laws of the Association" shall mean and refer to those By-Laws of the Myrtle Beach Resort Homeowners Association, Inc., which govern the administration and operation of the Association, as may be amended from time to time, which By-Laws are attached as Exhibit "B" to this Declaration;

f. 1.1.6 "Commercial Unit" shall mean and refer to any unit designated as commercial space in the Master Deed of the appropriate Condominium Association;

g. 1.1.7 "Common Areas" means as defined in the Individual Condominium Associations' respective Master Deeds;

h. 1.1.8 "Common Expenses" shall mean and refer to all expenditures, including debt retirement, capital improvements, and operating expenses,

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lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of financial, equipment, or material reserves consistent with the provisions and intent of this Declaration; and

i. 1.1.9 "Condominium Association" or "Individual Condominium Association" shall mean and refer to the four individual horizontal property regimes making up the Myrtle Beach Resort including the Myrtle Beach Resort Horizontal Property Regime (Phase I); Myrtle Beach Resort Oceanfront Spa (Phase II);Renaissance Tower Horizontal Property Regime (Phase III); and they Myrtle Beach Resort Five Seasons Centre (Phase IV).

12. Article V discusses the covenant for assessments as expressed in the Master HOA's Declaration as follows:

a. 5.1 ***Creation of the Lien. Each Individual Condominium Association together with each Co-owner is deemed to covenant and agrees to pay to the Association Assessments for the Association expenses including common expenses as provided for herein***. (Emphasis added).

Such assessments, together with interest, costs, and reasonable attorney's fees for the collect on thereof shall be a charge on any Dwelling Unit or Commercial Unit, and shall be a continuing lien upon it, until full payment of such Assessment is made a Co-owner shall become liable for payment of Assessments upon issuance of a Statement of Assessments by the Association.

On any Assessment that remains unpaid for over ten (10) days after its due date, at the sole discretion of the Board, a late charge not to exceed Ten and No/100 ($10.00) or Ten Percent (10%) of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection.

Further, the Association shall have a lien on each Dwelling Unit or Commercial Unit together with the common elements appurtenant thereto in the amount of each Assessment not paid when due as provided herein, which may be collected and/or the lien foreclosed upon as provided in the South Carolina Horizontal Property Regime Act. ***Reasonable attorney's fees incurred by the Board incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien and all other charges allowed by the Act shall be payable by the delinquent Co-owner and secured by such lien.*** The Board may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise same if deemed in its best interest.

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No Co-Owner may exempt himself from liability for his share of the Assessments by waiving the use or enjoyment of any of the common elements. **(Emphasis added).**

b. 5.2 ***Association Assessments may be assessed directly to the Co-owners or may be collected by the Individual Condominium Associations at the discretion of the Board.*** The assessments levied by the Association, as well as the manner of collecting same, shall be determined by the Board of Directors at a regularly scheduled or at a special meeting and the approval of the budget for the Association shall require the vote of 67% or more of all Voting Members of the Association. (Emphasis added).

c. 5.3 ***Allocation of Assessments for budgeted expenses shall be allocated and assessed as follows: Myrtle Beach Resort Horizontal Property Regime (Phase I) -24.8515%; Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime -26.8317%; Renaissance Tower Horizontal Property Regime, Inc. (Phase III) – 32.3762%; and Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc.(Phase IV) – 15.9406%.*** (Emphasis added).

13. Insofar as it is relevant to the assertions in this Complaint, Article II defines certain terms used in the Master HOA's By-laws as follows:

a. "Association" shall mean and refer to 27. The Myrtle Beach Resort Homeowners' Association, Inc., its successors and assigns.

b. "Member" shall mean and refer to each and every Co-Owner at The Myrtle Beach Resort which includes (a) Myrtle Beach Resort Horizontal Property Regime, Inc.; (b) Myrtle Beach Oceanfront Spa Horizontal Property Regime; (c) Renaissance Tower Horizontal Property Regime; (d) Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime.

c. "Voting Member" shall mean and refer to that representative from the Board of Directors of each Individual Condominium association who has been elected by that Board as a representative to the Board of Directors of this Association.

d. "Individual Condominium Associations" shall mean and refer to those Associations at The Myrtle Beach Resort presently including: (a) Myrtle Beach Resort Horizontal Property Regime, Inc.; (b) Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime, Inc.; (c) Renaissance Tower Horizontal Property Regime; (d) Myrtle Beach Resort Five Seasons Centre Council of Co-Owners, Inc.

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14. Article IV of the By-Laws discusses voting, selection, term of office, and duties of the Board of Directors for the Master HOA. Article IV provides in pertinent part:

> Section 1. The Association shall be managed by a Board of Directors consisting of not less than four (4) Directors. Each Individual Condominium Association of the Myrtle Beach Resort shall have a representative from its Regime as a Director on the board of the Association. Each Board Member of this Association shall also be a board member of the Individual Condominium Association which he or she represents.
>
> Section 1.A. "Voting." Each Director is hereby assigned the number of votes that represents the number of Apartments (whether residential or commercial) that exists in that Director's Individual Condominium Association.
>
> Section 7. Voting: Any action taken at a meeting of the Board of Directors shall be only upon the affirmative vote of 67% of the entire votes of the Association.
>
> Section 8. Consistent with these By-Laws and applicable Declarations, the Board shall:
>
> a. Transact all Association business and prescribe the rules and regulations for the use of the assets, facilities and property for which it is so charged and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation;
>
> b. Annually set a budget for the Association;
>
> c. Fix, impose and remit penalties for violations of these By-Laws and the rules and regulations of the Association;
>
> d. Elect from the Board within thirty (30) days after each annual meeting the President, Vice-President, Secretary and Treasurer; and
>
> e. Carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the Act.

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RELEVANT BACKGROUND

15. This action was commenced by Plaintiffs derivatively on behalf of the Master HOA on May 24, 2018, by the filing of their Verified Complaint seeking relief from the Court regarding their *Ultra Vires* and Breach of Contract Claims ("Personal Claims") against the Defendants and also seeking Declaratory Judgment Relief, among other things, that the Defendants have affirmative duties under Master HOA's governing documents regarding administration and management of the Myrtle Beach Resort Property.

16. The Master HOA is a Master Umbrella Association ("Master Association") charged with certain affirmative duties related to the administration and management of Myrtle Beach Resort. Specifically, Article IV of the Declaration for the Master Association addresses the Board's affirmative duties under Section 4.1. This section provides:

> The Association, acting through the Board of Directors, shall also have the power to: (a) maintain all streets and roads within the Property, including cleaning and periodic resurfacing; ***(b) provide for all refuse collection*** (c) obtain, for the benefit of the Property, by purchase, lease or otherwise, as deemed proper by the Board of Directors, cable or master television service and telephone service; (d) maintain the oceanfront area; grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property; (e) grant easements, rights-of-way or strips of land, where necessary, for utilities, and sewer facilities and other services over the Common Areas to service the Property; (f) maintain such policy or policies of liability and fire insurance with respect to property owned by the Association; (g) ***employ or contract with a management company to perform all or any part of the duties and responsibilities of the Association, including further duties and responsibilities which may be delegated to the Association by the Individual Condominium Associations and to equitably apportion assessments of same; (h) install and maintain security devices, detectors and communication facilities and contract for employment of security services, guards and watchmen for the project***; . . . (Emphasis added.)

A true and correct copy of the Declaration and By-laws are attached hereto as **Exhibit "A"** and incorporated by reference.

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SUMMARY OF APPLICABLE LAW

It is my opinion that the following legal authorities are relevant to the rights and obligations of the parties to this transaction.

I. The Declaration and By-Laws impose affirmative duties upon Defendants.

17. South Carolina law requires that restrictive covenants such as the Declaration and By-Laws be read as a whole. When the document is construed to give effect to all provisions, Article IV Section 8(e) of the By-Laws mandates that the powers enumerated in Article IV of the Declaration be carried out by the Association acting through the Board of Directors.

18. Restrictive covenants are contractual in nature and bind the parties thereto in the same manner as would any other contract. Queen's Grant II Horizontal Property Regime v. Greenwood Development Corp., 368 S.C. 342, 361, 628 S.E.2d 902, 913 (2006) (citing 20 Am. Jur. 2d Covenants, Conditions, and Restrictions § 1 (2005)). The paramount rule of contract construction is to ascertain and give effect to the intent of the parties as determined from the whole document. RV Resort and Yacht Club Owners Ass'n, Inc. v. BillyBob's Marina, Inc., 386 S.C. 313, 321, 688 S.E.2d 555, 559 (2010) (citing Taylor v. Lindsey, 332 S.C. 1, 4, 498 S.E.2d 862, 863–64 (1998)). Where the agreement in question is a written contract, the parties' intention must be gathered from the contents of the entire agreement and not from any particular clause thereof. Thomas-McCain, Inc. v. Siter, 268 S.C. 193, 197, 232 S.E.2d 728, 729 (1977) (citing Bruce v. Blalock, 241 S.C. 155, 127 S.E.2d 439 (1962)). The specific words and phrases of a covenant cannot be read exclusive of other contractual provisions. 20 Am Jur 2d Covenants, Conditions, and Restrictions § 15. In interpreting any single provision in a covenant, the entire agreement must be viewed as a whole. Id. Wherever possible, a covenant should be construed to give effect to all of the provisions and to avoid rendering any provision meaningless. Id. Documents will be

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interpreted so as to give effect to all of their provisions, if practical. Reyhani v. Stone Creek Cove Condo. II Horizontal Prop. Regime, 329 S.C. 206, 212, 494 S.E.2d 465, 468 (Ct. App. 1997) (citing 17A Am. Jur. 2d Contracts § 385 (1991)).

19. Article IV of the Declaration lists the Powers of the Association and states, "The Association, acting through the Board of Directors, shall also have the power to: ..." The construction of a contract or even a phrase in the contract is not limited to one word, but rather the covenant as a whole must be taken into consideration. As stated above the covenant must be construed to give effect to all provisions. In accordance with the law, Article IV of the Declaration must then be read in light of Article IV Section 8(e) of the By-Laws which states, "Consistent with these By-Laws and applicable Declarations, the Board ***shall***: carry out all other duties and obligations imposed and ***exercise all rights granted it by these By-Laws, the Declaration, and the Act.***" (Emphasis added). When these two Sections are read in conjunction, the By-Laws mandate the execution of the powers of the Association in Article IV of the Declaration.

20. Furthermore, covenants are construed as a whole, keeping in mind their underlying purpose. 20 Am Jur 2d Covenants, Conditions, and Restrictions § 15. Recently in Callawassie Island Mbrs. Club, Inc. v. Dennis, 821 S.E.2d 667 (S.C. 2018), the Supreme Court looked to the plain language of membership documents to ascertain the intent with which the provisions were written. In analyzing the documents to ascertain the meaning in accordance with the drafters' intent, the Court made specific note that the provisions at issue were the very feature which enabled the members to sustain a viable Club and ensured that the Club would remain viable in the future. Id. at 671. Much the same, the drafters of the Declaration drafted these documents with the intent that the provisions would help further the development. Attorney Daniel L. Patrick drafted the Declaration and By-Laws and specifically stated in his May 17, 2018 Affidavit, "The enumerated

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powers of the Association set out in the DCCR (Article IV) were intended to be mandatory obligations, not optional." This is further evidenced in Article VI Section 6.4 which states, "Provisions shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development. Provisions shall be liberally interpreted and, if necessary, shall be extended or enlarged by implication as to make them fully effective." The general plan of the development as referenced in the language of Article VI Section 6.4 is to maintain a viable community. The intent of this plan is best effected when Article IV of the Declaration is read in conjunction with Article IV Section 8(e) of the By-Laws to make the powers of the Association affirmative duties. The exercise of these powers surely best effects the intent of the general plan of development of the community.

A. <u>The Horizontal Property Regime Act and Article VI of the Declaration supports the affirmative obligation of the Board of Directors and their civil liability for not complying with the affirmative duties</u>.

21. The Declaration was formed pursuant to the South Carolina Horizontal Property Act. Section 8(e) of the By-Laws states, "Consistent with these By-Laws and applicable Declarations, the Board shall: carry out all other duties and obligations imposed and exercise all rights granted it by these By-Laws, the Declaration, and the **Act**." (Emphasis added). Earlier in the document, Section 1.1.0 of the "Definitions" states "Act" shall mean the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as Amended.

22. Two statutes in the Horizontal Property Regime Act which explain the purpose of By-Laws and the necessity of compliance with By-Laws lend further clarity to the fact that Section 4.1 must be interpreted as affirmative duties.

23. S.C. Code Ann. § 27-31-150 states "The administration of the property constituted into horizontal property, whether incorporated or unincorporated, shall be governed by bylaws

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which shall be inserted in or appended to and recorded with the master deed or lease." This statute notes that By-Laws must be part of the documents of the horizontal property regime and that the administration of the property must be governed by such. This language gives additional force to Article IV Section 8(e) of the By-Laws and further confirms that the Association, through the Board of Directors, must carry out the duties, obligations, and rights granted them in the Declaration as mandated by the By-Laws.

24. S.C. Code Ann. § 27-31-170 then explains the necessity of compliance with the By-laws and the remedy for non-compliance. "Each co-owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the master deed or lease or in the deed or lease to his apartment. Failure to comply with any of the same shall be grounds for a civil action to recover sums due for damages or injunctive relief, or both, maintainable by the administrator or the board of administration, or other form of administration specified in the bylaws, on behalf of the council of co-owners, or in a proper case, by an aggrieved co-owner."

25. Section 6.2 of the Declaration for the Master HOA authorizes the Plaintiffs as "aggrieved owner[s]" with the contractual right to bring an action for injunctive relief and/or for damages to ensure that the Defendants and their successors or designees are complying with their affirmative duties under Article IV, Section 4.1 of the Declaration as well as Article IV, Sections 1, 3, 5, 6, 7, 8(e), and 9 of the By-Laws in order to properly administer the Master HOA, pursuant to its recorded plan of development, for the protection of present and future Co-owners and their individual condominium associations. Specifically, Article VI of the Declaration provides in pertinent part:

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> Failure to comply with any of the same shall be grounds for imposing fines, for suspending rights of use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages and/or ***for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association, or in a proper case, by an aggrieved Owner***. . . . Inasmuch as the enforcement of the provisions of this Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, ***it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that the Association, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation of breach***. (Emphasis Added).

Thus, by not exercising the rights granted them in Article IV of the Declaration, as mandated by the By-Laws, the Board of Directors of the Association is subject to injunctive relief and liability for damages to the aggrieved co-owners.

II. Defendants assumed the duties in the Declaration thus creating affirmative obligations.

26. Even assuming arguendo that the language of Article IV, Section 4.1 was not intended to create affirmative obligations, Defendants have undertaken to perform these duties rendering them affirmative. "Ordinarily, the common law imposes no duty on a person to act. [When] an act is *voluntarily undertaken*, however, the actor assumes the duty to use due care." Walbeck v. I'On Co., LLC, 426 S.C. 494, 514, 827 S.E.2d 348, 358 (Ct. App. 2018) (quoting Hendricks v. Clemson Univ., 353 S.C. 449, 456-57, 578 S.E.2d 711, 714 (2003)).

27. Over the past twenty years, the past Board members of the Association have continuously undertaken to perform all of the powers in Article IV, Section 4.1 for the sole purpose of administering and managing the resort property for the mutual benefit of all members. While some of the Board members have now abandoned the performance of these tasks, it does not negate the fact that the prior Boards voluntarily undertook to perform these 4.1 duties which created a continuing obligation to execute these tasks with due care.

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28. The legal and practical nature of any condominium regime consists of a web of mutually reinforcing mandatory obligations of support, complemented by a series of powers for the Association if the nature of the Regime and the needs of the owners of units in the Regime require it. In the case of the Myrtle Beach Resort, the value of the individual apartment units depends upon the Association and the Board taking those steps required by the Declaration, ByLaws and the Act. Without an appropriate amendment, neither an individual unit owner nor any constituent regime or association may simply abandon its or their obligations, without serious practical, legal and financial detriment to the other unit owners and regimes to whom the defaulting party is bound.

PROFESSIONAL OPINIONS

29. Based upon my understanding of the history of the Myrtle Beach Resort , including the filed Declaration and By-Laws for the Myrtle Beach Resort Homeowners Association, review of pleadings and their attached exhibits and other relevant documents in this lawsuit as identified in Paragraph 31 of my affidavit, I have reached the following factual conclusions and hold the following expert opinions to a reasonable degree of professional certainty:

a. The Master HOA's Declaration and Bylaws are valid, enforceable, and/or legal;

b. In accordance with South Carolina law when the Declaration and By-Laws are construed together to give effect to all provisions, I find that Article IV, Section 4.1 imposes affirmative duties upon Defendants with respect to the administration and management of the Myrtle Beach Resort Property;

c. I further find that the past Board members undertook to perform these duties under Article IV, Section 4.1, thus further affirming the duty to perform these tasks; and

d. I find that the Master HOA's Board of Directors' powers under Section 4.1, Article IV of the Declaration are not optional as argued by the Defendant Richardson, but are affirmative obligations binding on each of the individual Board members. See Alala v. Peachtree Plantations, Inc., 292

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S.C. 160, 167, 355 S.E.2d 286, 290 (Ct. App. 1987)(Of course, all parties must be obligated under a contract in order for it to be enforceable.) (Citing as authority 1A A.L. CORBIN, CORBIN ON CONTRACTS § 152 (1963);1 S. WILLISTON, A TREATISE ON THE LAW OF CONTRACTS § 105A (3d ed. 1957 and also the case of Humble Oil & Refining Co. v. DeLoache, 297 F. Supp. 647, 658 (D.S.C. 1969) (Judge Russell: "In the law of contracts, **mutuality**, both in definition and application, is largely synonymous with consideration.")). There is no **mutuality of obligation** in a unilateral contract. Towles v. United Healthcare Corp., 338 S.C. 29, 38, 524 S.E.2d 839, 844 (Ct. App. 1999).

I reserve the right to amend my above stated opinions as additional information is made available to me.

30. My above stated opinions are, also, based upon my more than forty (40) years of real estate practice and upon the following deeds, agreements, declarations, and other documentation and information provided to me in this matter, including, but not limited to the following:

a. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Horizontal Property Regime, filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 750, Page 642 on June 15, 1982, which was established the Myrtle Beach Horizontal Property Regime and is attached hereto as **(Exhibit A)** and incorporated by reference as part of this Affidavit;

b. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 789, Page 362 on April 15, 1983, which was established the Oceanfront Spa Horizontal Property Regime and is attached hereto as **(Exhibit B)** and incorporated by reference as part of this Affidavit;

c. A copy of a document identified as the Master Deed and Bylaws for the Renaissance Tower Horizontal Property Regime, filed in the in the Office of the Cleric of Court for Horry County, South Carolina in Deed Book 917, Page 885 on December 11, 1984, established the Renaissance Tower Horizontal Property Regime and is attached hereto as **(Exhibit C)** and incorporated by reference as part of this Affidavit;

d. A copy of a document identified as the Master Deed and Bylaws for the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime, filed in the in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 966, Page 654 on June 20, 1985, which was established the Five Seasons Centre Horizontal Property

Regime and is attached hereto as **(Exhibit D)** and incorporated by reference as part of this Affidavit;

e. A copy of a document identified as the Quit-Claimed Deed for Vacation Properties, Inc. to Myrtle Beach Resort Homeowner's Association, Inc. in Plat Book 98, Page 13 on March 18, 1987, attached hereto as **(Exhibit E)** and incorporated by reference as part of this Affidavit;

f. A copy of a document identified as the Assignment of Declarant's Rights for Vacation Properties, Inc. to The Myrtle Beach Resort Homeowners' Association, Inc. filed in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 1284, Page 239 on February 2, 1989, attached hereto as **(Exhibit F)** and incorporated by reference as part of this Affidavit;

g. A copy of the Declaration and Bylaws of the Myrtle Beach Resort Homeowners Association, Inc., filed with the Horry County Register of Deeds Office in Deed Book 1465, at Page 329, is attached hereto as **(Exhibit G)** and incorporated by reference as part of this Affidavit;

h. Affidavit of Daniel L Patrick, Esquire is attached hereto as **(Exhibit H)** and incorporated by reference as part of this Affidavit;

i. Affidavit of Daniel L Patrick, Esquire is attached hereto as **(Exhibit I)** and incorporated by reference as part of this Affidavit;

j. Plaintiffs' Motion for Summary Judgment is attached hereto as **(Exhibit J)** and incorporated by reference as part of this Affidavit; and

k. Defendant Richardson's Motion for Summary Judgment is attached hereto as **(Exhibit k)** and incorporated by reference as part of this Affidavit.

FURTHER AFFIANT SAYETH NOT.

Otis Allen Jeffcoat, III

SWORN to and subscribed before me this
21st day of April, 2021.

Notary Public for South Carolina
My Commission Expires: 4/21/2025

GLINDA K. RISHER
MY COMMISSION
EXPIRES
04/21/2025
NOTARY PUBLIC
SOUTH CAROLINA

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EXHIBIT A

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STATE OF SOUTH CAROLINA)
) MASTER DEED OF
) MYRTLE BEACH RESORT
COUNTY OF HORRY) HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, THIS MASTER DEED is made this 14th day of June, 1983, by RESORT INVESTMENT CORPORATION (hereinafter called the "Declarant"), a Delaware corporation authorized to do business in the State of South Carolina with its principal office and place of business at Number One Main Street, Post Office Box 11634, Columbia, South Carolina 29211, for the purposes hereinafter set forth.

W I T N E S S E T H :

WHEREAS, Declarant is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Horry, State of South Carolina, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter called the "Submitted Property" or "Property"); and

WHEREAS, Declarant desires to submit the Submitted Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the "Act"), hereby creating a Horizontal Property Regime known as the Myrtle Beach Resort Horizontal Property Regime; and

WHEREAS, Declarant desires to publish a plan for the individual ownership of the several Apartments of the Submitted Property together with an undivided ownership interest in the general common elements and limited common elements (if any) of the Submitted Property as defined herein and in the Act; and

WHEREAS, Declarant desires to convey the Submitted Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, and hereby publishes its plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Declarant hereby specifies that this Master Deed and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Submitted Property and shall bind and inure to the benefit of the Declarant, its successors and assigns and all subsequent owners of any interest in the Submitted Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns.

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ARTICLE I
Definitions

As used in this Declaration and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

A. Act means the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as presently constituted.

B. Apartment means as defined in the Act. The location, floor plan and dimensions of each are as shown in the Exhibits hereto.

C. Association or Council of Co-Owners means the Council of Co-Owners as defined in the Act and specifically formed for the purpose of exercising the powers and duties of the Council of Co-Owners of such Horizontal Property Regime.

D. Assessment means a share of the fund required for the payment of common expense, capital improvements and expenses which from time to time are assessed to some or all of the Unit Owners.

E. Board of Directors or Board means the executive and administrative body designated as the governing body of the Association.

F. Building means as defined in the Act.

G. By-Laws means the by-laws of the Association as they exist from time to time.

H. Common Elements means and includes all of the Submitted Property excluding the Apartments and specifically includes both the general common elements and limited common elements (if any).

I. Common Expenses means and includes:

(1) All expenses incident to the administration, maintenance, repair and replacements of the Submitted Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(2) Expenses determined by the Board of Directors of the Association to be Common Expenses;

(3) Expenses in this Master Deed and/or its Exhibits denominated as Common Expenses; and

(4) Any other expenses declared by the Act to be Common Expenses.

J. Common Surplus means the excess of all receipts of the Association over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

K. Ownership means as defined in the Act.

L. Condominium Unit or Unit means an individual Apartment as defined herein, in the Act and as described in the Exhibits hereto together with an undivided share of the common elements, vote, common surplus and liability for common expenses and other assessments appurtenant thereto.

M. Co-Owner means as defined in the Act, and specifically owning an apartment in the Regime.

N. Declarant or Developer means Resort Investment Corporation, its successors and assigns.

O. Exhibits means the exhibits to this Declaration, as they may be amended from time to time.

P. General Common Elements means as defined in the Act.

Q. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, the Declarant, any of its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

R. Limited Common Elements means as defined in the Act.

S. Long Term Lease means those certain leases and agreements which are included in the Exhibits to this Master Deed or shall be added by Amendment to the Exhibits to this Master Deed and to which the Association and each and every Co-Owner is and shall be bound.

T. Majority or Majority Vote or Majority of the Co-Owners means as defined in the Act.

U. Master Deed means this Master Deed establishing and recording the Property of the Regime and thereby submitting it to Condominium Ownership.

V. Occupant means any person or persons residing in a Unit.

W. Person means as defined in the Act.

X. Record means as defined in the Act.

Y. Submitted Property or Property means and includes that property shown as contained within Myrtle Beach Resort Horizontal Property Regime, as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights-of-way and rights of use as described herein, in the Exhibits and/or of record. The Property shall not include until, but shall include upon proper annexation hereto, by amendment hereof, all lands, together with improvements, easements, rights of way and rights of use described herein, in the Exhibits and/or of record, shown, described and defined as Phases II and III.

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ARTICLE II
Myrtle Beach Resort Horizontal Property Regime
Council of Co-Owners

1. Responsibility for Administration: The administration of the affairs of the Regime and the maintenance, repair, replacement and operation of the Common Elements as herein provided, the enforcement of all rules, regulations, by-laws and those acts required of the Association by the Master Deed and/or by the Act shall be the responsibility of the Association acting through the Board of Directors. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed, the Articles of Incorporation and the By-Laws of the Association.

2. Agreements: The Association through its Board of Directors shall be and hereby is authorized to enter into such agreements and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner who acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Association for review by any Co-Owner.

3. Voting Rights: There shall be only one voting member for each Unit. If a Unit is owned by more than one Person, the Owners thereof shall designate one of their number as the voting member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the voting member for such Unit. The designation of the voting member shall be made as provided in the By-Laws. The vote of a voting member shall not be divisable.

The Apartments of the Regime as presently constituted consist of thirty-five (35) one bedroom Apartments and two hundred sixteen (216) two bedroom Apartments. There is hereby assigned three (3) votes to each two bedroom Apartment and two (2) votes to each one bedroom Apartment. The vote assigned to each Apartment has been determined by the value of each Apartment respectively in relation to the value of the Property as a whole.

Each voting member (and only the voting member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Association, regardless of the number of Persons who own such Unit. The Declarant shall be entitled to cast the vote for each Unit it owns.

Each voting member shall be entitled to cast his vote(s) at each meeting of the Association in person or, if permitted by the By-Laws, by proxy.

4. Declarant shall appoint an initial Board of Directors to serve until Declarant shall relinquish control and their successors have been elected and qualified. Declarant shall release control upon calling a meeting of the Unit Owners for purposes of taking control, which meeting shall be called no later than nine (9) months from the date hereof.

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ARTICLE III
Property Rights

1. Identification of Units: The Condominium consists essentially of Apartments in buildings, and other improvements and certain lands as the same are described in the Exhibits. Additional buildings, land and improvements may, in the Declarant's discretion, be constructed and be made a part of the Regime as additional phases as hereinafter described. For the purposes of identification, each Apartment in the Regime is identified by number and letter and is delineated in the Exhibits hereto. No two Units have the same identifying number and letter combination.

The aforesaid building and Apartments therein and other improvements are constructed in accordance with the plats, plans, descriptions and surveys contained in the Exhibits.

2. Ownership of an Apartment includes title to the Apartment and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide a Apartment by separating title to the Unit from the undivided interest in the Common Elements and Common Surplus (if any) shall be void.

The undivided interests in the Common Elements, the Common Surplus (if any) and the liability for Common Expenses which the Co-Owners of the Apartments are acquiring are set forth, as percentages, in the Exhibits.

3. The Common Elements: Neither the Association, any Co-Owner, the Declarant, nor any other party who owns an interest in the Common Elements shall have the right to bring any action for partition or division of the Common Elements.

Initial rules and regulations governing the use of the Submitted Property shall be promulgated by the Declarant on behalf of the Board of Directors. Additional and/or amended rules and regulations may be adopted or repealed by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Declarant provided such does not affect any right(s) of Declarant or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Co-Owner, by acquiring his Unit, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Submitted Property; (ii) such rules and regulations as the Declarant may adopt pursuant to the Long Term Lease; and (iii) the Master Deed and the By-Laws.

The Association shall have the right to deny any Co-Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

If a Co-Owner fails to pay an Assessment for the period specified herein, the Association may deny such Co-Owner or any Occupant of that Co-Owner's Apartment the right to occupy that Apartment and the right to use the Common Elements until such time as all Assessments are paid. There shall be no reduction in the

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Assessments payable by any Co-Owner during any period while his right to use an Apartment or the Common Elements is suspended.

Any Occupant may use the Common Elements reserved for the use of the Apartment he occupies during the time such Occupant is actually in residence in the Apartment. Guests and invitees of an Occupant of a Apartment and the Co-Owner of an Apartment (while another occupies his Apartment) may only use the Common Elements, including facilities under the Long Term Lease, with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify in its sole discretion, including the payment of a fee for the use thereof.

4. Parking Spaces: Parking spaces shall not be reserved solely for the use of Occupants of any particular Apartment nor shall they be numbered unless agreed by all Co-Owners and the Institutional Mortgagees of their Apartments, which must be in writing and recorded as an amendment hereto (in which case such reserved parking spaces shall be Limited Common Elements); provided, however, the Occupants of each Apartment shall be entitled to the use of at least one parking space and such additional parking spaces as may be determined by the Board of Directors.

5. Common Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements, if any) necessitated by the negligence or misuse by any Occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

(b) All other costs of maintenance, repair, replacements, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) shall be, unless the Board of Directors otherwise decides, Common Expenses.

6. Development Plan:

(a) Declarant has included within the Regime certain property and improvements including buildings containing Apartments numbered A101-A151, A201-A251, A301-A351, A401-A451 and A501-A551 (however, there are no Apartments numbered A521, A522, A536 or A537), two (2) swimming pools, pool building, tennis courts and roof gardens, the same being shown and designated in the Exhibits hereto. By reason thereof and by reason of the relative values of two bedroom apartments (of which there are two hundred sixteen (216), each having an equal value to the others) and one bedroom apartments (of which there are thirty-five (35), each having an equal value to the others) with regard to the Submitted Property as a whole, there is appurtenant to each said two bedroom Apartment an undivided percentage share of ownership interest in the Common Elements as described in the Exhibits and to each one bedroom a different and lesser undivided percentage share of ownership interest in the Common Elements as described in the Exhibits. Likewise, there is appurtenant to each two bedroom Apartment three (3) votes and to each one bedroom Apartment two (2) votes, to be voted by the Voting Member at all matters to come

before the Association. There are seven hundred eighteen (718) total votes in the Regime as initially constituted.

(b) Declarant reserves the right to annex and include additional property, improvements and Apartments and to amend this Master Deed by its sole action for the purpose of creating Phase II of the Regime. Phase II, if so annexed, will include property and improvements, including buildings containing two hundred twenty-two (222) two bedroom Apartments, forty-five (45) one bedroom Apartments and, as additional Common Elements, pool, sauna areas and meeting area. Should the Declarant determine to so annex and include Phase II, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase II shall be made not later than April 31, 1984, and the necessary annexation and amendment to the Master Deed shall be filed with the Clerk of Court for Horry County, South Carolina, no later than that date. Phase II, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners of and comprising the Regime as presently constituted (herein "Phase I"). Should Phase II be included, the percentage interest in the Common Elements of each Co-Owner in Phase I shall be reduced and each of the Co-Owners of Phase I shall own an undivided interest as indicated in the Exhibits attached hereto. Likewise, although each Co-Owner of Phase I shall retain the vote presently appurtenant to his Apartment (2 votes for a one bedroom Apartment and 3 votes for a two bedroom Apartment), there shall be additional votes and, therefore, the percentage value of each vote, compared to the total votes, shall be reduced as described in the Exhibits.

(c) The Declarant further reserves the right to annex and include additional property, improvements and Apartments and amend this Master Deed by its sole action for the purpose of creating Phase III of the Regime. Phase III, if so annexed, will include property and improvements including buildings containing two hundred forty (240) two bedroom Apartments, forty (40) one bedroom Apartments and a convention center Apartment (ownership of which shall be retained by the Declarant, provided, however, it shall reserve the right to convey the same to the Regime for a price not exceeding its actual cost of construction). Should the Declarant proceed to construct Phase III, it shall also construct in conjunction therewith, but separate and apart from the Regime, a tennis center and tennis courts, which shall be included within the Myrtle Beach Resort (as hereinafter defined), which tennis center and tennis courts shall be owned by the Declarant, use of which shall be granted to the Co-Owners and the occupants of their Apartments, subject to reasonable fees and charges for such use; and, further, the Declarant shall reserve the right to convey said tennis center and tennis courts to the Regime and to other Co-Owners and occupants within the Myrtle Beach Resort (as hereinafter defined). Should the Declarant determine to so annex and include Phase III, it does hereby covenant that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase III shall be made not later than June 30, 1985, and the necessary annexation and amendment to the Master Deed shall be filed with the Clerk of Court for Horry County, South Carolina, no later than that date. Phase III, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners and comprising Phase I and Phase II. Should Phase III be included, the percentage interest in the

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Common Elements of each Co-Owner in Phase I (and Phase II) shall be reduced and each of the Co-Owners of Phase I shall own an undivided interest as indicated in the Exhibits hereto. Likewise, although each Co-Owner of Phase I shall retain the same number of votes (2 votes for each one bedroom Apartment and 3 votes for each two bedroom Apartment), there shall be additional votes and, therefore, the percentage value of each vote, compared to the total votes, shall be reduced as specified in the Exhibits.

(d) Ownership in the Common Elements and Common Surplus, pro rata share of Common Expenses due and percentage of total votes attributable to each Apartment in Phase I, in case of completion of only Phase I, in the event of completion of Phases I and II, and in the event of the completion of Phases I, II and III, are shown in the Exhibits.

ARTICLE IV
Architectural Control

To preserve the original architectural appearance of the Regime, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any building and/or Common Element and all such additions as are herein specified shall be architecturally compatible with existing structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and (so long as Declarant, or its successors or assigns, owns one or more Apartments in the Regime) the Declarant or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Declarant to approve or disapprove such plans and specifications within sixty (60) days after their being submitted in writing shall constitute approval.

ARTICLE V
Expenses and Common Surplus

The Common Expenses of the Regime and the monetary obligations of the Co-Owners under any agreements entered into by the Association shall be shared by the Co-Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of an Apartment or because of its location.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

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ARTICLE VI
Amendment of the Master Deed

This Master Deed may be amended at the regular or any special meeting of the Association of the Regime, called and convened in accordance with the By-Laws, upon the affirmative vote of 67 percent of all the voting members of the Association; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Regime without the written agreement of all of the Co-Owners in the Regime and all mortgagees holding mortgages of record upon the Regime or any portion thereof, as provided in the Act.

All amendments hereto shall be recorded and certified as required by the Act. No amendment(s) shall change any Apartment or the proportionate share of the Common Expenses or Common Surplus attributable to each Apartment, nor the voting rights of any Apartment, unless all Co-Owners of the Regime and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the rights and/or priorities of any Institutional Mortgagee or change the provisions of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors and assigns, without written approval and consent of the Declarant, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and arrangement of all Apartments and to alter the boundaries between Apartments as long as the Declarant owns all the Apartments so altered; however, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements, except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Declarant shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed and the recording thereof reflecting such authorized alteration of Apartments and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Apartments. Such shall be certified and recorded in the manner required in the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Horry County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements must be completed within fourteen (14) months of the date hereof; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Declarant's control.

ARTICLE VII
By-Laws

The operation of the Regime shall be governed by the By-Laws of the Association which are attached to this Master Deed as an Exhibit and made a part hereof.

No modification of, or amendment to, the By-Laws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Submitted Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Declarant without written approval of the Declarant, its successors or assigns.

ARTICLE VIII
The Operating Entity

The operating entity of the Regime shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by the Master Deed, the Act and the By-Laws of the Association, and, in addition, all other powers and duties necessary to operate the Regime which shall be exercised through its Board of Directors.

Every Co-Owner, whether he has acquired his Apartment by purchase, gift, devise or other conveyance or transfer, by operation law or otherwise, shall be bound by this Master Deed, the Act, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Association.

ARTICLE IX
Assessments

The Association, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Regime and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Submitted Property, as are necessary to meet expenses and payments under the Long Term Lease and to meet the pro rata share of expenses payable by the Co-Owners for maintaining streets, roads, marsh and roadside areas, entrance ways, facilities and lighting within and for the Myrtle Beach Resort (herein the "Resort") as hereafter described (which shall be included as an item of Common Expense). The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Regime and such other expenses as are provided for herein, in the Act or deemed necessary and appropriate expenses of the Regime. The procedure for the determination of sums necessary and Assessments upon Co-Owners and the method of collection of the same shall be as set forth in the By-Laws of the Association, as provided herein and in the Exhibits hereto and in the Act.

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A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessment by the Board of Directors of the Association.

Upon assessments that are unpaid for over ten (10) days after due date, at the sole discretion of the Board of Directors (and if not prohibited by law), a late charge not to exceed $10.00 or 10% of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month (unless set otherwise by the Board of Directors) and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board; provided, however, that on or before December lst of the preceding year, the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided, further, that a notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty (30) days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of any Assessment not paid when due as provided in the Act (provided, however, such lien shall be valid against third parties without notice only from the date and time of recording of notice thereof), which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorneys' fees incurred by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Association for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be required to be advanced by the Association to preserve and/or protect its lien and all other changes allowed by the Act shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of an Apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer. In addition, any Co-Owner, person having executed a contract for the purchase of a Apartment or lender considering the loan of funds to be secured by a Apartment shall be entitled upon request to a statement setting forth the amount of Assessment(s) past due as provided in the Act. Failure to respond timely shall extinguish the lien for such assessment(s), to be extinguished as provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

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No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

ARTICLE X
Insurance

The Board of Directors of the Association shall obtain insurance upon the Submitted Property insuring it (including both Common Elements and all Apartments) against all risks, all premiums of which shall be included as part of the Common Expenses.

Section 1. The Board, on behalf of the Association, shall obtain extended insurance coverage (by policies, each having, if such can be obtained, a term of not less than three (3) years) upon the Submitted Property and improvements thereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.), as well as any other risks the Institutional Mortgagees described in Section 2 may deem it reasonable to require, in amount(s) sufficient to completely restore and replace the damage and/or destroyed elements in the event of loss or in the event the improvements are not to be repaired or replaced (as described in Section 6), sufficient to, after pro rata division among the Apartments to provide funds to pay off all outstanding mortgages held by Institutional Mortgagees upon Apartments in the Regime, whichever is greater. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Insurance Trustee (as hereafter described), with the advice of the Board, shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund to provide insurance to cover the same. Such self-insurance fund shall be established and funded in the same manner as are escrow payments for insurance premiums as hereafter described. Such self-insurance fund shall have the same loss payee as the policies obtained (i.e. the Insurance Trustee for the benefit of the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replacement(s) thereto shall be funded by assessment of all of the Co-Owners by the Insurance Trustee acting on behalf of the Board, which shall be, when so assessed, an item of Common Expense. Such funds so maintained (except for excess funds, which shall be distributed as provided in Section 4), together with interest thereon (if any) may be expended only in the event of: (i) a loss which such funds insure against; (ii) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies); (iii) the consent of all Co-Owners and their mortgagees; or (iv) upon termination of the Regime. In the event of distribution of such funds for any of the latter three events, such funds so expended and/or distributed shall be considered as, owned as and distributed as Common Surplus.

Section 2. Any Institutional Mortgagees holding mortgages recorded prior to July 29, 1982, encumbering Apartments in the Regime having collectively an aggregate of original principal balances of $1,000,000 or more shall have the right to approve all such insurance policy or policies, the company or companies,

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insurance upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles. Declarant reserves the right to, by amendment, change the date by which mortgages must be recorded in order for an Institutional Mortgagee to qualify for the rights granted herein.

Section 3. Insurance premiums are and shall be a part of the Common Expenses; provided, however, they shall be paid separately and to the Insurance Trustee by each Co-Owner at such address as it shall designate. The Insurance Trustee shall notify the Co-Owners of the place of payment and monthly payment amount, which shall be due and payable by the first day of each month by each Co-Owner. The amount collected monthly from each Co-Owner shall be an amount equal to his percentage share in the Common Expenses multiplied by not less than 1/12th of the annual premiums of all insurance policies maintained upon the Regime. Further, the Insurance Trustee is hereby subrogated to and assigned the lien rights of the Council of Co-Owners as to each Co-Owner failing to pay any payment due from him to the Insurance Trustee for insurance premiums or self-insurance to the extent of the amounts due and owing but unpaid, which rights include the right to file notice of, perfect and foreclose upon a lien(s) against such Co-Owner(s) as granted to the Council of Co-Owners by the Act and this Master Deed. Sufficient funds shall be collected and maintained, if necessary in advance, by the Insurance Trustee (as hereinafter defined) such that with monthly installments received by it, it will have sufficient funds to pay the next annual premium on each policy maintained under Section 1 hereof not less than sixty (60) days prior to the date such premium on such policy is due and payable. Such funds so held shall be disbursed and used by it solely to pay premiums on said insurance policies described in Section 1. Unless such carrier fails to meet the requirements of Section 11 hereof or unless otherwise instructed by the Board of Directors and agreed to by the Institutional Mortgagees described in Section 2, the Insurance Trustee shall renew each policy with and pay the renewal premium to the same carrier then carrying said coverage. Such funds shall not be otherwise used or disbursed except upon written instruction of the Board of Directors consented to by all of the Institutional Mortgagees within the classification described in Section 2 of this Article.

Section 4. Capital Acceptance Corporation, a Delaware corporation authorized to do business in South Carolina, its successors and assigns, is hereby appointed and designated Insurance Trustee. The Insurance Trustee shall receive all funds designated for the self-insurance fund (if any) described in Section 1 hereof, to be held in trust for the benefit of the Co-Owners and their mortgagees, to be distributed as provided, and only as provided, in this Article. The funds comprising such self-insurance fund shall be placed in one or more demand accounts of a federally insured bank or trust company (which shall be interest bearing account(s) if allowed by such institution and permitted by law). To the extent such funds exceed those required (as defined in Section 1), they shall be paid over to the Council of Co-Owners as Common Surplus.

Section 5. The Insurance Trustee is hereby designated and appointed as agent for the Council of Co-Owners, its Board of Directors, each and every present and future Co-Owner thereof and

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each and every mortgagee (if any) of each and every such Co-Owner for the purposes of this Article. Any Person, by acquiring any ownership or security interest whatsoever in any Apartment, shall be deemed to have appointed the Insurance Trustee as his, her or its agent for the purposes of this Article. Further, such appointment is and shall be irrevocable; provided, however, the present Insurance Trustee may resign upon the acceptance by a successor insurance trustee of all rights, powers and duties herein granted the Insurance Trustee and, further, provided such successor must be a federally insured bank or other federally insured depository having a corporate trust department, and must be acceptable to all Institutional Mortgagees within the classification described in Section 2 of this Article. In its capacity as agent, the Insurance Trustee shall cause itself, as Insurance Trustee, to be designated as named insured and loss payee, for the benefit of those for whom it is herein designated as agent, of the insurance policies procurred pursuant to Section 1 of this Article, and in such capacity to receive all proceeds from such policies and execute as duly authorized agent such releases, endorsements or other documents or things as may be necessary to be able to receive such proceeds. In the event of any casualty or loss which is less than 2/3rds (as defined in Section 6 of this Article), the Board of Directors shall be responsible to accomplish substantial reconstruction, replacement and repair, provided the Insurance Trustee shall collect the proceeds of insurance (and to the extent appropriate, from the self-insurance fund) and distribute such proceeds (by, if appropriate, a percentage of completion basis) to the parties entitled thereto upon satisfying itself as to the effectuation of such repairs, replacement and reconstruction. In the event reconstruction is not required (in accordance with the provisions of Section 6 of this Article), the Insurance Trustee shall receive the proceeds and shall divide them, pro rata, among the Apartments according to the percentage of Common Elements appurtenant to each Apartment. The Insurance Trustee shall then pay over to the mortgagee (and, if more than one, in order of priority of lien) of that Apartment, the share of proceeds appurtenant thereto up to the amount of indebtedness due such mortgagee upon his mortgage, and any balance then remaining to the Co-Owner thereof. If there be no mortgagee or other lien holder of that Apartment, the entire proceeds allocable to that Apartment shall be paid over to the Co-Owner thereof. The Insurance Trustee shall not be required to distribute any funds until it is satisfied in its sole judgment or assured of the parties entitled to such proceeds and the amounts to which they are entitled.

Section 6. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in the Act; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property. In such event, unless unanimously agreed in writing by the Co-Owners and all Institutional Mortgagees, the proceeds shall be divided pro rata among the Apartments according to the share of Common Elements appurtenant to each and distributed by the Insurance Trustee as provided in this Article. In the event of such pro rata division, the Institutional Mortgagee of record shall have first claim upon such insurance proceeds delivered to the Co-Owner of the Apartment upon which such Institutional Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

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Section 7. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Co-Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Apartments so directly affected. Failure or refusal of payment of any of the Unit Owners so affected shall result in a lien upon his Unit in favor of the Association in such amount and may be enforced in the manner provided for collection of unpaid Assessments herein and/or in the Act.

Section 8. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each Co-Owner and/or his mortgagee(s) from insurance his Apartment on his account and for the benefit of himself and/or his mortgagee(s).

Section 9. Reconstruction: Any repair and/or restoration must be substantially in accordance with the plans and specifications for the original buidlings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

Section 10. Power to Compromise Claims: The Insurance Trust is further hereby irrevocably appointed agent for each Co-Owner, the Council, its Co-Owners and their mortgagees for the purpose of compromising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefor upon the payment of claims.

Section 11. Institutional Mortgagees' Right to Advance Premiums: Should the Association fail to pay insurance premiums when due or should the Council or Co-Owners fail to comply with other insurance requirements required herein or by the Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Association and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

Section 12. Other Insurance: The Board of Directors of the Association is authorized and directed to purchase such additional insurance and for such additional purposes, including liability insurance (in an amount of not less than $500,000 per occurrence) and, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Regime, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

Section 13. Authorized Companies: Any and all insurance coverage(s) obtained under Section 1 above by the Association pursuant to this Article must be obtained from an insurance carrier(s) admitted and authorized to do business in the State of South Carolina, and having an Alfred M. Best Financial Rating of

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at least "A+15", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Declarant, the Board of Directors, the Association and Institutional Mortgagees shall not be respnsible for the quality or financial respnsibility of the insurance company(ies) provided same are so rated and are so licensed, admitted and approved to do business and provide such coverage in the State of South Carolina.

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ARTICLE XI
Use and Occupancy

The Co-Owner of each Apartment shall occupy and use his Apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes; provided, however, nothing herein contained shall prevent any Co-Owner from leasing or renting his Apartment to third parties; provided, however, such Apartment shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed and its Exhibits, the Act and Rules and Regulations properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Association or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lesseé or renter and all costs of removal which shall be a lien upn his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Submitted Property except that the Declarant, its successors and assigns, may maintain and use one or more Apartments of the Condominium owned or leased by it, its successors or assigns, designated by Declarant as a model and/or for management, sales and/or rental offices, and commercial laundry and vending equipment may be maintained and maintenance and laundry equipment kept and maintained in areas of the Common Elements suitable for such purposes. Notwithstanding the foregoing, nothing contained in this Declaration shall be construed to restrict the Declarant or any successor interest to the Declarant from selling and/or conveying any Apartment under any plan of multiple use, interval ownership or time sharing arrangement.

No Co-Owner shall permit or suffer anything to be done or kept in or about his Apartment or upon the Common Elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-Owner permit or commit any nuisance or illegal act in or about the Submitted Property.

No animals or pets of any kind shall be kept in any Apartment or on any property of the Regime except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Association; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Submitted Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Apartments or upon the general or limited Common Elements; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside a Apartment nor shall he cause awnings or storm shutter, screens, enclosures and the like to be

affixed or attached to any Apartment, limited or general Common Element; nor shall he place any furniture or equipment outside a Apartment except with the written consent of the Board of Directors of the Association; and, further, where approved, subject to the Rules and Regulations of the Board of Directions. No clothesline or similar device shall be allowed on any portion of the Submitted Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Co-Owners may not screen or enclose any exterior patio which abuts a Unit, where applicable, nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or a Unit or any part of the Submitted Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertining thereto as may from time to time be promulgated by the Board of Directors of the Association.

The Board of Directors may, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Declarant, its successors and assigns, shall be allowed to maintain one (1) or more Apartments as laundry and/or maintenance areas, management, as a model, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upn the Submitted Property.

ARTICLE XII
Maintenance and Alterations

A. The Board of Directors (including the initial Board appointed by the Declarant) may enter into contracts with firm(s), person(s) or corporation(s), or may join with other regimes and/or entities in contracting for the maintenance and/or repair of the Submitted Property and any properties belonging to the Regime; may contract for or may join with other associations in contracting for the maintenance and management of the Regime; and may delegate to such contractor or manager all power and duties of the Association and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Association.

B. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Co-Owners of the Regime provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular

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Co-Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Co-Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking into account the benefit to each and the relative value of each such Apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Co-Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors approved by not less than seventy-five (75%) percent of the total votes of the Co-Owners exclusively or substantially benefiting therefrom, and where said Co-Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Co-Owners for alterations or additions to the Common Elements of this Regime is required, the approval of Institutional Mortgagees whose mortgages encumber Apartments representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Apartments at said time shall also be required.

C. Each Co-Owner is hereby required:

(1) To maintain in good condition and repair his Apartment, all interior surfaces and the entire interior of his Apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, where applicable: air conditioning and heating units, including condensers and all apurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the Apartment; electric panels; lines outlets and fixtures within the Apartment; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Regime; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-Owner shall pay said bill for his Apartment individually. Electricity for the Units and all other purposes for the Regime may be metered to the Regime as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of said Apartment. Each Co-Owner shall maintain, care for and preserve those portions of the Limited Common Elements (if any) exclusively for his use or exclusively for his use together with certain other Co-Owners. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Apartment, the Co-Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

(2) Not to make or cause to be made any structural addition or alteration to his Apartment or to the Common Elements or any part(s) thereof. Alterations within a Apartment may be made with prior written consent of the Board of Directors and any

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Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s) or Submitted Property caused by the Co-Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

(3) To allow the Board of Directors or its representative, agent or employee to enter into his Apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the apartment and/or Common Elements; to determine in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine compliance with the provisions of this Declaration and/or any By-Law or Rule or Regulation of the Association.

(4) To show no signs, advertisements or notices of any type on the Common Elements, Apartments or buildings and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

D. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Association, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter an Apartment at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions herepf.

E. The Board of Directors shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Association), and shall be responsible for the maintenance thereof. No Co-Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon of affix anything thereto without the written consent of the Board of Directors.

F. The Council of the Co-Owners shall be responsible for the maintenance and repair and replacements of the Common Elements and all portions of the Submitted Property not required to be maintained and/or repaired and/or replaced by individual Co-Owners. Nothwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his Apartment, the Association, through its Board of Directors, may enter into an

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agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment and/or services (such as MATV or Cable TV service and telephone systems) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Co-Owners and the Monthly Assessment due from each Co-Owner for Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said equipment maintenance or services. Each Co-Owner shall be deemed a party to such agreement with the same force and effect as though said Co-Owner has executed said agreement. It is understood and agreed that the Association through its Board of Directors shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article IX of this Master Deed.

ARTICLE XIII
Termination

This Regime may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however, that unless otherwise required by law or in the Act, before the Regime may be terminated, all Co-Owners must agree thereto and all Institutional Mortgagees of record of any Apartment or any other part of the Submitted Property of the Regime must agree in writing to accept such termination and to accept as security the undivided portion of the Submitted Property owned by the debtor(s) of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements. The ownership of each Co-Owner upon such termination as tenant in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

ARTICLE XIV
EASEMENTS

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of a Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a building or other improvement or a Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

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The Property is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drainage which now exist or are hereafter granted by the Declarant for the benefit of such persons as the Declarant designates. The Declarant shall have the right to grant easements and designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to others (including owners, occupants and users of other properties, facilities and horizontal property regimes within the Resort or in proximity thereto) easements for access and for ingress and egress across portions of the Submitted Property suitable for such purpose, for pedestrian and vehicular purposes and for utility services and drains, and easements and licenses of use of the beach area, and amenities and facilities of the Regime, provided any grant of use(s) of facilities or amentities shall require the grantee(s) thereof to pay fees commensurate with such use(s) for such use(s). When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Regime would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

The rights of all Co-Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Association, all present and future Co-Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

ARTICLE XV
Certain Rights of Declarant

1. Notwithstanding any other provisions herein, so long as the Declarant continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Declarant after the construction of said Apartment has been completed.

(a) The Declarant shall have the right at any time to sell, transfer, lease or re-let any any Apartment(s) which the Declarant continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Association or any other Co-Owner being required.

(b) During the period of time in which structures are under construction by the Declarant and not completed, no dues shall be charged against the Declarant as the Co-Owner of the Apartments included therein until the completion of said Apartments and the dues shall be assessed against the Co-Owners (including the Declarant) of those Apartments which shall have been completed, proportionately, inter se.

(c) Without limiting the foregoing, the Declarant shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Declarant owns or holds a mortgage upon at least one Apartment to amend the Declaration to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages," as the same may be amended from time to time.

(d) The Declarant shall have the rights: (i) to use or grant the use or a portion of the Common Elements for the purpose of aiding in the sales or rentals of Apartments; (ii) to use portions of the Submitted Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Submitted Property; (iv) to distribute audio and visual promotional material upon the Common Elements; and (v) to use any Apartment which it owns or leases as a sales and/or rental office, model, management office or laundry and/or maintenance facility.

(e) In order to provide the Regime with, among other things, adequate and uniform water service, sewage disposal service, utility services, telephone services and television reception, the Declarant reserves the exclusive right to contract for the provision of such services. The Declarant, as agent for the Association and the Co-Owners, has entered into or may enter into arrangements, binding upon the Association and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

(f) The Declarant reserves the right to enter into, on behalf of and as agent for the Association and the Co-Owners, agreements with other Persons for the benefit of the Regime, the Association and the Co-Owners. The provisions of any such Agreement shall bind the Association and the Co-Owners. The Declarant, as agent for and on behalf of the Association and the Co-Owners, has entered into an agreement with Capital Telecommunications Corporation, pursuant to which it will provide a color television set in each Unit together with antenna television reception service and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and

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incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such television sets and for such services ($12.50, plus applicable taxes, per Apartment per month) shall be Common Expenses. If the Association fails to pay the amounts due under the agreement with Capital Telecommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Telecommunications Corporation may be amended only by a written amendment executed by the Association and Capital Telecommunications Corporation. The Declarant has also entered into an agreement with Capital Telecommunications Corporation, pursuant to which it will provide a telephone in each Apartment tied to a central PBX system and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such telephone sets and service ($50.00 installation fee plus $15.00, plus applicable taxes, per Apartment per month) shall be Common Expenses. If the Regime fails to pay the amounts due under the agreement with Capital Telecommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Telecommunications Corporation may be amended only by a written amendment executed by the Association and Capital Telecommunications Corporation.

2. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE REGIME, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Regime have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Declarant's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the buildings or on any portion of the Submitted Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor,

supplier or manufacturer shall be the obligation of the Association and its members and the Declarant shall bear no responsibility therefor.

ARTICLE XVI
Provisions Respecting Construction Lender

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Declarant upon the Submitted Property to secure a loan with which to develop the improvements for the Submitted Property such as would be commonly classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

1. Whenever the consent of the Declarant is required under this Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2. In the event that the Declarant shall violate any of its obligations as a Co-Owner, the Association shall be required to give Construction Mortgagee written notice of such failure or violation, and the Association shall be prohibited from instituting any suit or exercising any other remedy against the Declarant for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3. Construction Mortgagee shall be given written notice by the Association of any meeting of the Co-Owners together with the agenda of such meeting.

4. No amendment shall be made to this Declaration or to the By-Laws of the Association, which would alter the rights of Construction Mortgagee or in any other way affecting the security of Construction Mortgagee without its joinder and written consent to such amendment.

5. If Construction Mortgagee either assumes possession of any portion of the Submitted Property or Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Submitted Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Submitted Property upon foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges and exemptions granted to Declarant by this Master Deed and/or by the By-Laws.

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ARTICLE XVII
Rights of Lenders

Notwithstanding any other provision hereof, any mortgagee of record (including, but not limited to, the Construction Mortgagee while such Construction Mortgage shall remain unsatisfied) shall:

1. Upon request, be permitted to inspect the books and records of the Association during normal business hours;
2. Receive a copy of any audit performed by or for the Association and all proposed and adopted budgets;

3. Upon request, receive written notice of all meetings of the Association and be permitted to designate a representative to attend and observe all such meetings; and

4. Receive written notification from the Association of any default by any of its mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

ARTICLE XVIII
The Myrtle Beach Resort

The Regime, and all Phases thereof (should such Phases be included within the Regime or not), are located within and may become a part of a certain 44.62, more or less, acres tract of land owned and/or under option by Declarant in Horry County, South Carolina, lying between U.S. Highway 17 and the Atlantic Ocean which Declarant has named The Myrtle Beach Resort (herein "Resort"). The only real property lying within and presently constituted the Resort is the Submitted Property, but Declarant reserves unto itself, its successors and assigns, and the present owner of the balance of the real property shown within the Resort in the Exhibits (herein "Present Owner"), the right to include up to the entire tract shown as The Myrtle Beach Resort within the Resort.

Declarant, its successors and assigns, and/or Present Owner, may elect, in its sole discretion, to include portions or all pf the additional property shown in the Exhibits within the Resort and construct and develop additional roads and streets with attendant roadside areas and entrance ways upon which the Council of Co-Owners, all present and future Co-Owners, all occupants of Apartments and their respective successors and assigns, shall be granted non-exclusive easements over, through and across and a non-exclusive license to use in common with all others whom Declarant shall designate. Said easements and licenses to use shall be established by one or more easements which shall be recorded in the public records of Horry County, South Carolina, and designated as an amendment to this Master Deed. Upon so recording, said roads and streets and attendant roadside areas shall also become part of the Resort Facilities and all costs and expenses in connection or associated therewith as determined and set by Declarant, its successors and assigns (and/or Present Owner) shall become part of the Resort Expenses to be pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense as is herein described.

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Declarant, its successors and assigns, and/or Present Owner, may, in its sole discretion, declare certain other areas upon inclusion within the Resort as natural marsh and forest areas and may, within such areas, create plantings, lagoons or such other features as it determines in its sole discretion add to the esthetic qualities of such areas, which areas shall, upon so declaring, be held by Declarant, its successors and assigns (or Present Owner) (which declaration(s) shall be filed in the public records of Horry County, South Carolina) in trust as areas of natural beauty and scenery for use and enjoyment of the Co-Owners and their occupants, such other owners of dwellings Apartments and occupants within the Resort and such third parties as Declarant, its successors and assigns (or Present Owner) may select in its sole discretion (which shall become, upon so declaring, part of the Resort Facilities and the pro rata share of upkeep, maintenance, management and replacement of such areas as so set shall be part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense as is herein described).

Declarant further reserves unto itself, its successors and assigns, and Present Owner, the right to grant easements for ingress and egress across appropriate areas of the Submitted Property to the Atlantic Ocean and its beach (including that portion of the beach of the Atlantic Ocean which is included with the Submitted Property) and easements and licenses of use to use the beach area of the Submitted Property for uses consistent with its being a natural beach and dune area and provided such does not unduly interfere with the activities and rights of the Co-Owners of the Regime.

The Co-Owners shall pay, pro rata with other owners of dwelling Apartments in other properties within the Resort who shall be given similar easements and licenses of use, all costs of maintenance, upkeep and repair arising out of or associated with the Resort Facilities as such exist from time to time, such costs to include but not limited to providing management supervision and control thereof, property taxes, insurance and maitenance and reserve funds and all other costs connected or associated therewith (herein collectively called "Resort Expenses"). Such Resort Expenses shall be included as an item of Common Expense and paid over by the Council of Co-Owners to Declarant, its successors or assigns (or Present Owner, as the case may be), or its devisee, upon such schedule (but not more frequently than once a month) and in advance for use for such purposes, provided the Board or the Council of Co-Owners shall be entitled to an annual accounting of the use of all Resort Expenses by Declarant, its successors or assigns (or Present Owner), or its devisee. In the event of non-payment of Resort Expenses by the Council of Co-Owners to Declarant (its successors or assigns or Present Owner) or its designee, Declarant (its successors or assigns or Present Owner) and, if approprirate its designee, shall be subrogated to the rights of the Council of Co-Owners as the individual Co-Owners to collect the Resort Expenses from the Co-Owners, including being subrogated to all lien rights for non-payment of Common Expenses as described in this Master Deed.

Declarant (its successors or assigns or Present Owner, as the case may be) or its designee shall establish rules and regulations for use of the Resort Facilities and the Board of

Directors shall appoint a Resort Facilities committee to assist in formulating and enforcing the same, it being the intent that such rules and regulations shall encourage safety, use and enjoyment of the Resort Facilities, provided Declarant makes no warranties whatsoever that said rules and regulations will be inclusive or allow absolute safety of use.

Declarant (its successors or assigns or Present Owner, as the case may be) may, in its sole discretion, at any time convey to the Regime and its Co-Owners and/or any other horizontal property regimes or other multi-family developments within the Resort, or which Declarant has developed in proximity to the Resort, having like non-exclusive easements and licenses of use, all or any portion of the Resort Facilities or any interest, provided such shall be for no consideration other than the actual cost of such improvement or facility. Declarant shall have no liability whatsoever for any taxes, assessments, utility or other matters whatsoever arising out of the ownership of any Resort Facilities so conveyed and such conveyance shall be subject to Declarant (its successors or assigns or Present Owner, as the case may be) retaining unto itself and the right to grant to such third parties as it may designate easements and licenses for use consistent with the conveyed facilities and contract(s) for management thereof and all matters and rights theretofore of record. The facility or interest therein conveyed shall become a part of the Common Elements and the instrument of conveyance shall make reference to this Master Deed and be an amendment hereto. Execution only by the Declarant (its successors or assigns or Present Owner, as the case may be) shall be sufficient and no execution, concurrence or consent shall be required of the Council of Co-Owners, any Co-Owner, any mortgagee or any third party whatsoever.

ARTICLE XIX
Miscellaneous Provisions

A. The Co-Owners of the respective Apartments shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective Apartments nor shall any Co-Owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Apartments which are utilized for or serve more than one Apartment, which items are hereby mdae a part of the Common Elements. Each Co-Owner shall, however, be deemed to own the walls and partitions which are contained in said Co-Owner's Apartment and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.; however, all load-bearing walls, and where applicable the floor between the first or ground floor and second floor located within a Apartment are part of the Common Elements to the unfinished surface of said walls and/or floors.

B. No Co-Owner may exempt himself from liability for his contribution toward the common expenses or other assessments duly made by the Association and/or the Board of Directors by waiver of the use or enjoyment of any of the common elements or the recreational facilities of the Regime or by abandonment of his Apartment.

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C. Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against his Apartment and shall file any tax returns required in connection therewith. No Co-Owner shall have a right of contribution or a right of adjustment against any other Co-Owner becuase the value of his Apartment as fixed by any taxing authority may differ from that stated herein.

D. For the purpses of ad valorem taxation, the interest of the Co-Owner of a Apartment in his Apartment and Common Elements appurtenant thereto shall be considered a Apartment. The value of said Apartment as compared to the value of the Regime shall be equal to the percentage of the value of the entire Regime as then constituted, including land and improvements, as has been assigned to said Apartment and as set forth in this Master Deed. The total of all said percentages equal 100 percent of the value of all the land and improvements as it shall then be constituted.

E. All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Apartment and the appurtenances thereto and every Co-Owner and/or occupant of the Submitted Property or any part thereof or owning any interest therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same and the Act.

F. If any of the provisions of this Master Deed of the Exhibits hereto, of the Act or any section, clause, phrase, word or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

G. Whenever notices are required to be sent hereunder, the same may be delivered to each Co-Owner either personally or by mail addressed to such Co-Owner at his place of residence in the Regime unless the Co-Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board of Directors) shall be deivered by mail to the Secretary of the Association at the Secretary's address within the Regime or, in the case of the Secretary's absence, then to the President of the Association at his address in the Regime; provided, however, that the Association may specify a different address by written notice delivered to all Co-Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Declarant shall be sent by mail to Post Office Box 11496, Columbia, South Carolina 29211. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Master Deed. Notices required to be given the personal representative of a deceased Co-Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Co-Owner is being administered.

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H. All remedies for non-compliance provided in the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed and/or the Exhibits attached hereto, upon finding by the Court that the violation claimed was wilful or deliberate, the Co-Owner so violating shall reimburse the Association for reasonable attorneys' fees incurred in prosecuting such action.

I. Subsequent to the filing of this Master Deed, the Association when authorized by a vote of the majority of the total voting members of the Association and the Institutional Mortgagees of record encumbering condominium Apartments who represent the majority of the dollar institutionally mortgaged indebtedness against this Regime may, together with other owners' associations and/or others, purchase and/or acquire and enter into agreements from time to time, whereby to acquire leaseholds, memberships, and other possessory or use interest in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to lands of the Regime, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Co-Owners. The expenses of such ownership, rental, membership fees, operations, replacement and other undertakings in connection therewith shall be Common Expenses together with all other expenses and costs herein or by law defined as Common Expenses.

J. Declarant presently holds certain options to purchase certain real property lying between the Regime (as it will be comprised upon inclusion of all phases, if included) and U. S. Highway 17. Declarant, its successors and assigns may, but are not required to, use such for commercial development and/or multi-family development. As a consequence, Declarant reserves unto itself, its successors and assigns, the right to grant unto itself and owners and/or occupants of said real property easements for ingress and egress across areas of the Regime suitable for such purposes for access to the Atlantic Ocean and its beaches, and to amenities and facilities within the Regime, together with licenses to use such facilities and amenities provided such users may be required to pay reasonable fees commensurate with such use.

K. Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Master Deed shall liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a Horizontal Property Regime.

L. The captions used in this Master Deed and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Master Deed or Exhibits hereto annexed.

M. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of the Master Deed and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

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N. If any term, covenant, provision, phrase or other elements of this Master Deed or the Exhibits hereto or the Act are held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Master Deed, Exhibits and the Act.

O. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Master Deed and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

P. Each Co-Owner by virtue of acceptance of a Deed of Conveyance of an Apartment and/or any portion of or interest in the Common Elements and other parties by virture of their occupancy of Apartments or use of the Common Elements, hereby approves the provisions hereof and all covenants, terms, conditions, duties and obligations hereof and Exhibits hereto and the Act, and does agree to be bound by all the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

Q. No Co-Owner shall bring or have any right to bring any action for partition or division of the Property.

IN WITNESS WHEREOF, this Master Deed has been executed under seal as of the day and year first above written.

Signed, Sealed & Delivered
In The Presence Of:

RESORT INVESTMENT CORPORATION

By _____ (SEAL)

ATTEST: _____

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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above witnessed the execution thereof.

_____
WITNESS

SWORN and subscribed to before me
this 14th day of June, 1982.

_____ (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 5-16-88.

NO RENUNCIATION OF DOWER NECESSARY. DEVELOPER IS A DELAWARE CORPORATION.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS hereby agrees to and does on behalf of itself and all its present and future Co-Owners, accept all the benefits and all the duties, responsibilities, obigations and burdens imposed upon it and them by the provisions of this Master Deed together with all the Exhibits hereto and as set forth in the Act.

IN WITNESS WHEREOF, the above named MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS has caused these presents to be signed in its name by its duly authorized agent this 14th day of June, 1982.

SIGNED, SEALED & DELIVERED
In The Presence Of:

_____

_____

MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By_____
Its_____

ATTEST:_____
Its_____

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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above, witnessed the execution thereof.

WITNESS

SWORN and subscribed to before me
this 4th day of June, 1982

Robert G. Carnell (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 5-16-88.

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DESCRIPTION OF PROPERTY
MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME

ALL and singular that certain piece, parcel or tract of land lying and being in Socastee Township, County of Horry, State of South Carolina, and being located approximately five (5) miles south of Myrtle Beach, South Carolina, and lying on the eastern side of U.S. Highway 17 Business, containing 6.198 acres, more or less, and being shown and described as a 6.198, more or less, acres parcel on a certain plat entitled "Plat of 44.668, more or less, acres, Lot 5 of Lakewood Plantation Property Near Myrtle Beach" prepared for Resort Investment Corporation by Culler Land Surveying Company, Inc., dated August 17, 1981, which plat is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Plat Book 72 at Page 58; also being shown and described on the plats recorded in the Condominium Plat Book, said plats being more fully described herein in this Exhibit 1; the said tract having the following metes and bounds, to-wit:
BEGINNING at a corner on the northeastern boundary of the tract of land herein described, being a common boundary line between the tract of land herein described and land formerly owned by Carl Perry, upon which Lakewood Family Campground is located, said beginning corner being located upon said common land line at a point located 1698.50 feet S38°08'08"E from the intersection of U.S. Highway 17 Business with the common land line corner between property of R. Grant Singleton and Elizabeth G. Singleton and property now or formerly owned by Carl Perry upon which Lakewood Family Campground is now located and running thence from said beginning corner along a straight line S40°52'00"W for a distance of 229.20 feet to a point; thence turning and proceeding in a straight line S38°08'08"E for a distance of 1201.36 feet, more or less, to the high water mark of the Atlantic Ocean; thence turning and proceeding along the high water mark of the Atlantic Ocean in a direction approximately N40°52'00"E for a distance of approximately 229.20 feet to a point; thence turning and proceeding in a straight line N38°08'08"W for a distance of approximately 1201.36 feet, more or less, and back to the point which was the point of beginning; all measurements being a little more or less; reference being craved to said plat for additional description.

TOGETHER WITH all right, title and interest in and to all the land lying between the southeastern boundary of said tract and the low water mark of the Atlantic Ocean formed by an extension of the northeastern and southwestern boundaries of said tract; provided, however, no warranties of title are made as to said parcel lying between said boundary and the low water mark of the Atlantic Ocean.

SUBJECT TO a pedestrian and bicycle easement 10 feet in width upon the northeastern boundary of said tract as more fully shown upon said plat to which reference has been made above; and FURTHER SUBJECT TO underground utility easement over and upon the aforedescribed land for purposes of connection to water lines, sewer lines, drainage structures, electrical lines, telephone lines or other utilities to R. Grant Singleton and Elizabeth G. Singleton, their heirs, successors, licensees and assigns.

EXHIBIT 1-1

TOGETHER WITH a non-exclusive permanent easement to Grantee, its successors, assigns and licensees, for purposes of ingress and egress for vehicular and pedestrian traffic from U.S. Highway 17 Business to and from the above described property, said easement being 75 feet in width whereon it adjoins U.S. Highway 17 Business, thereupon being reduced to 50 feet in width, the location and dimensions of which are shown upon said plat to which reference has been made above; and also as shown upon the plats and plot plans recorded in the Condominium Plat Book, to which reference is hereinafter made in this Exhibit 1; reference being craved thereto for additional description; AND a non-exclusive permanent easement for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from U.S. Highway 17 Business to the above described property; said easement being 30 feet in width from U.S. Highway 17 Business unto the property described above and 15 feet in width upon lands of R. Grant Singleton and Elizabeth G. Singleton whereon it adjoins U.S. Highway 17 Business; all as more fully shown upon said plat to which reference has been made above; reference being craved thereto for additional description. SUBJECT TO, however, reservation unto R. Grant Singleton and Elizabeth G. Singleton, their heirs, designees, successors, assigns and licensees, to the right to use such easement and the improvements installed therein to facilitate the development of adjacent property which constitutes the remaining portion of the tract of 44.668 acres, more or less, shown upon said plat to which reference has been made above and also as shown upon the plats and plot plans recorded in the Condominium Plat Book, to which reference is hereinater made in this Exhibit 1, only and the right to enter upon and to tie into and to tap onto the same for such purposes.

TOGETHER WITH a utility easement for a sewer pump station and a utility easement for a water booster pump as shown upon said plat to which reference has been made above and also as shown upon the plats and plot plans recorded in the Condominium Plat Book to which reference is hereinafter made in this Exhibit 1; reference being craved thereto for additional description. SUBJECT TO the reservation unto R. Grant Singleton and Elizabeth G. Singleton, their heirs, designees, successors, assigns and licensees, to use such easements and the improvements installed therein to facilitate the development of the adjacent property constituting the remaining portion of the total tract of 44.668 acres, more or less, which is shown upon said plat to which reference has been made above and also as shown upon the plats and plot plans recorded in the Condominium Plat Book to which reference is hereinafter made in this Exhibit 1 only and the right to enter upon and to tie into and to tap onto the same for such purposes.

ALSO SUBJECT TO all easements, reservations, restrictions, conditions and matters of record.

THIS being the same property conveyed to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 725 at Page 33.

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Apartments numbered A108, A110, A112, A114, A116, A118, A120, A122, A124, A126, A128, A130, A132, A134, A136, A138, A140, A142, A144, A146, A148 and A150 are each identical and are each a two bedroom apartment containing approximately 996 square feet on one floor and are located on the first floor of the building. As to each such Apartment, entrance is made from a corridor which is part of the Common Elements into the Apartment. Entrance is made into a hall which opens into the kitchen/living room/dining room area. Entrance is also made from the hall into each of the two bedrooms (master and guest) into a closet containing the hot water heater, into a closet containing the heating/air conditioning central unit and into the guest bath of the Apartment. The master bedroom contains one closet. The master bath adjoins and is accessed from the master bedroom. Two entrances from the living room/dining room provide access to the balcony which is part of the Apartment.

Apartments numbered A208, A210, A212, A214, A216, A218, A220, A222, A224, A226, A228, A230, A232, A234, A236, A238, A240, A242, A244, A248 and A250 are each identical to Apartment A108, except that each such Apartment is located on the second floor of the building, entrance being made into each such Apartment from the Common Element corridor, access being gained to said corridor by stairway and elevator which are also part of the Common Elements.

Apartments numbered A308, A310, A312, A314, A316, A318, A320, A322, A324, A326, A328, A330, A332, A334, A336, A338, A340, A342, A344, A348 and A350 are identical to Apartment A108, except that each such apartment is located on the third floor of the building, entrance being made into each Apartment from the Common Element corridor, access being gained to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A408, A410, A412, A414, A416, A418, A420, A422, A424, A426, A428, A430, A432, A434, A436, A438, A440, A442, A444, A448 and A450 are identical to Apartment A108, except that each such Apartment is located on the fourth floor of the building, entrance being made into each Apartment from the Common Element corridor, access being gained to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A508, A510, A512, A514, A516, A518, A522, A524, A526, A528, A530, A532, A534, A538, A540, A542, A544, A548 and A550 are identical to Apartment A108, except that each such Apartment is located on the fifth floor of the building, entrance being made into each Apartment from the Common Element corridor, access being gained to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A109, A111, A113, A115, A117, A119, A121, A123, A125, A127, A129, A131, A133, A135, A137, A139, A141, A143, A145, A147, A149 and A151 are located on the first floor of the building and are each identical to Apartment A108 in size, area (approximately 996 square feet) and configuration, other than each said Apartment is a reversed left to right mirror image of Apartment A108.

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Apartments numbered A209, A211, A213, A215, A217, A219, A221, A223, A225, A227, A229, A231, A233, A235, A237, A239, A241, A243, A245, A247, A249 and A251 are each identical to Apartment A109, except that each such Apartment is located on the second floor of the building, entrance being made into each Apartment from the Common Element corridor, access being gained to said corridor by stairway and elevator which are also part of the Common Elements.

Apartments numbered A309, A311, A313, A315, A317, A319, A331, A323, A325, A327, A329, A331, A333, A335, A337, A339, A341, A343, A345, A347, A349 and A351 are each identical to Apartment A109, except that they are located on the third floor of the building, entrance being made into each Apartment from the Common Element corridor on that floor, access to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A409, A411, A413, A415, A417, A419, A421, A423, A425, A427, A429, A431, A433, A435, A437, A439, A441, A443, A445, A447, A449 and A451 are each identical to Apartment A109, except that they are located on the fourth floor of the building, entrance being made into each Apartment from the Common Element corridor on that floor, access to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A509, A511, A513, A515, A517, A519, A523, A525, A527, A529, A531, A533, A535, A539, A541, A543, A545, A547, A549 and A551 are each identical to Apartment A109, except that they are located on the fifth floor of the building, entrance being made into each Apartment from the Common Element corridor on that floor, access to said corridor also being provided by stairways and elevator which are part of the Common Elements.

Apartments numbered A102, A103, A104, A105, A106 and A107 are each identical and are each one bedroom Apartments containing approximately 560 square feet on one floor and are each located on the first floor of the building. As to each Apartment, entrance is made from a corridor, which is part of the Common Elements, into the Apartment. Entrance is made into a foyer which leads into a hall. Bunk beds are located in the hall. The hall also provides access to closets, including a mechanical closet containing water heater and heating/air conditioning central unit, the bedroom (which contains one closet) and the bathroom (which may also be accessed from the bedroom). The hall opens into the living room and kitchen/dining area. The balcony (which is part of the Apartment) is accessed from the living room.

Apartments numbered A202, A203, A204, A205, A206 and A207 are identical to Apartment A102, except that each such Apartment is located on the second floor of the building, entrance being made to each such Apartment from the corridor on that floor which is part of the Common Elements, access being gained to said corridor by stairways and elevator which are also part of the Common Elements.

Apartments numbered A302, A303, A304, A305, A306 and A307 are identical to Apartment A102, except that each such Apartment is located on the third floor of the building, entrance being made

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into each such Apartment from the Common Element corridor, access being gained to said corridor by stairways and elevator which are also part of the Common Elements.

Apartments numbered A402, A403, A404, A405, A406 and A407 are identical to Apartment A102, except that each such Apartment is located on the fourth floor of the building, entrance being made into each Apartment from a Common Element corridor, access being gained to said corridor by stairways and elevator which are also part of the Common Elements.

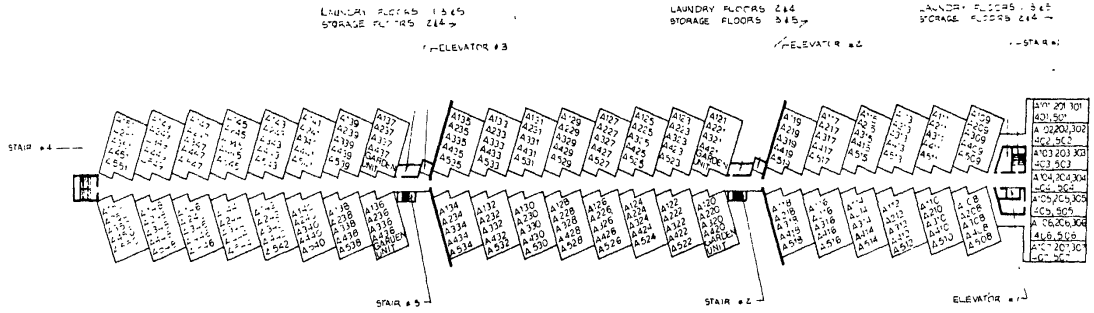
Apartments numbered A502, A503, A504, A505, A506 and A507 are identical to Apartment A102, except that each such Apartment is located on the fifth floor of the building, entrance being made into each Apartment from a Common Element corridor, access being gained to said corridor by stairways and elevator which are also part of the Common Element.

Apartments numbered A101 (on the first floor), A201 (on the second floor), A301 (on the third floor), A401 (on the fourth floor) and A501 (on the fifth floor) are each identical to Apartment A102 in size, area (approximately 560 square feet) and configuration, other than each such Apartment is a reversed left to right mirror image of Apartment A102, each such Apartment being on the respective floor as hereinabove set forth.

All paved areas and parking areas as shown on the plot plans, plats and building plans are general Common Elements as are all sewer lines and water lines from the Apartments to the lift station and Regime water meter, respectively.

The pools lie at either end of the building and are, together with their associated pool equipment and decks, part of the Common Elements. There are also two tennis courts which lie northwest of the building and are part of the Common Elements. Reference being craved to said plot plans, plats and building plans for additional description.

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BUILDING PLAN

REVISIONS	BY

architectural design associates
Suite 800
Jefferson Square
Columbia SC
29201
803 252-5737

MYRTLE BEACH SC

by
RESORT INVESTMENT CORPORATION
COLUMBIA, SC

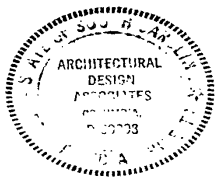
DRAWN	
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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief that the descriptions, surveys, plats, plot plans and building plans constituting this Exhibit "1" to the Master Deed of Myrtle Beach Resort Horizontal Property Regime or referred to in this Exhibit "1" adequately and accurately depict and show graphically the dimensions, area and location of each apartment, and the common elements including elevations in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.



ARCHITECTURAL DESIGN ASSOCIATES

BY: _____

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PROPERTY RIGHTS AND PERCENTAGE OF INTEREST
MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME

Each Co-Owners owns, in addition to his Apartment, interest in the Common Elements of the Property, which percentage ownership interest has been determined and computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. The Regime consists of two hundred fifteen (215) two bedroom Apartments and thirty-six (36) one bedroom Apartments.

The percentage of interest in the Common Elements of each Co-Owner of each Apartment represents the percentage of the total votes of all Co-Owners as set out below. There are three (3) votes appurtenant to each two bedroom Apartment and two (2) votes appurtenant to each one bedroom Apartment. The percentage of the total vote that the vote assigned to each Apartment represents is shown hereinbelow in this Exhibit. There seven hundred eighteen (718) total votes in the Regime. Such voting rights and the percentage of the total vote appurtenant to each Apartment has been computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. Each two bedroom Apartment has an equal value as to every other two bedroom Apartment and each one bedroom Apartment has an equal value as to every other one bedroom Apartment. Further, in the event additional phases are added, each two bedroom Apartment in the Regime as presently constituted will have an equal value as to every other two bedroom Apartment in the Regime as presently constituted and every other phase. Likewise, each one bedroom Apartment in the Regime as presently constituted will have an equal value with relation to every other one bedroom Apartment, including every one bedroom Apartment in any additional phase.

As the Regime is presently constituted, there is appurtenant to each two bedroom Apartment an undivided .4178 98/359ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. The vote appurtenant to each two bedroom Apartment represents .4178 98/359ths percent of the total vote of all Co-Owners in the Regime.

As the Regime is presently constituted, there is appurtenant to each one bedroom Apartment an undivided .2785 185/359ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. The vote appurtenant to each one bedroom Apartment represents .2785 185/359ths percent of the total vote of all Co-Owners in the Regime.

In the event Phase I and Phase II are both completed (consisting of 438 two bedroom units, 81 one bedroom units and 4 commercial units), there shall be appurtenant to each two bedroom Apartment in Phase I of the Regime an undivided .1897 843/1581sts percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. In the event of inclusion of Phase II, there will be a total of 1581 votes and the vote appurtenant to each two bedroom Apartment will represent .1897 843/1581sts percent of the total vote of all Co-Owners in the Regime. Further, in such event there

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shall be appurtenant to each one bedroom Apartment in the Regime (Phase I) an undivided .1265 35/1581sts percent ownership interest in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. In addition, the two votes appurtenant to each such one bedroom Apartment shall constitutes .1265 35/1581sts percent of the total vote of Apartments of the Regime as then constituted (Phases I and II).

In the event Phase I, Phase II and Phase III are all completed and included within the Regime (consisting of 678 two bedroom Apartments, 122 one bedroom Apartments, 4 commercial Apartments [each also have three votes appurtenant thereto] and 1 convention facility Apartment [have five votes appurtenant thereto]), there shall be appurtenant to each two bedroom Apartment in Phase I an undivided .1307 435/2295ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. In addition, the three votes appurtenant to each such two bedroom Apartment shall constitute .1307 435/2295ths percent of the total vote of all Apartments of the Regime as then constituted. Further, in such event, there will be appurtenant to each one bedroom Apartment an undivided .0871 1055/2295ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. In addition, the two votes appurtenant to each one bedroom Apartment in such event shall constitute .0871 1055/2295ths percent of the total vote of all Apartments of the Regime as then constituted (i.e. Phases I, II and III).

EXHIBIT 2-2

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BY-LAWS OF
MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME
COUNCIL OF CO-OWNERS

ARTICLE I
Name

The name of the Association shall be the Myrtle Beach Resort Horizontal Property Regime Council of Co-Owners.

ARTICLE II
Offices

The principal office of the Association shall be located at Myrtle Beach Resort Horizontal Property Regime, Horry County, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, a registered agent whose office shall be identical with the registered office. The registered office may be but need not be identical with the principal office of the Association and the address of the registered office may be changed from time to time by the Board of directors.

ARTICLE III
Purpose

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of Myrtle Beach Resort Horizontal Property Regime (the "Regime") to manage and control said Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of the said Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Association in the Master Deed of Myrtle Beach Resort Horizontal Property Regime (hereinafter called the Master Deed), in The South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the Act) and in these By-Laws, and to be the Association for this Condominium as defined and called for in the Act and the Master Deed.

ARTICLE IV
Definitions

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Master Deed and/or in The Act, as the case may be.

EXHIBIT 3-1

ARTICLE V
Members

Each and every Co-Owner of a Apartment or an interest in a Unit in the Regime shall be a Member of this Association. Further, there shall be appurtenant to each Unit in the Regime the number of votes assigned in the Master Deed which shall be voted collectively by the Voting Member of that Unit as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Unit, such subsequent transferree shall automatically become a member hereof and likewise the vote appurtenant to the Apartment shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-Owner of a Unit in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association.

ARTICLE VI
Application

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Regime or occupying any Unit thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of an Apartment or use of the facilities of the Regime shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, The Act, or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE VII
Voting Majority

Section 1. There is hereby assigned to each Apartment the number of votes as described and assigned in the Master Deed which shall be voted by the Voting Member thereof as described in the Master Deed. The vote so assigned to each may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Unit on all matters to come before the Association for vote until the Secretary be given written notice of change. The vote assigned to

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each Unit represents the percentage value of that Unit as opposed to the Association as a whole as then comprised.

Section 2. As used in these By-Laws, the term Majority of Co-Owners shall mean those Co-Owners who are voting members holding 51 percent of the total vote of all the Co-Owners of the Regime as then constituted and thereby represent 51 percent of the basic value of the Submitted Property as a whole. Unless otherwise required herein, in the Master Deed or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Condominium.

Section 3. Except as otherwise provided or required in these By-Laws, the Master Deed or The Act, the presence in person or by proxy of a Majority of Co-Owners, as is defined above, shall be required to constitute a quorom.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's Apartment or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

ARTICLE VIII
Administration

Section 1. The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of seven (7) members. The initial Board of Directors shall be appointed by the Declarant as the initial Board of Directors and shall consist of three (3) members (who need not be present or future Co-Owners) and who shall serve until the Declarant calls a meeting of the Co-Owners to relinquish control and until their successors are elected and qualified. The Board of Directors to replace the initial Board of Directors appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant to relinquish control. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors as there are vacancies on the Board; provided, however, there shall be no cumulative voting. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

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Section 2. Any Director (other than members of the initial Board appointed by Declarant) who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or Assessments (as defined in the Master Deed and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member (other than members of the initial Board appointed by Declarant) must be a Co-Owner (or the voting member for a corporate Co-Owner) and in good standing, current in payment of all fees, Assessments and common expenses.

ARTICLE IX
Board of Directors

Section 1. Consistent with these By-Laws, the Board shall:

A. Transact all Association business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.

B. Annually set the Common Expenses for the operation of the Regime.

C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Association.

D. Serve without compensation.

E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without remumeration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.

Section 3. Notice of regular and any special meetings of the Board of Directors shall be given at least twenty-one (21) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any

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Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need by specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Master Deed, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

Section 6. The Board of Directors shall annually on or before November 15 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the common expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Co-Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in Assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty days prior to the time such Assesssment so changed shall be due. The Association shall have a lien upon each Apartment together with the Common Elements and Common Surplus appurtenant thereto for payment of all Assessments not paid when due in the amount of such unpaid Assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Declaration and Exhibits thereto and/or in The Act.

ARTICLE X
Officers

Section 1. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and secretaries and such other officers as in their judgment may be necessary. No two offices (except for Assistants) may be held by the same person unless

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there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the Association and shall serve for the twelve month period next succeeding. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Association, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and regulations as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.

Section 5. There shall be a Secretary who shall record and keep possession of the minutes of the meetings of the Board and meetings of the Council and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

Section 6. There shall be a Treasurer who shall keep the funds of the Regime and shall disburse them to meet the ordinary and usual expenses of the Regime and for other purposes as required by the Master Deed, The Act and/or upon order of the Board of Directors after such disbursal order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Association.

Section 7. If required by the Board of Directors, the assistant treasurer, if any, shall be bonded at the expense of the Association. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgement the best interests of the Association will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

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ARTICLE XI
Meetings

Section 1. There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Unit Owners by mail at least twenty days prior to the date of the meeting.

Section 2. Special meetings of the Association may be called by the Board. Also, upon request of voting members totaling 50 percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty days thereafter. Special meetings of the Association may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting members holding fifty-one percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an Annual Meeting of the membership, a special Board meeting may be called by the President or the Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are voting members holding at least one third (1/3) of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of voting members be present.

Section 4. Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by voting members holding not less than 67 percent of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or The Act.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Association's records shall constitute notice.

ARTICLE XII
Obligations of Co-Owners

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special Assessments and charges levied or imposed by the Association and/or through its Board of Directors for such purposes as are enumerated in the Master Deed, in The Act and in these By-Laws. Such charges or Assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any Assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Association. All common Assessments shall be prorated dependent

upon each Co-Owner's percentage of ownership in the Common Elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such Assessments shall include monthy payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in Master Deed, The Act and/or these By-Laws.

Section 2. The amount of Assessment levied shall be paid on or before the date due. If not so paid, the amount of such Assessment plus any other charges thereon including a late payment charge of 10 percent of the payment due or $10.00, wherever is greater, but in no event more than the maximum limit provided by law and costs of collection, including attorney's fees unless prohibited by law, shall constitute and become a lien on the Co-Owner's Apartment and share of the Common Elements and Common Surplus appurtenant thereto. Such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and The Act. The notice of Assessment which shall state the amount of such Assessment and such other charges and give the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. Upon payment of such said Assessments and charges or other satisfaction thereof, if notice of a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of said lien. The priority of the lien hereinabove set shall be as provided in the Master Deed and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in accordance with the provisions of the Act and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or duly authorized agent may also pursue any other remedy against any Co-Owner owing money to it which is available to it by law or in equity for the collection of debt.

Section 4. Upon request and payment as provided in the Act, the Board shall within the time set by the Act furnish a statement certifying that all Assesments then due have been paid or indicating the amount then due.

Section 5. The Association through its Board shall suspend any Co-Owner not paying Assessments when due and such Co-Owner and any lessee, guest or invitee or other person planning to occupy that Co-Owner's Apartment by reason of permission of that Co-Owner or use the facilities of the Regime shall be refused entrance into the Regime and use of the facilities thereof until all Assessments and penalities to which such Co-Owner is subject have been paid.

Section 6. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the Master Deed, The Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Regime in its entirety or in a part belonging to some other Unit Owners(s). The Association shall be responsible for all maintenance and repair work required of the Association in the Master Deed, these By-Laws and/or The Act.

A Co-Owner shall reimburse the Association if there be any expenditures incurred in repairing and/or replacing any Common

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Elements or facilities damaged by such Co-Owner, his family, guests, invitees or lessees.

Section 7. Each Apartment, other than any Apartment owned by Declarant shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Apartment by a Co-Owner to a lessee or rentor to use for residential purposes.

Section 8. No Co-Owner shall make any structural modifications or alterations in his apartment or upon any Common Elements without the approval of the Association through the Board of Directors.

Section 9. No Co-Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common area or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided.

Section 10. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Master Deed or the Act whether such Co-Owner is present at the time or not.

Section 11. No occupant of a Apartment shall post any advertisements or posters of any kind in or on the Regime property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Declarant or its assigns during the period it is managing, renting or selling units.

Section 12. Occupants of Apartments shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may disturb other occupants and in the event so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any sides or from any of the buildings or parts thereof.

It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of any of the buildings.

It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

Section 13. No Co-Owner, occupant or lessee of an Apartment shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 14. Nothing herein contained shall limit in any manner the power of the Association and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Regime by

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the Co-Owners and/or occupants thereof. Further, all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 15. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Regime an MATV system and/or cable television system and/or television sets. Furthermore, Declarant, shall have the right until it surrenders control as provided in the Master Deed to enter into such agreements on behalf of and for the Association, its Board and the Co-Owners which agreement(s) shall be binding upon the Association and each and every Co-Owner to the extent permitted by the Act.

ARTICLE XIII
Mortgages

Section 1. Any Co-Owner who mortgages his Apartment or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units."

Section 2. The Board shall, at the request of such mortgagee, report any unpaid Assessments due from the Co-Owner of such Unit so mortgaged.

Section 3. Any and all Insitutional Mortgagees shall have the rights and powers granted unto them by the Declaration and/or The Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Association or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Master Deed and/or The Act or should that Institutional Mortgagee by reason of the Master Deed and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

ARTICLE XIV
Rules and Regulations

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any apartments, common areas of facilities contained within the Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and the Act together with any Rules and Regulations issued thereunder. Such Rules and Regulations shall be binding

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upon and enforceable upon all Co-Owners, their famiies, guests, invitees and/or lessees, and all occupants of Apartments.

ARTICLE XV
Contracts, Checks, Deposits, Agreements and Funds

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

Section 3. All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances and purposes of such deposits may require.

Section 4. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XVI
Certificates of Membership

Section 1. The Board shall provide for the issuance of certificates evidencing membership in the Association of each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association, if any. All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of issuance of the certificates shall be entered on the records of the Association. If any certificate may become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of the Unit, a certificate of membership shall be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-Owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate membership in the Association and such membership certificate shall become null and void.

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Section 3. Any Co-Owner failing to pay Assessments when due may have his membership in the Association and his use of his Unit and the facilities of the Regime suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.

ARTICLE XVII
Books and Records

Section 1. The Association and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Association, of the Board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are voting members.

Section 2. For purposes of voting at all meetings of the Association, that person designated as Voting Member for a particular Apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The name of the Voting Members entitled to vote at any meeting may not be changed at such meeting without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

ARTICLE XVIII
Miscellaneous

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matter as to which he is adjudged to be liable for gross negligence or wilful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Office has been succeeded in office by someone else. Such payment by the Association to the extent not paid by insurance shall be included as a part of the Common Expenses.

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed or The Act in which case these By-Laws, the Master Deed and/or The Act shall control.

ARTICLE XIX
Compliance

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the

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provisions of the Act, the Provisions of the By-Law shall apply where permissive variances are allowed. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control.

ARTICLE XX
Amendments

These By-Laws may be amended by a vote of 67 percent of the total vote of the Regime, which represents 67 percent of the total value of the Submitted Property, unless some other or greater vote is required herein, in the Master Deed and/or in The Act. The percentages and vote set forth in the Master Deed and Exhibits thereto are based upon the value of each Apartment in relation to the entire Regime property.

ARTICLE XXI
Dissolution

Termination of the Regime shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Co-Owners shall be turned over to the Association's successor as governing entity of the Regime, of if the Regime be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the Common Elements and disbursed as provided in The Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Co-Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(e) (3) and 170(c) of the Internatl Revenue Code and from South Carolina Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

THESE BY-LAWS are hereby adopted, accepted and fully ratified as the By-Laws of MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS as of the 11th day of June, 1982.

WITNESSETH:

MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

BY: _____ (Seal)

ATTEST: _____ (Seal)

EXHIBIT 3-13

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TELEVISION LEASE AGREEMENT
MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME

THIS AGREEMENT, made and entered into as of the 11th day of June, 1992, by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, on behalf of itself and each and every Co-Owner thereof (hereinafter referred to as "Lessee").

W I T N E S S E T H :

Capital and Lessee do hereby mutually agree as follows:

1. Capital will furnish and lease unto Lessee, and Lessee does hereby lease from Capital, for the term and under the terms and conditions herein set forth, the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Lessee at its expense), in rooms located upon premises owned or leased or otherwise lawfully operated by Lessee located in MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME (the "Regime"), located in the County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but not limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of television sets and/or equipment leased under the terms hereof are as follows and are the model, type and design selected by the Lessee as suitable, in its judgment, for lessee's purpose.

(a) One (1) 19-inch Solid State Television for each residential Apartment included in the Regime;

(b) One locking furniture swivel for each television set so provided; and

(c) Cable, antenna systems, distribution equipment and amplification equipment for signal distribution.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Capital of any deficiency in service as rendered by Capital or its service representative. Capital shall not be liable to Lessee for any loss, damage or expense of any kind or nature directly or indirectly caused by the television equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage

EXHIBIT 4-1

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whatsoever or howsoever caused, and Capital shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

3. NON-ASSIGNMENT OF LEASE: The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Capital.

4. LOCATION: Lessee shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The Regime may consist of as many as three phases. The term hereof for each phase shall be for a period of eighty-four (84) months beginning on the date of the completion of the delivery of the equipment for that phase on the premises of Lessee, said date to be confirmed in writing by Lessee upon request of Capital.

6. RENT PAYMENTS: As rental for said equipment, Lessee shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of Twelve and 50/100 ($12.50) Dollars per set delivered per month as "Base Rental" plus applicable taxes. Upon each anniversary from the date of this agreement during the term of this agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index shown by the Consumer Price Index (or similar government index) for the proceeding twelve month period, whichever is less; provided, further, in no event shall the Base Rental during the term of this agreement and any renewals hereof ever be less than $12.50 (plus tax) per month. Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event of partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing shall be based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

7. OWNERSHIP: The equipment, together with wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Capital, its successors and assigns, and Lessee shall have no property interest therein, except under any conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixtures therein, and Lessee, if so requested by Capital, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

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8. DELIVERY: Should Lessee and/or his agent order delivery of equipment and installation on specified dates and the Lessee's premises are not ready for installation of same, Lessee assumes full responsibiity for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Lessee grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Lessee shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said television sets in or about the premises of Lessee and shall carry public liability insurance to save Capital harmless in the event of such injury, except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including television sets in guest rooms, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting television sets or equipment in storage awaiting use of service, providing, however: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Lessee and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Lessee to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this agreement, Lessee agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable

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now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT: In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this lease by Lessee, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease, then and in that event Capital shall have the right, without giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of the Condominium as to each Co-Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Co-Owner(s) as granted to Lessee by the Pennsylvania Uniform Condominium Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest to any lien recorded prior to the recording of such notice of lien.

Lessee agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital of any default by the Lessee shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Capital shall have the right to enter any premises where the leased equipment may be located and

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take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Capital either: (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. Should the equipment leased herein be covered by a Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA LAW: Should any question arise as to the validity, construction, interpretation or performance of this lease agreement in any court of any State of the United States, or of Canada, it is agreed that the law of the State of South Carolina shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this agreement shall not affect the validity of any other provision hereof. This agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Lessee.

20. EASEMENTS: Lessee on behalf of itself and each and every of the Co-Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Apartments, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, antenna systems, distribution equipment and amplification equipment herein leased, as well as the locking furniture swivels and television sets.

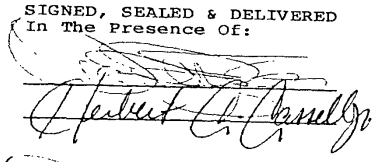
21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

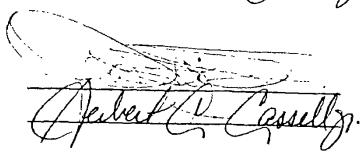
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22. INTERIM BILLING: Lessee shall be billed per terms herein on the first day of the month following delivery of each television increment, and when units are delivered, the 84-month lease term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this agreement, on and as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:





MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____

CAPITAL TELECOMMUNICATIONS CORPORATION

By _____
Vice President

EXHIBIT 4-6

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TELEPHONE LEASE AGREEMENT
MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME

THIS AGREEMENT, made and entered into as of the 14th day of [illegible], 19[illegible], by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, on behalf of itself and each and every Co-Owner thereof (hereinafter referred to as "Lessee").

W I T N E S S E T H :

Capital and Lessee do hereby mutually agree as follows:

1. Capital will furnish and lease unto Lessee, and Lessee does hereby lease from Capital, for the term and under the terms and conditions herein set forth, the telephones and equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Lessee at its expense), upon premises and in Units located upon said premises owned or leased or otherwise lawfully operated by Lessee located in MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME (the "Regime"), located in the County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but not limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of telephone sets and equipment leased and installed under the terms hereof are as follows and are the model, type and design selected by Lessee as suitable, in its judgment, for lessee's purpose.

(a) One (1) wall unit touch tone telephone for each residential Apartment included in the Regime mounted upon suitable bracket;

(b) None-exclusive use of one (1) central PBX system providing limited message forwarding and security; and

(c) Cable and distribution equipment.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective telephone set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Capital of any deficiency in service as rendered by Capital or its representative(s). Capital shall not be liable to Lessee for any loss, damage or expense of any kind or nature directly or indirectly caused by the telephone sets or equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business

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or damage whatsoever or howsoever caused, and Capital shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

3. NON-ASSIGNMENT OF LEASE: The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Capital.

4. LOCATION: Lessee shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The Regime may consist of as many as three phases. The term hereof for each phase shall be for a period of eighty-four (84) months beginning on the date of the completion of the delivery of the equipment for that phase on the premises of Lessee, said date to be confirmed in writing by Lessee upon request of Capital.

6. RENT PAYMENTS: Lessee shall pay to Lessor an installation fee of Fifty ($50.00) Dollars per Apartment in which a telephone set is installed. In addition to the Fifty ($50.00) Dollar installation fee per Apartment, as rental for said equipment Lessee shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of Fifteen ($15.00) Dollars plus applicable taxes per telephone set delivered per month as "Base Rental." Upon each anniversary from the date of this agreement during the term of this agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index shown by the Consumer Price Index (or similar government index) for the proceeding twelve month period, whichever is less; provided, further, in no event shall the Base Rental during the term of this agreement and any renewals hereof ever be less than $15.00 (plus applicable taxes) per month. Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing shall be based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence. The rent charged herewith shall include local telephone service but not charges for long distance service, which shall be in addition to the base rental charge, if available.

7. OWNERSHIP: The equipment, together with PBX switch-board wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Capital, its successors and assigns, and Lessee shall have no property interest therein, except under any conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixtures therein, and Lessee, if so requested by Capital, will obtain written consent of

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any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Lessee and/or his agent order delivery of equipment and installation on specified dates and the Lessee's premises are not ready for installation of same, Lessee assumes full responsibiity for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Lessee grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Lessee shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said telephone sets and system in or about the premises of Lessee and shall carry public liability insurance to save Capital harmless in the event of such injury, except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including telephone sets in Units, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting telephone sets or equipment in storage awaiting use of service, providing, however: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Lessee and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Lessee to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this agreement, Lessee agrees to maintain the theft equipment

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installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT: In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this lease by Lessee, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease, then and in that event Capital shall have the right, without giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of the Condominium as to each Unit Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Unit Owner(s) as granted to Lessee by the Pennsylvania Uniform Condominium Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest to any lien recorded prior to the recording of such notice of lien.

Lessee agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital of any default

by the Lessee shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Capital shall have the right to enter any premises where the leased equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Capital either: (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. SUBORDINATION OF LEASE: Should the equipment leased herein be covered by a Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA: Should any question arise as to the validity, construction, interpretation or performance of this lease agreement in any court of any State of the United States, or of Canada, it is agreed that the law of the State of South Carolina shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this agreement shall not affect the validity of any other provision hereof. This agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Lessee.

20. EASEMENTS: Lessee on behalf of itself and each and every of the Co-Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on

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and to be located thereon, including individual Apartments, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, transmission and distribution equipment and switchboard and PBX equipment herein leased, as well as the telephone sets and mounting brackets.

21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

22. INTERIM BILLING: Lessee shall be billed per terms herein on the first day of the month following delivery of each telephone set increment, and when all sets are delivered, the 84-month lease term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this agreement, on and as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:

Herbert C. Cassell Jr.

Herbert C. Cassell Jr.

MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By_____

CAPITAL TELECOMMUNICATIONS CORPORATION

By_____

EXHIBIT 5-6

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Policy No. OR-015524

Schedule B — Exceptions

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Horry County property taxes for the year 1986 and all subsequent years, liens not yet due and payable.

2. Rights, if any, of the public to use as a public beach or recreational area any part of any of the lands lying between the body of water abutting any of the subject properties and the natural line of vegetation, bluff, extreme high water line or other apparant boundary lines separating the publicly used area from the upper land private area.

3. This policy does not insure title to any property which lies below the mean high tide line of the Atlantic Ocean.

4. The rights of control lying in the South Carolina Coastal Council as provided in Title 48, Chapter 31, (Coastal Tidelands and Wetlands Act) of the South Carolina Code of Laws, 1976, as amended.

5. Rights of the State of South Carolina as to accretions occuring after September 28, 1978, as provided in Title 48, Chapter 31, (Coastal Tidelands and Wetlands Act) of the South Carolina Code of Laws, 1976, as amended.

6. Rights, reservations and easements reserved by Elizabeth G. Singleton and R. Grant Singleton in the Option Agreement between them and Resort Investment Corporation dated October 18, 1980, such consisting principally of requirement that plans and specifications for the construction of improvements to be built upon the property substantially conform with the plans and spcifications for the construction of oceanfront villas of the same type as those in Hilton Head Island Beach & Tennis Resort provided no building shall exceed five stories and shall be single corridor (i.e., no Y shape) in which one and two bedroom condominiums can be constructed; the retention by the Singletons of non-exclusive rights of ingress and egress over the entranceway and road acess easements granted; the retention by the Singletons of the right to connect to use utilities installed in the utility easement as well as the requirement that utilities installed including transmission and collection lines be of such as to accomodate at least 1,200 two-bedroom units typical of the type to be placed upon the property and that such be underground, a ten-foot easement for pedestrian and bicycle ingress and egress along the northern side of the property (also shown upon the survey described in Item 8); a utility easement over and upon the property for purposes of connection to water lines, sewer lines, drainage structures, electrical lines, telephone lines and other like utilities and the requirement that the Master Deed establishing the condominium and its exhibits, restrictions, covenants, conditions, limitations and easements relative to the use of the property sustantially conform to the Master Deed establishing Sea Cabin On the Ocean Horizontal Property Regime which is located on Hilton Head Island, Beaufort County, South Carolina. This policy insures that the extent of the forgoing constitutes restrictions on the use of the real propertydescribed such as of the date and time of

(continued.....

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Schedule B (Continued)

No. OR-015524

the policy have not been voilated and that a future violation thereof will not cause a forfeiture or reversion of title.

7. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title, created by the South Carolina Horizontal Property Act, Sections 27-31-10, et seq, South Carolina Code of Laws (1976), as amended, or as set forth in the Master Deed dated June 14, 1982, and recorded June 15, 1982, in Deed Book 750 at Page 642, in the Office of the Clerk of Court for Horry County, South Carolina and in the related By-Laws, covenants, restrictions, reservations, limitations additions, uses, agreement, easements, options and other provisions contained therein; or interest to be insured by this policy, and in any other allied instrument referred to in any of the instruments aforesaid.

8. Restrictions as recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 725 at Page 30. This policy insures that the aforesaid restrictions have not been violated and that a future violation thereof will not result in a forfeiture or reversion of title.

9. Mortgage to Loyola Federal Savings and Loan Association from William R. Sackville and Miriam L. Sackville dated August 12, 1986 and recorded August 26, 1986 at 3:41 P.M. in Mortgage Book 1172 at Page 648, records of Horry County, South Carolina, in the original principal amount of $68.700.00.

10. Mortgage to Horace R. W. Vial, Jr. and Martha Vial from William R. Sackville and Miriam L. Sackville dated August 12, 1986 and recorded August 26, 1986 at 3:42 P.M. in Mortgage Book 1172 at Page 655, records Horry County, South Carolina, in the original principal amount of $8,600.00.

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EXHIBIT "A"

1. Horry County property taxes for the year 1983 and subsequent years, liens, not yet due or payable.

2. Rights, if any, of the public to use as a public beach or recreation area any of the lands lying between the body of water abutting any of the subject premises and the natural line of vegetation, bluff, extreme high water line or other apparent boundary lines separating the publicly used area from the upper land private area.

3. Rights, reservations and easements reserved by Elizabeth G. Singleton and R. Grant Singleton in the Option Agreement between them and Resort Investment Corporation dated October 18,1980, such consisting principally of requirement that plans and specifications for the construction of improvements to be built upon the property substantially conform with the plans and specifications for the construction of oceanfront villas of the same type as those in Hilton Head Island Beach & Tennis Resort provided no building shall exceed five stories and shall be single corridor (i.e., no Y shape)in which one and two bedroom condominiums can be constructed; the retention by the Singletons of non-exclusive rights of ingress and egress over the entranceway and road access easements granted; the retention by the Singletons of the right to connect to and use utilities installed in the utility easement as well as the requirement that utilities installed including transmission and collection lines be of such as to accomodate at least 1,200 two-bedroom units typical of the type to be placed upon the property and that such be underground; a ten foot easement for pedestrian and bicycle ingress and egress along the northern side of the property (also shown upon the survey described in Item 8); a utility easement over and upon the property for purposes of connection to water lines, sewer lines, drainage structures, electrical lines, telephone lines and other like utilities and the requirement that the Master Deed establishing the condominium and its exhibits, restrictions, covenants, conditions, limitations and easements relative to the use of the property substantially conform to the Master Deed establishing Sea Cabin On The Ocean Horizontal Property Regime which is located on Hilton Head Island, Beaufort County, South Carolina.

4. Restrictions, reservations and easements reserved which appear in the deed conveying the subject property from R. Grant Singleton and Elizabeth G. Singleton to Resort Investment Corporation which is to be recorded, such being substantially the same as those set forth in Exception No. 3 above and restricting the use of the property to residential purposes with related amenities thereto.

5. No certification is made as to the title of any property which lies below the mean high tide line of the Atlantic Ocean.

6. The rights of control lying in the South Carolina Coastal Council as provided in Title 48, Chapter 31, (Coastal Tidelands and Wet Lands Act) of the South Carolina Code of Laws, 1976, as amended.

7. Rights of the State of South Carolina as to accretions occuring after September 28, 1978, as provided in Title 48, Chapter 31, Coastal Tidelands and Wet Lands Act) of the South Carolina Code of Laws, 1976, as amended.

8. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title created by the South Carolina Horizontal Property Act, Section 27-31-10 et. seq. of the Code of Laws of South Carolina, 1976, as amended or set forth; in the Master Deed dated June 14, 1982, and recorded June 15, 1982, in Deed Book 750 at page 642, Horry County records; in the related By-Laws, covenants, easements

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restrictions, reservations, limitations, additions, uses, agreements, options and other provisions contained therein; and in any other allied instrument referred to in any of the instruments aforesaid.

9. Restrictions as recorded in the office of the Clerk of Court for Horry County in Deed Book 725 at page 30, records of Horry County, South Carolina.

10. Such state of facts as might be revealed by an accurate, up-to-date survey and plat of the premises in question, including but not limited to any questions in boundaries, parties in possession or discrepancies in area which might be revealed by such a survey subsequent to the survey referred to in the Master Deed.

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Exhibit A-1

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SUMMARY OF QUALIFICATIONS
OF
OTIS ALLEN JEFFCOAT, III

PROFESSIONAL HISTORY

2014 - present	Attorney and Owner JeffcoatLaw, LLC Myrtle Beach, South Carolina
2012 - 2014	Special Counsel Turner Padget Graham & Laney P.A. Myrtle Beach, South Carolina
1994 - 2012	Attorney, Manager and Member/Owner Jeffcoat Law Firm, LLC (formerly Jeffcoat, Pike & Nappier, LLC; and Jeffcoat, Nappier & Risher, LLC) Myrtle Beach, South Carolina
1990 - 1994	Attorney and Owner Jeffcoat & Associates P.C. Myrtle Beach and North Myrtle Beach, South Carolina
1985 - 1990	Attorney and Partner Jeffcoat, Martin & Smith (previously Jeffcoat & Martin) Myrtle Beach and North Myrtle Beach, South Carolina
1978 - 1985	Attorney and Partner Lumpkin & Sherrill (previously Sherrill, Townsend, Moses & Jeffcoat; McKay, Sherrill, Walker & Townsend; McKay Sherrill, Walker, Townsend & Wilkins) Columbia and Myrtle Beach, South Carolina
1973 - 1978	Associate McKay, Sherrill, Walker, Townsend & Wilkins Columbia and Myrtle Beach, South Carolina

PRACTICE AREAS Commercial and residential real estate, business transactions, estate planning and probate administration, business litigation, probate litigation, elder law, environmental law, bankruptcy law

EDUCATION

J. D., University of South Carolina Law Center, Columbia, SC (1973)
- Survey Editor, SC Law Review
- Editor, Gavel Raps (USC Law School newspaper)
- Elected to Omicron Delta Kappa (honorary fraternity)

A. B. in Politics, magna cum laude, Princeton University, Princeton, NJ (1970)
- Varsity Debate Team; Trask Debates Director
- Orange Key Guide Service

A. C. Flora High School, Columbia, South Carolina (1966)

- Varsity Debate Team, won southeastern states debate championship
- President, National Honor Society Chapter
- President, National Forensic League Chapter
- South Carolina Science Talent Search Winner (SC Academy of Science)
- Outstanding Student of Science (Elected by Faculty)
- Commencement speaker
- National Merit Finalist
- Second Place (statewide) Optimist Oratorical Contest
- Boys State

PROFESSIONAL LICENSES

South Carolina Supreme Court, 1973
North Carolina Supreme Court, 1993
U. S. District Court (S.C.), 1974
U. S. Court of Appeals (4th Circuit 1974)
South Carolina Department of Insurance, licensed title insurance agent (1978 to date)

PROFESSIONAL MEMBERSHIPS

American Bar Association
National Academy of Elder Law Attorneys, Inc.
Horry County Bar Association
National Association of Consumer Bankruptcy Attorneys
South Carolina Bankruptcy Law Association

PROFESSIONAL ACTIVITIES

Chairman, Real Estate Practices Section, SC Bar (1992-93)

Chairman, Real Estate Committee, Horry County Bar Association (1989-92; 1995-96)

Member, Governor's Freshwater Wetlands Forum (1989)

Author, "Adverse Possession", S. C. Jurisprudence (1991)

Lecturer: Current Problems in Coastal Development-South Carolina Bar Mid-Winter Meeting, 1987; The Impact of CERCLA and SARA on Real Estate, South Carolina Mid-Year Meeting, 1988; The Impact of CERCLA and SARA on Real Estate, Palmetto Land Title Association Annual Meeting, 1988; The Impact of CERCLA and SARA on Real Estate, South Carolina State Development Board, 1988; Hazardous Wastes and the Real Estate Lawyer, South Carolina Bar Annual Meeting, 1989, "What Every Auctioneer Should Know About Hazardous Waste," Certified Auctioneers Institute, 1990, S. C. Governor's Forum Report - "Will It Meet the Criteria for Establishing a State Wetlands Conservation Plan," Teleconference Proceedings, Protection and Management Issues for South Carolina Wetlands, Clemson University, 1990; "What Do You Mean It's Contaminated? Negotiations with Adjacent, Previous and Current Owners of

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Contaminated Property," S. C. Bar Mid-Year Meeting, 1991; "Commercial Leases: Tricks, Traps & Trends," S. C. Bar Annual Meeting 1995; "Commercial Leasing," South Carolina Bar, CLE Seminar, 1999; "Commercial Leasing," South Carolina Bar, CLE Seminar, 2001; "Sale of Real Estate in Probate Court", 12th Annual Probate Bench/Bar CLE Seminar, 2004; "Statutes of Limitations, Deadlines and Timeframes in Probate Court", 2nd Annual Horry County Probate Court CLE Program, 2008; Moderator, "Real Life & Real Estate Transactions," South Carolina Bar, CLE Seminar, 1994; Lecturer, "SC Probate Code Changes," 7th Annual Horry County Probate Court CLE program, 2013; Panelist, "Probate Practitioners Discussion," 3rd Annual Horry County Probate Court CLE Program, 2009; Panelist, "Close Encounters of the Third Kind: Ethical Considerations in Bankruptcy," 24th Annual Seminar of the South Carolina Bankruptcy Law Association, 2014. Lecturer, "Bankruptcy and Probate Court," South Carolina Association of Probate Judges Fall Conference, 2014. Lecturer, "Real Estate Development and Construction Law," and "Legal Ethics," Real Estate Law Boot Camp, National Business Institute, 2019. Lecturer, "Inventory and Appraisement," and "Sale of Property and Distributions," The Probate Process from Start to Finish, National Business Institute, 2019. Lecturer, "What Are Trusts? Main Trust Principles," Trusts from A to Z, National Business Institute, 2020. Lecturer, "Legal Ethics," Ultimate Guide to Commercial Real Estate Law, National Business Institute, 2020.

PROFESSIONAL RECOGNITION

Listed in Best Lawyers in America for real estate law (2005-2021) and for real estate litigation (2021)

Listed in Chambers - America's Leading Lawyers for Business for real estate (2005-2015)

"AV" Martindale-Hubbard rating

SUMMARY OF EXPERT WITNESS ENGAGEMENTS

Brown, et al. v. Richardson, et al. (2021), Horry County Civil Action No. 2018-CP-26-03173. I was retained to act as an expert witness in this case, involving the standards applicable to the conduct of a director of a condominium association and its related management company. I have not been deposed, nor have I otherwise testified. The case is ongoing.

Gery, et al. v. Somerset Point at Lady's Island, et al. (2020), Beaufort County Civil Action No. 2014-CP-07-02670. I was retained to act as an expert witness in this case, involving the standards applicable to the conduct of a developer of a residential subdivision and its homeowner association. I have not been deposed, nor have I otherwise testified. The case is ongoing.

Royal Garden Resort Regime Homeowners Association, Inc. v. Sea Breeze Property Management & Contract Services, Inc., et al. (2019), Horry County Civil Action No. 2018-CP-26-06083. I was retained to act as an expert witness in this case, involving the interpretation of a master deed and other project documents for a condominium regime. I have not been deposed, nor have I otherwise testified. The case is ongoing.

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Staats, et al. v. WJH LLC et al. (2020), Horry County Civil Action No 2018-CP-26-00056. I was retained to act as an expert witness in this case, involving the breach of duty by a developer of a residential subdivision. I have not been deposed, nor have I otherwise testified. The case is ongoing.

Stober v. Mincey, et al. (2018), Charleston County Civil Action No. 2018-CP-10-4500. I was retained to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

Tony Blevins Living Trust, et al. v. Sands Ocean Club Homeowners Association, Inc., et al. (2017), Horry County Civil Action No. 2016-CP-26-5379. I have been retained to act as an expert witness in this case, involving the interpretation of a condominium master deed. I was deposed, but did not otherwise testify. The case was settled.

Condo-World Development, LLC, et al. v. Myrtle Beach Golf & Yacht Club Association, Inc. (2016), Horry County Civil Action No. 2015-CP-26-317. I have been retained to act as an expert witness in this case, involving the state of title to certain real estate and the applicability of certain restrictive covenants to real estate. I was deposed but did not otherwise testify. The case was settled..

Fine Housing, Inc. v. William H. Sloan, Jr. (2016), Dorchester County Civil Action No. 201-CP-18-340. I was retained to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was deposed but did not otherwise testify. The case is ongoing.

First American Title Insurance Co. et al. v. First Title Abstract Company, Inc., et al. (2016), Charleston County Civil Action No. 2015-CP-10-1556. I was retained to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

McQuiddy, et al. v. Haar, et al. (2015), Horry County Civil Action No. 2014-CP-26-8281. I was retained to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was deposed but did not otherwise testify. The case was settled.

Magnolia Pointe Property Owners Association, Inc. v. Springwood Estates, LLC et al. (2014), Horry County Civil Action No. 2012-CP-26-7448. I was retained to act as an expert witness in this case, involving the interpretation, operation and enforceability of certain provisions of condominium documents. I was not deposed, nor did I otherwise testify. The case was settled.

Branch Banking and Trust Company v. Jones, et al. (2014), Florence County Civil Action No. 2013-CP-21-28. I was retained to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was not deposed, nor did I otherwise testify. The case was

settled.

JCB Realty, Inc. v. Brown-Phillips, LLC, et al. (2014), Georgetown County Civil Action No. 2013-CP-22-00478. I was retained by counsel to act as an expert witness in this case, involving a claim for a commission in the sale of a business and real estate. I was not deposed, nor did I otherwise testify. The case was tried without my testimony.

Shaw v. The Hoffman Group, Inc., et al. (2014), U.S. District Court for the District of South Carolina (Florence Division) Civil Action No. 4:11-cv-01699-TLW-TER. I was retained by counsel to act as an expert witness in this case, involving the role of realtors and settlement agents in a real estate closing. I was deposed, but I did not otherwise testify. The case was settled.

Sun N Sand Property Owners Association, Inc. v. Newby, et al. (2013), Horry County Civil Action No. 2010-CP-26-11387. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

Moore v. Fidelity & Guaranty Life Insurance Company, et al. (2013), Horry County Civil Action No. 2011-CP-26-8459. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

City of Myrtle Beach v. Burroughs & Chapin Company, Inc., et al. (2013), Horry County Civil Action No.: 2012-CP-26-07763. I was retained by counsel to act as an expert witness in this case, involving the state of title to certain real estate. I was not deposed, nor did I otherwise testify. The case was settled.

Standish v. City of Myrtle Beach, et al. (2013), Horry County Civil Action No. 2012-CP-26-02431. I was retained by counsel to act as an expert witness in this case, involving the question of the existence of an easement in real property. I was not deposed but testified at trial and qualified as an expert on easements. The jury verdict was in favor of my client, the City of Myrtle Beach.

Fullwood, et al v. South Carolina Public Service Authority (2012), Horry County Civil Action No. 2009-CP-26-7864. I was retained by counsel to act as an expert witness in this case, involving a dispute over an easement. I was not deposed but testified at trial and qualified as an expert witness on easements and the interpretation of deeds. The Court's verdict was in favor of my client, South Carolina Public Service Authority, and relied on my testimony in its decision.

Randall v. Horry County (2012), Horry County Civil Action No. 2010-CP-26-8556. I was retained by counsel to act as an expert witness in this case involving a dispute over dedication of a road. I was not deposed but testified at trial and qualified as an expert on easements. The jury verdict was in favor of my client, Horry County.

Hunter v. Premier Mortgage Funding, Inc., et al (2012), Florence County Civil

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Action No. 2010-CP-21-0258. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was deposed, but did not otherwise testify. The case was settled.

Williams v. Walker, et al. (2011), Marion County Civil Action No. 2010-CP-33-00675. I was retained by counsel to act as an expert witness in this case involving the alleged breach of a title insurance policy by an insurer. I was not deposed, nor did I otherwise testify. The case was settled.

City of North Myrtle Beach v. Cherry Grove Realty, et al. (2010), Horry County Civil Action No. 2009-CP-26-5929. I was retained by counsel to act as an expert witness in this case, involving the interpretation of deeds, the public trust doctrine, dedication, and ownership of the Cherry Grove canals. I was deposed once and testified at trial twice. At trial, I qualified as an expert in these areas. The first trial resulted in a mistrial; the retrial resulted in a jury verdict for my client, the City of North Myrtle Beach.

Hammond v. Cox (2009), Horry County Civil Action No. 2009-CP-26-11240. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was deposed but did not otherwise testify. The case was settled.

Enterprise Bank of South Carolina v. Daniel, et al. (2009), Anderson County Civil Action No. 2007-CP-04-1439. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was not deposed, nor did I otherwise testify.

Fisher v. Rodriquez (2006), Horry County Civil Action No. 2005-CP-26-5212. I was retained by counsel to act as an expert witness in this case, involving standards of marketability of title. I was not deposed, nor did I otherwise testify. The case was settled.

R. E. Goodson Construction Co., Inc. v. International Paper Company, et al. (2006), U. S. District Court for District of South Carolina (Florence Division) Case No. 4:02-4184. I was retained by counsel for the United States of America to act as an expert witness in this case, involving the standard of care applicable to the purchaser of commercial real estate. I testified at trial and qualified as an expert in commercial real estate as it relates to CERCLA. The case resulted in judgment for the United States of America, in which the Court relied upon my testimony.

Black Water of Edisto v. Connolly et al. (2006), Dorchester County Civil Action No. 2004-CP-18-1213. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was not deposed, nor did I otherwise testify.

Clark v. Reeves, et al. (2005), Clarendon County Civil Action No. 2004-CP-14-498. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was deposed but did not otherwise testify.

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Finkelstein v. Myrtle Beach Farms Company, Inc. (2005), Horry County Civil Action No. 2002-CP-26-1767. I was retained by counsel to act as an expert witness in this case, involving access issues in a commercial real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

Busbin v. Hucks (2005), Horry County Civil Action No. 03-CP-26-1953. I was retained by counsel to act as an expert witness in this case, involving the interpretation of a commercial lease. I was deposed, but I did not otherwise testify. The case was settled during mediation.

KCI Management Corporation et al. v. Posternak, Blankstein & Lund, LLP, et al. (2004), Berkeley County Civil Action No. 2003-CP-08-877. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a real estate transaction. I was not deposed, nor did I otherwise testify. The case was resolved on summary judgment.

McCoy v. DeBordieu Colony Association, Inc. (2004), Georgetown County Civil Action No. 2002-CP-22-481. I was retained by counsel to act as an expert witness in this case, involving the interpretation of certain deeds and declarations of restrictive covenants. I was deposed but did not otherwise testify. The case was ended on summary judgment.

Smathers v. Affordable Mortgage of the Carolinas, Inc. (2004), Greenwood County Civil Action No. 2000-CP-24-783. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a real estate transaction. I was not deposed, nor did I otherwise testify. The case was settled.

Carden v. The Mason Law Firm, P.A. (2003), Charleston County Civil Action No. 02-CP-210-1363. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was deposed but did not otherwise testify. The case was settled during trial.

Dunn vs. Harvey & Battey, P. A. (2003). U. S. District Court for District of South Carolina (Charleston Division) Case No. 9:01-2900-23. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a residential real estate transaction. I was deposed, testified at trial and qualified as an expert on the real estate closing attorney's standard of care and applicable ethical requirements.

Rogers vs. Griffith (2003). Horry County Civil Action No. 2000-CP-26-250. I was retained by counsel to act as an expert witness in this case, involving the standard of care applicable to an attorney in a commercial real estate transaction. I was deposed, testified at trial and qualified as an expert on real estate closings and the closing attorney's standard of care.

Hiott vs. Kelly (2002). Georgetown County Civil Action No. 99-CP-22-465. I was retained by counsel to act as an expert witness in this case, involving a dispute over marketable title. I was deposed, testified at trial and qualified as an

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expert on marketable title to real estate.

Peoples Federal Savings and Loan Association of South Carolina vs. Resources Planning Corporation, Litchfield Plantation Company, Inc. and Litchfield Plantation Association, Inc. (1999-2000). For appellate case, see 596 SE2d 51(2004). Georgetown County Civil Action No. 98-CP-22-559. I was retained by counsel for Peoples Federal in this case, involving the applicability and enforceability of restrictive covenants. I was deposed and testified at trial and was qualified as an expert on restrictive covenants.

Hyatt Hotel Bankruptcy Litigation (Hilton Head, SC) (1996-1997). I was retained by counsel to testify as an expert witness in a lease dispute in bankruptcy court. I was deposed, testified at trial and qualified as an expert in commercial leases. See Dunes Hotel Associates, 212 B.R. 110 (1997).

McElveen vs. Sandy Shores II (1993-94). Horry County Civil Action No. 91-CP-26-3227. I was retained by defense counsel for two title insurance companies in this action involving a claim of violation of restrictive covenants. I did extensive title research and assisted defense counsel prior to trial. I was not deposed, but testified at the trial. I was qualified as an expert in title examination and restrictive covenants at trial. Based largely on my testimony, the trial judge ruled as a matter of law that (1) there was no common scheme of development in a large residential subdivision and that (2) any purported restrictions were broken on a wholesale basis.

I have given testimony, either in deposition or at trial, as a party in the following matters:

United States of America vs. Martha F. Mims (multiple litigated matters) (1981-1992). I was appointed a federal receiver in 1981 in a complex, multi-state receivership in which I was a party in several litigated matters. My deposition was taken several times, and I testified in at least one trial. See, e.g., Jeffcoat vs. Morris, 300 S.C. 526, 389 S.E. 2d 159 (1989).

Cianbro Corporation vs. Jeffcoat & Martin, et al. (1991-1993). I was a party defendant in this attorney malpractice action, which was dismissed at summary judgment. My deposition was taken, but the case did not go to trial. See 804 F. Supp. 784 (D.S.C. 1992), 10 F.3d 806,1993 WL 478836 (4th Cir. 1993).

Jeffcoat Law Firm, LLC vs. Three Corporate Centre, LLC, Horry County Civil Action No. 2008-CP-26-7089 (2008-date). My law firm was a party plaintiff in this case and I was a defendant in a related case, involving the breach of a lease agreement. I was deposed, but the case was settled.

SUMMARY OF APPELLATE CASES

Bank Repossessions v. Mobile America Corp, 268 S.C.622, 235 S.E.2d 709 (1977)

Johnston v. City of Myrtle Beach, 283 S.C. 288, 321 S.E.2d 627 (S.C.App.1984)

Preferred Sav. And Loan Ass'n, Inc. v. Royal Garden Resort, Inc., 295 S.C. 268,

368 S.E.2d 78 (S.C. App. 1988); aff'd 301 S.C. 1, 389 S.E.2d 853 (1990)
Crossley v. State Farm Mut. Auto Ins. Co., 307 S.C. 354, 415 S.E.2d 393 (1992)

Muller v. Myrtle Beach Golf & Yacht Club, 303 S.C. 137, 399 S.E.2d 430 (S.C. App. 1990); cert. den. 305 S.C. 330, 408 S.E.2d 242 (1991)

Muller v. Myrtle Beach Golf & Yacht Club, 313 S.C. 412, 399 S.E.2d 430 (1993)

Truluck v. Snyder, 362 S.C. 108, 606 S.E.2d 792 (S.C. App. 2004)

CHARITABLE/ CIVIC ACTIVITIES

Member, City of Myrtle Beach Election Commission (2000 to 2015)
YMCA of Coastal Carolina
- Director (2006 to 2015)

Waccamaw Community Foundation
- Director (2007 to 2016)

Princeton University
- Alumni Schools Committee
- Regional Annual Giving Chairman

United Way of Horry County, Inc.
- Trustee (1994 to 2009)

Grand Strand Family YMCA
- Director (1983 to 2006)
- Founder and 1st President (1983-1988)

Winyah Rivers Foundation, Inc. (Waccamaw Riverkeeper sponsor)
- Director and Vice President (2001-2005)

The Nature Conservancy (South Carolina Chapter)
- Trustee (1985 to 2003)
- Chairman (1987-1989), Vice Chairman

Rotary Club of North Myrtle Beach
- Past President (1994-95)

Myrtle Beach Civitan Club
- Past President
- Lieutenant Governor
- Civitan of the Year

Graduate, Leadership Grand Strand III
Boy Scouts of America
- Eagle Scout Award
- God and Country Award
- Order of the Arrow Award
- Assistant Scoutmaster

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EXHIBIT B

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STATE OF SOUTH CAROLINA)
) MASTER DEED OF
COUNTY OF HORRY) MYRTLE BEACH RESORT OCEAN FRONT SPA
HORIZONTAL PROPERTY REGIME

Deed Bk. 189 Pg. 362,

KNOW ALL MEN BY THESE PRESENTS, THIS MASTER DEED is made this 15th day of April, 1983, by RESORT INVESTMENT CORPORATION (hereinafter called the "Declarant"), a Delaware corporation, authorized to do business in the State of South Carolina, with its principal office and place of business at Number One Main Street, Post Office Box 11496, Columbia, South Carolina 29211, for the purposes hereinafter set forth.

W I T N E S S E T H :

WHEREAS, Declarant is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Horry, State of South Carolina, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter called the "Submitted Property" or "Property"); and

WHEREAS, Declarant desires to submit the Submitted Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the "Act"), hereby creating a Horizontal Property Regime known as the Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime (herein the "Regime"); and

WHEREAS, Declarant desires to publish a plan for the individual ownership of the several Apartments of the Submitted Property together with an undivided ownership interest in the general common elements and limited common elements (if any) of the Submitted Property as defined herein and in the Act; and

WHEREAS, Declarant desires to convey the Submitted Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, and hereby publishes its plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Declarant hereby specifies that this Master Deed and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Submitted Property and shall bind and inure to the benefit of the Declarant, its successors and assigns and all subsequent owners of any interest in the Submitted Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns.

FILED
APR 15 1983 8:40
JEAN HARRELSON
REGISTER OF DEEDS
HORRY COUNTY, S.C.

ARTICLE I
Definitions

As used in this Master Deed and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

1. Act means the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as presently constituted.

2. Apartment means as defined in the Act. The floor plan and dimensions of each are as shown in the Exhibits hereto.

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3. Association or Council of Co-Owners means the Council of Co-Owners as defined in the Act and specifically formed for the purpose of exercising the powers and duties of such for the Property Regime.

4. Assessment means a share of the fund required for the payment of common expense, capital improvements or expenses which from time to time are assessed to some or all of the Unit Owners.

5. Board of Directors or Board means an executive and administrative body designated as the governing body of the Association.

6. Building means as defined in the Act.

7. By-Laws means the by-laws of the Association as they exist from time to time.

8. Common Elements means and includes all of the Submitted Property excluding the Apartments and specifically includes both the general common elements and limited common elements (if any).

9. Common Expenses means and includes:

(a) All expenses incident to the administration, maintenance, repair and replacements of the Submitted Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(b) Expenses determined by the Board of Directors of the Association to be Common Expenses;

(c) Expenses in this Master Deed and/or its Exhibits denominated as Common Expenses; and

(d) Any other expenses declared by the Act to be Common Expenses.

10. Common Surplus means the excess of all receipts of the Association over and above the amount of common expenses and not otherwise reserved or designated for a specific use.

11. Ownership means as defined in the Act.

12. Condominium Unit or Unit means an individual Apartment as defined herein, in the Act and as described in the Exhibits hereto together with an undivided share of the common elements, vote, common surplus and liability for common expenses and other assessments appurtenant thereto.

13. Co-Owner means as defined in the Act, and specifically owning an apartment in the Regime.

14. Declarant or Developer means Resort Investment Corporation, its successors and assigns.

15. Exhibits means the exhibits to this Declaration, as they may be amended from time to time.

16. General Common Elements means as defined in the Act.

17. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, the Declarant, any of its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

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18. Limited Common Elements means as defined in the Act.

19. Long Term Lease means those certain leases and agreements which are included in the Exhibits to this Master Deed or shall be added by Amendment to the Exhibits to this Master Deed and to which the Association and each and every Co-Owner is and shall be bound.

20. Majority or Majority Vote or Majority of the Co-Owners means as defined in the Act.

21. Master Deed means this Master Deed establishing and recording the Property of the Regime and thereby submitting it to Condominium Ownership.

22. Occupant means any person or persons residing in a Unit.

23. Person means as defined in the Act.

24. Record means as defined in the Act.

25. Submitted Property or Property means and includes the Property as it may exist from time to time as contained within the Regime as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights-of-way and rights of use as described herein, in the Exhibits and/or of record.

ARTICLE II
Myrtle Beach Resort Ocean Front Spa
Horizontal Property Regime
Council of Co-Owners

1. The administration of the affairs of the Regime and the maintenance, repair, replacement and operation of the Common Elements as herein provided, the enforcement of all rules, regulations, by-laws and those acts required of the Association by the Master Deed and/or by the Act shall be the responsibility of the Association acting through the Board of Directors. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed, the Articles of Incorporation (if any) and the By-Laws of the Association.

2. The Association through its Board of Directors shall be and hereby is authorized to enter into such agreements and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner who acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Association for review by any Co-Owner.

3. There shall be only one Voting Member for each Unit. If a Unit is owned by more than one person, the Owners thereof shall designate one of their number as the Voting Member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the Voting Member for such Unit. The designation of the Voting Member shall be made as provided in the By-Laws. The vote of a Voting Member shall not be divisable.

Each Voting Member (and only the Voting Member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Association, regardless of the number of Persons who own such Unit. The

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Declarant shall be entitled to cast the vote for each Unit it owns.

Each Voting Member shall be entitled to cast his vote(s) at each meeting of the Association in person or, if permitted by the By-Laws, by proxy.

4. Declarant shall appoint an initial Board of Directors to serve until Declarant shall relinquish control and their successors have been elected and qualified. Declarant shall release control upon calling a meeting of the Unit Owners for purposes of taking control, which meeting shall be called no later than nine (9) months from the date hereof.

ARTICLE III
Property Rights

1. The Condominium consists essentially of Apartments in buildings, and other improvements and certain lands as the same are described in the Exhibits. For the purposes of identification, each Apartment in the Regime is identified by number and is delineated in the Exhibits hereto. No two Units have the same identifying number combination.

The aforesaid buildings and Apartments therein and other improvements are constructed in accordance with the plats, plans, descriptions and surveys contained in the Exhibits.

2. Ownership of an Apartment includes title to the Apartment and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide a Apartment by separating title to the Apartment from the undivided interest in the Common Elements and Common Surplus (if any) shall be void.

The undivided interests in the Common Elements, the Common Surplus (if any) and the liability for Common Expenses which the Co-Owners of the Apartments are acquiring are set forth, as percentages, in the Exhibits.

3. Neither the Association, any Co-Owner, the Declarant, nor any other party who owns an interest in the Common Elements shall have the right to bring any action for partition or division of the Common Elements.

Initial rules and regulations governing the use of the Submitted Property shall be promulgated by the Declarant on behalf of the Board of Directors. Additional and/or amended rules and regulations may be adopted or repealed by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Declarant provided such does not affect any right(s) of Declarant or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Co-Owner, by acquiring his Unit, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Submitted Property; (ii) such rules and regulations as the Declarant may adopt pursuant to the Long Term Lease; and (iii) the Master Deed and the By-Laws.

The Association shall have the right to deny any Co-Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

Any Occupant may use the Common Elements reserved for the use of the Apartment he occupies during the time such Occupant is actually in residence in the Apartment. Guests and invitees of an Occupant of a Apartment and the Co-Owner of an Apartment (while another occupies his Apartment) may only use the Common Elements

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with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify.

4. There are no Limited Common Elements presently designated except that portion of the Common Elements so designated which is adjacent to the Commercial Unit numbered B. Said Limited Common Element so designated shall and may be used by the Co-Owners of Commercial Unit B, his lessees, assignees and guests for seating, tables and like furnishings and for the service and consumption of food and beverage and such other uses as are consistent with or required thereby.

5. Parking spaces shall not be reserved solely for the use of Occupants of any particular Apartment nor shall they be numbered. Further, Declarant hereby reserves unto itself (including the right to grant to others) and grants to all Occupants and visitors of the Regime an easement for vehicular parking upon the parking spaces within the Regime, together with an easement for ingress and egress for access to and from such parking.

6. Common Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements, if any) necessitated by the negligence or misuse by any Occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

(b) All other costs of maintenance, repair, replacements, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) and all other assessments and payments declared in the Act and/or herein declared to be Common Expenses shall be, unless the Board of Directors otherwise decides, Common Expenses.

7. Development Plan:

(a) Declarant has included within the Regime as initially constituted certain property and improvements including buildings containing 267 residential Apartments and four (4) Commercial Units. Of the 267 residential Apartments, 202 are two-bedroom Apartments and are numbered 108-129, 136-151, 208-229, 236-255, 308-329, 336-355, 408-429, 436-455, 508-519, 522-529, and 538-555. There are 65 one bedroom residential Apartments numbered 101-107, 130-135, 201-207, 230-235, 301-307, 330-335, 401-407, 430-435, 501-507 and 530-535. The four Commercial Units are numbered A, B, C, and D. The principal improvements included within the Common Elements are an Atrium containing an indoor pool with deck and pool equipment room and whirlpool, an exercise room with adjoining sauna and steam rooms and bathrooms with lockers, a card and reading room, a meeting room, roof gardens, elevators, storage, electrical and laundry rooms, and paved entrance, traffic and parking areas, the same being shown and designated in the Exhibits hereto. By reason of the relative values of the Commercial Units, the two bedroom Units (each having an equal value to the others), and the one bedroom Units (each having an equal value to the others) with regard to the Submitted Property as a whole, there is appurtenant to each Commercial Unit an undivided percentage share of ownership interest in the Common Elements as described in the Exhibits, to each two bedroom Unit an undivided percentage share of ownership interest in the Common Elements as described in the Exhibits, and to each one bedroom Unit an undivided percentage share of ownership interest in the Common Elements, all as described in the Exhibits.

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(b) Ownership in the Common Elements and Common Surplus, pro rata share of Common Expenses due and percentage of total votes attributable to each Unit are shown in the Exhibits.

ARTICLE IV
Architectural Control

To preserve the original architectural appearance of the Regime, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any building and/or Common Element and all such additions as are herein specified shall be architecturally compatible with existing structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and (so long as Declarant, or its successors or assigns, owns one or more Units in the Regime) the Declarant or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Declarant to approve or disapprove such plans and specifications within sixty (60) days after their being submitted in writing shall constitute approval.

ARTICLE V
Expenses and Common Surplus

The Common Expenses of the Regime and the monetary obligations of the Co-Owners under any agreements entered into by the Association shall be shared by the Co-Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of a Unit or because of its location.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

ARTICLE VI
Amendment of the Master Deed

This Master Deed may be amended at the regular or any special meeting of the Association of the Regime, called and convened in accordance with the By-Laws, upon the affirmative vote of 67 percent of all the Voting Members of the Association; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Regime without the written agreement of all of the Co-Owners in the Regime and all Institutional Mortgagees holding mortgages of record upon the Regime or any portion thereof, as provided in the Act.

All amendments hereto shall be recorded and certified as required by the Act. No amendment(s) shall change any Apartment or the proportionate share of the Common Expenses or Common Surplus attributable to each Apartment, nor the voting rights of any Apartment, unless all Co-Owners of the Regime and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice the

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rights and/or priorities of any Institutional Mortgagee or change the provisions of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors and assigns, without written approval and consent of the Declarant, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and arrangement of and to alter the boundaries between Apartments as long as the Declarant owns all the Apartments so altered; however, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements, except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Declarant shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed and the recording thereof reflecting such authorized alteration of Apartments and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Apartments. Such shall be certified and recorded in the manner required in the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Horry County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements will be completed within twelve (12) months of the date of recording hereof; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Declarant's control.

ARTICLE VII
By-Laws

The operation of the Regime shall be governed by the By-Laws of the Association which are attached to this Master Deed as an Exhibit and made a part hereof.

No modification of, or amendment to, the By-Laws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Submitted Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Declarant without written approval of the Declarant, its successors or assigns.

ARTICLE VIII
The Operating Entity

The operating entity of the Regime shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by the Master Deed, and the By-Laws of the Association, and, in addition, all other powers and duties necessary to operate the Regime which shall be exercised through its Board of Directors.

Every Co-Owner, whether he has acquired his Apartment by purchase, gift, devise or other conveyance or transfer, by

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operation of law or otherwise, shall be bound by this Master Deed, the Act, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Association.

ARTICLE IX
Assessments

The Association, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Regime and such other sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Submitted Property. The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Regime and such other expenses as are provided for herein, in the Act or deemed necessary and appropriate expenses of the Regime. The procedure for the determination of sums necessary and Assessments upon Co-Owners and the method of collection of the same shall be as set forth in the By-Laws of the Association, as provided herein and in the Exhibits hereto and in the Act.

A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessment by the Board of Directors of the Association.

Upon assessments that are unpaid for over ten (10) days after due date, at the sole discretion of the Board of Directors (and if not forbidden by law), a late charge not to exceed $10.00 or 10% of the amount due, whichever is greater, to the extent allowed by Law, shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board; provided, however, that on or before December 1st of the preceding year, the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided, further, that a notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty (30) days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of each Assessment not paid when due as provided in the Act, which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorneys' fees incurred by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Association for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be required to be advanced by the Association to preserve and/or protect its lien and all other charges allowed by the Act shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of an Apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer. In addition, any Co-Owner, person having executed a contract for the purchase of a Apartment or lender considering the loan of funds to be secured by a Apartment shall be entitled upon request to a statement setting forth the amount.

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of Assessment(s) past due as provided in the Act. Failure to respond timely shall extinguish the lien for such assessment(s), to be extinguished as provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

ARTICLE X
Insurance

1. The Board of Directors of the Association shall obtain insurance upon the Submitted Property insuring it (including both Common Elements and all Apartments) against all risks, all premiums of which shall be included as part of the Common Expenses. The provisions of this Article shall relate to all residential Units and all Common Elements; provided, however, because of the unique nature of the Commercial Units, the Co-Owner of a Commercial Unit may have that Unit exempted from any master hazard, casualty, liability or other insurance policy(ies) required to be maintained upon the Units (and have the amount of Common Expenses due from that Unit reduced accordingly), provided such Co-Owner provides evidence to the Board, and any Institutional Mortgagee requesting same, of equivalent insurance coverage with a carrier equivalent to that herein required.

The Board, on behalf of the Association, shall obtain extended insurance coverage (by policies, each having, if such can be obtained, a term of not less than three (3) years) upon the Submitted Property and improvements thereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.), as well as any other risks the Institutional Mortgagees described in Section 2 (if any) may deem it reasonable to require, in amount(s) sufficient to completely restore and replace the damage and/or destroyed elements in the event of loss or in the event the improvements are not to be repaired or replaced (as described in Section 6), sufficient to, after pro rata division among the Apartments to provide funds to pay off all outstanding mortgages held by Institutional Mortgagees upon Apartments in the Regime, whichever is greater. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Insurance Trustee (as hereafter described), with the advice of the Board, shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund to provide insurance to cover the same. Such self-insurance fund shall be established and funded in the same manner as are escrow payments for insurance premiums as hereafter described. Such self-insurance fund shall have the same loss payee as the policies obtained (i.e. the Insurance Trustee for the benefit of the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replacement(s) thereto shall be funded by assessment of all of the Co-Owners by the Insurance Trustee acting on behalf of the Board, which shall be, when so assessed, an item of Common Expense. Such funds so maintained (except for excess funds, which shall be distributed as provided in Section 4), together with interest thereon (if any) may be expended only in the event of: (i) a loss which such funds insure against; (ii) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies); (iii) the consent of all Co-Owners and their mortgagees; or (iv) upon termination of the Regime. In the

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event of distribution of such funds for any of the latter three events, such funds so expended and/or distributed shall be considered as, owned as and distributed as Common Surplus.

2. Any Institutional Mortgagees holding mortgages recorded prior to July 1, 1983, encumbering Apartments in the Regime having collectively an aggregate of original principal balances of $1,000,000 or more shall have the right to approve all such insurance policy or policies, the company or companies, insurance upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles. Declarant reserves the right to, by amendment, change the date by which mortgages must be recorded in order for an Institutional Mortgagee to qualify for the rights granted herein.

3. Insurance premiums are and shall be a part of the Common Expenses; provided, however, they shall be paid separately and to the Insurance Trustee by each Co-Owner at such address as it shall designate. The Insurance Trustee shall notify the Co-Owners of the place of payment and monthly payment amount, which shall be due and payable by the first day of each month by each Co-Owner. The amount collected monthly from each Co-Owner shall be an amount equal to his percentage share in the Common Expenses multiplied by not less than 1/12th of the annual premiums of all insurance policies maintained upon the Regime. Further, the Insurance Trustee is hereby subrogated to and assigned the lien rights of the Council of Co-Owners as to each Co-Owner failing to pay any payment due from him to the Insurance Trustee for insurance premiums or self-insurance to the extent of the amounts due and owing but unpaid, which rights include the right to file notice of, perfect and foreclose upon a lien(s) against such Co-Owner(s) as granted to the Council of Co-Owners by the Act and this Master Deed. Sufficient funds shall be collected and maintained, if necessary in advance, by the Insurance Trustee (as hereinafter defined) such that with monthly installments received by it, it will have sufficient funds to pay the next annual premium on each policy maintained under Section 1 hereof not less than sixty (60) days prior to the date such premium on such policy is due and payable. Such funds so held shall be disbursed and used by it solely to pay premiums on said insurance policies described in Section 1. Unless such carrier fails to meet the requirements of Section 13 hereof or unless otherwise instructed by the Board of Directors and agreed to by the Institutional Mortgagees described in Section 2, the Insurance Trustee shall renew each policy with and pay the renewal premium to the same carrier then carrying said coverage. Such funds shall not be otherwise used or disbursed except upon written instruction of the Board of Directors consented to by all of the Institutional Mortgagees within the classification described in Section 2 of this Article.

4. Capital Acceptance Corporation, a Delaware corporation authorized to do business in South Carolina, its successors and assigns, is hereby appointed and designated Insurance Trustee. The Insurance Trustee shall receive all funds designated for the self-insurance fund (if any) described in Section 1 hereof, to be held in trust for the benefit of the Co-Owners and their mortgagees, to be distributed as provided, and only as provided, in this Article. The funds comprising such self-insurance fund shall be placed in one or more demand accounts of a federally insured bank or trust company (which shall be interest bearing account(s) if allowed by such institution and permitted by law). To the extent such funds exceed those required (as defined in Section 1), they shall be paid over to the Council of Co-Owners as Common Surplus.

5. The Insurance Trustee is hereby designated and appointed as agent for the Council of Co-Owners, its Board of Directors, each and every present and future Co-Owner thereof and each and every mortgagee (if any) of each and every such Co-Owner

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for the purposes of this Article. Any Person, by acquiring any ownership or security interest whatsoever in any Apartment, shall be deemed to have appointed the Insurance Trustee as his, her or its agent for the purposes of this Article. Further, such appointment is and shall be irrevocable; provided, however, the present Insurance Trustee may resign upon the acceptance by a successor insurance trustee of all rights, powers and duties herein granted the Insurance Trustee and, further, provided such successor must be a federally insured bank or other federally insured depository having a corporate trust department, and must be acceptable to all Institutional Mortgagees within the classification described in Section 2 of this Article. In its capacity as agent, the Insurance Trustee shall cause itself, as Insurance Trustee, to be designated as named insured and loss payee, for the benefit of those for whom it is herein designated as agent, of the insurance policies procurred pursuant to Section 1 of this Article, and in such capacity to receive all proceeds from such policies and execute as duly authorized agent such releases, endorsements or other documents or things as may be necessary to be able to receive such proceeds. In the event of any casualty or loss which is less than 2/3rds (as defined in Section 6 of this Article), the Board of Directors shall be responsible to accomplish substantial reconstruction, replacement and repair, provided the Insurance Trustee shall collect the proceeds of insurance (and to the extent appropriate, from the self-insurance fund) and distribute such proceeds (by, if appropriate, a percentage of completion basis) to the parties entitled thereto upon satisfying itself as to the effectuation of such repairs, replacement and reconstruction. In the event reconstruction is not required (in accordance with the provisions of Section 6 of this Article), the Insurance Trustee shall receive the proceeds and shall divide them, pro rata, among the Apartments according to the percentage of Common Elements appurtenant to each Apartment. The Insurance Trustee shall then pay over to the mortgagee (and, if more than one, in order of priority of lien) of that Apartment, the share of proceeds appurtenant thereto up to the amount of indebtedness due such mortgagee upon his mortgage, and any balance then remaining to the Co-Owner thereof. If there be no mortgagee or other lien holder of that Apartment, the entire proceeds allocable to that Apartment shall be paid over to the Co-Owner thereof. The Insurance Trustee shall not be required to distribute any funds until it is satisfied in its sole judgment or assured of the parties entitled to such proceeds and the amounts to which they are entitled.

6. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in the Act; provided, however, reconstruction shall not be compulsory where it comprises the whole or more than two-thirds of the Property. In such event, unless unanimously agreed otherwise in writing by the Co-Owners and all Institutional Mortgagees, the proceeds shall be divided pro rata among the Apartments according to the share of Common Elements appurtenant to each and distributed by the Insurance Trustee as provided in this Article. In the event of such pro rata division, the Institutional First Mortgagee of record shall have first claim upon such insurance proceeds delivered to the Co-Owner of the Apartment upon which such Institutional Mortgagee holds a mortgage lien to the extent of the indebtedness due and owing upon the debt which such mortgage secures.

7. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Co-Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Apartments so directly affected. Failure or refusal of payment of any of the Unit Owners so affected shall result in a lien upon his Unit in favor of the Association in such amount and may be enforced in the

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manner provided for collection of unpaid Assessments herein and/or in the Act.

8. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each Co-Owner and/or his mortgagee(s) from insuring his Apartment on his account and for the benefit of himself and/or his mortgagee(s).

9. Any repair and/or restoration must be substantially in accordance with the plans and specifications for the original buildings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

10. The Insurance Trustee is further hereby irrevocably appointed agent for each Co-Owner, the Council, its Co-Owners and their mortgagees for the purpose of compromising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefor upon the payment of claims.

11. Should the Association fail to pay insurance premiums when due or should the Council or Co-Owners fail to comply with other insurance requirements required herein or by the Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Association and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

12. The Board of Directors of the Association is authorized and directed to purchase such additional insurance and for such additional purposes, including liability insurance (in an amount of not less than $500,000 per occurrence) and, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Regime, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

13. Any and all insurance coverage(s) obtained under Section 1 above by the Association pursuant to this Article must be obtained from an insurance carrier(s) admitted and authorized to do business in the State of South Carolina, and having an Alfred M. Best Financial Rating of at least "A+15", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Declarant, the Board of Directors, the Association and Institutional Mortgagees shall not be responsible for the quality or financial respnsibility of the insurance company(ies) provided same are so rated and are so licensed, admitted and approved to do business and provide such coverage in the State of South Carolina.

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ARTICLE XI
Use and Occupancy

The Co-Owner of each Apartment (other than a Commercial Unit) shall occupy and use his Apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes; provided, however, nothing herein contained nor any present or future action by the Council of Co-Owners or its Board of Directors shall prevent any Co-Owner from leasing or renting his Apartment for such period or periods as he shall determine in his sole discretion to third parties; provided, however, such Apartment shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed and its Exhibits, the Act and Rules and Regulations properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Association or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upn his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Submitted Property except a Commercial Unit and further except that the Declarant, its successors and assigns, may maintain and use one or more Apartments of the Condominium owned or leased by it, its successors or assigns, designated by Declarant as a model and/or for management, sales and/or rental offices, and commercial laundry and vending equipment may be maintained and maintenance and laundry equipment kept and maintained in areas of the Common Elements suitable for such purposes. Notwithstanding the foregoing, nothing contained in this Declaration shall be construed to restrict the Declarant or any successor in interest to the Declarant as developer of the Regime from selling and/or conveying any Apartment under any plan of multiple use, interval ownership or time sharing arrangement; provided, further, no Apartment may be sold, leased or otherwise marketed under any plan of multiple use, interval ownership or time sharing arrangement without express written consent of Declarant.

No Co-Owner shall permit or suffer anything to be done or kept in or about his Apartment or upon the Common Elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-Owner permit or commit any nuisance or illegal act in or about the Submitted Property.

No animals or pets of any kind shall be kept in any Apartment or on any property of the Regime except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Association; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Submitted Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Apartments or upon the general or limited Common Elements, provided, however, the Co-Owner or lessee of a Commercial Unit may display upon the Common Elements signs advertising such commercial establishment provided such must be in keeping with the decor of and not detract from the appearance of the Regime; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside a Apartment nor shall he cause

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awnings or storm shutter, screens, enclosures and the like to be affixed or attached to any Apartment, limited or general Common Element; nor shall he place any furniture or equipment outside a Apartment except with the written consent of the Board of Directors of the Association (provided, however, the Co-Owner of Commercial Unit B or his lessee(s) or assign(s) shall have the right, as aforesaid, to place furniture and furnishings upon the Limited Common Elements adjacent to that Unit); and, further, where approved, subject to the Rules and Regulations of the Board of Directions. No clothesline or similar device shall be allowed on any portion of the Submitted Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Co-Owners may not screen or enclose any exterior patio which abuts a Unit, where applicable, nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or an Apartment or any part of the Submitted Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertining thereto as may from time to time be promulgated by the Board of Directors of the Association.

The Board of Directors may, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Declarant, its successors and assigns in interest as developer of the Regime, shall be allowed to maintain one (1) or more Apartments as laundry and/or maintenance areas, management, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upn the Submitted Property.

ARTICLE XII
Maintenance and Alterations

1. The Board of Directors including the initial Board appointed by the Declarant) may enter into contracts with firm(s), person(s) or corporation(s), or may join with other regimes and/or entities in contracting for the maintenance and/or repair of the Submitted Property and any properties belonging to the Regime; may contract for or may join with other associations in contracting for the maintenance and management of the Regime; and may delegate to such contractor or manager all power and duties of the Association and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Association.

2. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Co-Owners of the Regime provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Co-Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Co-Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking

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into account the benefit to each and the relative value of each such Apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Co-Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors approved by not less than seventy-five (75%) percent of the total votes of the Co-Owners exclusively or substantially benefiting therefrom, and where said Co-Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Co-Owners for alterations or additions to the Common Elements of this Regime is required, the approval of Institutional Mortgagees whose mortgages encumber Apartments representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Apartments at said time shall also be required.

3. Each Co-Owner is hereby required:

(a) To maintain in good condition and repair his Apartment, all interior surfaces and the entire interior of his Apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, where applicable: air conditioning and heating units, including condensers and all apurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the Apartment; electric panels; lines outlets and fixtures within the Apartment; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Regime; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-Owner shall pay said bill for his Apartment individually. Electricity for the Units and all other purposes for the Regime may be metered to the Regime as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of said Apartment. Each Co-Owner shall maintain, care for and preserve those portions of the Limited Common Elements (if any) exclusively for his use or exclusively for his use together with certain other Co-Owners. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Apartment, the Co-Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

(b) Not to make or cause to be made any structural addition or alteration to his Apartment or to the Common Elements or any part(s) thereof. Alterations within a Apartment may be made with prior written consent of the Board of Directors and any Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s) or Submitted Property caused by the Co-Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

(c) To allow the Board of Directors or its representative, agent or employee to enter into his Apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the apartment and/or Common Elements; to

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determine and remedy in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine compliance with the provisions of this Master Deed and/or any By-Law or Rule or Regulation of the Association.

(d) To show no signs, advertisements or notices of any type on the Common Elements, Apartments or buildings (except for the Co-Owners and/or operators of Commercial Units as provided in this Master Deed) and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

4. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Association, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter an Apartment at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions hereof.

5. The Board of Directors shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Association), and shall be responsible for the maintenance thereof. No Co-Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon of affix anything thereto without the written consent of the Board of Directors.

6. The Council of the Co-Owners shall be responsible for the maintenance and repair and replacements of the Common Elements and all portions of the Submitted Property not required to be maintained and/or repaired and/or replaced by individual Co-Owners. Nothwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his Apartment, the Association, through its Board of Directors, may enter into an agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment (such as MATV or Cable TV service and telephone equipment and service) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Co-Owners and the Monthly Assessment due from each Co-Owner for Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said equipment maintenance or services. Each Co-Owner shall be deemed a party to such agreement with the same force and effect as though said Co-Owner has executed said agreement. It is understood and agreed that the Association through its Board of Directors shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an Assessment under the provisions of the Article regarding Assessments contained in this Master Deed.

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ARTICLE XIII
Termination

This Regime may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however, that unless otherwise required by law or in the Act, before the Regime may be terminated, all Co-Owners must agree thereto and all Institutional Mortgagees of record of all Apartments or any other part of the Submitted Property of the Regime must agree in writing to accept such termination and to accept as security the undivided portion of the Submitted Property owned by the debtor(s) of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements. The ownership of each Co-Owner upon such termination as tenant in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

ARTICLE XIV
EASEMENTS

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of a Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a building or other improvement or a Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The Property is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drainage which now exist or are hereafter granted by the Declarant for the benefit of such persons as the Declarant designates. The Declarant shall have the right to grant easements and designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to third parties easements for access and ingress and egress across the Property suitable for such purposes, for pedestrian and vehicular purposes and for utility services and drains, and easements and licenses of use of the amenities and facilities of the Regime, provided any such grant of use(s) shall require the grantee(s) thereof to pay fees commensurate with such use(s) for such use(s). When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Regime would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

Declarant has excluded from the Property a certain 0.116 acres parcel lying generally between Building C an the Atlantic Ocean. Declarant intends to (but makes no guarantees or

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warranties it will) construct or to allow others to construct thereon structures to use for commercial purposes (such as retail food and beverage service) for use of, among others, the Co-Owners and occupants of Apartments of the Regime and for Owners and occupants of dwelling units within Myrtle Beach Resort (as herein defined). Declarant does hereby reserve unto itself, its successors in title to said parcel and any and all lessees and occupants thereof: (1) non-exclusive easements for access and ingress and egress to and from said parcel and for parking over, across and upon the portions of the Property suitable for such use for vehicular and pedestrian traffic; (2) non-exclusive easements for the underground installation and maintenance of utilities to service said parcel including, but not limited to, water, sewer, telephone, electrical, cable television, and drainage structures including the right to connect such utilities to those of the Regime; provided, however, Declarant does hereby grant an easement for pedestrian traffic for ingress, egress and access over, across and upon those portions of said parcel suitable for such pedestrian traffic for access to the Atlantic Ocean and its beach.

The Association, all present and future Co-Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

ARTICLE XV
Certain Rights of Declarant

1. Notwithstanding any other provisions herein, so long as the Declarant continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Declarant after the construction of said Apartment has been completed.

(a) The Declarant shall have the right at any time to sell, transfer, lease or re-let any any Apartment(s) which the Declarant continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Association or any other Co-Owner being required.

(b) During the period of time in which structures are under construction by the Declarant and not completed, no dues shall be charged against the Declarant as the Co-Owner of the Apartments included therein until the completion of said Apartments and the dues shall be assessed against the Co-Owners (including the Declarant) of those Apartments which shall have been completed, proportionately, inter se;

(c) Without limiting the foregoing and to the extent allowed by law, the Declarant shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Declarant owns or holds a mortgage upon at least one Apartment to amend the Declaration to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages," as the same may be amended from time to time.

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(d) The Declarant shall have the rights: (i) to use or grant the use or a portion of the Common Elements for the purpose of aiding in the sale or rental of Apartments; (ii) to use portions of the Submitted Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Submitted Property; (iv) to distribute audio and visual promotional material upon the Common Elements; and (v) to use any Apartment which it owns as a sales and/or rental office, model, management office or laundry and/or maintenance facility.

(e) In order to provide the Regime with, among other things, adequate and uniform water service, sewage disposal service, utility services, telephone service and television reception, the Declarant reserves the exclusive right to contract for the provision of such services. The Declarant, as agent for the Association and the Co-Owners, has entered into or may enter into arrangements, binding upon the Association and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

(f) The Declarant reserves the right to enter into, on behalf of and as agent for the Association and the Co-Owners, agreements with other Persons for the benefit of the Regime, the Association and the Co-Owners. The provisions of any such Agreement shall bind the Association and the Co-Owners. The Declarant, as agent for and on behalf of the Association and the Co-Owners, has entered into an agreement with Capital Telecommunications Corporation, pursuant to which it will provide a color television set in each Unit together with antenna television reception service and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such television sets and for such services shall be Common Expenses. If the Association fails to pay the amounts due under the agreement with Capital Telecommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Telecommunications Corporation may be amended only by a written amendment executed by the Association and Capital Telecommunications Corporation. The Declarant has also entered into an agreement with Capital Telecommunications Corporation, pursuant to which it will provide a telephone in each Apartment tied to a central PBX system and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such telephone sets and service shall be Common Expenses. If the Regime fails to pay the amounts due under the agreement with Capital Telecommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Telecommunications Corporation may be amended only by a written amendment executed by the Association and Capital Telecommunications Corporation.

2. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE REGIME, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS

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MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Regime have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Declarant's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the buildings or on any portion of the Submitted Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier or manufacturer shall be the obligation of the Association and its members and the Declarant shall bear no responsibility therefor.

ARTICLE XVI
Provisions Respecting Construction Lender

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Declarant upon the Submitted Property to secure a loan with which to develop the improvements for the Submitted Property such as would be commonly classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

1. Whenever the consent of the Declarant is required under this Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2. In the event that the Declarant shall violate any of its obligations as a Co-Owner, the Association shall be required to give Construction Mortgagee written notice of such failure or violation, and the Association shall be prohibited from instituting any suit or exercising any other remedy against the Declarant for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3. Construction Mortgagee shall be given written notice by the Association of any meeting of the Co-Owners together with the agenda of such meeting.

4. No amendment shall be made to this Declaration or to the By-Laws of the Association, which would alter the rights of Construction Mortgagee or in any way affecting the security of Construction Mortgagee without its joinder and written consent to such amendment.

5. If Construction Mortgagee either assumes possession of any portion of the Submitted Property or Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Submitted Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Submitted Property upon foreclosure sale, or by deed in lieu of foreclosure, Construction

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Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges and exemptions granted to Declarant by this Master Deed and/or by the By-Laws.

ARTICLE XVII
Rights of Lenders

Notwithstanding any other provision hereof, any mortgagee of record (including, but not limited to, the Construction Mortgagee while such Construction Mortgage shall remain unsatisfied) shall:

1. Upon request, be permitted to inspect the books and records of the Association during normal business hours;

2. Receive a copy of any audit performed by or for the Association and all proposed and adopted budgets;

3. Upon request, receive written notice of all meetings of the Association and be permitted to designate a representative to attend and observe all such meetings; and

4. Receive written notification from the Association of any default by any of its mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

ARTICLE XVIII
The Myrtle Beach Resort

The Regime is located within and is a part of a certain 44.62, more or less, acres tract of land owned/or under option by Declarant lying between U.S. Highway 17 and the Atlantic Ocean, portions of which Declarant presently has included within and has named The Myrtle Beach Resort (herein "Resort"). Declarant has heretofore included within the Resort a horizontal property regime named Myrtle Beach Resort Horizontal Property Regime (which was established by Master Deed which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 750 at Page 642). Developer does, by the recording of this Master Deed, include the Regime within the Resort and does hereby grant to the Council of Co-Owners, the present and further Co-Owners thereof, all Occupants of the Apartments and their successors and assigns, non-exclusive easements and licenses of use of the pathways, streets and roads (together with roadside and entrance areas), paved areas and recreational facilities and amenities of the Resort (herein "Resort Facilities"). Developer may, in its sole discretion, add additional property up to the entire 44.62 acres tract, build additional streets and roads, pathways, develop certain portions for other multi-family complexes, tennis courts, parking facilities, recreational facilities and develop portions for commercial facilities within the Resort, provided any such development shall be in Developer's sole discretion and no representations are made as to the same whatsoever. As a consequence, Declarant reserves unto itself, its successors and assigns in interest as developer of the Resort, and the present owner of the balance of the real property shown within the Resort in the Exhibits (herein "Present Owner"), the right to include up to the entire tract within the Resort.

Declarant does hereby grant and does further reserve unto itself, its successors and assigns, and Present Owner as owner of the balance of the 44.62 acres tract the right to grant to and for all present and future owners and occupants within the Resort which presently consists of the Co-Owners and Occupants of Myrtle Beach Resort Horizontal Property Regime non-exclusive easements over, across and through, and right to use, the paved areas of the Resort (including within the Regime) and its paths and ways for

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normal pedestrian and vehicular access and ingress and egress from the public road and for parking and a license to use the areas of the Common Elements (including amenities) in the manner ordinarily intended, such easements and licenses to exist in perpetuity. Provided, further, such owners and occupants to whom such easements, licenses and rights are granted must, inorder to preserve such easements and licenses, pay their pro rata share of upkeep, maintenance and repair of such Common Elements so used based upon a fair and equitable system.

Further, Declarant does hereby reserve unto itself and all present and future owners within the Resort a perpetual drainage and flowage easement for waters across the Property along the routes for drainage to connect with drains and drainage pipes located upon the Property, such easements to be in perpetuity.

Declarant, pursuant to the power reserved to it in the Master Deed of Myrtle Beach Resort Horizontal Property Regime to which reference is made above, does hereby grant unto all Co-Owners and the Occupants of their Apartments non-exclusive easements over, across and through, and the right to use the paved areas of that regime and its paths and ways for normal pedestrian and vehicluar access and ingress and egress from the public road and for parking and a license to use the areas of the common elements (including amenities) in the manner ordinarily intended, such easements and licenses to exist in perpetuity. Provided, further, the Co-Owners shall, as part of the Common Expenses and in order to preserve such easements and licenses, pay their pro rata share of upkeep, maintenance and repair of such common elements so used based upon a fair and equitable system.

Developer, its successors and assigns in interest as developer may retain some or all of the recreational facilities included within the Resort Facilities in trust, provided, however, Declarant reserves the right to convey the same to The Myrtle Beach Resort Homeowners Association (as hereinafter defined) upon the terms hereinafter described.

Declarant, its successors and assigns in interest as developer, and/or Present Owner may elect, in its sole discretion, to include portions or all of the additional property shown in the Exhibits within the Resort and construct and develop additional Resort Facilities upon which the Council of Co-Owners, all present and future Co-Owners, all Occupants of the Apartments and their respective successors and assigns, shall be granted non-exclusive easements and licenses of use to use in common with all others whom Declarant shall designate. Said easements and licenses to use shall be established by one or more easements and licenses which shall be recorded in the public records of Horry County, South Carolina, and which shall require the Council of Co-Owners and the Co-Owners thereof to bear their pro rata share of the costs associated with such facilities (including, but not limited to, insurance, taxes, maintenance, upkeep, repair and replacement). Such shall be recorded as an amendment to this Master Deed in the public records of Horry County, South Carolina. Such additional real property and/or Resort Facilities shall become a part of the Resort and all costs and expenses in connection therewith or associated therewith as determined and set by Declarant, its successors and assigns in interest as Developer (and/or Present Owner) or its designee shall, as aforesaid, become part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense (together with others having like rights of use) as is herein described.

Declarant, its successors and assigns in interest as developer of the Resort, and/or Present Owner, may, in its sole discretion, declare certain other areas upon inclusion within the Resort as natural marsh and forest areas and may, within such areas, create plantings, lagoons or such other features as it

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determines in its sole discretion add to the esthetic qualities of such areas, which areas shall, upon so declaring, be held by Declarant, its successors and assigns (or Present Owner) (which declaration(s) shall be filed in the public records of Horry County, South Carolina) in trust as areas of natural beauty and scenery for use and enjoyment of the Co-Owners and their occupants, such other owners of commercial and dwelling units, homes and apartments and occupants within the Resort and such third parties as Declarant, its successors and assigns (or Present Owner) may select in its sole discretion (which shall become, upon so declaring, part of the Resort Facilities and the pro rata share of upkeep, maintenance, management and replacement of such areas as so set shall be part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense as is herein described).

Declarant further reserves unto itself, its successors and assigns, and Present Owner, the right to grant easements for ingress and egress across appropriate areas of the Submitted Property to the Atlantic Ocean and its beach (including that portion of the beach of the Atlantic Ocean which is included with the Submitted Property) and easements and licenses of use to use the beach area of the Submitted Property for uses consistent with its being a natural beach and dune area and provided such does not unduly interfere with the activities and rights of the Co-Owners of the Regime.

The Co-Owners shall each be members of The Myrtle Beach Resort Homeowners Association and as such shall pay pro rata with the Owners of other dwelling Apartments and other interests in real property within the Resort who shall be given similar easements and licenses of use all costs of maintenance, upkeep and repair arising out of or associated with the Resort Facilities as such exist from time to time; such costs to include, but not be limited to, providing management supervision and control thereof, property taxes, insurance, maintenance and reserve funds and all other costs connected or associated therewith (herein collectively "Resort Expenses"). Such Resort Expenses shall be included as an item of Common Expense and paid over by the Council of Co-Owners to Declarant, its successors or assigns in interest as developer of the Resort (or Present Owner, as the case may be), or its designee, upon such schedule (but not more frequently than once a month) and in advance for use for such purposes, provided the Board or the Council of Co-Owners shall be entitled to an annual accounting of the use of all Resort Expenses by Declarant or its designee. In the event of non-payment of Resort Expenses, Declarant, or if appropriate its designee, shall be subrogated to the rights of the Council of Co-Owners as to the individual Co-Owners to collect the Resort Expenses from the Co-Owners, including being subrogated to all lien rights for non-payment of Common Expenses as described in this Master Deed.

Declarant (its successors or assigns or Present Owner, as the case may be) or its designee shall establish rules and regulations for use of the Resort Facilities and the Board of Directors shall appoint a Resort Facilities committee and, if appropriate, one member to serve on the Board of Directors of the Homeowners (as hereinafter defined) to assist in formulating and enforcing the same, it being the intent that such rules and regulations shall encourage safety, use and enjoyment of the Resort Facilities, provided Declarant makes no warranties whatsoever that said rules and regulations will be inclusive or allow absolute safety of use.

Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) may, in its sole discretion, establish The Myrtle Beach Resort Homeowners Association (herein "Homeowners"), which shall be an association (which may, in Declarant's sole discretion, be incorporated as a corporation or as a corporation not for profit

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or unincorporated) to operate, manage, control, care for the Resort and, if conveyed to it, own the Resort Facilities and all Co-Owners shall, in addition to being Co-Owners, automatically become members thereof. In addition, the Board of Directors shall elect one of its members who shall serve as a member of the Board of Directors of Homeowners. The Board of Directors of Homeowners shall be comprised of at least one representative from this Regime, at least one representative from Myrtle Beach Resort Horizontal Property Regime and at least one representative from each other development within the Resort as Declarant as developer of the Resort shall designate. In the event of such establishment, Declarant shall designate Homeowners as its designee to carry out the duties and responsibilities and have the powers granted in this Article to Declarant's designee.

In addition, Declarant (its successors or assigns in interest as developer of the Resort or Present Owner as the case may be) may, in its sole discretion, at any time convey to the Regime and its Co-Owners and/or any other horizontal property regimes or other multi-family developments within the Resort or which Declarant has developed in proximity to the Resort having like non-exclusive easements and licenses of use, or to Homeowners, all or any portion of the Resort Facilities or any interests therein, provided such shall be for no consideration other than the actual cost of such improvement or facility. Declarant shall have no liability whatsoever for any taxes, assessments, utility charges or other matters whatsoever arising out of the ownership of any Resort Facilities so conveyed and such conveyance shall be subject to Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) retaining unto itself and the right to grant to such third parties as it may designate easements and licenses for use consistent with the conveyed facilities and contract(s) for management thereof and all matters and rights theretofore of record. In such event, such documents shall be considered an amendment to this Master Deed and execution only by the Declarant (or its successors or assigns in interest as developer of the Resort or Present Owner as the case may be), shall be sufficient and no execution, concurrence or consent shall be required of the Council of Co-Owners, any Co-Owner, any Mortgagee or any third party whatsoever.

ARTICLE XIX
Miscellaneous Provisions

1. The Co-Owners of the respective Apartments shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective Apartments nor shall any Co-Owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Apartments which are utilized for or serve more than one Apartment, which items are hereby made a part of the Common Elements. Each Co-Owner shall, however, be deemed to own the walls and partitions which are contained in said Co-Owner's Apartment and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.; however, all load-bearing walls, and where applicable the floor between the first or ground floor and second floor located within a Apartment are part of the Common Elements to the unfinished surface of said walls and/or floors.

2. No Co-Owner may exempt himself from liability for his contribution toward the Common Expenses or other assessments duly made by the Association and/or the Board of Directors by waiver of the use or enjoyment of any of the Common Elements or the recreational facilities of the Regime or by abandonment of his Apartment.

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3. Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against his Apartment and shall file any tax returns required in connection therewith. No Co-Owner shall have a right of contribution or a right of adjustment against any other Co-Owner becuase the value of his Apartment as fixed by any taxing authority may differ from that stated herein.

4. For the purpses of ad valorem taxation, the interest of the Co-Owner of a Apartment in his Apartment and Common Elements appurtenant thereto shall be considered a Apartment. The value of said Apartment as compared to the value of the Regime shall be equal to the percentage of the value of the entire Regime as then constituted, including land and improvements, as has been assigned to said Apartment and as set forth in this Master Deed. The total of all said percentages equal 100 percent of the value of all the land and improvements as it shall then be constituted.

5. All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Apartment and the appurtenances thereto and every Co-Owner and/or occupant of the Submitted Property or any part thereof or owning any interest therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same and the Act.

6. If any of the provisions of this Master Deed of the Exhibits hereto, of the Act or any section, clause, phrase, word or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

7. Whenever notices are required to be sent hereunder, the same may be delivered to each Co-Owner either personally or by mail addressed to such Co-Owner at his place of residence in the Regime unless the Co-Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board of Directors) shall be deivered by mail to the Secretary of the Association at the Secretary's address within the Regime or, in the case of the Secretary's absence, then to the President of the Association at his address in the Regime; provided, however, that the Association may specify a different address by written notice delivered to all Co-Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Declarant shall be sent by mail to Post Office Box 11634, Columbia, South Carolina 29211. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Master Deed. Notices required to be given the personal representative of a deceased Co-Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Co-Owner is being administered.

8. All remedies for non-compliance provided in the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed and/or the Exhibits attached hereto, upon finding by the Court that the violation claimed was wilful or deliberate, the Co-Owner so violating shall reimburse the Association for reasonable attorneys' fees incurred in prosecuting such action.

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9. Subsequent to the filing of this Master Deed, the Association when authorized by a vote of the majority of the total voting members of the Association and the Institutional Mortgagees of record encumbering Apartments who represent the majority of the dollar institutionally mortgaged indebtedness against this Regime may, together with other owners' associations and/or others, purchase and/or acquire and enter into agreements from time to time, whereby to acquire leaseholds, memberships, and other possessory or use interest in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to lands of the Regime, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Co-Owners. The expenses of such ownership, rental, membership fees, operations, replacement and other undertakings in connection therewith shall be Common Expenses together with all other expenses and costs herein or by law defined as Common Expenses.

10. Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Master Deed shall liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a horizontal property regime.

11. The captions used in this Master Deed and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Master Deed or Exhibits hereto annexed.

12. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of the Master Deed and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

13. If any term, covenant, provision, phrase or other elements of this Master Deed or the Exhibits hereto or the Act are held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Master Deed, Exhibits and the Act.

14. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Master Deed and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

15. Each Co-Owner by virtue of acceptance of a deed of conveyance of an Apartment and/or any portion of or interest in the Common Elements and other parties by virture of their occupancy of Apartments or use of the Common Elements, hereby approves the provisions hereof and all covenants, terms, conditions, duties and obligations hereof and Exhibits hereto and the Act, and does agree to be bound by all the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

16. No Co-Owner shall bring or have any right to bring any action for partition or division of the Property.

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IN WITNESS WHEREOF, this Master Deed has been executed under seal as of the day and year first above written.

Signed, Sealed & Delivered
In The Presence Of:

RESORT INVESTMENT CORPORATION
(A Delaware Corporation)

By _____ (SEAL)
VICE PRESIDENT

ATTEST: _____
Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above witnessed the execution thereof.

_____
WITNESS

SWORN and subscribed to before me this ____ day of _____, 19____.

_____ (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: _____.

NO RENUNCIATION OF DOWER NECESSARY. DEVELOPER IS A CORPORATION.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS hereby agrees to and does on behalf of itself and all its present and future Co-Owners, accept all the benefits and all the duties, responsibilities, obigations and burdens imposed upon it and them by the provisions of this Master Deed together with all the Exhibits hereto and as set forth in the Act.

IN WITNESS WHEREOF, the above named MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS has caused these presents to be signed in its name by its duly authorized agent this 15th day of March, 1984.

SIGNED, SEALED & DELIVERED
In The Presence Of:

MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Its Vice President

ATTEST: _____
Its Asst. Secretary

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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT OCEAN FRONT SAP HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above, witnessed the execution thereof.

WITNESS

SWORN and subscribed to before me
this ___ day of _____, 19__.

_____(L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: _____.

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LEGAL DESCRIPTION

ALL and singular that certain piece, parcel or tract of land, situate, lying and being in Socastee Township, County of Horry, State of South Carolina, and being located approximately 5 miles south of Myrtle Beach, South Carolina, and lying on the eastern side of U.S. Highway 17 Business, containing 6.205 acres, more or less, and being shown and described as "Phase II (6.205 Ac)" on a certain plat entitled "Plat of 44.668+- Acres, Lot 5 of Lakewood Plantation Property Near Myrtle Beach" dated June 10, 1982, revised July 13, 1982, and July 19, 1982, prepared by Culler Land Surveying Company, Inc., which plat is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Plat Book 74 at Page 32; also being shown and described on the plats and architectural plans and drawings prepared by Culler Land Surveying Company, Inc. and Stevenson & Wilkinson, Inc., respectively, which are recorded in the Condominium Plat Book at Book 2, Page 31, said plans and plats being more fully described herein in this Exhibit; said tract having the following metes and bounds, to-wit: BEGINNING at the northernmost corner of said tract whereon it adjoins the westernmost corner of the tract designated as "Phase I" (said corner being located 229.20 feet S40°52'00"W from the beginning corner of Phase I property described in a deed from Singleton, et al. to Resort Investment Corporation which is recorded in the Office of the Clerk of Court for Horry County, South Carolina in Deed Book 725 at Page 301 and proceeding from thence S38°08'08"E for a distance of 1201.36 feet to a point; thence turning and proceeding S40°52'00"W for a distance of 229.20 feet to a point; thence turning and proceeding N38°08'08"W for a distance of 1201.36 feet to a point; thence turning and proceeding N40°52'00"E for a distance of 229.20 feet and back to the point which was the point of beginning; be all measurements a little more or less; reference being craved to said plats and plans for additional description.

EXCLUDING that certain piece, parcel or tract of land consisting of 0.116 acres, more or less, said tract having metes and bounds and being located as shown and described on the plats and plans to which reference is made above, and more specifically on a plat of MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME dated April 11, 1983, prepared by Culler Land Surveying Company, Inc. and recorded in the Office of the Clerk of Court for Horry County, South Carolina, as described above. Said parcel has appurtenant to it non-exclusive easements for access and ingress and egress to and from said parcel and for parking over, across and upon those portions of the Submitted Property suitable for vehicular and pedestrian traffic, and non-exclusive easements for the installation and maintenance upon the Submitted Property of utilities to service said parcel including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures, including the right to connect such utilities to those servicing the Submitted Property.

TOGETHER WITH all right, title and interest in and to all the land lying between the southeastern boundary of said tract and the low water mark of the Atlantic Ocean formed by an extension of the northeastern and southwestern boundaries of said tract. PROVIDED, HOWEVER, no warranties of title are made as to said parcel lying between said boundary and the low water mark of the Atlantic Ocean.

The above described tract is bounded on the northeast by parcel designated as "Phase I", on the northwest and southwest by other lands of R. Grant Singleton and Elizabeth G. Singleton (being Parcel III which is the subject property of an option dated October 18, 1980, held by Resort Investment Corporation) and on the southeast by the Atlantic Ocean.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic from U.S. Highway 17 Business to and from the parcel designated as "Phase I", said easement being 75 feet in width whereon it adjoins U.S. Highway 17

EXHIBIT 1-1

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Business, thereupon being reduced to 50 feet in width, the location and dimensions of which are shown upon the plats to which reference has been made above; reference being craved thereto for additional description; AND a non-exclusive easement for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from U.S. Highway 17 Business to the parcel designated as "Phase I"; said easement being 30 feet in width; all as more fully shown upon said plat to which reference has been made above; reference being craved thereto for additional description.

TOGETHER WITH a non-exclusive permanent easement for purposes of ingress and egress for vehicular and pedestrian traffic from the fifth (50') foot road leading from U.S. Highway 17 Business to Phase I, Myrtle Beach Resort, which easement was previously granted by deed which was recorded in Deed Book 725 at Page 30, Horry County Records and shown on plat recorded in Plat Book 72 at Page 58 and Plat Book 74 at Page 32, Horry County Records and leading from said road to Phase II, Myrtle Beach Resort, said easement being thirty (30') feet in width and more particularly described as follows: Commencing at an iron located at the Northwest corner of Phase II, thence running S40°52'W for a distance of 27.5 feet to the center line of said easement; thence running along said center line N50°30'W for a distance of 180 feet, more or less, to a point intersecting with the Southeastern edge of said fifty (50') foot road, said easement being thirty (30') feet in width with fifteen (15') feet on either side of said center line. Said easement is more particularly described and delineated on a plat by Culler Land Surveying Company, Inc. dated June 10, 1982, last revised April 13, 1983 and recorded in the Office of the Clerk of Court for Horry County, S.C. as a part of the Plat and Plans prepared by Culler Land Surveying Company, Inc. and Stevens and Wilkinson, Inc., respectively, which are recorded as referenced above; and being more particularly described in the easement from R. Grant Singleton and Elizabeth G. Singleton dated April 13, 1983 and recorded in the Office of the Clerk of Court for Horry County, South Carolina.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic over, across and upon the paved roads of Myrtle Beach Resort Horizontal Property Regime (which was established by Master Deed recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 750 at Page 642 on June 15, 1982) for the purposes of ingress and egress for vehicular and pedestrian traffic from the terminus of the easement described above and over, across and upon the property designated as Phase I to the parcel designated as Phase II. AND TOGETHER WITH non-exclusive easements for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from the terminus of the easement at Phase I as described above, over, across, upon and through the property designated Phase I (which constitutes Myrtle Beach Resort Horizontal Property Regime) to the parcel designated as Phase II as set forth above, the right to grant said easements having been reserved by Resort Investment Corporation in the Master Deed establishing Myrtle Beach Resort Horizontal Property Regime to which reference has been made above, said easements and the right to grant the same having been specifically reserved and described by Resort Investment Corporation in that certain Easement which is recorded in the Office of the Clerk of Court for Horry County, South Carolina on September 29, 1982 in Book 764 at Page 55.

SUBJECT TO the reservation unto R. Grant Singleton and Elizabeth G. Singleton, their heirs, designees, successors, assigns and licensees, of an underground utility easement over and upon the above described tract for purposes of connection to water lines, sewer lines, telephone lines or other utilities and the right to use the above described easements and the improvements installed

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therein to facilitate the development of adjoining property which constitutes the remaining portion of the tract of 44.668+- acres parcel (i.e. less the property designated as Phase I and Phase II), shown upon one or more of the plats to which reference has been made above only and the right to enter upon and to tie onto and to tap onto the same for such purposes.

THE FOREGOING described parcel comprising the Regime is the same property conveyed to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 758 at Page 471. The foregoing non-exclusive easements from U.S. Highway 17 Business to the parcel designated as Phase I (which now constitutes Myrtle Beach Resort Horizontal Property Regime) were granted to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 725 at Page 030.

ALSO SUBJECT TO all easements, reservations, restrictions, conditions and matters of record.

The aforesaid real property and the particular improvements thereon which are hereby committed (the location of such improvements) are shown and described on the plats and plans which are recorded in the Condominium Plat Book set forth above and those which are attached hereto as part of this Exhibit, all of which are incorporated in this Description by reference and which constitute, together with this Description, Exhibit 1 to the Master Deed of Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime (the "Regime"). The improvements consisting of the buildings within which apartments are located and the location of individual apartments within the buildings are located as shown and described upon the aforesaid parts of this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the Common Elements as shown and described on the attached plats and plans and those recorded in the Condominium Plat Book to which reference is made above and as described in the Master Deed to which this is an Exhibit. All areas not contained within the Apartment as the term "Apartment" is defined in the aforesaid Master Deed constitute Common Elements. Improvements which constitute Common Elements are the streets and driveways, sidewalks, parking areas, all stairways, elevators, walkways, corridors and halls providing access to individual Apartments, the Atrium which contains an indoor pool with deck and pool equipment room and whirlpool, an exercise room with adjoining sauna and steam rooms and bathroom with lockers, a card and reading rooms, a meeting room, roof gardens, common area laundry room, water and utility lines and all other improvements not contained with or a part of any Apartment(s).

Each Apartment includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwelling space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes, or systems serving the dwelling

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space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety or usefulness of the remainder of the building shall be deemed to be part of any apartment.

Apartments numbered 136-151 are each identical and are each designated in the architectural plans which are included in this Exhibit as a Type "1" two-bedroom Apartment containing approximately 968 square feet on one floor and are each located on the first loor of Building A except that all of the even numbered Apartments are exactly the same; each odd numbered Apartment being exactly the same but being in floor plan reversed from one side to the other and a mirror image of the evenly numbered units. The floor plan and dimensions of a Type "1" Apartment are contained in this Exhibit; provided, however, the floor plan shown is of an even numbered unit. The floor plan is the same for an odd numbered unit provided it is reversed from one side to the other and a mirror image of the floor plan shown. Otherwise, each said odd numbered unit is identical. As to each Apartment, entrance is made from a corridor which is part of the Common Elements in the Apartment. Entrance is made into a hallway which provides access to the bedroom, a bath, the living room and dining room and the master bedroom. Access to the master bathroom is from the master bedroom. Each of the two bedrooms contains a closet. There is also a utility closet containing heating and air conditioning equipment which is accessible from the hallway. Sliding doors from the dining room and living room area provide access to the balcony. The kitchen is located immediately adjacent to and is accessed from the dining room area and adjoins the hallway. The balcony is part of the Apartment.

Apartments numbered 236-251 are each "Type 1" Apartments identical to the Apartments on the first floor (i.e., the even numbered Apartments are identical to the even numbered Apartments and the odd numbered Apartments are identical to the even numbered Apartments except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the second floor of Building A, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 336-351 are each "Type 1" Apartments identical to the Apartments on the first floor (i.e., the even numbered Apartments are identical to the even numbered Apartments and the odd numbered Apartments are identical to the even numbered Apartments except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the third floor of Building A, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 436-451 are each "Type 1" Apartments identical to the Apartments on the first floor (i.e., the even numbered Apartments are identical to the even numbered Apartments and the odd numbered Apartments are identical to the even numbered Apartments except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fourth floor of Building A, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 538-551 are each "Type 1" Apartments identical to the Apartments on the first floor (i.e., the even numbered Apartments are identical to the even numbered Apartments and the

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odd numbered Apartments are identical to the even numbered Apartments except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fifth floor of Building A, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 120-129 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the first floor of Building B, entrance being made into each such Apartment from the Common Elements corridor.

Apartments numbered 220-229 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the second floor of Building B, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 320-329 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the third floor of Building B, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 420-429 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fourth floor of Building B, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 522-529 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fifth floor of Building B, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 108-119 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the first floor of Building C, entrance being made into each such Apartment from the Common Elements corridor.

Apartments numbered 208-219 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the second floor of Building C, entrance being made

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into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 308-319 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the third floor of Building C, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 408-419 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fourth floor of Building C, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 508-519 are each "Type 1" Apartments identical to the Apartments numbered 136-151 (i.e., the even numbered Apartments are the same and the odd numbered Apartments are the same except that each is reversed from one side to the other and a mirror image in floor plan) except that each such Apartment is located on the fifth floor of Building C, entrance being made into each such Apartment from the Common Elements corridor, access being gained to said corridor by stairways and elevators which are part of the Common Elements.

Apartments numbered 252-255 are each identical, the floor plans for each such Apartment being shown as the floor plans for a "Type 2" two-bedroom Apartment, each containing approximately 1131 square feet on one floor and each being located on the second floor of Building A. The floor plans and dimensions of a Unit "Type 2" Apartment is contained in this Exhibit. As to each such Apartment, entrance is made from the Common Elements corridor into a hallway which provides access to the two bedrooms of the Unit, closets and dressing areas, a bathroom and into the living room, kitchen, dining area. Access to the second bathroom is provided through the master bedroom. Sliding glass doors from the living room/dining room area provide access to the balcony which is part of the Unit.

Apartments numbered 352-355 are each also unit "Type 2" Apartments identical to Apartment 252 except that each such Apartment is located on the third floor of Building A, entrance being made into each Apartment from the Common Elements corridor, access being gained to said corridor by stairway and elevator which are part of the Common Elements.

Apartments numbered 452-455 are each also unit "Type 2" Apartments identical to Apartment 252 except that each such Apartment is located on the fourth floor of Building A, entrance being made into each Apartment from the Common Elements corridor, access being gained to said corridor by stairway and elevator which are part of the Common Elements.

Apartments numbered 552-555 are each also unit "Type 2" Apartments identical to Apartment 252 except that each such Apartment is located on the fifth floor of Building A, entrance being made into each Apartment from the Common Elements corridor, access being gained to said corridor by stairway and elevator which are part of the Common Elements.

EXHIBIT 1-6

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Apartments numbered 130-135 are each identical and are each a unit "Type 3A" one bedroom apartment containing approximately 586 square feet on one floor (except that each off numbered Apartment is a mirror image of each of the even numbered Apartments). The floor plan shown in this Exhibit being that of an even numbered "Type 3A" Apartment, each "Type 3A" odd numbered Apartment being identical thereto but being reversed from one side to the other and a mirror image of the floor plan shown. Each such Apartment is located on the first floor in Building B. As to each such Apartment, entrance is made from the Common Element corridor into a hallway which provides access to closets for storage, linen, utility and mechanical to the bedroom, the bath (which is also accessed through the bedroom) and the kitchen and living room area. Access to the balcony, which is part of the Apartment, is provided through sliding glass doors from the living room.

Apartments numbered 230-235 (on the second floor), 330-335 (on the third floor), 430-435 (on the fourth floor), and 530-535 (on the fifth floor) are each "Type 3A" Apartments and are identical to the Apartments numbered 130-135 located on the first floor (that is, the even numbered Apartments are all identical and have the floor plan as the floor plan shown for a "Type 3A" Apartment in the Exhibits - the odd numbered Apartments have an identical floor plan except that the same is reversed from one side to the other and a mirror image of that shown). Each such Apartment being located in Building B and on the respective floor set forth above. As to each such Apartment, access is gained from the Common Element corridor for that floor, access to such corridor being provided by stairways and elevators which are part of the Common Elements.

Apartments numbered 101-107 (on the first floor), 201-207 (on the second floor), 301-307 (on the third floor), 401-407 (on the fourth floor), and 501-507 (on the fifth floor) are each a "Type 3B" one bedroom Apartment containing approximately 586 square feet on one floor and are located on the respective floors of Building C as set forth above. All units are the same with the exception of Units 107, 207, 307, 407 and 507 which are identical to the other "Type 3B" units except that the floor plan is reversed from one side to the other and a mirror image, reference being made to the Unit Plans which are part of this Exhibit, said Unit Plans showing the floor plan in each case. As to each such Apartment, entrance is made into a hallway which provides access to closets for storage, linen, mechanical and utility, access to the bedroom, the bathroom (which is also accessed through the bedroom) and the kitchen and living and dining room areas. The balcony which is part of the Unit is accessed through sliding glass doors from the living/dining room area. As to each Apartment, access is gained from the Common Element corridor for that floor, access to such corridors on the upper floors being provided by stairways and elevators which are part of the Common Elements.

All Commercial Units are located on the first floor of Building A and are shown on the Architectural Plans for "Building A-Atrium Plan". Commercial Unit A consists of a laundry facility containing approximately 925 square feet, access being provided from the Common Element corridors and hallway for said Commercial Unit. Commercial Unit B consists of a bar and food facility containing approximately 224 square feet on one floor and is also located on the first floor of Building A. Adjacent to the bar is a storage room accessed through the bar facility and men's and women's restrooms accessed through the Common Elements corridors and hallways. Appurtenant to Commercial Unit B as a limited common element thereto is the area designated as Limited Common Element on the plans which are included as part of this Exhibit, said Limited Common Element shall have the use as set forth in the Master Deed. Access to Commercial Unit B is provided from the hallways, corridors and other common areas suitable for pedestrian and light vehicular traffic located on the first floor of Building

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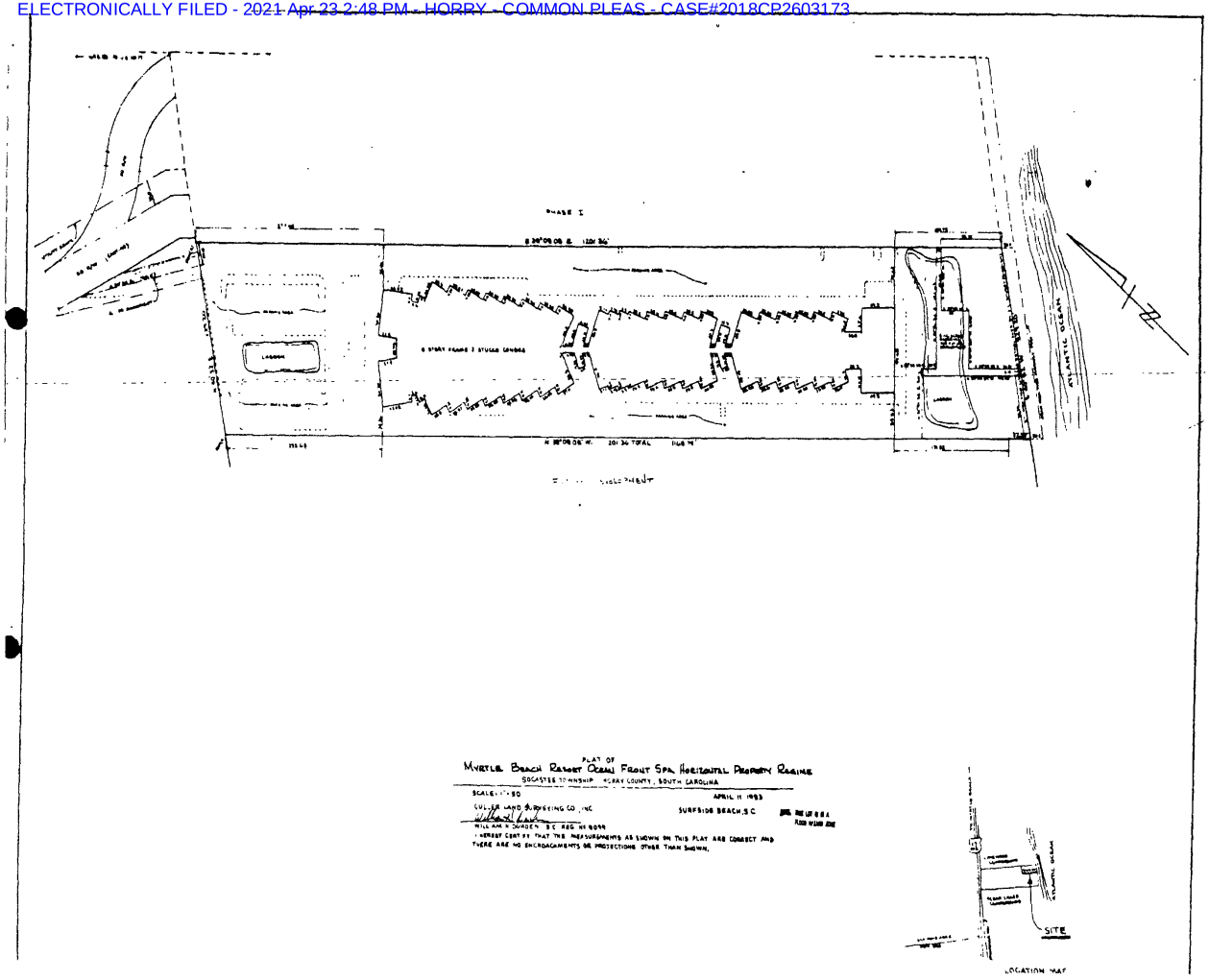
A. Commercial Unit C consists of an office containing approximately 229 square feet on one floor, access being provided from a Common Element corridor. Commercial Unit D consists of a game room containing approximately 411 square feet on one floor and is located as are the other commercial units on the first floor of Building A. Access to Commercial Unit D is provided by the same corridor which provides access to Commercial Unit C.

All improvements other than the four commercial units and the residential apartments located on the first floor of Building A comprise Common Elements. These consists principally of an atrium area containing a swimming pool, deck and pool equipment room and whirlpool, an exercise room with adjoining sauna and steam rooms and bathrooms with lockers, card and reading room, and a meeting room, all having the shape and dimensions as shown in the plans which are part of this Exhibit. Storage and laundry rooms which are part of the Common Elements are contained in Building C and in the core areas between Buildings A and B and Buildings B and C and have the dimensions and locations as shown in the Architectural Plans which are part of this Exhibit with access to such storage and laundry rooms provided by the Common Element corridors. There are also roof gardens on the fifth floor of Buildings A and B which, in Building B, are immediately adjacent to Apartments 522 and 523 and, in Building A, are immediately adjacent to Apartments 538 and 539. Other improvements constituting Common Elements such as elevators, corridors, hallways, staircases, ramps, paved areas and the like are shown in the building plans which are part of this Exhibit.

EXHIBIT 1-8

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PLAT OF
MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME
SOCASTEE TOWNSHIP HORRY COUNTY, SOUTH CAROLINA

SCALE: 1" = 50'
APRIL 11 1983

CULLER LAND & SURVEYING CO., INC.
SURFSIDE BEACH, S.C.

WILLIAM R. CULLER S.C. REG. NO. 8099

I HEREBY CERTIFY THAT THE MEASUREMENTS AS SHOWN ON THIS PLAT ARE CORRECT AND THERE ARE NO ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

EXHIBIT "B"

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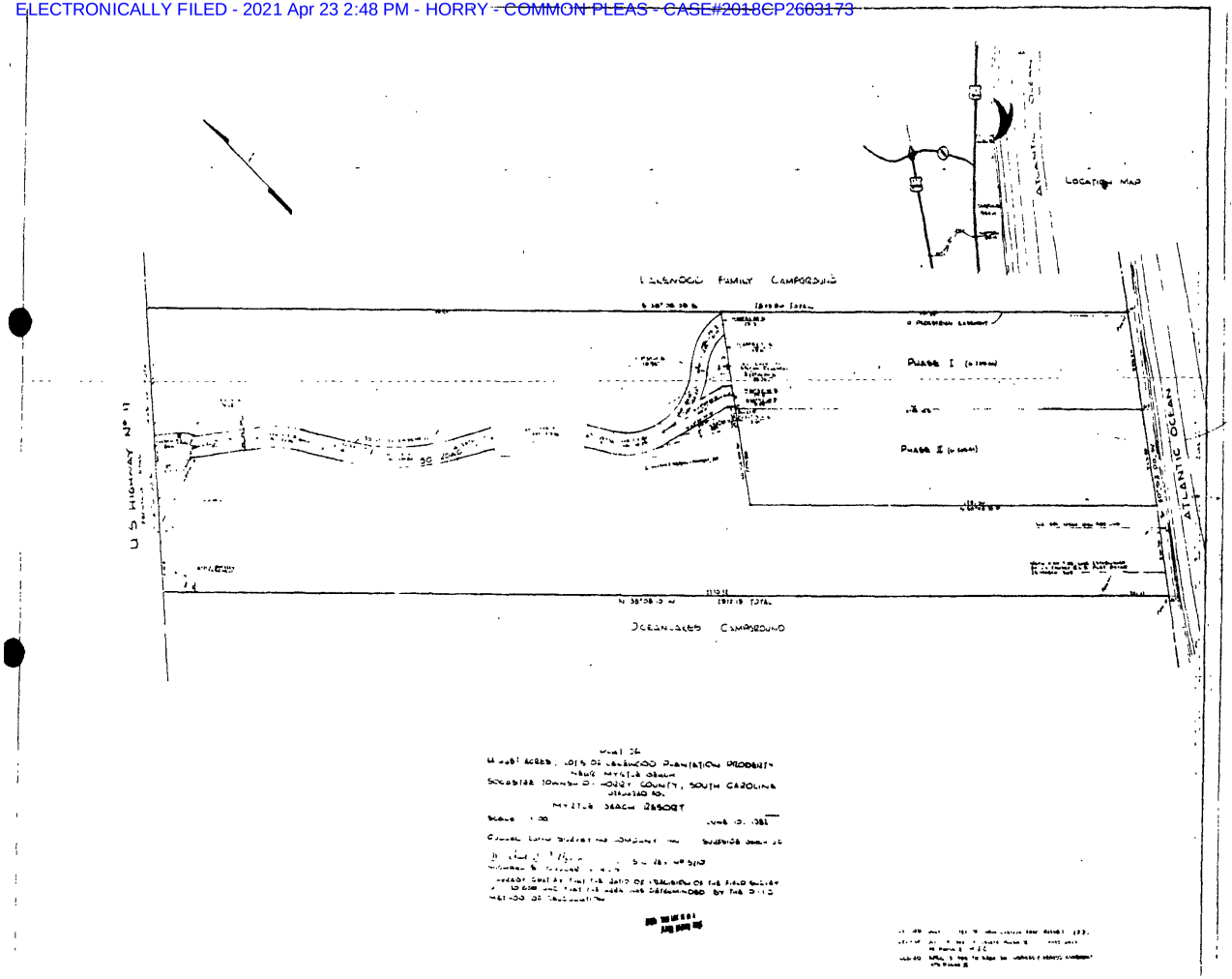
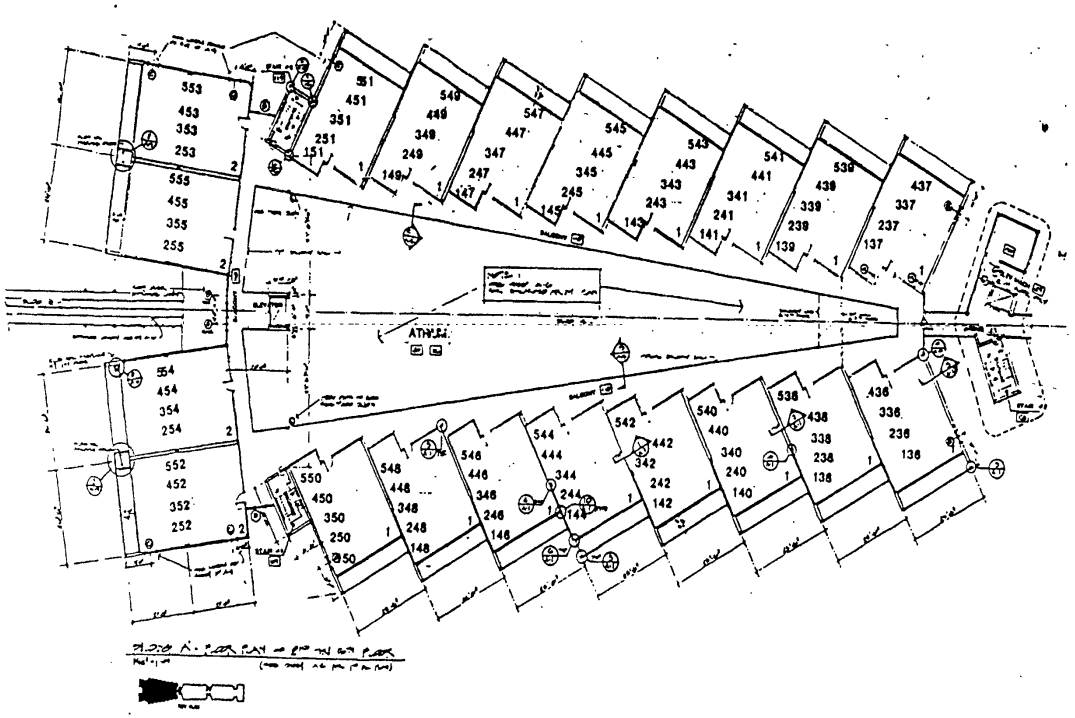


EXHIBIT 1+10



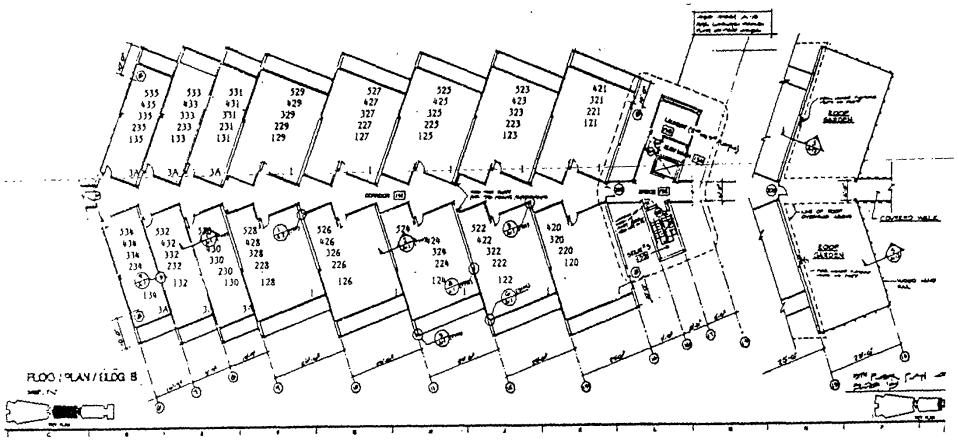
BUILDING 'A' FLOOR PLAN - 2nd THRU 5th FLOOR

STEVENS & WILKINSON, INC

EXHIBIT 1-11

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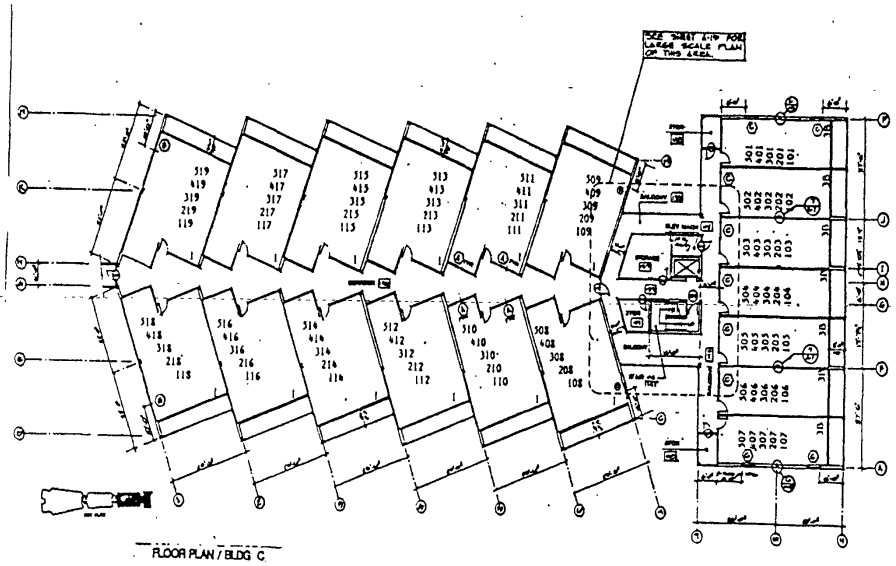


BUILDING 'B' FLOOR PLAN

STEVENS & WILKINSON, INC

EXHIBIT 1-12

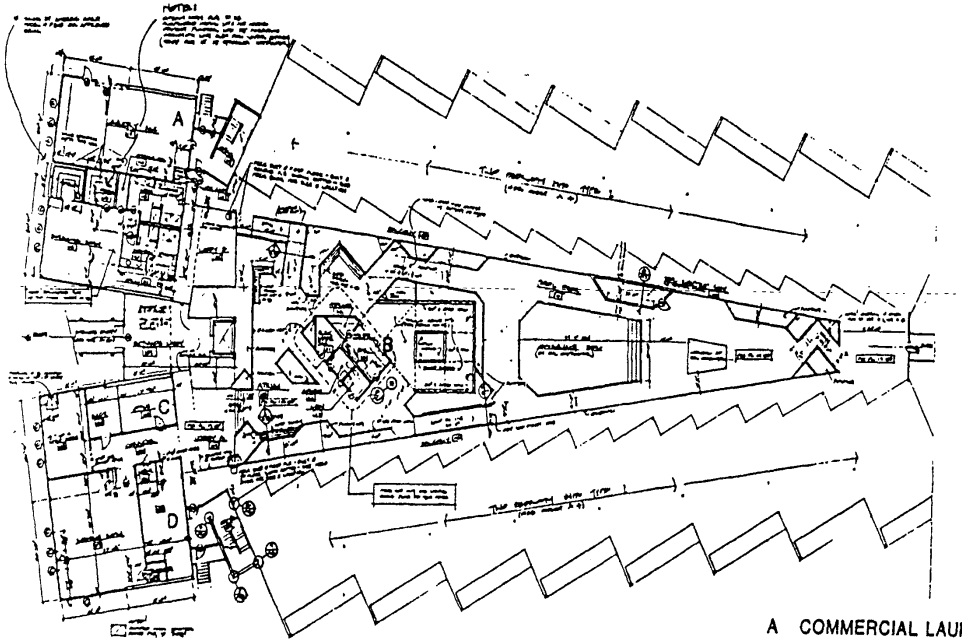
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BUILDING 'C' FLOOR PLAN

STEVENS & WILKINSON, INC.

EXHIBIT 1-13



LIMITED COMMON ELEMENT FOR APT. B - LOUNGE/SEATING AREA

BUILDING 'A' - ATRIUM PLAN

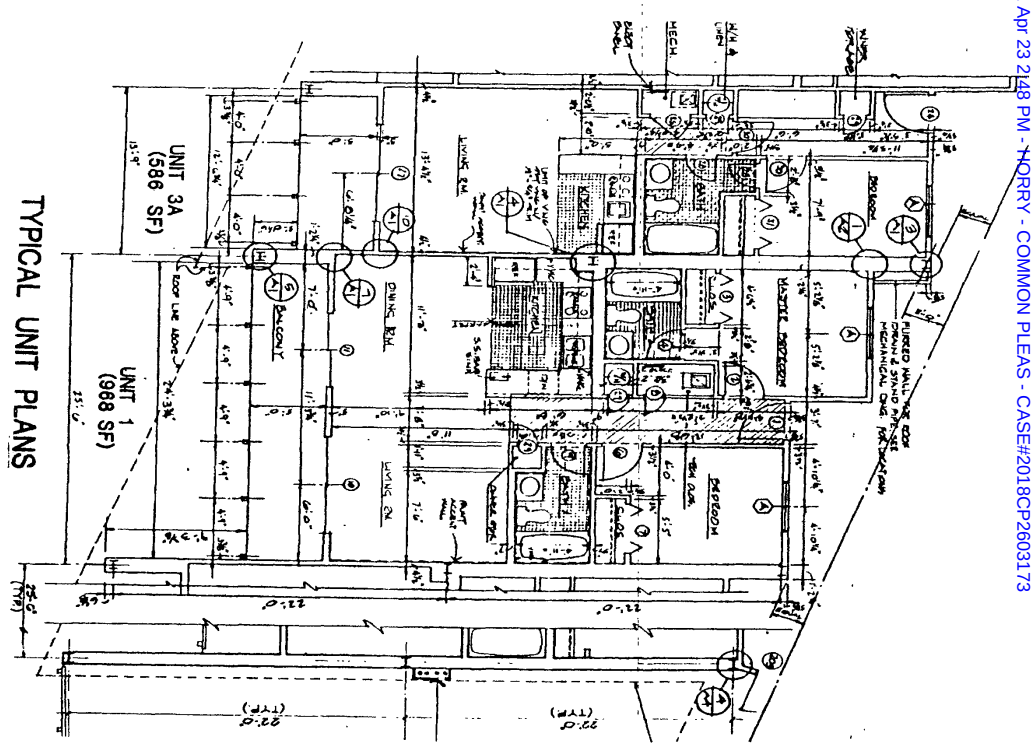
(8610 SF)

A COMMERCIAL LAUNDRY (925 SF)
B BAR (224 SF)
C OFFICE (229 SF)
D GAMEROOM (411 SF)

SSW STEVENS & WILKINSON, INC

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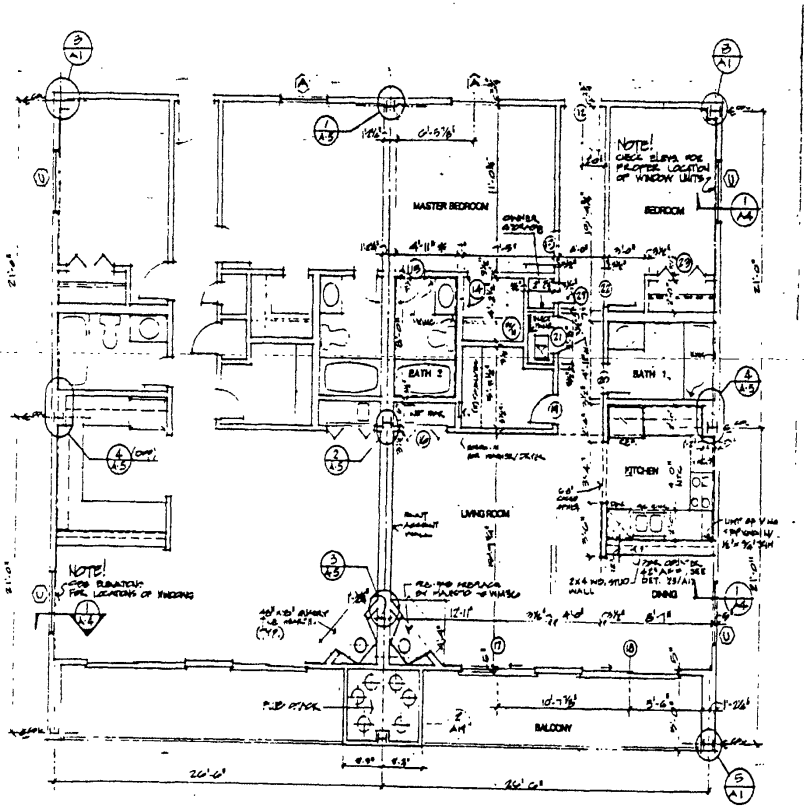
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S&W
STEVENS & WILKINSON, INC.

EXHIBIT 1-15

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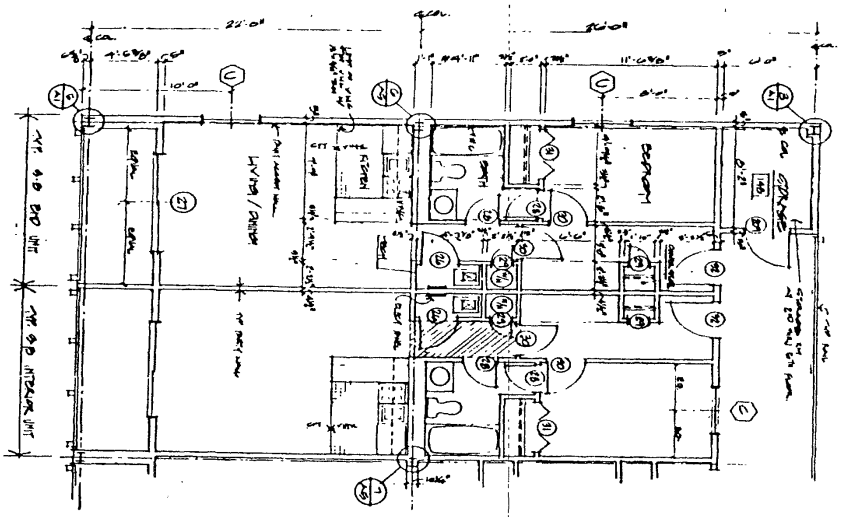
UNIT 2
(1131 SF)

TYPICAL UNIT PLAN

S&W
STEVENS & WILKINSON, INC

5

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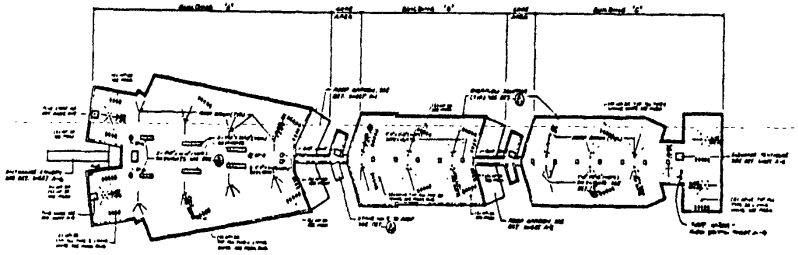
UNIT 3B
(586 SF)

TYPICAL UNIT PLAN

S&W
STEVENS & WILKINSON, INC.

EXHIBIT I-17

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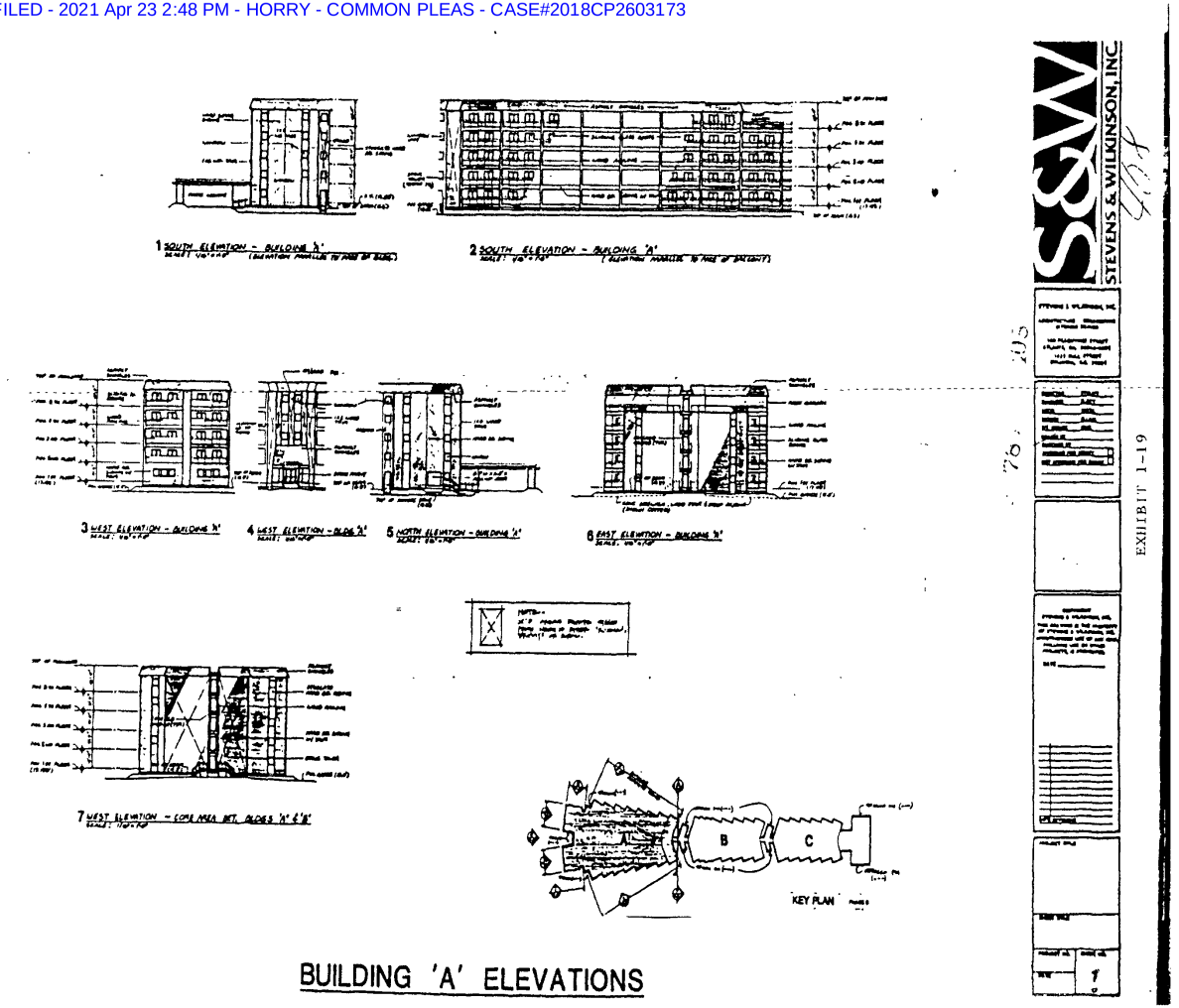
ROOF PLAN - BUILDINGS 'A', 'B', & 'C'

ROOF PLAN - BUILDINGS 'A', 'B', & 'C'

S&W STEVENS & WILKINSON, INC

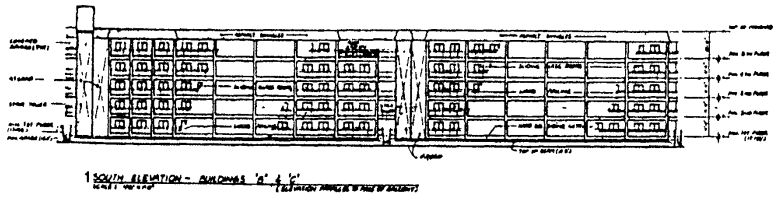
EXHIBIT 1-18

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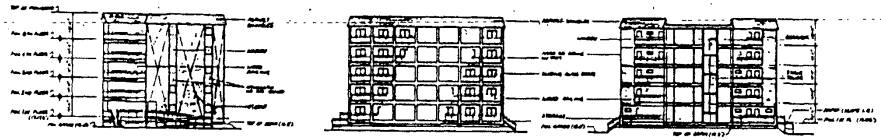


BUILDING 'A' ELEVATIONS

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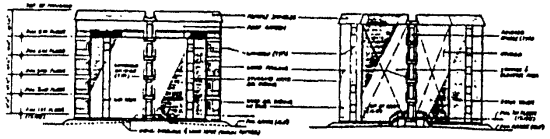
1 SOUTH ELEVATION - BUILDINGS 'A' & 'C'



2 SOUTH ELEVATION - BUILDING 'C'

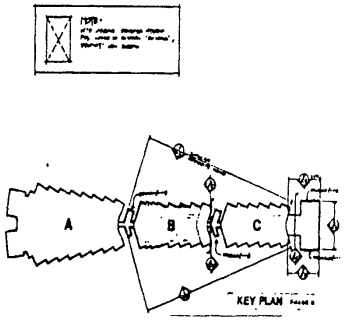
3 EAST ELEVATION - BUILDING 'C'

4 WEST ELEVATION - BUILDING 'C'



5 EAST ELEVATION - BUILDING 'B'

6 WEST ELEVATION - CORE AREA BET. BLDGS 'B' & 'C'



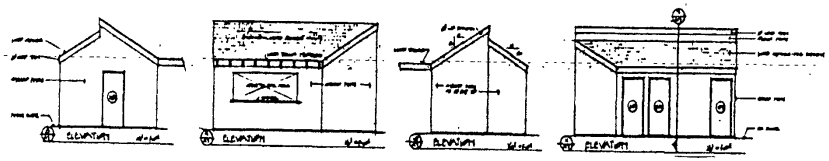
KEY PLAN

BUILDINGS 'B' & 'C' ELEVATIONS

S&W STEVENS & WILKINSON, INC.

EXHIBIT 1-20

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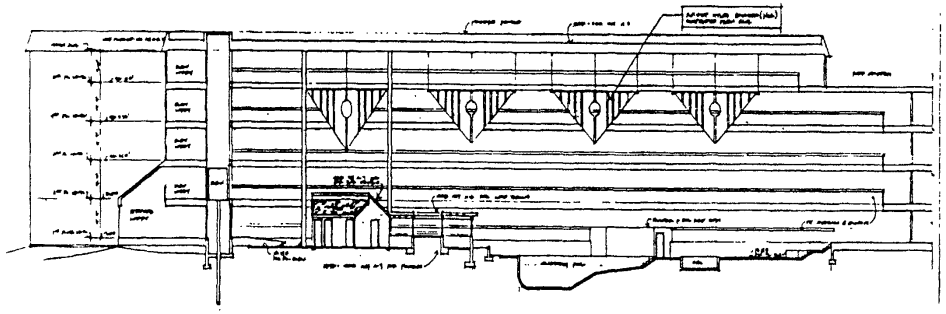


WET BAR & RESTROOM ELEVATIONS

SSW
STEVENS & WILKINSON, INC

EXHIBIT 1-21

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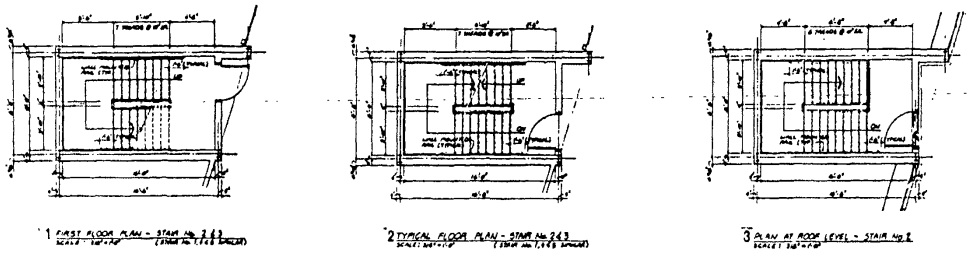


SECTION THRU BUILDING 'A' ATRIUM

S&W
STEVENS & WILKINSON, INC

EXHIBIT 1-22

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1 FIRST FLOOR PLAN - STAIR No. 2 & 3

2 TYPICAL FLOOR PLAN - STAIR No. 2 & 3

3 PLAN AT ROOF LEVEL - STAIR No. 2

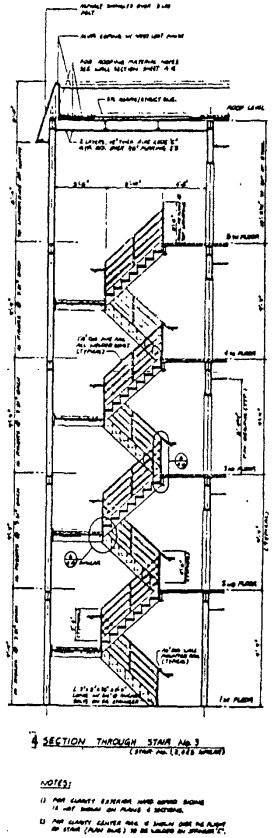
TYPICAL STAIR FLOOR PLANS

S&W STEVENS & WILKINSON, INC.

EXHIBIT 1-23

14

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SECTION THROUGH STAIR No. 3

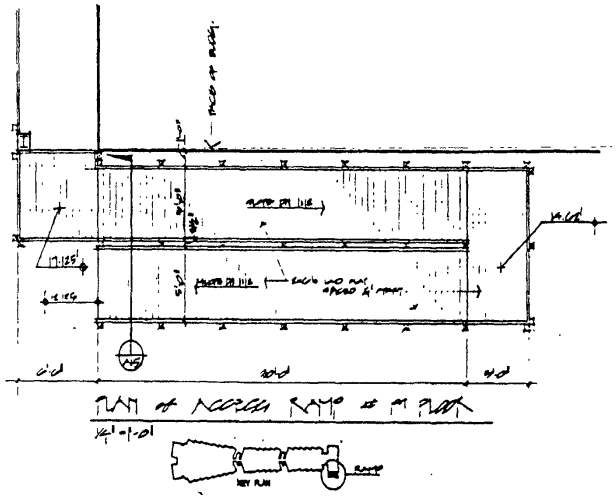
NOTES:

SECTION THRU STAIR NO. 3

STEVENS & WILKINSON, INC.

EXHIBIT 1-24

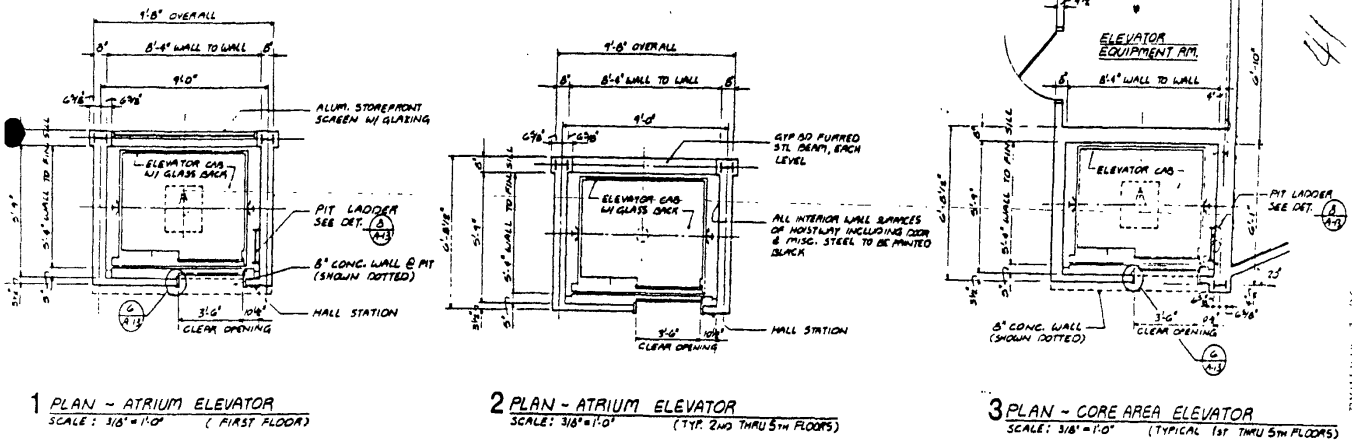
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PLAN OF ACCESS RAMP AT 1st FLOOR

S&W STEVENS & WILKINSON, INC

EXHIBIT 1-25



1 PLAN - ATRIUM ELEVATOR
SCALE: 3/8" = 1'-0" (FIRST FLOOR)

2 PLAN - ATRIUM ELEVATOR
SCALE: 3/8" = 1'-0" (TYP. 2ND THRU 5TH FLOORS)

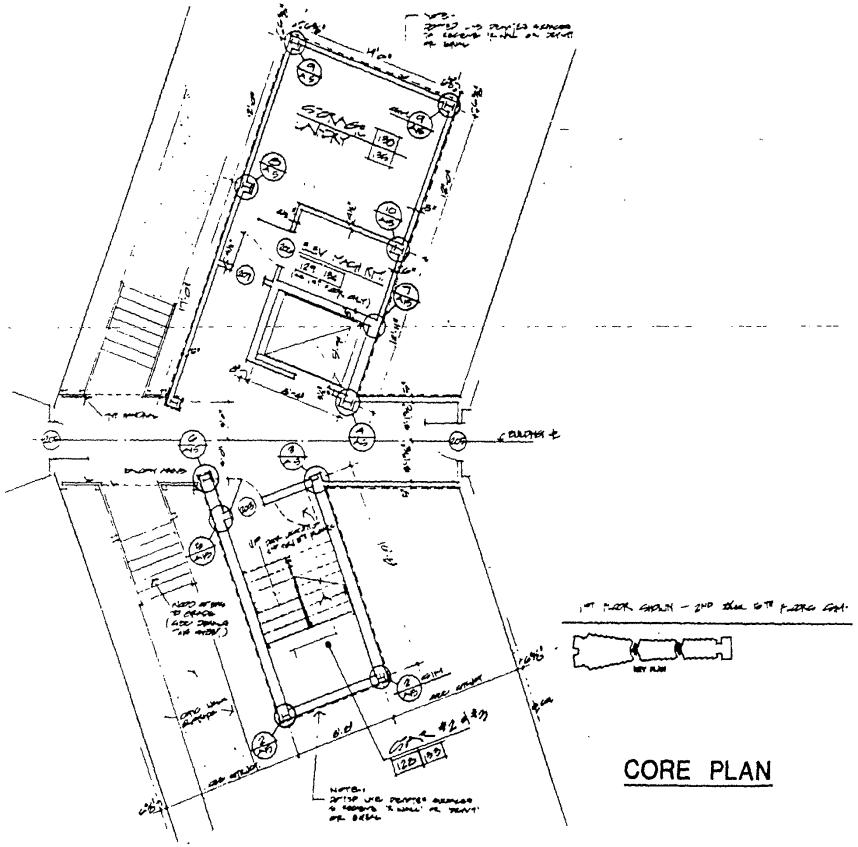
3 PLAN - CORE AREA ELEVATOR
SCALE: 3/8" = 1'-0" (TYPICAL 1ST THRU 5TH FLOORS)

EXHIBIT 1-26

ATRIUM/CORE AREA ELEVATOR PLANS

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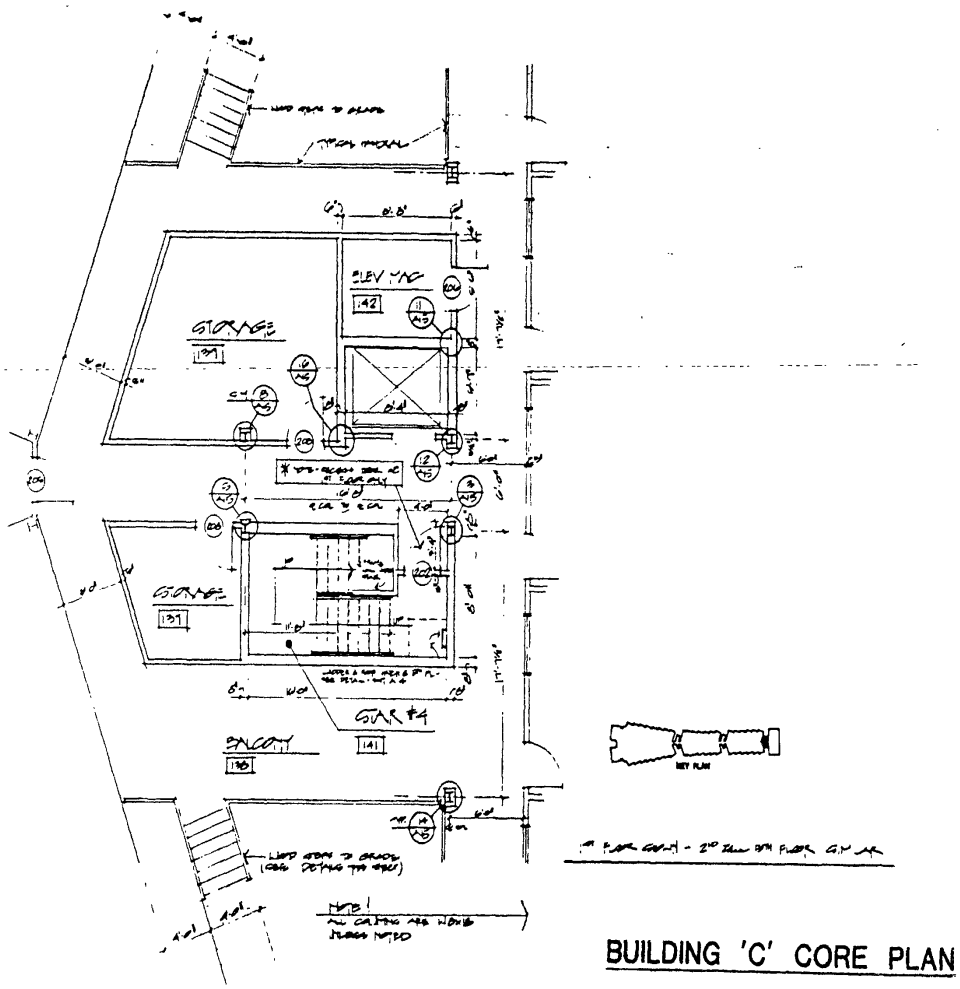
CORE PLAN

S&W

STEVENS & WILKINSON, INC.

EXHIBIT 1-27

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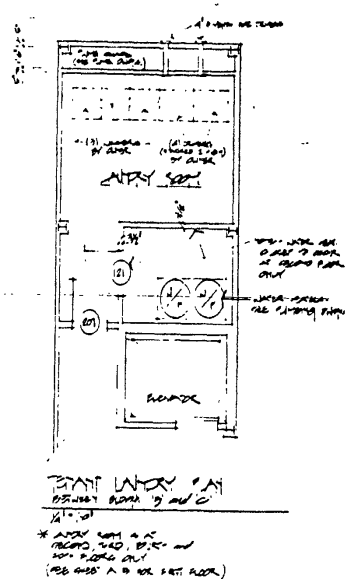


BUILDING 'C' CORE PLAN

STEVENS & WILKINSON, INC

EXHIBIT 1-28

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TENANT LAUNDRY PLAN BETWEEN BLDGS. 'B' & 'C'

SSW STEVENS & WILKINSON, INC.

EXHIBIT 1-29

5

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief that the descriptions, surveys, plats, plot plans and building plans constituting this Exhibit "1" to the Master Deed of Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime or referred to in this Exhibit "1" adequately and accurately depict and show graphically the dimensions, area and location of each apartment, and the common elements including elevations in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.

STEVENS & WILKINSON, INC.

BY: J. Lesesne Monteith AIA

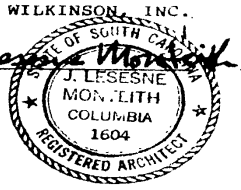


EXHIBIT 1-30

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PROPERTY RIGHTS AND PERCENTAGE OF INTEREST
MYRTLE BEACH RESORT OCEANFRONT SPA HORIZONTAL PROPERTY REGIME

Each Co-Owner owns, in addition to his Apartment, an interest in the Common Elements of the Property, which percentage of ownership interest has been determined and computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. The Regime consists of two hundred two (202) two bedroom Apartments, sixty-five (65) one bedroom Apartments and four (4) Commercial Units.

The percentage of interest in the Common Elements of each Co-Owner of each Apartment represents the percentage of the total votes of all Co-Owners as set out below. There are three (3) votes appurtenant to each two bedroom Apartment, two (2) votes appurtenant to each one bedroom Apartment, three (3) votes appurtenant to Commercial Unit A, two (2) votes appurtenant to Commercial Unit B, two (2) votes appurtenant to Commercial Unit C and two (2) votes appurtenant to Commercial Unit D. The percentage of the total vote that the vote assigned to each Apartment represents is shown hereinbelow in this Exhibit.

There are seven hundred forty-five (745) total votes in the Regime. Such voting rights and the percentage of the total vote appurtenant to each Apartment have been computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. Each two bedroom Apartment has an equal value to every other two bedroom Apartment. Likewise, Commercial Unit A has a value equal to every two bedroom Apartment. Each one bedroom Apartment has an equal value to every other one bedroom Apartment. Likewise, Commercial Unit B, Commercial Unit C and Commercial Unit D each, respectively, has a value equal to the value of each one bedroom Apartment.

There is appurtenant to each two bedroom Apartment and to Commercial Unit A an undivided .40268 340/745ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. The vote appurtenant to each two bedroom Apartment and to Commercial Unit A represents .40268 340/745ths percent of the total vote of all Co-Owners in the Regime.

There is appurtenant to each one bedroom Apartment and to Commercial Unit B, Commercial Unit C and Commercial D, respectively, an undivided .26845 475/745ths percent ownership in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime. The vote appurtenant to each one bedroom Apartment and to Commercial Unit B, Commercial Unit C and Commercial D, respectively, represents .26845 475/745ths percent of the total vote of all Co-Owners in the Regime.

EXHIBIT 2

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BY LAWS OF
MYRTLE BEACH RESORT OCEAN FRONT SPA
HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

ARTICLE I
Name

The name of the Association shall be the Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime Council of Co-Owners.

ARTICLE II
Offices

The principal office of the Association shall be located at Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime, Horry County, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, an agent who shall maintain an office at the principal office. The address of the principal office may be changed from time to time by the Board of directors.

ARTICLE III
Purpose

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime (the "Regime") to manage and control said Regime and the activities of the Co-Owners therein and of all persons using or occupying the facilities of the said Regime and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Association in the Master Deed of Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime (hereinafter called the Master Deed), in The South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the Act) and in these By-Laws, and to be the Association for this Regime as defined and called for in the Act and the Master Deed.

ARTICLE IV
Definitions

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Declaration and/or in The Act, as the case may be.

ARTICLE V
Members

Each and every Co-Owner of an Apartment or an interest in a Unit in the Regime shall be a Member of this Association. Further, there shall be appurtenant to each Apartment in the Regime the number of votes assigned in the Master Deed which shall be voted collectively by the Voting Member of that Apartment as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Apartment, such subsequent transferree shall automatically become a member hereof and likewise the vote appurtenant to the Apartment shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be transferred or not; provided, however, the

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Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-Owner of a Unit in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association.

ARTICLE VI
Application

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Regime or occupying any Apartment thereof shall be and is hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of an Apartment or use of the facilities of the Regime shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, The Act, or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE VII
Voting Majority

Section 1. There is hereby assigned to each Apartment the number of votes as described and assigned in the Master Deed which shall be voted by the Voting Member thereof as described in the Master Deed. The vote so assigned to each may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Unit on all matters to come before the Association for vote until the Secretary be given written notice of change. The vote assigned to each Apartment represents the percentage value of that Apartment as opposed to the Association as a whole as then comprised.

Section 2. As used in these By-Laws, the term Majority of Co-Owners shall mean those Co-Owners who are Voting Members holding 51 percent of the total vote of all the Co-Owners of the Regime as then constituted and thereby represent 51 percent of the basic value of the Submitted Property as a whole. Unless otherwise required herein, in the Master Deed or in The Act, majority vote shall constitute 51 percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Regime.

Section 3. Except as otherwise provided or required in these By-Laws, the Master Deed or The Act, the presence in person or by proxy of a Majority of Co-Owners, as is defined above, shall be required to constitute a quorom.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least 15 days before the appointed time for a regular meeting and at least one day before the appointed time for a special meeting.

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Section 5. Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's Apartment or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

ARTICLE VIII
Administration

Section 1. The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of five (5) members. The initial Board of Directors shall be appointed by the Declarant as the initial Board of Directors and shall consist of three (3) members (who need not be present or future Co-Owners) and who shall serve until the Declarant calls a meeting of the Co-Owners to relinquish control and until their successors are elected and qualified. The Board of Directors to replace the initial Board of Directors appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant to relinquish control. Of the total Directors to be then elected, the number of nominees equal to one-half of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Association. At such regular Annual Meetings, the Voting Members shall vote for the number of Directors necessary as there are vacancies on the Board; provided, however, there shall be no cumulative voting unless required by law. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

Section 2. Any Director (other than members of the initial Board appointed by Declarant) who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or Assessments (as defined in the Master Deed and/or in The Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member (other than members of the initial Board appointed by Declarant) must be a Co-Owner (or the Voting Member for a corporate Co-Owner) and in good standing, current in payment of all fees, Assessments and common expenses.

ARTICLE IX
Board of Directors

Section 1. Consistent with these By-Laws, the Board shall:

A. Transact all Association business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.

B. Annually set the Common Expenses for the operation of the Regime.

C. Fix, impose and remit penalties for violations of these By-Laws and Rules and Regulations of the Association.

D. Serve without compensation.

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E. Elect from the Board within thirty (30) days after each annual meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without renumeration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the nextAnnual Meeting.

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Master Deed and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.

Section 3. Notice of regular and any special meetings of the Board of Directors shall be given at least twenty-one (21) days previously thereto by written notice delivered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need by specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Master Deed, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four hours after the termination of such meeting.

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two thirds of the Directors.

Section 6. The Board of Directors shall annually on or before November 15 of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the Common Expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1 deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment or payments are due to the Co-Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in Assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty days prior to the time such Assesssment so changed shall be due. The Association shall have a lien upon each Apartment together with the Common Elements and Common Surplus appurtenant thereto for payment of all Assessments not paid when

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due in the amount of such unpaid Assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Master Deed and Exhibits thereto and/or in the Act.

ARTICLE X
Officers

Section 1. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and secretaries and such other officers as in their judgment may be necessary. No two offices (except for assistants) may be held by the same person unless there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the Association and shall serve for the twelve month period next succeeding. New offices may be created and filed at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Association, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and regulations as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.

Section 5. There shall be a Secretary who shall record and keep possession of the minutes of the meetings of the Board and meetings of the Council and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

Section 6. There shall be a Treasurer who shall keep the funds of the Regime and shall disburse them to meet the ordinary and usual expenses of the Regime and for other purposes as required by the Master Deed, The Act and/or upon order of the Board of Directors after such disbursal order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the annual meeting of the Association.

Section 7. If required by the Board of Directors, the assistant treasurer, if any, shall be bonded at the expense of the Association. The assistant treasurers and the assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds majority vote whenever in its judgement the best interests of the Association will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

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Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE XI
Meetings

Section 1. There shall be an annual meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Unit Owners by mail at least twenty days prior to the date of the meeting.

Section 2. Special meetings of the Association may be called by the Board. Also, upon request of Voting Members totaling 50 percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty days thereafter. Special meetings of the Association may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting Members holding fifty-one percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all annual and special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an annual meeting of the membership, a special Board meeting may be called by the President or the Secretary and by action of two-thirds of the entire membership of the Board of Directors a quorum may be declared provided there are Voting Members holding at least one third (1/3) of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of voting members be present.

Section 4. Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Voting Members holding not less than 67 percent of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Master Deed or The Act.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Association's records shall constitute notice.

ARTICLE XII
Obligations of Co-Owners

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special Assessments and charges levied or imposed by the Association and/or through its Board of Directors for such purposes as are enumerated in the Master Deed, in The Act and in these By-Laws. Such charges or Assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any Assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Association. All common Assessments shall be prorated dependent upon each Co-Owner's percentage of ownership in the Common Elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such Assessments shall include monthy payments to a general operating reserve in a reserve fund for replacements

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and all other things as required or set forth in Master Deed, The Act and/or these By-Laws.

Section 2. The amount of Assessment levied shall be paid on or before the date due. If not so paid, the amount of such Assessment plus any other charges thereon including a late payment charge of 10 percent of the payment due or $10.00, wherever is greater, but in no event more than the maximum limit allowed by law and costs of collection, including attorney's fees unless prohibited by law, shall constitute and become a lien on the Co-Owner's Apartment and share of the Common Elements and Common Surplus appurtenant thereto. Such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and The Act. The notice of Assessment which shall state the amount of such Assessment and such other charges and give the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. Upon payment of such said Assessments and charges or other satisfaction thereof, if notice of a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of said lien. The priority of the lien hereinabove set shall be as provided in the Master Deed and/or The Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in accordance with the provisions of the Act and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or any duly authorized agent or designee may file notice of and foreclose such lien and also pursue any other remedy against any Co-Owner owing money which is available by law or in equity for the collection of debt.

Section 4. Upon request and payment as provided in the Act, the Board shall within the time set by the Act furnish a statement certifying that all Assesments then due have been paid or indicating the amount then due.

Section 5. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the Master Deed, The Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Regime in its entirety or in a part belonging to some other Unit Owners(s). The Association shall be responsible for all maintenance and repair work required of the Association in the Master Deed, these By-Laws and/or The Act.

A Co-Owner shall reimburse the Association if there be any expenditures incurred in repairing and/or replacing any Common Elements or facilities damaged by such Co-Owner, his family, guests, invitees or lessees.

Section 6. Each Apartment, other than any Apartment owned by Declarant or specifically designated as a Commercial Unit shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Apartment by a Co-Owner to a lessee or rentor to use for residential purposes.

Section 7. No Co-Owner shall make any structural modifications or alterations in his apartment or upon any Common Elements without the approval of the Association through the Board of Directors.

Section 8. No Co-Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common area or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided; provided, however, the provisions hereof shall not prevent the Co-Owner of a Commercial Unit from using portions of the Common Elements

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adjoining such Commercial Unit for uses normally attendant to such Commercial Unit, provided such does not unduly interfere with normal use of such Common Elements by other Co-Owners, their families, guests, invitees and lessees.

Section 9. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Master Deed or the Act whether such Co-Owner is present at the time or not.

Section 10. No occupant of a Apartment shall post any advertisements or posters of any kind in or on the Regime property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Declarant or its assigns during the period it is managing, renting or selling units or prevent the owner of any Commercial Unit from displaying one or more signs (which must be architecturally and aesthetically harmonious with the appearance of the Property).

Section 11. Occupants of Apartments shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may disturb other occupants and in the event so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any sides or from any of the buildings or parts thereof.

It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of any of the buildings.

It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

Section 12. No Co-Owner, occupant or lessee of an Apartment shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 13. Nothing herein contained shall limit in any manner the power of the Association and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Regime by the Co-Owners and/or occupants thereof. Further, all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 14. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Regime an MATV system and/or cable television system and/or television sets and/or telephone systems and sets. Furthermore, Declarant, shall have the right to enter into such agreements on behalf of and for the Association, its Board and the Co-Owners which agreement(s) shall be binding upon the Association and each and every Co-Owner to the extent permitted by the Act.

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ARTICLE XIII
Mortgages

Section 1. Any Co-Owner who mortgages his Apartment or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units."

Section 2. The Board shall, at the request of such mortgagee, report any unpaid Assessments due from the Co-Owner of such Unit so mortgaged.

Section 3. Any and all Insitutional Mortgagees shall have the rights and powers granted unto them by the Declaration and/or The Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Association or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Master Deed and/or The Act or should that Institutional Mortgagee by reason of the Master Deed and/or The Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

ARTICLE XIV
Rules and Regulations

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any Apartments, Common Areas or facilities contained within the Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and The Act together with any Rules and Regulations issued thereunder. Such Rules and Regulations shall be binding upon and enforceable upon all Co-Owners, their famiies, guests, invitees and/or lessees, and all occupants of Apartments.

ARTICLE XV
Contracts, Checks, Deposits, Agreements and Funds

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and/or the Co-Owners thereof. Such authority may be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

Section 3. All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances and purposes of such deposits may require; provided, however, all payments of Common Expenses by Co-Owners shall be paid by the Co-Owners into a lock-box account which shall be owned by the Council and maintained in a federally insured bank, designated by unanimous vote of the Board and

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concurred in by the Institutional Mortgagee(s) (if any), described in Article X, Section 2 of the Master Deed. No payment shall be considered made until delivered into such lock box.

Section 4. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XVI
Certificates of Membership

Section 1. The Board may provide for the issuance of certificates evidencing membership in the Association of each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association, if any. All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of issuance of the certificates shall be entered on the records of the Association. If any certificate may become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of the Unit, a certificate of membership may be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate, if so issued, shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-Owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate membership in the Association and such membership certificate shall become null and void.

Section 3. Any Co-Owner failing to pay Assessments when due may have his membership in the Association suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.

ARTICLE XVII
Books and Records

Section 1. The Association and the Board shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Association, of the Board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are voting members.

Section 2. For purposes of voting at all meetings of the Association, that person designated as Voting Member for a particular Apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The name of the Voting Members entitled to vote at any meeting may not be changed at such meeting without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

ARTICLE XVIII
Miscellaneous

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding

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in which he is made a party by reason of his being a Director or Officer except as to matter as to which he is adjudged to be liable for gross negligence or wilful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Office has been succeeded in office by someone else. Such payment by the Association to the extent not paid by insurance shall be included as a part of the Common Expenses.

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed or The Act in which case these By-Laws, the Master Deed and/or The Act shall control.

ARTICLE XIX
Compliance

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the provisions of The Act, the Provisions of the Act shall apply unless variance is permitted in which case the provisions of these By-Laws shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control.

ARTICLE XX
Amendments

These By-Laws may be amended by a vote of 67 percent of the total vote of the Regime, which represents 67 percent of the total value of the Submitted Property, unless some other or greater vote is required herein, in the Master Deed and/or in The Act. The percentages and vote set forth in the Master Deed and Exhibits thereto are based upon the value of each Apartment in relation to the entire Regime property.

ARTICLE XXI
Dissolution

Termination of the Regime shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Co-Owners shall be turned over to the Association's successor as governing entity of the Regime, of if the Regime be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the Common Elements and disbursed as provided in The Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Co-Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(e) (3) and 170(c) of the Internal Revenue Code and from South Carolina Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

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THESE BY-LAWS are hereby adopted, accepted and fully ratified as the By-Laws of MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS this 15th day of April, 1983.

WITNESSETH:

MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

BY: _____ (Seal)

ATTEST: _____ (Seal)

EXHIBIT 3-12

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STATE OF SOUTH CAROLINA)
) TELEVISION LEASE-AGREEMENT
COUNTY OF HORRY)

THIS AGREEMENT, made and entered into this 1st day of _____, 1983, by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME, on behalf of itself and each and every Co-Owner thereof (hereinafter referred to as "Lessee").

W I T N E S S E T H :

Capital and Lessee do hereby mutually agree as follows:

1. Capital will furnish and lease unto Lessee, and Lessee does hereby lease from Capital, for the term and under the terms and conditions herein set forth, the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Lessee at its expense), in Apartments located upon premises owned or leased or otherwise lawfully operated by Lessee located in MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME (the "Regime"), County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but not limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of television sets and/or equipment leased under the terms hereof are as follows and are the model, type and design selected by the Lessee as suitable, in its judgment, for lessee's purpose.

(a) One (1) 19-inch Solid State Television for each Apartment included in the Regime;

(b) One locking furniture swivel for each television set so provided; and

(c) Cable, antenna systems, distribution equipment and amplification equipment for signal distribution.

All equipment to be prepaid by Capital.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Capital of any deficiency in service as rendered by Capital or its service representative. Capital shall not be liable to Lessee for any loss, damage or expense of any kind or nature directly or indirectly caused by the television equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Capital shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

EXHIBIT 4-1

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3. NON-ASSIGNMENT OF LEASE: The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Capital.

4. LOCATION: Lessee shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The term hereof shall be for a period of one hundred twenty (120) months beginning on the date of the completion of the delivery of the equipment on the premises of Lessee, said date to be confirmed in writing by Lessee upon request of Capital.

6. RENT PAYMENTS: As rental for said equipment, Lessee shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of Thirteen ($13.00) Dollars per set delivered per month as "Base Rental" plus tax. Upon each anniversary from the date of this agreement during the term of this agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index shown by the Consumer Price Index (or similar government index) for the proceeding twelve month period, whichever is less; provided, further, in no event shall the Base Rental during the term of this agreement and any renewals hereof ever be less than $13.00 (plus tax) per month. Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

7. OWNERSHIP: The equipment, together with wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Capital, its successors and assigns, and Lessee shall have no property interest therein, except under the conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixtures therein, and Lessee, if so requested by Capital, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Lessee and/or his agent order delivery of equipment and installation on specified dates and the Lessee's premises are not ready for installation of same, Lessee assumes full responsibiity for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Lessee grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Lessee shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said television sets in or about the premises of Lessee and shall carry public liability insurance to save Capital harmless in the event of such injury, except such

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personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including television sets in guest rooms, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting television sets or equipment in storage awaiting use of service, providing, however: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Lessee and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Lessee to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this agreement, Lessee agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT: In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this lease by Lessee, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease,

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then and in that event Capital shall have the right, without giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of Lessee as to each Co-Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Co-Owner(s) as granted to Lessee by the South Carolina Horizontal Property Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest recorded prior to the recording of such notice of lien.

Lessee agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital of any default by the Lessee shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Capital shall have the right to enter any premises where the leased equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Capital either: (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. Should the equipment leased herein be covered by a Conditional Sales Contract, Chattel Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA LAW: Should any question arise as to the validity, construction, interpretation or performance of this lease agreement in any court of any State of the United States, or

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of Canada, it is agreed that the law of the State of South Carolina shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this agreement shall not affect the validity of any other provision hereof. This agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Lessee.

20. Lessee on behalf of itself and each and every of the Co-Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Apartments, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, antenna systems, distribution equipment and amplification equipment herein leased, as well as the locking furniture swivels and television sets.

21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

22. INTERIM BILLING: Lessee shall be billed per terms herein on the first day of the month following delivery of each television increment, and when units are delivered, the 84-month lease term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:

S/

S/

MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Vice President

CAPITAL TELECOMMUNICATIONS CORPORATION

By _____
Vice President

EXHIBIT 4-5

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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

TELEPHONE LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of the 22nd day of March, 1983, by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, on behalf of itself and each and every Co-Owner thereof (hereinafter referred to as "Lessee").

W I T N E S S E T H :

Capital and Lessee do hereby mutually agree as follows:

1. Capital will furnish and lease unto Lessee, and Lessee does hereby lease from Capital, for the term and under the terms and conditions herein set forth, the telephones and equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Lessee at its expense), upon premises and in Apartments located upon said premises owned or leased or otherwise lawfully operated by Lessee located in MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME (the "Regime"), located in the County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but not limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of telephone sets and equipment leased and installed under the terms hereof are as follows and are the model, type and design selected by Lessee as suitable, in its judgment, for lessee's purpose.

(a) One (1) touch tone telephone for each residential Apartment included in the Regime mounted upon suitable bracket;

(b) Non-exclusive use of one (1) central PBX system providing limited message forwarding and security; and

(c) Cable and distribution equipment.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said leased equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Lessee, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective telephone set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Lessee to notify Capital of any deficiency in service as rendered by Capital or its representative(s). Capital shall not be liable to Lessee for any loss, damage or expense of any kind or nature directly or indirectly caused by the telephone sets or equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Capital shall in no event be liable for any special or consequential damages. Lessee further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

3. NON-ASSIGNMENT OF LEASE: The equipment leased hereunder shall not be transferred, delivered or sublet to any other person, firm or corporation, and this agreement shall not be assigned by Lessee except upon prior written consent of Capital.

EXHIBIT 5-1

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4. LOCATION: Lessee shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Lessee further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The term hereof shall be for a period of one hundred twenty (120) months beginning on the date of the completion of the delivery of the equipment on the premises of Lessee, said date to be confirmed in writing by Lessee upon request of Capital.

6. RENT PAYMENTS: Lessee shall pay to Lessor an installation fee of Fifty ($50.00) Dollars per Apartment in which a telephone set is installed. In addition to the $50.00 installation fee per Apartment, as rental for said equipment Lessee shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of Fifteen ($15.00) Dollars per telephone set delivered per month as "Base Rental" plus applicable taxes. Upon each anniversary from the date of this agreement during the term of this agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index shown by the Consumer Price Index (or similar government index) for the proceeding twelve month period, whichever is less; provided, further, in no event shall the Base Rental during the term of this agreement and any renewals hereof ever be less than $15.00 (plus applicable taxes) per month. Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Lessee requests partial delivery of equipment, Lessee agrees to pay billing on an interim basis, with such billing shall be based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence. The rent charged herewith shall include local telephone service but not charges for long distance service, which shall be in addition to the base rental charge, if available.

7. OWNERSHIP: The equipment, together with PBX switch-board wiring, reception and distribution facilities, leased under the terms hereof shall at all times be the sole property of Capital, its successors and assigns, and Lessee shall have no property interest therein, except under the conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Lessee, will not become a part of the realty or fixtures therein, and Lessee, if so requested by Capital, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Lessee, or of any purchaser of the premises of Lessee in the event of sale of same, that said equipment shall remain personal property. Lessee shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Lessee and/or his agent order delivery of equipment and installation on specified dates and the Lessee's premises are not ready for installation of same, Lessee assumes full responsibiity for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Lessee grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Lessee shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said telephone sets and system in or about the premises of Lessee and shall carry public liability insurance to save Capital harmless in the event of such injury, except such personal injury or property damage as may be

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occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including telephone sets in Units, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Lessee, excepting telephone sets or equipment in storage awaiting use of service, providing, however: (a) Lessee reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Lessee furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Lessee and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Lessee agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Lessee agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the equipment under lease. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Lessee shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Lessee, or if Lessee fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Lessee to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this agreement, Lessee agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Lessee agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be applicable now or any time during the term of this lease to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this lease agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT: In the event that any payment of rental shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this lease by Lessee, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Lessee's last known address, or should Lessee be adjudged as bankrupt or there be filed against Lessee a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Lessee, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Lessee does not (a) pay the entire remaining rental payments under the lease or (b) cure its breach of the provisions of this lease, then and in that event Capital shall have the right, without

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giving further notice to Lessee, to remove the property thereby without liability and Lessee shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of Lessee as to each Co-Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Co-Owner(s) as granted to Lessee by the South Carolina Horizontal Property Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest to any lien recorded prior to the recording of such notice of lien.

Lessee agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this lease or to require strict performance by the Lessee or any provision of this lease shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital of any default by the Lessee shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this lease, Lessee shall remove the leased equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Lessee fails to so remove and surrender the leased equipment, Capital shall have the right to enter any premises where the leased equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of the lease agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Lessee shall upon demand by Capital either: (a) restore the equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. SUBORDINATION OF LEASE: Should the equipment leased herein be covered by a Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this lease is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Lease Agreement, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This agreement constitutes the entire and only agreement between the parties with respect to leasing the equipment covered hereby and any representation, promise or conditions with respect to said leasing not set forth in this agreement or such amendments as may be accepted in writing by the designated officers of either party, shall not be binding on either party.

19. SOUTH CAROLINA: Should any question arise as to the validity, construction, interpretation or performance of this lease agreement in any court of any State of the United States, or

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of Canada, it is agreed that the law of the State of South Carolina shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this agreement shall not affect the validity of any other provision hereof. This agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Lessee.

20. EASEMENTS: Lessee on behalf of itself and each and every of the Co-Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Apartments, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, transmission and distribution equipment and switchboard and PBX equipment herein leased, as well as the telephone sets and mounting brackets; and in addition thereto, to provide electricity and such other utility services to Capital as may be necessary to operate Capital's equipment leased hereby, at such locations upon the premises as are required by Capital, and at no cost to Capital.

21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

22. INTERIM BILLING: Lessee shall be billed per terms herein on the first day of the month following delivery of each telephone set increment, and when all sets are delivered, the 120-month lease term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:

s/ Herbert C. Cassell Jr.

s/ Herbert C. Cassell Jr.

MYRTLE BEACH RESORT OCEAN FRONT SPA HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Its Vice President

CAPITAL TELECOMMUNICATIONS CORPORATION

By _____
Its _____

EXHIBIT 5-5

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(a) 1989 Property taxes, liens not yet due and payable, and all subsequent years.

(b) Rights, if any, of the public to use as a public beach or recreational area any part of the lands lying between the body of water abutting any of the subject property and the natural line of vegetation, bluff, extreme high water line or other apparent boundary lines, separating the publicly used area from the upper land private area.

(c) No insurance is afforded to any portion of the property lying below the mean high tide line of the Atlantic Ocean.

(d) Rights, reservations and easements reserved by Elizabeth G. Singleton and Grant R. Singleton in that certain Option Agreement between themselves and Resort Investment Corporation dated October 18, 1980.

(e) Restrictions, reservations and easements reserved in Deed from R. Grant Singleton and Elizabeth G. Singleton to Resort Investment Corporation, which deed is recorded in the Office of the Clerk of Court for Horry County, South Carolina.

(f) Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney and limitations on title created by the South Carolina Horizontal Property Act and/or as set forth in the Master Deed as recorded in Deed Book 780, at Page 362, on April 15, 1983, including the provisions of the By-Laws of the Myrtle Beach Resort Ocean Front Spa Horizontal Property Regime Council of Co-Owners.

(g) The rights of control lying in the South Carolina Coastal Council as provided in Title 48, Chapter 39 (Coastal Tidelands and Wetlands Act), of the South Carolina Code of Laws (1976), as amended.

(h) The policy will provide that the restrictions set out in (e) and (f) above have not been violated and that a future violation thereof will not cause a forfeiture or reversion of title.

EXHIBIT C

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STATE OF SOUTH CAROLINA)
) MASTER DEED OF
COUNTY OF HORRY) THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, THIS MASTER DEED is made this 27th day of November, 1984, by RESORT INVESTMENT CORPORATION (hereinafter called the "Declarant"), a Delaware corporation authorized to do business in the State of South Carolina with its principal office and place of business at 1400 Main Street, Post Office Box 11496, Columbia, South Carolina 29211, for the purposes hereinafter set forth.

W I T N E S S E T H :

WHEREAS, Delcarant is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Horry, State of South Carolina, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter called the "Submitted Property" or "Property"); and

WHEREAS, Declarant desires to submit the Submitted Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (hereinafter called the "Act"), hereby creating a Horizontal Property Regime known as The Renaissance Tower Horizontal Property Regime; and

WHEREAS, Declarant desires to publish a plan for the individual ownership of the several Apartments of the Submitted Property together with an undivided ownership interest in the general common elements and limited common elements (if any) of the Submitted Property as defined herein and in the Act; and

WHEREAS, Declarant desires to convey the Submitted Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, and hereby publishes its plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Declarant hereby specifies that this Master Deed and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Submitted Property and shall bind and inure to the benefit of the Declarant, its successors and assigns and all subsequent owners of any interest in the Submitted Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns.

I hereby certify that the within deed has been filed for record this 29th day of November A. D. 19 84 Transferred on Auditor's Book J Page 121

FILED NOV 29 11 22 02
WILLIE G. RICHARDSON
CLERK OF COURT

ARTICLE I
Definitions

As used in this Declaration and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

1. Act means the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, (1976), as presently constituted.

2. Apartment means as defined in the Act. The location, floor plan and dimensions of each are as shown in

HORRY COUNTY ASSESSOR
NEW PARCEL 192-05-03-001 thru 345
SPLIT FROM 192-00-01-013 BOOK 917 PAGE 885
Map Blk Parcel 11/29/84

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the Exhibits heret

3. Association or Council of Co-Owners means the Council of Co-Owners as defined in the Act and specifically formed for the purpose of exercising the powers and duties of the Council of Co-Owners of such Horizontal Property Regime.

4. Assessment means a share of the fund required for the payment of common expense, capital improvements and expenses which from time to time are assessed to some or all of the Unit Owners.

5. Board of Directors or Board means the executive and administrative body designated as the governing body of the Association.

6. Buildings means as defined in the Act.

7. By-Laws means the by-laws of the Association as they exist from time to time.

8. Common Elements means and includes all of the Submitted Property excluding the Apartments and specifically includes both the general common elements and limited common elements (if any).

9. Common Expenses means and includes:

(a) All expenses incident to the administration, maintenance, repair and replacements of the Submitted Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(b) Expenses determined by the Board of Directors of the Association to be Common Expenses;

(c) Expenses in this Master Deed and/or Exhibits denominated as Common Expenses; and

(d) Any other expenses declared by the A be Common Expenses.

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BILLIE G. RICHARDSON
CLERK OF COURT
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HORRY COUNTY

10. Common Surplus means the excess of all receipts of the Assocation over and above the amount of Common Expenses and not otherwise reserved or designated for a specific use.

11. Condominium Unit or Unit means an individual Apartment as defined herein, in the Act and as described in the Exhibits hereto together with an undivided share of the Common Elements, vote, Common Surplus and liability for Common Expenses and other assessments appurtenant thereto.

12. Co-Owner means as defined in the Act, and specifically owning an apartment in the Regime.

13. Declarant or Developer means Resort Investment Corporation, its successors and assigns.

14. Exhibits means the exhibits to this Declaration, as they may be amended from time to time.

15. General Common Elements means as defined in the Act.

16. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or

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or mortgage investment trust, the Declarant, any of its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

17. Limited Common Elements means as defined in the Act.

18. Long Term Lease means those certain leases and agreements which are included in the Exhibits to this Master Deed or shall be added by Amendment to the Exhibits to this Master Deed and to which the Association and each and every Co-Owner is and shall be bound.

19. Majority or Majority Vote or Majority of the Co-Owners means as defined in the Act.

20. Master Deed means this Master Deed establishing and recording the Property of the Regime and thereby submitting it to Condominium Ownership.

21. Occupant means any person or persons residing in a Unit.

22. Ownership means as defined in the Act.

23. Person means as defined in the Act.

24. Record means as defined in the Act.

25. Submitted Property or Property means and includes that property shown as contained within The Renaissance Tower Horizontal Property Regime, as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights-of-way and rights of use as described herein, in the Exhibits and/or of record.

ARTICLE II
The Renaissance Tower Horizontal Property Regime Council of Co-Owners

1. The administration of the affairs of the Regime and the maintenance, repair, replacement and operation of the Common Elements as herein provided, the enforcement of all rules, regulations, by-laws and those acts required of the Association by the Master Deed and/or by the Act shall be the responsibility of the Association acting through the Board of Directors. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed, the Articles of Incorporation and the By-Laws of the Association.

2. The Association through its Board of Directors (including the initial Board of Directors) shall be and hereby is authorized to enter into such agreemetns and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner who acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Association for review by any Co-Owner.

3. There shall be only one Voting Member for each Unit. If a Unit is owned by more than one Person, the Owners thereof shall designate one of their number as the Voting Member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the Voting Member for such Unit. The designation of the Voting Member shall be made as provided in the By-Laws. The vote of a Voting Member shall not be divisable.

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The Apartments of the Regime consist of one hundred seventy-eight (178) two bedroom Apartments, one hundred thirty-five (135) Suites, nine (9) one bedroom Apartments, and five (5) commercial Units. There is hereby assigned five (5) votes to the Apartments designated as Grand two bedroom and Front two bedroom Units containing respectively approximately 969 square feet and 982 square feet, four (4) votes to the Apartments designated as Side two bedroom Units containing approximately 908 square feet, three (3) votes to each one bedroom Apartment, Apartments designated as Front Suite Units containing approximately 548 square feet, and Commercial Units B, C, and D, two (2) votes to each of the remaining Suites, one (1) vote to Commercial Unit E, and sixteen (16) votes to Commercial Unit Unit A. The vote assigned to each has been determined by the value of each respectively in relation to the value of the Property as a whole.

Each Voting Member (and only the Voting Member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Association, regardless of the number of Persons who own such Unit it owns.

Each Voting Member shall be entitled to cast his vote(s) at each meeting of the Association in person or, if permitted by the By-Laws, by proxy.

4. Declarant shall appoint an initial Board of Directors to serve until Declarant shall relinquish control and their successors have been elected and qualified. Declarant shall release control upon calling a meeting of the unit Owners for purposes of taking control, which meeting shall be called no later than nine (9) months from the date of the recording of this Master Deed.

ARTICLE III
Property Rights

1. The Condominium consists essentially of Apartments in buildings, and other improvements and certain lands as the same are described in the Exhibits. For the purposes of identification, each Apartment in the Regime is identified by number and is delineated in the Exhibits hereto. No two Units have the same identifying number and/or letter designation.

The aforesaid building and Apartments therein and other improvements are constructed in accordance with the plats, plans, descriptions and surveys contained in the Exhibits.

2. Ownership of an Apartment includes title to the Apartment and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide an Apartment by separating title to the Unit from the undivided interest in the Common Elements and Common Surplus (if any) shall be void.

The undivided interests in the Common Elements, the Common Surplus (if any) and the liability for Commn Expenses which the Co-Owners of the Apartments are acquiring are set forth, as percentages, in the Exhibits.

3. Neither the Association, any Co-Owner, the Declarant, nor any other party who owns an interest in the

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Common Elements s ll have the right to brin; any action for partition or divis' n of the Common Elements.

Initial rules and regulations governing the use of the Submitted Property shall be promulgated by the Declarant on behalf or the Board of Directors. Additional and/or amended rules and regulations may be adopted or repealed by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Declarant provided such does not affect any right(s) of Declarant or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Co-Owner, by acquiring his Unit, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Submitted Property; (ii) such rules and regulations as the Declarant may adopt pursuant to the Long Term Lease; and (iii) the Master Deed and by By-Laws.

The Association shall have the right to deny any Co-Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

If a Co-Owner fails to pay an Assessment for the period specified herein, the Association may deny such Co-Owner or any Occupant of that Co-Owner's Apartment the right to occupy that Apartment and the right to use the Common Elements until such time as all Assessments are paid. There shall be no reduction in the Assessments payable by any Co-Owner during any period while his right to use an Apartment or the Common Elements is suspended.

Any Occupant may use the Common Elements reserved for the use of the Apartment he occupies during the time such Occupant is actually in residence in the Apartment. Guests and invitees of an Occupant of an Apartment and the Co-Owner of an Apartment (while another occupies his Apartment) may only use the Common Elements, including facilities under the Long Term Lease, with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify in its sole discretion, including the payment of a fee for the use thereof.

4. There are no Limited Common Elements presently designated except that portion of the Common Elements so designated which is adjacent to the Commercial Unit A. Said Limited Common Element so designated shall and may be used by the Co-Owner of Commercial Unit A, his lessees, assignees and guests for seating, tables and like furnishings and for the service and consumption of food and beverage and such other uses as are consistent with or required thereby. The maid/storage areas located on the various residential floors shall be Limited Common Elements appurtenant to Commercial Unit B.

5. Parking spaces shall not be reserved solely for the use of Occupants of any particular Apartment nor shall they be numbered. Further, Declarant hereby reserves unto itself (including the right to grant to others) and grants to all present and future Owners of real property interests within, Occupants of and visitors within Myrtle Beach Resort (as hereafter described) an easement for vehicular parking upon the parking spaces within the Regime, together with an easement for ingress and egress for access to and from such parking. Declarant does further hereby grant unto the Co-Owners, Occupants and visitors of the Regime like easements for access and parking over the appropriate vehicular access and parking areas of Myrtle Beach Resort Horizontal Property Regime and Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime.

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6. Common Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements, if any) necessitated by the negligence or misuse by any Occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

(b) All other costs of maintenance, repair, replacements, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) and all other assessments and payments declared in the Act and/or herein declared to be Common Expenses shall be, unless the Board of Directors otherwise decides, Common Expenses.

7. Development Plan:

(a) Declarant has included within the Regime certain property and improvements which includes one building consisting of twenty-one (21) floors, containing three hundred twenty-two (322) Residential Apartments. There are one hundred seventy-eight (178) two bedroom Apartments numbered as follows:

210,	211,	212,	213,	214,	215,	216,	217
310,	311,	312,	313,	314,	315,	316,	317
410,	411,	412,	413,	414,	415,	416,	417
510,	511,	512,	513,	514,	515,	516,	517
610,	611,	612,	613,	614,	615,	616,	617
710,	711,	712,	713,	714,	715,	716,	717
810,	811,	812,	813,	814,	815,	816,	817
910,	911,	912,	913,	914,	915,	916,	917
1010,	1011,	1012,	1013,	1014,	1015,	1016,	1017
1110	1111,	1112,	1113,	1114,	1115,	1116,	1117
1210,	1211,	1212,	1213,	1214,	1215,	1216,	1217
1410,	1411,	1412,	1413,	1414,	1415,	1416,	1417
1510,	1511,	1512,	1513,	1514,	1515,	1516,	1517
1610,	1611,	1612,	1613,	1614,	1615,	1616,	1617
1710,	1711,	1712,	1713,	1714,	1715,	1716,	1717
1810,	1811,	1812,	1813,	1814,	1815,	1816,	1817
1910,	1911,	1912,	1913,	1914,	1915,	1916,	1917
2010,	2011,	2012,	2013,	2014,	2015,	2016,	2017
2110,	2111,	2112,	2113,	2114,	2115,	2116,	2117
2210,	2211,	2212,	2213,	2214,	2215,	2216,	2217
1401,	1402,	1501,	1502,	1601,	1602,	1701,	1702,
1801	1802,	1901,	1902,	2001,	2002,	2101,	2102,
2201	2202						

There are nine (9) one bedroom Apartments numbered as follows:

1406, 1506, 1606, 1706, 1806, 1906, 2006, 2106, 2006

There are one hundred thirty-five (135) suites numbered as follows:

201,	202,	203,	204,	205,	206,	207,	208,	209
301,	302,	303,	304,	305,	306,	307,	308,	309
401,	402,	403,	404,	405,	406,	407,	408,	409
501,	502,	503,	504,	505,	506,	507,	508,	509
601,	602,	603,	604,	605,	606,	607,	608,	609
701,	702,	703,	704,	705,	706,	707,	708,	709
801,	802,	803,	804,	805,	806,	807,	808,	809
901,	902,	903,	904,	905,	906,	907,	908,	909
1001,	1002,	1003,	1004,	1005,	1006,	1007,	1008,	1009
1101,	1102,	1103,	1104,	1105,	1106,	1107,	1108,	1109
1201,	1202,	1203,	1204,	1205,	1206,	1207,	1208,	1209
1405,	1407,	1408,	1409,	1505,	1507,	1508,	1509,	1605

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1607, 1608, 1609, 1705, 1707, 1708, 1709, 1805, 1807
1808, 1809, 1905, 1907, 1908, 1909, 2006, 2007, 2008
2009, 2106, 2107, 2108, 2109, 2206, 2207, 2208, 2209

There are five (5) Commercial Units designated as A, B, C, D and E. Commercial Unit A is to be used as a restaurant, kitchen and lounge. Commercial Unit B consists of the Registration Desk and adjoining offices. Commercial Units C and D are to be used as meeting rooms or for retail or other reasonable commercial purposes. Commercial Unit E is to be used as a Game Room. The principal improvements included within the Common Elements are an outdoor pool, exercise room, two (2) saunas, two (2) whirlpools, meeting rooms, laundry rooms, lobby and library.

(b) By reason of the relative values of the Grand two bedroom and Front two bedroom Apartments (each having an equal value to the others), the Side two bedroom Apartments (each having an equal value to the others), the one bedroom Apartments and the Front Suites containing approximately 548 square feet (each having an equal value to the others), the other remaining Suites (each having an equal value to the others), and Commercial Units A, B, C, D and E (each being of different values and square footage but comparable to various Residential Apartments) with regard to the Submitted Property as a whole, there is appurtenant to each Grand two bedroom and Front two bedroom Apartment an undivided percentage share of ownership interest in the Common Elements as described in the Exhibits, to each one bedroom Apartment and Front Suite containing approximately 548 square feet an undivided percentage of ownership in the Common Elements as described in the Exhibits, to each remaining Suite an undivided percentage of ownership in the Common Elements as described in the Exhibits, and to each Commercial Unit an undivided percentage of ownership in the Common Elements, all as described in the Exhibits.

(c) Ownership in the Common Elements and Common Surplus, pro rata share of Common Expenses due and percentage of total votes attributable to each Unit are shown in the Exhibits.

ARTICLE IV
Architectural Control

To preserve the original architectural appearance of the Regime, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any building and/or Common Element and all such additions as are herein specified shall be architecturally compatible with existing structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and (so long as Declarant, or its successors or assigns, owns one or more Apartments in the Regime) the Declarant or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Declarant to approve or disapprove such plans and specifications within sixty (60) days after their being submitted in writing shall constitute approval.

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ARTICLE V
Expenses and Common Surplus

The Common Expenses of the Regime and the monetary obligations of the Co-Owners under any agreements entered into by the Association shall be shared by the Co-Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of an Apartment or because of its location.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

ARTICLE VI
Amendment of the Master Deed

This Master Deed may be amended at the regular or any special meeting of the Association of the Regime, called and convened in accordance with the By-Laws, upon the affirmative vote of sixty-seven (67%) percent of all the Voting Members of the Association; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Regime without the written agreement of all the Co-Owners in the Regime and all mortgagees holding mortgages of record upon the Regime or any portion thereof, as provided in the Act.

All amendments hereto shall be recorded and certified as required by the Act. No amendment(s) shall change any Apartment or the proportionate share of the Common Expenses or Common Surplus attributable to each Apartment, nor the voting rights of any Apartment, unless all Co-Owners of the Regime and all mortgagees holding any mortgages or othe liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice rights and/or priorities of any Institutional Mortgagee or change the provisions of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors and assigns, without written approval and consent of the Declarant, or its successors or assigns.

Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and arrangement of all Apartments and to alter the boundaries between Apartments as long as the Declarant owns all the Apartments so altered; However, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements, except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Declarant shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed and the recording thereof reflecting such authorized alteration of Apartments and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Apartments. Such shall be certified and recorded in the manner required in the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Horry County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements

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must be completed within fourteen (14) months of the date hereof; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Delcarant's control.

ARTICLE VII
By-Laws

The operation of the Regime shall be governed by the By-Laws of the Association which are attached to this Master Deed as an Exhibit and made a part hereof.

No modification of, or amendment to, the By-Laws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment. The By-Laws may be amended in the manner provided for therein but no amendment to said By-Laws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Submitted Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Declarant without written approval of the Declarant, its successors or assigns.

ARTICLE VIII
The Operating Entity

The operating entity of the Regime shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by Master Deed, the Act and the By-Laws of the Association, and, in addition, all other powers and duties necessary to operate the Regime which shall be exercised through its Board of Directors.

Every Co-Owner, whether he has acquired his Apartment by purchase, gift, devise or other conveyance or transfer, by operation of law or otherwise, shall be bound by this Master Deed, the Act, the By-Laws, all other Exhibits hereto and any and all Rules and Regulations of the Association.

ARTICLE IX
Assessments

The Association, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Regime including such sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Submitted Property, as are necessary to meet expenses and payments under the Long Term Lease and to meet the pro rata share of expenses payable by the Co-Owners for maintaining streets, roads, marsh and roadside areas, entrance ways, facilities and lighting within and for the Myrtle Beach Resort (herein the "Resort") as hereafter described (which shall be included as an item of Common Expense). The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide fr the Common Expenses of the Regime and such other expenses as are provided for herein, in the Act or deemed necessary and appropriate expenses of the Regime. The procedure for the determination of sums necessary and Assessments upon Co-Owners and the method of collection of the same shall be as set forth in the By-Laws of the Association, as provided herein and in the Exhibits hereto and in the Act.

A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessments by the Board of Directors of the Association.

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Upon assessments that are unpaid for over ten (10) days after due date, at the sole discretion of the Board of Directors (and if not prohibited by law), a late charge not to exceed Ten ($10.00) Dollars or ten (10%) percent of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month (unless set otherwise by the Board of Directors) and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board; provided, however, that on or before December 1st of the preceding year, the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided, further, that notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty (30) days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of any Assessment not paid when due as provided in the Act (provided, however, such lien shall be valid against third parties without notice only from the date and time of recording of notice thereof), which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorneys' fees incured by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Association for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be required to be advanced by the Association to preserve and/or protect its lien and all other changes allowed by the Act shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of an Apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer. In addition, any Co-Owner, person having executed a contract for the purchase of an Apartment or lender considering the loan of funds to be secured by an Apartment shall be entitled upon request to a statement setting forth the amount of Assessment(s) past due as provided in the Act. Failure to respond timely shall extinguish the lien for such assessment(s), to be extinguished as provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

ARTICLE X
Insurance

1. The Board of Directors of the Association

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shall obtain insurance upon the Submitted Property insuring it (including both Common Elements and all Apartments) against all risks, all premiums of which shall be included as part of the Common Expenses. The provisions of this Article shall relate to all residential Units and all Common Elements; provided, however, because of the unique nature of the Commercial Units, the Co-Owner of a Commercial Unit may have that Unit exempted from any master hazard, casualty, liability or other insurance policy(ies) required to be maintained upon the Units (and have the amount of Common Expenses due from that Unit reduced accordingly), provided such Co-Owner provides evidence to the Board, and any Institutional Mortgagee requesting same, of equivalent insurance coverage with a carrier equivalent to that herein required.

The Board, on behalf of the Association, shall obtain extended insurance coverage (by policies, each having, if such can be obtained, a term of not less than three (3) years) upon the Submitted Property and improvements thereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.), as well as any other risks the Institutional Mortgagees described in Section 2 (if any) may deem it reasonable to require, in an amount (the "Insured Amount") not less than one hundred fifteen (115%) percent of the amount necessary to completely restore and replace all improvements within the Regime without deduction for depreciation. In addition, such insurance shall provide for an automatic quarterly increase for inflation of two (2%) percent of the Insured Amount. Not less than thirty (30) days prior to the anniversary of such policy(ies), the Board shall obtain three (3) written estimates from reputable general construction contractors who have engaged in construction of projects similar to the Regime and who are acceptable to the Institutional Mortgagees described in section 2 hereof, of the total costs of reconstruction and replacement of all improvements in the Regime. The Insured Amount shall be adjusted on that anniversary date to an amount equal to one hundred fifteen (115%) percent of the average of these estimates. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Insurance Trustee (as hereafter described), with the advice of the Board, shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund shall have the same loss payee as the policies obtained (i.e., the Insurance Trustee for the benefit of the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replacement(s) thereto shall be funded by assessment of all of the Co-Owners by the Insurance Trustee acting on behalf of the Baord, which shall be, when so assessed, an item of Common Expense. Such funds so maintained (except for excess funds, which shall be distributed as provided in Section 4), together with interest threon (if any) may be expended only in the event of: (i) a loss which such funds insure against; (ii) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies); (iii) the consent of all Co-Owners and their mortgagees; or (iv) upon termination of the Regime. In the event of distribution of such funds for any or the latter three events, such funds so expensed and/or distributed shall be considered as, owned as and distributed as Common Surplus.

2. Any Institutional Mortgagees holding mortgages recorded prior to July 1, 1985, encumbering Apartments in the Regime having collectively an aggregate of original principal balances of $1,000,000 or more shall have the right to approve all such insurance policy or policies, the company or companies, insurance upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles. Declarant reserves the

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right to, by amendment, change the date by which mortgages must be recorded in order for an Institutional Mortgagee to qualify for the rights granted herein.

3. Insurance premiums are and shall be a part of the Common Expenses; provided, however, they shall be paid separately and to the Insurance Trustee by each Co-Owner at such address as it shall designate. The Insurance Trustee shall notify the Co-Owners of the place of payment and monthly payment amount, which shall be due and payable by the first day of each month by each Co-Owner. The amount collected monthly from each Co-Owner shall be an amount equal to his percentage share in the Common Expenses multiplied by not less than 1/12th of the annual premiums of all insurance policies maintained upon the Regime. Further, the Insurance Trustee is hereby subrogated to and assigned the lien rights of the Council of Co-Owners as to each Co-Owner failing to pay any payment due from him to the Insurance Trustee for insurance premiums or self-insurance to the extent of the amounts due and owing but unpaid, which rights include the right to file notice of, perfect and foreclose upon a lien(s) against such Co-Owner(s) as granted to the Council of Co-Owners by the Act and this Master Deed. Sufficient funds shall be collected and maintained, if necessary in advance, by the Insurance Trustee (as hereinafter defined) such that with monthly installments received by it, it will have sufficient funds to pay the next annual premium on each policy maintained under Section 1 hereof not less than sixty (60) days prior to the date such premium on such policy is due and payable. Such funds so held shall be disbursed and used by it solely to pay premiums on said insurance policies described in Section 1. Unless such carrier fails to meet the requirements of Section 13 hereof or unless otherwise instructed by the Board of Directors and agreed to by the Institutional Mortgagees described in Section 2, the Insurance Trustee shall renew each policy with and pay the renewal premium to the same carrier then carrying said coverage. Such funds shall not be otherwise used or disbursed except upon written instruction of the Board of Directors consented to by all of the Institutional Mortgagees within the classification described in Section 2 of this Article.

4. Mellon Bank, N.A., it successors and assigns, is hereby appointed and designated Insurance Trustee. The Insurance Trustee shall receive all funds designated for the self-insurance fund (if any) described in Section 1 hereof, to be held in trust for the benefit of the Co-Owners and their mortgagees, to be distributed as provided, and only as provided, in this Article. The funds comprising such self-insurance fund shall be placed in one or more demand accounts of a federally insured bank or trust company (which shall be interest bearing account(s) if allowed by such institution and permitted by law). To the extent such funds exceed those required (as defined in Section 1), they shall be paid over to the Council of Co-Owners as Common Surplus.

5. The Insurance Trustee is hereby designated and appointed as agent for the Council of Co-Owners, its Board of Directors, each and every present and future Co-Owner thereof and each and every mortgagee (if any) of each and every such Co-Owner for the purpose of this Article. Any person, by acquiring any ownership or security interest whatsoever in any Apartment, shall be deemed to have appointed the Insurance Trustee as his, her or its agent for the purpose of this Article. Further, such appointment is and shall be irrevocable; provided, however, the present Insurance Trustee may resign upon the acceptance by a successor insurance trustee of all rights, powers and duties herein granted the Insurance Trustee and, further, provided such successor must be a federally insured bank or other federally insured depository having a corporate trust department, and must be

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acceptable to all Institutional Mortgagees within the classification described in Section 2 of this Article. In its capacity as agent, the Insurance Trustee shall cause itself, as Insurance Trustee, to be designated as named insured and loss payee, for the benefit of those for whom it is herein designated as agent, of the insurance policies procurred pursuant to Section 1 of this Article, and in such capacity to receive all proceeds from such policies and execute as duly authorized agent such releases, endorsements or other documents or things as may be necessary to be able to receive such proceeds. In the event of any casualty or loss, the Board of Directors shall be responsible to accomplish reconstruction, replacement and repair, provided the Insurance Trustee shall collect the proceeds of insurance (and to the extent appropriate, from the self-insurance fund) and distribute such proceeds (by, if appropriate, a percentage of completion basis) to the parties entitled thereto satisfying itself as to the effectuation of such repairs, replacement and reconstruction.

6. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in the Act; provided, further, notwithstanding any provision of the Act to the contrary, reconstruction shall be complusory in all events. Any Co-Owner hereof, by accepting title to a unit, and any Institutional Mortgagee or other lien holder, by accepting any unit, any interest therein, or any interest in the Submitted Property as security of any type of nature, shall be deemed by such acceptance to have waived the provisions of Section 27-31-250 of the Act to the extent such provisions allow or otherwise provide for a failure to reconstruct. As a consequence, as aforesaid, reconstruction shall be required whether it comprises the whole, more than two-thirds or less than two-thirds of the Submitted Property. The provisions hereof are for the express protection of each and every Co-Owner and Institutional Mortgagee and may not be waived without the written consent of each and every Co-Owner and Institutional Mortgagee.

7. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Co-Owners directly affected by the damage and each shall be responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Apartments so directly affected. Failure or refusal of payment of any of the Unit Owners so affected shall result in a lien uopn his Unit in favor of the Association in such amount and may be enforced in the manner provided for collection of unpaid Assesments herein and/or in the Act.

8. Nothing herein contained or contained in the By-Laws shall prevent or prejudice the right of each Co-Owner and/or his mortgagee(s) from insurance his Apartment on his account and for the benefit of himself and/or his mortgagee(s).

9. Any repair and/or restoration must be substantially in accordance with the plans and specifications fo the original buildings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

10. The Insurance Trustee is further hereby irrevocably appointed agent for each Co-Owner, the Council, its Co-Owners and their mortgagees for the purpose of comprising and settling claims arising under insurance policies purchased under the provisions of this Article and

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to execute and to deliver releases therefor upon the payment of claims.

11. Should the Association fail to pay insurance premiums when due or should the Council or Co-Owners fail to comply with other insurance requirements required herein or by the Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Association and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

12. The Board of Directors of the Association is authorized and directed to purchase such additional insurance and for such additional purposes, including liability insurance (in an amount of not less than Five Hundred Thousand ($500,000.00) Dollars per occurrence) and, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Regime, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

13. Any and all insurance coverage(s) obtained under Section 1 above by the Association pursuant to this Article must be obtained from an insurance carrier(s) admitted and authorized to do business in the State of South Carolina, and having an Alfred M. Best Financial Rating of at least "A+15", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Declarant, the Board of Directors, the Association and Institutional Mortgagees shall not be responsible for the quality or financial responsibility of the insurance company(ies) provided same are so rated and are so licensed, admitted and approved to do business and provide such coverage in the State of South Carolina.

ARTICLE XI
Use and Occupancy

The Co-Owner of each Apartment (other than the Commercial Units) shall occupy and use his Apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes; provided, however, nothing herein contained nor any present or further action by the Council of Co-Owners or its Board of Directors shall prevent any Co-Owner from leasing or renting his Apartment for such period or periods as he shall determine in his sole discretion to third parties; provided, however, such Apartment shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed and its Exhibits, the Act and Rules and Regulations properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Association or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upon his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Submitted Property except the Commercial Units and further except that the Declarant, its successors and assigns, may maintain and use one or more Apartments of the Condominium owned or leased by it, its successors or assigns, designated by Declarant as a model and/or for management, sales and/or rental offices, and commercial laundry and vending equipment may be

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maintained and ma...tenance and laundry equip.. it kept and maintained in areas of the Common Elements suitable for such purposes. Notwithstanding the foregoing, nothing contained in this Declaration shall be construed to restrict the Declarant or any successor in interest to the Declarant as developer of the Regime from seling and/or conveying any Apartment under any plan of multiple use, interval ownership or time sharing arrangement; provided, further, no Apartment may be sold, leased or otherwise marketed under any plan of multiple use, interval ownership or time sharing arrangement without express written consent of Declarant.

No Co-Owner shall permit or suffer anything to be done or kept in or about his Apartment or upon the Common Elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-Owner permit or commit any nuisance or illegal act in or about the Submitted Property.

No animals or pets of any kind shall be kept in any Apartment or on any property of the Regime except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Association; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Submitted Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Apartments or upon the general or limited common Elements; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside an Apartment nor shall he cause awnings or storm shutter, screens, enclosures and the like to be affixed or attached to any Apartment, limited or general Common Element; nor shall he place any furniture or equipment outside an Apartment except with the written consent of the Board of Directors of the Association; and, further, where approved, subject to the Rules and Regulations of the Board of Directors. No clothesline or similar device shall be allowed on any portion of the Submitted Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Co-Owners may not screen or enclose any exterior pation which abuts a Unit, where applicable, nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or a Unit or any part of Submitted Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertaining thereto as may from time to time be promulgated by the Board of Directors of the Association, provided, however, no rule or regulation may be passed unduly restricting the quiet and peaceful use of an Apartment for its intended purpose. The Board may impose penalities (including, but not limited to, fines, enforceable by lien as Common Expenses) for violation of such rules and regulations.

The Board of Directors may further, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

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Notwithstanding the provisions hereof, the Declarant, its successors and assigns in interest as developer or the Regime, shall be allowed to maintain one (1) or more Apartments as laundry and/or maintenance areas, management, as a model, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upon the Submitted Property.

ARTICLE XII
Maintenance and Alterations

1. The Board of Directors (including the initial Board appointed by the Declarant) may enter into contracts with firm(s), person(s) or corporation(s), or may join with other regimes and/or entities in contracting for the maintenance and/or repair of the Submitted Property and any properties belonging to the Regime; may contract for or may join with other associations in contracting for the maintenance and management of the Regime; and may delegate to such contractor or manager all power and duties of the Association and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Association.

2. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Co-Owners of the Regime provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Co-Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed against and collected solely from the Co-Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking into account the benefit to each and the relative value of each such Apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Co-Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors approved by not less than seventy-five (75%) percent of the total votes of the Co-Owners exclusively or substantially benefiting therefrom, and where said Co-Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Co-Owners for alterations or additions to the Common Elements of this Regime is required, the approval of Institutional Mortgagees whose mortgages encumber Apartments representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Apartments at said time shall also be required.

3. Each Co-Owner is hereby required:

(a) To maintain in good condition and repair his Apartment, all interior surfaces and the entire interior of his Apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, whre applicable: air conditioning and heating units, including condensers and all apurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures

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and connections, sinks, all plumbing and water lines within the Apartment; electric panels; lines outlets and fixtures within the Apartment; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Regime; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-Owner shall pay said bill for his Apartment individually. Electricity for the Units and all other purposes for the Regime may be metered to the Regime as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of said Apartment. Each Co-Owner shall maintain, care for and preserve those portions of the Limited Common Expenses (if any) exclusively for his use or exclusively for his use together with certain other Co-Owners. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Apartment, the Co-Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

(b) Not to make or cause to be made any structural addition or alteration to his Apartment or to the Common Elements or any part(s) thereof. Alterations within an Apartment may be made with prior written consent of the Board of Directors and any Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s) or Submitted Property caused by the Co-Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

(c) To allow the Board of Directors or its representative, agent or employee to enter into his Apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the Apartment and/or Common Elements; to determine in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine compliance with the provisions of this Declaration and/or any By-Law or Rule or Regulation of the Association.

(d) To show no signs, advertisements or notices of any type on the Common Elements, Apartments or buildings and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

4. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Association, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or

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alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter an Apartment at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions hereof.

5. The Board of Directors shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Association), and shall be responsible for the maintenance thereof. No Co-Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon or affix anything thereto without the written consent of the Board of Directors.

6. The Council of the Co-Owners shall be responsible for the maintenance and repair and replacements of the Common Elements and all portions of the Submitted Property not required to be maintained and/or repaired and/or replaced by individual Co-Owners. Notwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his Apartment, the Association, through its Board of Directors, may enter into an agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment and/or service (such as MATV or Cable TV service and telephone systems) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Co-Owners and the Monthly Assessment due from each Co-Owner for Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said equipment maintenance or services. Each Co-Owner shall be deemed a party to such agreement with the same force and effect as though said Co-Owner has executed said agreement. It is understood and agreed that the Association through its Board of Directors shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article IX of this Master Deed.

ARTICLE XIII
Termination

This Regime may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however, notwithstanding anything to the contrary in the act as to termination in the event of destruction, the Regime may not be terminated unless and until all Co-Owners and all Institutional Mortgagees of record of all Apartments agree thereto and said Institutional Mortgagees agree in writing to accept such termination and to accept as security the unidvided portion of the Submitted Property owned by the debtors of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements. The ownership of each Co-Owner upon termination as tenants in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

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ARTICLE XIV
Easements

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of an Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a building or other improvement or an Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The Property is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements and ingress and egress, for pedestrian and vehicular purposes and for utility services and drainage which now exist or are hereafter granted easements for such purposes as it determines in its sole discretion appropriate and designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to others (including owners, occupants and users of other properties, facilities and horizontal property regimes within the Resort or in proximity thereto) easements for access and for ingress and egress across portions of the Submitted Property suitable for such purpose, for pedestrian and vehicular purposes and for utility services and drains, and easements and licenses of use of the beach area, and amenities and facilities of the Regime, provided any grant of use(s) of facilities or amenities shall require the grantee(s) thereof to pay fees commensurate with such use(s) for such use(s). When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Regime would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

The Declarant reserves for itself, its successors, assigns, designees, and licensees, the right to place a satellite dish in an unobtrusive location on the Submitted Property and/or the right to place cable wiring on the Submitted Property in order to facilitate television reception to the Regime and hereby reserves such general easement to the Submitted Property as is necessary and consistent with this purpose.

The rights of all Co-Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Association, all present and future Co-Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

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ARTICLE XV
Certain Rights of Declarant

1. Notwithstanding any other provisions herein, so long as the Declarant continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Declarant after the construction of said Apartment has been completed.

(a) The Declarant shall have the right at any time to sell, transfer, lease or re-let any Apartment(s) which the Declarant continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Association or any other Co-Owner being required.

(b) During the period of time in which structures are under construction by the Declarant and not completed, no dues shall be charged against the Declarant as the Co-Owner of the Apartments included therein until the completion of said Apartments and the dues shall be assessed against the Co-Owners (including the Declarant) of those Apartments which shall have been completed, proportionately, inter se.

(c) Without limiting the foregoing, the Declarant shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Declarant owns or holds a mortgage upon at least one Apartment to amend the Declaration to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages," as the same may be amended from time to time.

(d) The Declarant shall have the rights: (i) to use or grant the use or a portion of the Common Elements for the purpose of aiding in the sales or rentals of Apartments; (ii) to use portions of the Submitted Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Submitted Property; (iv) to distribute audio and visual promotional material uopn the Common Elements; and (v) to use any Apartment which it owns or leases as a sales and/or rental office, model, management office or laundry and/or maintenance facility.

(e) In order to provide the Regime with, among other things, adequate and uniform water service, sewage disposal service, utility services, telephone services and television reception, the Declarant reserves the exclusive right to contract for the provision of such services. The Declarant, as agent for the Association and the Co-Owners, has entered into or may enter into arrangements, binding upon the Association and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

(f) The Declarant reserves the right to enter into, on behalf of and as agent for the Association and the Co-Owners, agreements with other Persons for the benefit of the Regime, the Association and the Co-Owners. The provisions of any such Agreement shall bind the Association and the Co-Owners. The Declarant as agent for and on behalf of Association and the Co-Owners, has entered into an

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agreement with Capital TeleCommunications Corporation, pursuant to which it will provide a color television set in each Unit together with cable and satellite television reception, service, programming and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such television sets and for such services shall be Common Expenses. If the Association fails to pay the amounts due under the agreement with Capital TeleCommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Telecommunications Corporation may be amended only by a written amendment executed by the Association and Capital TeleCommunications Corporation. The Declarant has also entered into an agreement with Capital TeleCommunications Corporation, pursuant to which it will provide a telephone in each Apartment tied to a central PBX system and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such telephone sets and service shall be Common Expenses. If the Regime fails to pay the amounts due under the agreement with Capital TeleCommunications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital TeleCommunications Corporation may be amended only by a written amendment executed by the Association and Capital TeleCommunications Corporation.

2. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE REGIME, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Regime have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Declarant's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the buildings or on any portion of the Submitted Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier or manufacturer shall be the obligation of the Association and its members and the Declarant shall bear no responsiblity therefor.

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ARTICLE XVI
Provisions Respecting Construction Lender

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Declarant upon the Submitted Property to secure a loan with which to develop the improvements for the Submitted Property such as would be commonly classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

1. Whenever the consent of the Declarant is required under this Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2. In the event that the Declarant shall violate any of its obligations as a Co-Owner, the Association shall be required to give Construction Mortgagee written notice of such failure or violation, and the Association shall be prohibited from instituting any suit or exercising any other remedy against the Declarant for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3. Construction Mortgagee shall be given written notice by the Association of any meeting of the Co-Owners together with the agenda of such meeting.

4. No amendment shall be made to this Declaration or to the By-Laws of the Association, which would alter the rights of Construction Mortgagee or in any other way affecting the security of Construction Mortgagee without its joinder and written consent to such amendment.

5. If Construction Mortgagee either assumes possession of any portion of the Submitted Property of Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Submitted Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Submitted Property upon foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges and exemptions granted to Declarant by this Master Deed and/or by the By-Laws.

ARTICLE XVII
Rights of Lenders

Notwithstanding any other provision hereof, any mortgagee of record (including, but not limited to, the Construction Mortgagee while such Construction Mortgage shall remain unsatisfied) shall:

1. Upon request, be permitted to inspect the books and records of the Association during normal business hours;

2. Receive a copy of any audit performed by or for the Association and all proposed and adopted budgets;

3. Upon request, receive written notice of all meetings of the Association and be permitted to designate a representative to attend and observe all such meetings; and

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6. Receive written notification from the Association of any default by any of its mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

ARTICLE XVIII
The Myrtle Beach Resort

The Regime is located within and is a part of a certain 44.62, more or less, acres tract of land owned/or under option by Declarant lying between U.S. Highway 17 and the Atlantic Ocean, portions of which Declarant presently has included within and has named The Myrtle Beach Resort (herein "Resort"). Developer does, by the recording of this Master Deed, give the Council of Co-Owners, the present and future Co-Owners thereof, all Occupants of the Apartments and their successors and assigns, non-exclusive easements and licenses of use of the pathways, streets and roads (together with roadside and entrance areas), paved areas and recreational facilities and amenities of the Resort (herein "Resort Facilities"). Developer may, in its sole discretion, add additional property up to the entire 44.62 acres tract, build additional streets and roads, pathways, develop certain portions for other multi-family complexes, tennis courts, parking facilities, recreational facilities and develop portions for commercial facilities within the Resort, provided any such development shall be in Developer's sole discretion and no representations are made as to the same whatsoever. As a consequence, Declarant reserves unto itself, its successors and assigns in interest as developer of the Resort, and the present owner of the balance of the real property shown within the Resort in the Exhibits (herein "Present Owner"), the right to include up to the entire tract within the Resort.

Developer, its successors and assigns in interest as developer may retain some or all of the recreational facilities included within the Resort Facilities in trust, provided, however, Declarant reserves the right to convey the same to The Myrtle Beach Resort Homeowners Association (as hereinafter defined) upon the terms hereinafter described.

Declarant, its successors and assigns in interest as developer, and/or Present Owner may elect, in its sole discretion, to include portions or all of the additional property shown in the Exhibits within the Resort and construct and develop additional Resort Facilities upon which the Council of Co-Owners, all present and future Co-Owners, all Occupants of the Apartments and their respective successors and assigns, shall be granted non-exclusive easements and licenses of use to use in common with all others whom Declarant shall designate. Said easements and licenses to use shall be established by one or more easements and licenses which shall be recorded in the public records of Horry County, South Carolina, and which shall require the Council of Co-Owners and the Co-Owners thereof to bear their pro rata share of the costs associated with such facilities (including, but not limited to, insurance, taxes, maintenance, upkeep, repair and replacement). Such shall be recorded as an addition to the Long Term Lease and as an amendment to this Master Deed in the public records of Horry County, South Carolina. Such additional real property and/or Resort Facilities shall become a part of the Resort and all costs and expenses in connection therewith or associated therewith as determined and set by Declarant, its successors and assigns in interest as Developer (and/or Present Owner) or its designee shall, as aforesaid, become part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense (together with other having like rights of use) as is herein described.

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Declarant, its successors and assigns in interest as developer of the Resort, and/or Present Owner, may, in its sole discretion, declare certain other areas upon inclusion within the Resort as natural marsh and forest areas and may, within such areas, create plantings, lagoons or such other features as it determines in its sole discretion add to the esthetic qualities of such areas, which areas shall, upon so declaring, be held by Declarant, its successors and assigns (or Present Owner) (which declaration(s) shall be filed in the public records of Horry County, South Carolina) in trust as areas of natural beauty and scenery for use and enjoyment of the Co-Owners and their occupants, such other owners of dwellings Apartments and occupants within the Resort and such third parties as Declarant, its successors and assigns (or Present Owner) may select in its sole discretion (which shall become, upon so declaring, part of the Resort Facilities and the pro rata share of upkeep, maintenance, management and replacement of such areas as so set shall be part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense as is herein described).

Declarant further reserves unto itself, its successors and assigns, and Present Owner, the right to grant easements for ingress and egress across appropriate areas of the Submitted Property to the Atlantic Ocean and its beach (including that portion of the beach of the Atlantic Ocean which is included with the Submitted Property) and easements and licenses of use to use the beach area of the Submitted Property for uses consistent with its being a natural beach and dune area and provided such does not unduly interfere with the activities and rights of the Co-Owners of the Regime.

The Co-Owners shall each be members of The Myrtle Beach Resort Homeowners Association and as such shall pay pro rata with the Owners of other dwelling Apartments and other interests in real property within the Resort who shall be given similar easements and license of use all costs of maintenance, upkeep and repair arising out of or associated with the Resort Facilities as such exist from time to time; such costs to include, but not be limited to, providing management supervision and control thereof, property taxes, insurance, maintenance and reserve funds and all other costs connected or associated therewith (herein collectively "Resort Expenses"). Such Resort Expenses shall be included as an item of Common Expense and paid over by the Council of Co-Owners to Declarant, its successors or assigns in interest as developer of the Resort (or Present Owner, as the case may be), or its designee, upon such schedule (but not more frequently than once a month) and in advance for use for such purposes, provided the Board or the Council of Co-Owners shall be entitled to an annual accounting of the use of all Resort Expenses by Declarant or its designee. In the event of non-payment of Resort Expenses, Declarant, or if appropriate its designee, shall be subrogated to the rights of the Council of Co-Owners as to the individual Co-Owners to collect the Resort Expenses from the Co-Owners, including being subrogated to all lien rights for non-payment of Common Expenses as described in this Master Deed.

Declarant (its successors or assigns or Present Owner, as the case may be) or its designee shall establish rules and regulations for use of the Resort Facilities and the Board of Directors shall appoint a Resort Facilities committee and, if appropriate, one member to serve on the Board of Directors of the Homeowners (as herein defined) to assist in formulating and enforcing the same, it being the intent that such rules and regulations shall encourage safety, use and enjoyment of the Resort Facilities, provided Declarant makes no warranties whatsoever that said rules and

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and regulations will be inclusive or allow absolute safety of use.

Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) may, in its sole discretion, establish The Myrtle Beach Resort Homeowners Association (herein "Homeowners"), which shall be an associaiton (which may, in Declarant's sole discretion, be incorporated as a corporation or as a corporation not for profit or unincorporated) and all Co-Owners shall, in addition ot being Co-Owners, automatically become members thereof. In addition, the Board of Directors shall elect one of its members who shall serve on the Board of Directors of Homeowners. The Board of Directors of Homeowners shall be comprised of one representative from this Regime, one representative from Myrtle Beach Resort Horizontal Property Regime, one representative from Myrtle Beach Oceanfront Spa Horizontal Property Regime and one representative from each other development as Declarant as developer of the Resort shall designate. In the event of such establishment, Declarant shall designate Homeowners as its designee to carry out the duties and responsibilities and have the powers herein granted to Declarant's designee.

In addition, Declarant (its successors or assigns in interest as developer of the Resort or Present Owner as the case may be) may, in its sole discretion, at any time convey to the Regime and its Co-Owners and/or any other horizontal property regimes or other multi-family developments within the Resort or which Declarant has developed in proximity to the Resort having like non-exclusive easements and licenses of use, or to Homeowners, all or any portion of the Resort Facilities or any interests therein, provided such shall be for no consideration other than the actual cost of such improvement or facility. Declarant shall have no liability whatsoever for any taxes, assessments, utility charges or other matters whatsoever arising out of the ownership of any Resort Facilities so conveyed and such conveyance shall be subject to Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) retaining unto itself and the right to grant to such third parties as it may designate easements and licenses for use consistent with the conveyed facilities and contract(s) for management thereof and all matters and right theretofore of record. In such event, such documents shall be considered an amendment to this Master Deed and execution only by the Declarant (or its successors or assigns in interest as developer of the Resort or Present Owner as the case may be), shall be sufficient and no execution, concurrence or consent shall be required of the Council of Co-Owners, any Co-Owner, any Mortgagee or any third party whatsoever.

ARTICLE XIX
Miscellaneous Provisions

1. The Co-Owners of the respective Apartments shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective Apartments nor shall any Co-Owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Apartments which are utilized for or serve more than one Apartment, which items are hereby made a part of the Common Elements. Each Co-Owner shall, however, be deemed to own the walls and partitions which are contained in said Co-Owner's Apartment and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.; however, all load-bearing walls, and, if applicable,

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the floor between the first or ground floor and second floor located within an Apartment, are part of the Common Elements to the unfinished surface of said walls and/or floors.

2. No Co-Owner may exempt himself from liability for his contribution toward the Common Expenses or other assessments duly made by the Association and/or the Board of Directors by waiver of the use of enjoyment of any of the Common Elements or the Recreational Facilities of the Regime or the Resort or by abandonment of his Apartment.

3. Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against his Apartment and shall file any tax returns required in connection therewith. No Co-Owner shall have a right of contribution or a right of adjustment against any other Co-Owner because the value of his Apartment as fixed by any taxing authority may differ from that stated herein.

4. For the purposes of ad valorem taxation, the interest of the Co-Owner of an Apartment in his Apartment and Common Elements appurtenant thereto shall be considered an Apartment. The value of said Apartment as compared to the value of the Regime shall be equal to the percentage of the value of the entire Regime as then constituted, including land and improvements, as has been assigned to said Apartment and as set forth in this Master Deed. The total of all said percentages equal one hundred (100%) percent of the value of all the land and improvements as it shall then be constituted.

5. All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Apartment and the appurtenances thereto and every Co-Owner and/or occupant of the Submitted Property or any part thereof or owning any interest therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same and the Act.

6. If any of the provisions of this Master Deed of the Exhibits hereto, of the Act or any section, clause, phrase, work or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

7. Whenever notices are required to be sent hereunder, the same may be delivered to each Co-Owner either personally or by mail addressed to such Co-Owner at his place of residence in the Regime unless the Co-Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board of Directors) shall be delivered by mail to the Secretary of the Association at the Secretary's address within the Regime or, in the case of the Secretary's absence, then to the President of the Association at his address in the Regime; provided, however, that the Association may specify a different address by written notice delivered to all Co-Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Declarant shall be sent by mail to Post Office Box 11496, Columbia, South Carolina 29211. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Master Deed.

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Notices required to be given the personal representative of a deceased Co-Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Co-Owner is being administered.

8. All remedies for non-compliance provided in the Act shall be in full force and effect. In addition thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed and/or the Exhibits attached hereto, upon finding by the Court that the violation claimed was wilful or deliberate, the Co-Owner so violating shall reimburse the Association for reasonable attorneys' fees incurred in prosecuting such action.

9. Subsequent to the filing of this Master Deed, the Association when authorized by a vote of the majority of the total voting members of the Association and the Institutional Mortgagees of record encumbering condominium Apartments who represent the majority of the dollar institutionally mortgaged indebtedness against this Regime may, together with other owners' associations and/or others, purchase and/or acquire leaseholds, memberships, and other possessory or use interest in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to lands of the Regime, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Co-Owners. The expenses of such ownership, rental, membership fees, operations, replacement and other undertakings in connection therewith shall be Common Expenses together with all other expenses and costs herein or by law defined as Common Expenses.

10. Declarant presently holds certain options to purchase certain real property lying between the Regime (as it will be comprised upon inclusion of all phases, if included) and U.S. Highway 17. Declarant, its successors and assigns may, but are not required to, use such for commercial development and/or multi-family development and to include the same within the Resort. As a consequence, Declarant reserves unto itself, its successors and assigns, the right to grant unto itself and owners and/or occupants of said real property easements for ingress and egress across areas of the Regime suitable for such purposes for access to the Atlantic Ocean and its beaches, and to amenities and facilities within the Regime, together with licenses to use such facilities and amenities provided such users may abe required to pay reasonable fees commensurate with such use.

11. Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Master Deed shall liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a Horizontal Property Regime.

12. The captions used in this Master Deed and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Master Deed or Exhibits hereto annexed.

13. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of the Master Deed and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

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14. If any term, covenant, provision, phrase or other elements of this Master Deed or the Exhibits hereto or the Act are held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Master Deed, Exhibits and the Act.

15. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Master Deed and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

16. Each Co-Owner by virtue of acceptance of a Deed of Conveyance of an Apartment and/or any portion of or interest in the Common Elements and other parties by virtue of their occupancy of Apartments or use of the Common Elements, hereby approves the provisions hereof and all covenants, terms, conditions, duties and obligations hereof and Exhibits hereto and the Act, and does agree to be bound by all the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

17. No Co-Owner shall bring or have any right to bring any action for partition or division of the Property.

IN WITNESS WHEREOF, this Master Deed has been executed under seal as of this day and year first above written.

Signed, Sealed & Delivered
In The Presence Of:

RESORT INVESTMENT CORPORATION

By: (SEAL)

ATTEST:

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above witnessed the execution thereof.

Carol L Lytton
WITNESS

SWORN and subscribed to before me
this 21st day of November, 1984.

(L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 3/14/92.

NO RENUNCIATION OF DOWER NECESSARY. DEVELOPER IS A DELAWARE CORPORATION.

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FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS hereby agrees to and does on behalf of itself and all its present and future Co-Owners, accept all the benefits and all the duties, responsibilities, obligations and burdens imposed upon it and them by the provisions of this Master Deed together with all the Exhibits hereto and as set forth in the Act.

IN WITNESS WHEREOF, the above named THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS has caused these presents to be signed in its name by its duly authorized agent this 29 day of November, a 1984.

SIGNED, SEALED & DELIVERED
In The Presence Of:

THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME
COUNCIL OF CO-OWNERS

By _____
Its President

ATTEST: _____
Its Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, by and through its duly authorized agent, execute the within written MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above, witnessed the execution thereof.

_____
WITNESS

SWORN and subscribed to before me
this 29th day of November, 1984.

_____ (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 3/19/92.

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EXHIBIT I

LEGAL DESCRIPTION

AND SURVEY

FILED
HORRY COUNTY
1984 NOV 28 PM 2:02
BILLIE G. RICHARDSON
CLERK OF COURT

LEGAL DESCRIPTION

All that piece, parcel, or tract of land, situate in the County of Horry, State of South Carolina, and Township of Socastee, situate, lying, and being on the South Eastern side of U.S. Highway 17 containing 8.672 acres, more or less, and designated as a Portion of Lot 5 of Lakewood Plantation Tract, further designated as Phase III of The Myrtle Beach Resort, and described on a Map prepared by Culler Land Surveying Co., Inc. dated November 16, 1984, also being shown as Phase III on a Plat of 44.668 +/- Acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina, revised November 27, 1984, prepared by Culler Land Survey Co., Inc. Said Plats being recorded with the Condominum Plats and Plans in Condominium Plat Book 8, Page 6, Office of the Clerk of Court, Horry County, South Carolina, to wit:

THE POINT OF BEGINNING is located by commencing at iron on the southern margin of U.S. Highway 17, the common corner of lands deeded to Resort Investment Corporation and lands serving as Ocean Lakes Campground, and thence running S28°08'10"E a total of 2972.19 feet, more or less, to the highwater mark of the Atlantic Ocean; thence N40°52'00"E 216.7 feet, more or less, to the POINT OF BEGINNING of the property; thence N38°08'08"W 1201.36 feet, more or less, to a point; thence N40°52'00"E 240.18 feet, more or less, to a point; thence N42°15'00"W 23.61 feet, more or less, to a point; thence N63°00'00"W 195.30 feet, more or less, to a point; thence N63°00'00"W an arc distance of 107.62 feet, more or less, to a point; thence S51°51'50"W 330.0 feet, more or less, to a point; thence S38° 08'10"E 1454.47 feet, more or less, to a point; thence N51°51'50"E 104.0 feet to a point, thence S38°08'10"E 116.79 feet to a point, thence N40°52'00"E 110.75 feet to the POINT OF BEGINNING.

Said parcel has appurtenant to it non-exclusive easements for access and ingress and egress to and from said parcel and for parking over, across and upon those portions of the Submitted Property suitable for vehicular and pedestrian traffic, and non-exclusive easements for the installation and maintenance upon the Submitted Property of utilities to service said parcel including, but not limited to, water, sewer, telephone, electrical, cable television, satellite dish, and drainage structures, including the right to connect such utilities to those servicing the Submitted Property.

TOGETHER WITH all right, title and interest in and to all the land lying between the southeastern boundary of said tract and the low water mark of the Atlantic Ocean formed by an extension of the northeastern and southwestern boundaries of said tract. PROVIDED, HOWEVER, no warranties of title are made as to said parcel lying between said boundary and the low water mark of the Atlantic Ocean.

The above described tract is bounded on the northeast by parcel designated as "Ocean Spa Phase II", on the southwest by the Ocean Lakes Campground and on the southeast by the Atlantic Ocean.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic from U.S. Highway 17 Business to and from the parcel designated as "Phase I", on a Plat of 44.668 +/- Acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina dated June 10, 1982, revised July 13, 1982, and July 19, 1982, prepared by Culler Land Surveying Co., Inc., which plat is recorded in the Office of the Clerk of Court for Horry County, South Carolina in Plat Book 74 at Page 32, said easement being 75 feet in width whereon it adjoins U.S. Highway 17 Business, thereupon being reduced to 50 feet in width, the location and dimensions of which are shown upon the plats to which reference has been made above; reference being craved thereto for additional description; AND a non-exclusive easement for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from U.S. Highway 17 Business

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to the parcel designated as "Phase I"; said easement being 30 feet in width; all as more fully shown upon said plat to which reference has been made above; reference being craved thereto for additional description.

SUBJECT TO a non-exclusive permanent easement for purposes of ingress and egress for vehicular and pedestrian traffic from the fifty (50') foot road leading from U.S. Highway 17 Business to Phase I, Myrtle Beach Resort, which easement was previously granted by deed which was recorded in Deed Book 725 at Page 30, Horry County Records and shown on plat recorded in Plat Book 72 at Page 58 and Plat Book 74 at Page 32, Horry County Records and leading from said road to Phase II, Myrtle Beach Resort, said easement being thirty (30') feet in width and more particularly described as follows: Commencing at an iron located at the Northwest corner of Phase II, thence running S40°52'W for a distance of 27.5 feet to the center line of said easement; thence running along said center line N50°30'W for a distance of 180 feet, more or less, to a point intersecting with the Southeastern edge of said fifty (50') foot road, said easement being thirty (30') feet in width with fifteen (15') feet on either side of said center line. Said easement is more particularly described and delineated on a plat by Culler Land Surveying Company, Inc. dated June 10, 1982, last revised April 13, 1983 and recorded in the Office of the Clerk of Court for Horry County, S.C. as a part of the Plat and Plans prepared by Culler Land Surveying Company, Inc. and Stevens and Wilkinson, Inc., respectively, which are recorded as referenced above; and being more particularly described in the easement from R. Grant Singleton and Elizabeth G. Singleton dated April 13, 1983 and recorded in the Office of the Clerk of Court for Horry County, South Carolina.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic over, across and upon the paved roads of Myrtle Beach Resort Horizontal Property Regime (which was established by Master Deed recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 750 at Page 642 on June 15, 1982) for the purposes of ingress and egress for vehicular and pedestrian traffic from the terminus of the easement described above and over, across and upon the property designated as Phase I to the parcel designated as Phase II and across the property designated as Phase II to the parcel designated as Phase III on the above referenced Plat dated November 27, 1984. AND TOGETHER WITH non-exclusive easements for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from the terminus of the easement at Phase I as described above, over, across, upon and through the property designated Phase I (which constitutes Myrtle Beach Resort Horizontal Property Regime) to the parcel designated as Phase II and above, over, across, upon and through the property designated as Phase II (which constitutes Ocean Front Spa Horizontal Property Regime) to the parcel designated as Phase III set forth above, the right to grant said easements having been reserved by Resort Investment Corporation in the Master Deed establishing Myrtle Beach Resort Horizontal Property Regime to which reference has been made above, said easements and the right to grant the same having been specifically reserved and described by Resort Investment Corporation in that certain Easement which is recorded in the Office of the Clerk of Court for Horry County, South Carolina on September 29, 1982 in Book 764 at Page 55.

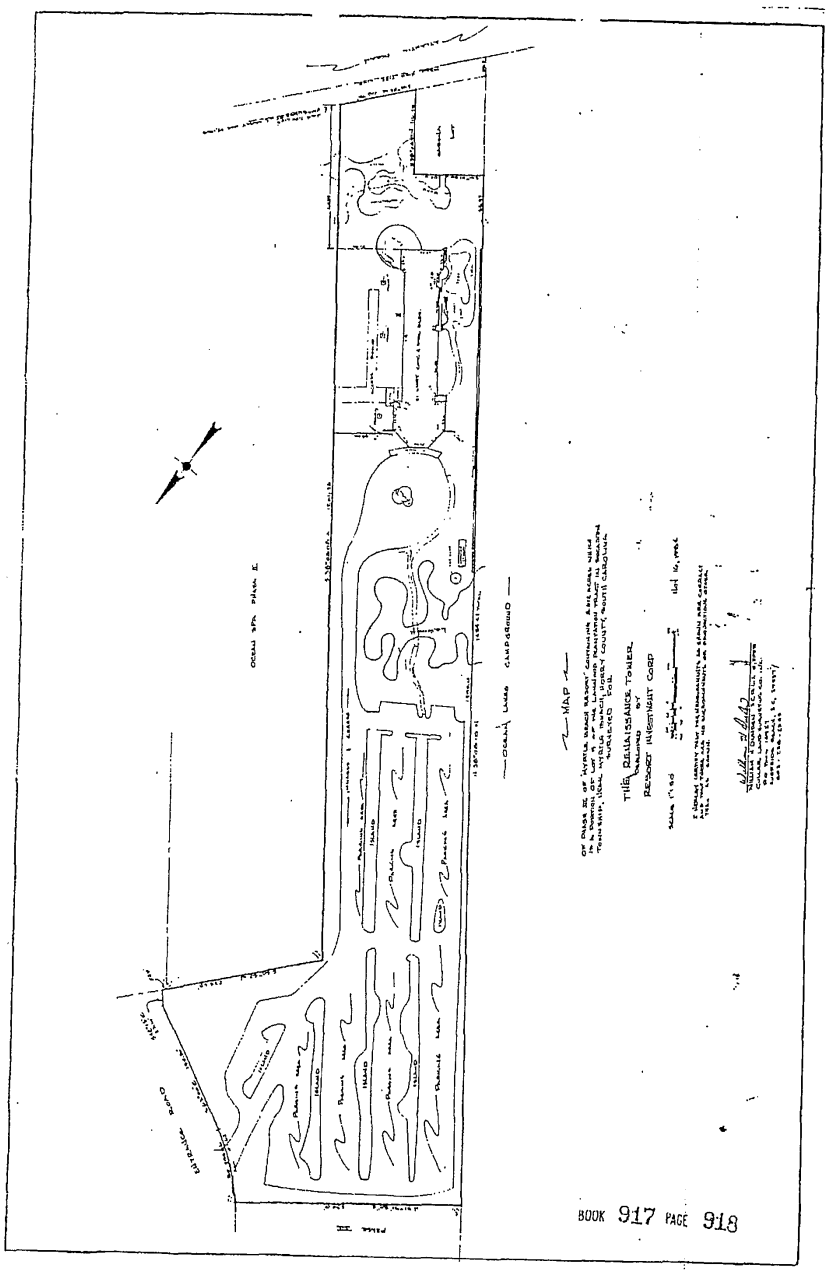
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THE FOREGOING described parcel comprising the Regime is a part of the same property conveyed to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 807 at Page 747. The foregoing non-exclusive easements from U.S. Highway 17 Business to the parcel designated as Phase I (which now constitutes Myrtle Beach Resort Horizontal Property Regime) were granted to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 725 at Page 030.

ALSO SUBJECT TO all easements, reservations, restrictions, conditions and matters or record.

The aforesaid real property and the particular improvements thereon which are hereby committed (the location of such improvements) are shown and described on the plats and plans which are recorded in the Condominium Plat Book set forth above and those which are attached hereto as part of this Exhibit, all of which are incorporated in this Description by reference and which constitute, together with this Description, Exhibit 1 to the Master Deed of The Renaissance Tower Horizontal Property Regime (the "Regime"). The improvements consisting of the buildings within which apartments are located and the location of individual apartments within the buildings are located as shown and described upon the aforesaid parts of this Exhibit, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the Common Elements as shown and described on the attached plats and plans and those recorded in the Condominium Plat Book to which reference is made above and as described in the Master Deed to which this is an Exhibit. All areas not contained within the Apartment as the term "Apartment" is defined in the aforesaid Master Deed constitute Common Elements. Improvements which constitute Common Elements are the streets and driveways, sidewalks, parking areas, all stairways, elevators, walkways, corridors and halls providing access to individual Apartments, an outdoor pool with deck, two (2) saunas, two (2) whirlpools, an exercise room, bathroom with lockers, lobby, library, meeting room, common area laundry rooms, water and utility lines and all other improvements not contained with or a part of any Apartment(s).

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EXHIBIT 2

REGIME DESCRIPTION, APARTMENT DESIGNATION,

SQUARE FOOTAGE AND ARCHITECTURAL PLANS

The Regime consists of one building contai. .ig twenty-one (21) floors, which contains a ground floor with Amenities and twenty (20) residential floors (there is no thirteenth floor).

Each Apartment includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorated interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be of wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwellings space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes, or systems serving dwelling space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety or usefulness of the remainder of the building shall be deemed to be part of any apartment.

Apartments located on floors 2-12 and numbered "01", "02", "03", "04", "05", "06", "07", "08" and "09" are all Suites, and apartments located on floors 2-12 and numbered "10", "11", "12", "13", "14", "15", "16" and "17" are all Two Bedroom apartments, all with the square footages and unit numbers as set forth on the attached chart entitled "Unit Square Footage." Apartments located on floors 14-22 and numbered "01", "02", "10", "11", "12", "13", "14", "15", "16" and "17" are all Two Bedroom apartments, apartments located on floors 14-22 and numbered "05, "07", "08" and "09" are all Suites, and apartments located on floors 14-22 and numbered "06" are all One Bedroom apartments, all with the square footages and unit numbers as set forth on the attached chart entitled "Unit Square Footage."

All Commercial Units are located as shown on the attached Architectural Plans. Commercial Unit A consists of the restaurant and kitchen located on the ground floor, together with the Limited Common Elements consisting of that portion of the Common Elements designated as an outside patio which is adjacent to Commercial Unit A. Commercial Unit B consists of the front desk, reception area and adjacent offices on the ground floor, together with the maid/storage areas on various residential floors which are Limited Common Elements appurtenant thereto. Commercial Unit C consists of a meeting room containing approximately 688 square feet and located on the ground floor. Commercial Unit D consists of an area containing approximately 767 square feet on the ground floor and designated for future commercial or rental use. Commercial Unit E consists of a Game Room located on the ground floor.

The principal improvements included within the Common Elements are an outdoor pool, exercise room, two (2) saunas, two (2) whirlpools, meeting rooms, laundry rooms, lobby and library.

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UNIT SQUARE FOOTAGE

Floor	Unit No.	Type	Areas of Unit Square Footage
2	201	Suite	548
	202	Suite	417
	203	Suite	417
	204	Suite	548
	205	Suite	413
	206	Suite	407
	207	Suite	407
	208	Suite	382
	209	Suite	382
	210	2BR	908
	211	2BR	908
	212	2BR	908
	213	2BR	908
	214	2BR	908
	215	2BR	908
	216	2BR	969
	217	2BR	969
3	301	Suite	548
	302	Suite	417
	303	Suite	417
	304	Suite	548
	305	Suite	413
	306	Suite	407
	307	Suite	407
	308	Suite	382
	309	Suite	382
	310	2BR	908
	311	2BR	908
	312	2BR	908
	313	2BR	908
	314	2BR	908
	315	2BR	908
	316	2BR	969
	317	2BR	969
4	401	Suite	548
	402	Suite	417
	403	Suite	417
	404	Suite	548
	405	Suite	413
	406	Suite	407
	407	Suite	407
	408	Suite	382
	409	Suite	382
	410	2BR	908
	411	2BR	908
	412	2BR	908
	413	2BR	908
	414	2BR	908
	415	2BR	908
	416	2BR	969
	417	2BR	969
5	501	Suite	548
	502	Suite	417
	503	Suite	417
	504	Suite	548
	505	Suite	413
	506	Suite	407
	507	Suite	407
	508	Suite	382
	509	Suite	382
	510	2BR	908
	511	2BR	908
	512	2BR	908
	513	2BR	908
	514	2BR	908
	515	2BR	908
	516	2BR	969
	517	2BR	969

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Floor	Unit No.	Type	Areas of Unit Square Footage
6	601	Suite	548
	602	Suite	417
	603	Suite	417
	604	Suite	548
	605	Suite	413
	606	Suite	407
	607	Suite	407
	608	Suite	382
	609	Suite	382
	610	2BR	908
	611	2BR	908
	612	2BR	908
	613	2BR	908
	614	2BR	908
	615	2BR	908
	616	2BR	969
	617	2BR	969
7	701	Suite	548
	702	Suite	417
	703	Suite	417
	704	Suite	548
	705	Suite	413
	706	Suite	407
	707	Suite	407
	708	Suite	382
	709	Suite	382
	710	2BR	908
	711	2BR	908
	712	2BR	908
	713	2BR	908
	714	2BR	908
	715	2BR	908
	716	2BR	969
	717	2BR	969
8	801	Suite	548
	802	Suite	417
	803	Suite	417
	804	Suite	548
	805	Suite	413
	806	Suite	407
	807	Suite	407
	808	Suite	382
	809	Suite	382
	810	2BR	908
	811	2BR	908
	812	2BR	908
	813	2BR	908
	814	2BR	908
	815	2BR	908
	816	2BR	969
	817	2BR	969
9	901	Suite	548
	902	Suite	417
	903	Suite	417
	904	Suite	548
	905	Suite	413
	906	Suite	407
	907	Suite	407
	908	Suite	382
	909	Suite	382
	910	2BR	908
	911	2BR	908
	912	2BR	908
	913	2BR	908
	914	2BR	908
	915	2BR	908
	916	2BR	969
	917	2BR	969

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Floor	Unit No.	Type	Areas of Unit Square Footage
10	1001	Suite	548
	1002	Suite	417
	1003	Suite	417
	1004	Suite	548
	1005	Suite	413
	1006	Suite	407
	1007	Suite	407
	1008	Suite	382
	1009	Suite	382
	1010	2BR	908
	1011	2BR	908
	1012	2BR	908
	1013	2BR	908
	1014	2BR	908
	1015	2BR	908
	1016	2BR	969
	1017	2BR	969
11	1101	Suite	548
	1102	Suite	417
	1103	Suite	417
	1104	Suite	548
	1105	Suite	413
	1106	Suite	407
	1107	Suite	407
	1108	Suite	382
	1109	Suite	382
	1110	2BR	908
	1111	2BR	908
	1112	2BR	908
	1113	2BR	908
	1114	2BR	908
	1115	2BR	908
	1116	2BR	969
	1117	2BR	969
12	1201	Suite	548
	1202	Suite	417
	1203	Suite	417
	1204	Suite	548
	1205	Suite	413
	1206	Suite	407
	1207	Suite	407
	1208	Suite	382
	1209	Suite	382
	1210	2BR	908
	1211	2BR	908
	1212	2BR	908
	1213	2BR	908
	1214	2BR	908
	1215	2BR	908
	1216	2BR	969
	1217	2BR	969
14	1401	2BR	982
	1402	2BR	982
	1405	Suite	413
	1406	1BR	590
	1407	Suite	407
	1408	Suite	382
	1409	Suite	382
	1410	2BR	908
	1411	2BR	908
	1412	2BR	908
	1413	2BR	908
	1414	2BR	908
	1415	2BR	908
	1416	2BR	969
	1417	2BR	969

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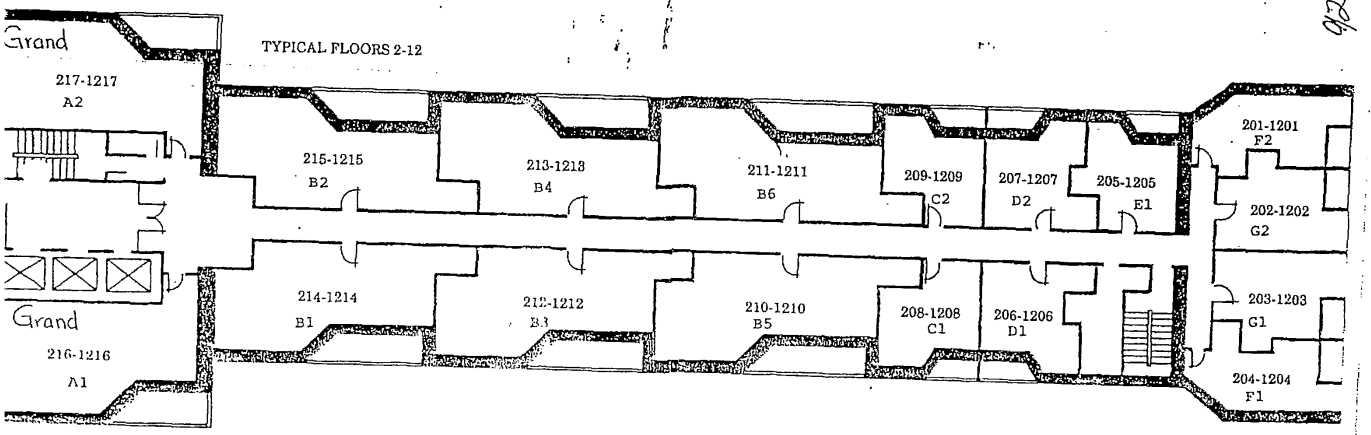
Floor	Unit No.	Type	Areas of Unit Square Footage
15	1501	2BR	982
	1502	2BR	982
	1505	Suite	413
	1506	1BR	590
	1507	Suite	407
	1508	Suite	382
	1509	Suite	382
	1510	2BR	908
	1511	2BR	908
	1512	2BR	908
	1513	2BR	908
	1514	2BR	908
	1515	2BR	908
	1516	2BR	969
	1517	2BR	969
16	1601	2BR	982
	1602	2BR	982
	1605	Suite	413
	1606	1BR	590
	1607	Suite	407
	1608	Suite	382
	1609	Suite	382
	1610	2BR	908
	1611	2BR	908
	1612	2BR	908
	1613	2BR	908
	1614	2BR	908
	1615	2BR	908
	1616	2BR	969
	1617	2BR	969
17	1701	2BR	982
	1702	2BR	982
	1705	Suite	413
	1706	1BR	590
	1707	Suite	407
	1708	Suite	382
	1709	Suite	382
	1710	2BR	908
	1711	2BR	908
	1712	2BR	908
	1713	2BR	908
	1714	2BR	908
	1715	2BR	908
	1716	2BR	969
	1717	2BR	969
18	1801	2BR	982
	1802	2BR	982
	1805	Suite	413
	1806	1BR	590
	1807	Suite	407
	1808	Suite	382
	1809	Suite	382
	1810	2BR	908
	1811	2BR	908
	1812	2BR	908
	1813	2BR	908
	1814	2BR	908
	1815	2BR	908
	1816	2BR	969
	1817	2BR	969

Floor	Unit No.	Type	Areas of Unit Square Footage
19	1901	2BR	982
	1902	2BR	982
	1905	Suite	413
	1906	1BR	590
	1907	Suite	407
	1908	Suite	382
	1909	Suite	382
	1910	2BR	908
	1911	2BR	908
	1912	2BR	908
	1913	2BR	908
	1914	2BR	908
	1915	2BR	908
	1916	2BR	969
	1917	2BR	969
20	2001	2BR	982
	2002	2BR	982
	2005	Suite	413
	2006	1BR	590
	2007	Suite	407
	2008	Suite	382
	2009	Suite	382
	2010	2BR	908
	2011	2BR	908
	2012	2BR	908
	2013	2BR	908
	2014	2BR	908
	2015	2BR	908
	2016	2BR	969
	2017	2BR	969
21	2101	2BR	982
	2102	2BR	982
	2105	Suite	413
	2106	1BR	590
	2107	Suite	407
	2108	Suite	382
	2109	Suite	382
	2110	2BR	908
	2111	2BR	908
	2112	2BR	908
	2113	2BR	908
	2114	2BR	908
	2115	2BR	908
	2116	2BR	969
	2117	2BR	969
22	2201	2BR	982
	2202	2BR	982
	2205	Suite	413
	2206	1BR	590
	2207	Suite	407
	2208	Suite	382
	2209	Suite	382
	2210	2BR	908
	2211	2BR	908
	2212	2BR	908
	2213	2BR	908
	2214	2BR	908
	2215	2BR	908
	2216	2BR	969
	2217	2BR	969
Ground	Commercial Unit A		3974
	Commercial Unit B		597
	Commercial Unit C		688
	Commercial Unit D		767
	Commercial Unit E		25800K 917 PAGE 925

2BR = two bedroom apartment
1BR = one bedroom apartment

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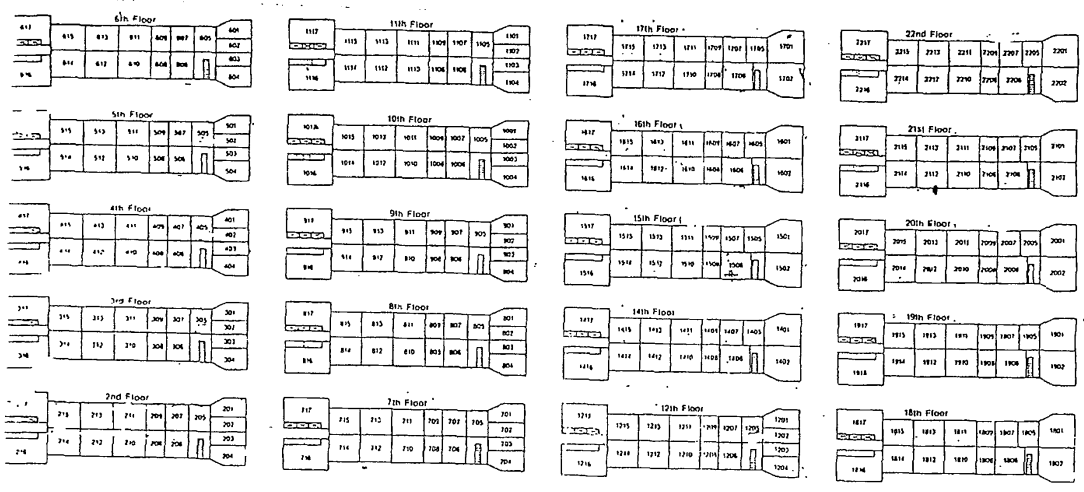
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THE RENAISSANCE TOWER

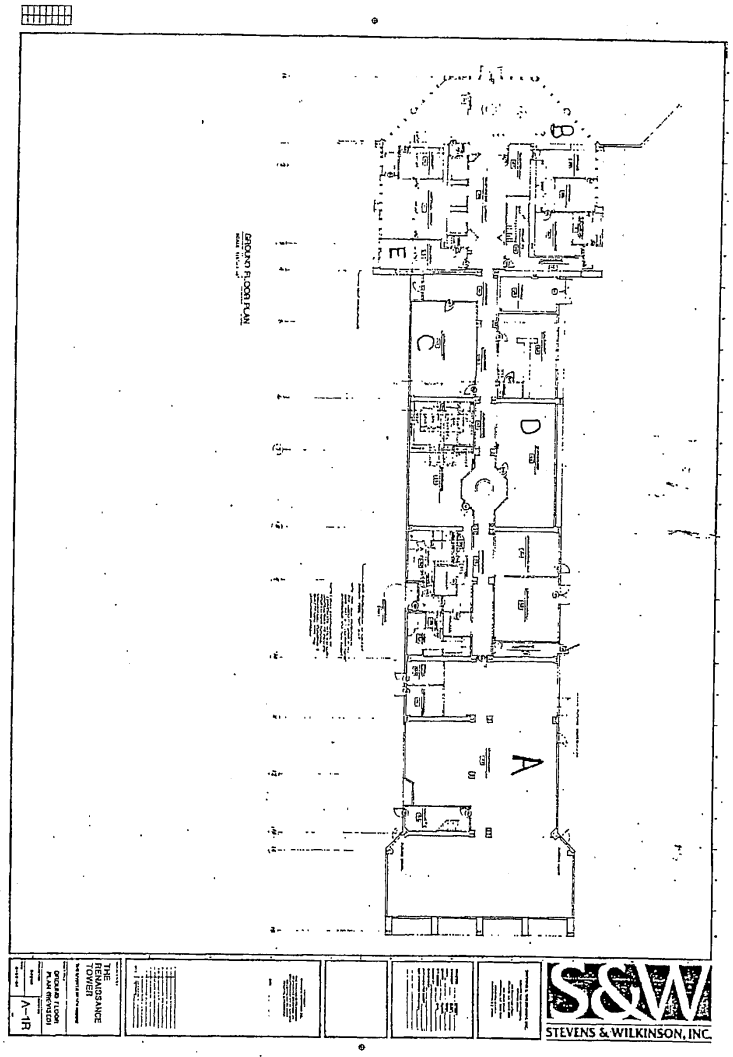


Two Bedroom Units
178

One Bedroom Units
9

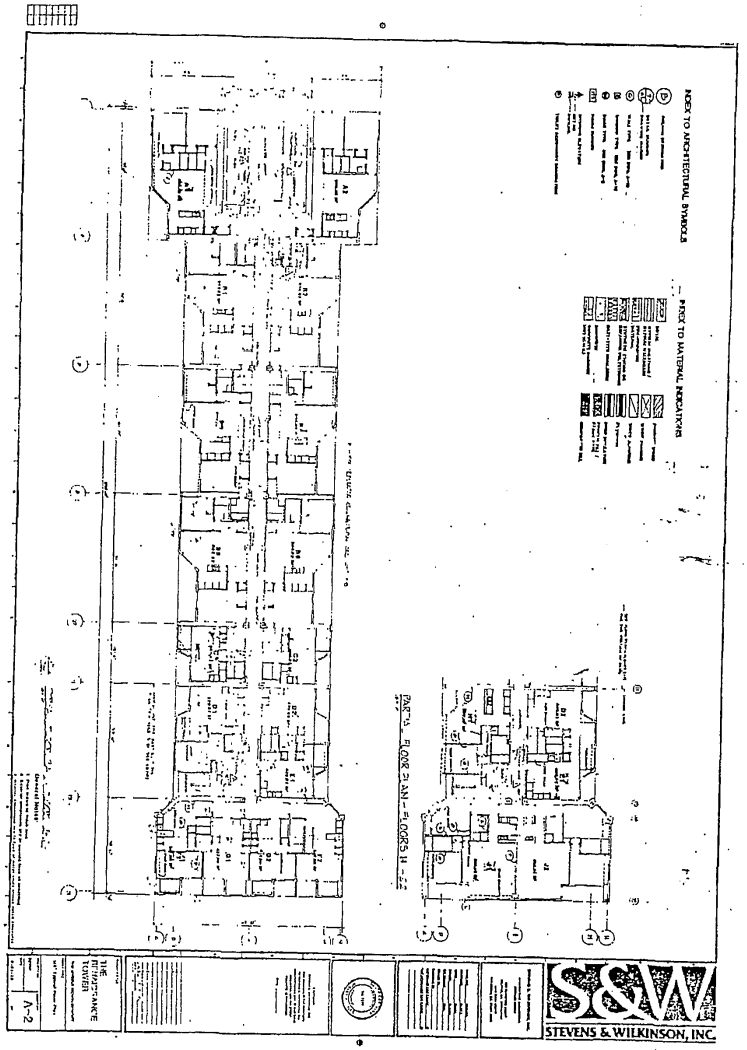
Sun Suites
135

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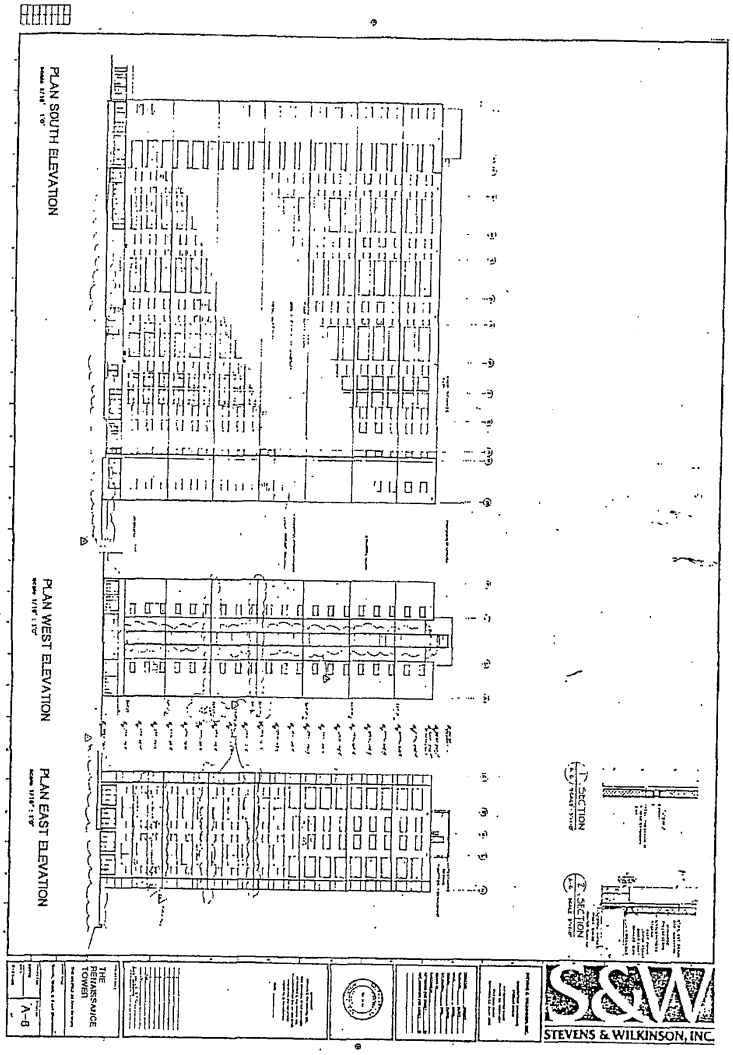
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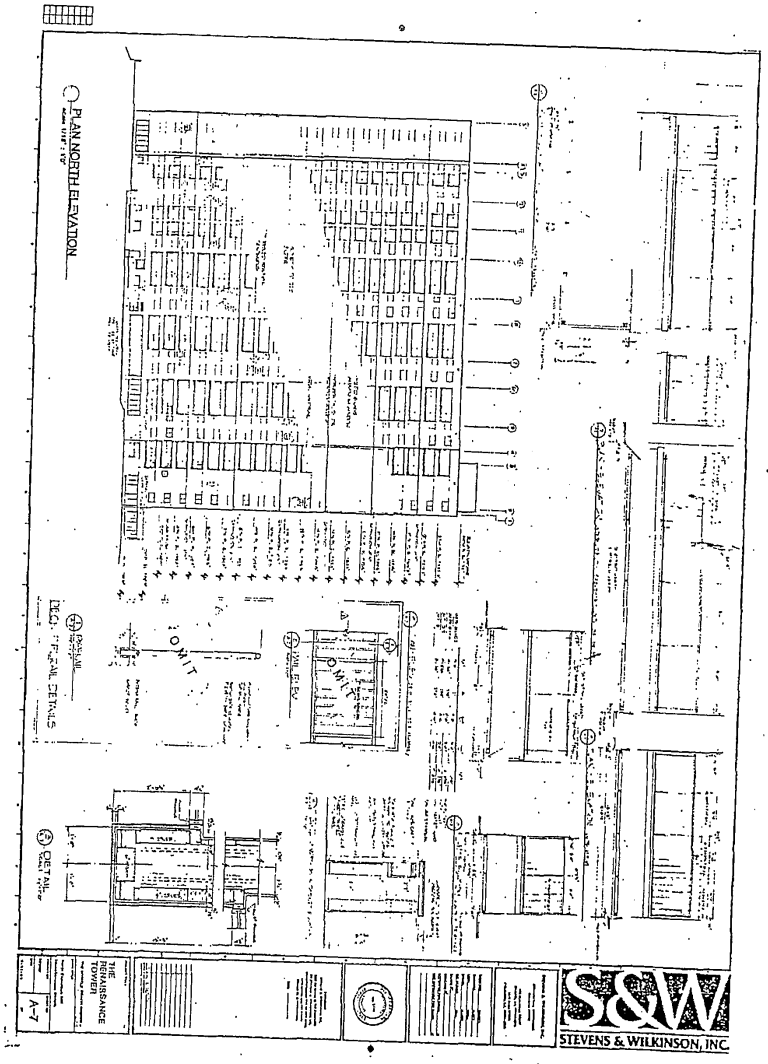
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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ARCHITECT'S CERTIFICATE

I certify to the best of my knowledge, information and belief that the descriptions, surveys, plats, plot plans and building plans constituting this Exhibit "1" to the Master Deed of the Renaissance Tower or referred to in this Exhibit "1" adequately and accurately depict and show graphically the dimensions, area and location of each Apartment, and the Common Elements, including elevations, in accordance with the requirements of Title 27, Chapter 31, Code of Laws of South Carolina, 1976.

STEVENS & WILKINSON, INC.

BY: Maynard Pearlstine

MAYNARD PEARLSTINE REGISTERED ARCHITECT No. 3[illegible] SOUTH CAROLINA

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EXHIBIT 3
BY-LAWS OF THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

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BY LAWS OF
THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

ARTICLE I
Name

The name of the Association shall be THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME.

ARTICLE II
Offices

The principal office of the Association shall be located at The Renaissance Tower Horizontal Property Regime, Horry County, South Carolina. The Association may have other offices within and without the State of South Carolina as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the State of South Carolina, registered agent whose office shall be located in the State of South Carolina. The registered agent may be changed from time to time by the Board of Directors.

ARTICLE III
Purpose

The purpose of this Association shall be to provide a collective government form of administration for the Co-Owners of The Renaissance Tower Horizontal Property Regime (the "Regime") to manage and control said Condominium and the activities of the Units Owners therein and of all persons using or occupying the facilities of the said Condominium and all things pertinent to and/or related thereto and to carry out all activities, promulgate all Rules and Regulations and to have all responsibilities and purposes that are given to the Association in the Master Deed of The Renaissance Tower Horizontal Property Regime (hereinafter called the ("Master Deed") in the South Carolina Horizontal Property Regime Act, Title 27, Chapter 31, Code of Laws of South Carolina (1976), (the "Act") and in these By-Laws, and to be the Association for this Regime as defined and called for in the Act and the Master Deed.

ARTICLE IV
Definitions

All terms and phrases used herein shall, unless the context otherwise requires, have the same definition and meaning as set forth in the Master Deed and/or in The Act, as the case may be.

ARTICLE V
Members

Each and every Co-Owner of an Apartment or an interest in a Unit in the Regime shall be a Member of this Association. Further, there shall be appurtenant to each Apartment in the Regime the number of votes assigned in the Master Deed which shall be voted collectively by the Voting Member of that Apartment as set forth in the Master Deed. Upon the sale, conveyance, devise or other transfer of any kind or nature of any Apartment, such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Apartment shall automatically pass and the membership of the transferor immediately terminated whether any membership certificate or voting certificate be

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transferred or not; provided, however, the Association shall for all purposes be entitled to rely upon the right to membership and voting rights of the person shown as Co-Owner of an Apartment in its records until notified of such transfer by delivery of written notice thereof to the secretary of the Association.

ARTICLE VI
Application

All present and future Co-Owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the facilities of the Regime or occupying any Apartment thereof shall be and are hereby subject to all matters, Rules and Regulations set forth in these By-Laws, Rules and Regulations promulgated by the Board of Directors hereof, and all things set forth in the Master Deed and in The Act.

A mere acquisition or rental of an Apartment or use of the facilities of the Regime shall signify these By-Laws and all Rules and Regulations and provisions contained within the Master Deed, the Act, or promulgated by the Board of Directors are accepted, ratified and shall be complied with.

ARTICLE VII
Voting Majority

Section 1. There is hereby assigned to each Apartment the number of votes as described and assigned in the Master Deed which shall be voted by the voting member thereof as described in the Master Deed. The vote so assigned to each may not be split in any fashion. If one person is the Co-Owner of an Apartment, he shall be the Voting Member. If an Apartment be owned by more than one person, they shall designate one of them as the Voting Member and notify the Secretary in writing of such designation. In the event a corporation owns an Apartment, the corporation shall designate one agent thereof as the Voting Member and so notify the Secretary in writing. In the case of multiple or corporate ownership of an Apartment, the vote appurtenant thereto shall not be exercised until written designation of the Voting Member has been delivered to the Secretary. The Voting Member so designated shall remain the Voting Member, entitled to cast the vote of that Apartment on all matters to come before the Association for vote until the Secretary be given written notice of change. The vote assigned to each Apartment represents that percentage value of that Apartment as opposed to the Association as a whole as then comprised.

Section 2. As used in these By-Laws, the term Majority of Co-Owners shall mean those Co-Owners who are Voting Members holding fifty-one (51%) percent of the total vote of all the Co-Owners of the Regime as then constituted and thereby represents fifty-one (51%) percent of the basic value of the Submitted Property as a whole. Unless otherwise required herein, in the Master Deed or in the Act, majority vote shall constitute fifty-one (51%) percent of the total outstanding votes of all Co-Owners and shall be required to adopt any decisions affecting the Regime.

Section 3. Except as otherwise provided or required in these By-Laws, the Master Deed or the Act, the presence in person or by proxy of a Majority of Co-Owners, as is defined above, shall be required to constitute a quorum.

Section 4. Votes may be cast in person or by proxy. Each proxy shall be in a form as determined by the Board of Directors and must be filed with the Secretary at least fifteen (15) days before the appointed time for a

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regular meeting and at least one day before the appointed time for a special meeting.

Section 5. Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy properly executed). Transfer of a Co-Owner's Unit or his interest therein in any fashion shall automatically terminate his membership herein and all his voting rights.

ARTICLE VIII
Administration

Section 1. The Association shall be managed and governed by a Board of Directors (herein called the Board) consisting of five (5) members. The initial Board of Directors shall be appointed by the Declarant as the initial Board of Directors and shall consist of three (3) members (who need not be present or future Co-Owners) and who shall serve until the Declarant calls a meeting of the Co-Owners to relinquish control and until their successors are elected and qualified. The Board of Directors to replace the initial Board of Directors appointed by the Declarant shall be nominated and elected at the organizational meeting called by Declarant to relinquish control. Of the total Directors to be then elected, the number of nominees equal to one-half (1/2) of the Board to be elected plus one and receiving the most votes shall be elected to the Board for a two-year term; the nominees receiving the next highest number of votes equal to the remaining positions on the Board shall be elected for a one-year term. Directors elected at subsequent elections shall be elected for a term of two years, and shall be elected at the regular Annual Meeting of the Association. At such regular Annual Meetings, the voting members shall vote for the number of Directors necessary as there are vacancies on the Board; provided, however, there shall be no cumulative voting unless required by law. The candidates receiving the most votes shall be declared elected as members of the Board to fill the Board positions vacant at that time. Board members shall serve until their successors are elected and qualified.

Section 2. Any Director (other than members of the initial Board appointed by Declarant) who shall cease to be a Co-Owner or who shall be delinquent in payment of any common expenses or Assessments (as defined in the Master Deed and/or in the Act) shall automatically cease to be a Member of the Board.

Section 3. Each Board Member (other than members of the initial Board appointed by Declarant) must be a Co-Owner (or the Voting Member for a corporate Co-Owner) and in good standing, current in payment of all fees, Assessments and Common Expenses.

ARTICLE IX
Board of Directors

Section 1. Consistent with these By-Laws, the Board shall:

A. Transact all Association business and prescribe the Rules and Regulations for the use of the Regime and all facilities and property thereof and may appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion and may fix their duties and compensation.

B. Annually set the Common Expenses for the operation of the Condominium.

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C. Fix, impose and remit penalties for violations of these By-laws and Rules and Regulations of the Association.

D. Serve without compensation.

E. Elect from the Board within thirty (30) days after each Annual Meeting a President, Vice President, Secretary and Treasurer, all of whom shall serve without renumeration. In the event of a vacancy in any one of these offices during the year, the Board shall have the power to elect a member of the Board in good standing to fill the vacancy for the unexpired term. In the event of a vacancy on the Board, the President shall have the power to appoint with the approval of the majority of the Board, a member in good standing to fill the vacancy until the next Annual Meeting.

F. Carry out all other duties and obligations imposed and exercise all rights granted it by the Declaration and Exhibits thereto and The Act.

Section 2. There shall be at least one regular meeting of the Board quarterly at a time designated by the President. The President or two members of the Board may call special meetings of the Board as are deemed necessary or desirable and in the best interest of the Association.

Section 3. Notice of regular and any special meetings of the Board of Directors shall be given at least twenty-one (21) days previously thereto by written notice delievered personally or sent by mail to each Director at his address as shown in the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice for such meeting except for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither business to be transacted nor other purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-Laws.

Section 4. A simple majority of the members of the entire Board shall constitute a quorum for the purposes of transacting Association business and the affirmative vote of a simple majority of the entire Board shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Declaration, its Exhibits and/or The Act. Absentee voting is permitted provided such Director register his vote in writing with the Secretary within twenty-four (24) hours after the termination of such meeting.

Section 5. Any action required by law to be taken at any meeting of the Directors or any action which may be taken in a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by two-thirds (2/3) of the Directors.

Section 6. The Board of Directors shall annually on or before November 15th of each year, prepare a budget for the up-coming calendar year to include such sums as it deems necessary and adequate to provide for the Common Expenses of the Regime and such other expenses as are deemed necessary or appropriate expenses of the Regime. The Board of Directors shall thereafter on or before December 1st deliver (which delivery may be by mail) the budget for the up-coming year together with statement of the amount(s) due from each Co-Owner for that year and the date or dates upon which payment

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or payments are due to the Co-Owners. Thereafter, should any increase or decrease be determined appropriate by the Board of Directors in Assessments to be paid by Co-Owners, the Board shall notify all Co-Owners so affected at least thirty (30) days prior to the time such Assessment so changed shall be due. The Association shall have a lien upon each Apartment together with the Common Elements and Common Surplus appurtenant thereto for payment of all Assessments not paid when due in the amount of such unpaid Assessments together with the interest thereon from the date due together with the cost of collection thereof including a reasonable attorney's fees. Such shall be collected and/or lien foreclosed upon in the manner provided for in the Master Deed and Exhibits thereto and/or in the Act.

ARTICLE X
Officers

Section 1. The principal officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by and from the Board. The Directors may appoint assistant treasurers and secretaries and such other officers as in their judgment may be necessary. No two offices (except for Assistants) may be held by the same person unless there be less directors than officers to be elected in which case one may hold more than one (1) office.

Section 2. The officers of the Association shall be elected annually by the Board of Directors immediately following the annual meeting of the Association and shall serve for the twelve (12) month period next succeeding. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall be duly elected and shall qualify.

Section 3. The President shall be the principal executive officer of the Association, shall preside at all meetings of the Board and all meetings of the membership, shall appoint committees and shall have general charge of and shall control the affairs of the Association according to such rules and regulations as the Board shall determine.

Section 4. There shall be a Vice-President who shall perform such duties as may be assigned to him by the Board. In case of death, disability or absence of the President, he shall be vested with all the powers and perform all duties of the President. The Vice-President shall also be chairman of the Operations Committee.

Section 5. There shall be a Secretary who shall record and keep possession of the minutes of the meetings of the Board and meetings of the Asociation and who shall perform or have performed the correspondence of the Board and shall have such further duties as may be assigned to the Secretary by the Board.

Section 6. There shall be a Treasurer who shall keep the funds of the Association and shall disburse them to meet the ordinary and usual expenses of the Regime and for other purposes as required by the Master Deed, the Act and/or upon order of the Board of Directors after such disbursal order has been entered in the minutes of the Board at a duly constituted meeting and shall have such other duties as may be assigned to him. He shall render a financial report to each regular meeting of the Board and to the Annual Meeting of the Association.

Section 7. If required by the Board of Directors, assistant treasurer(s), if any, shall be bonded at the expense of the Association. The assistant treasurers and the

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assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors upon a two-thirds (2/3) majority vote whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice of the contract rights, if any, of the officers so removed.

Section 8. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

ARTICLE XI
Meetings

Section 1. There shall be an Annual Meeting of the Association held during the first quarter of the calendar year and at a time and place designated by the President. Notice of the annual meeting shall be given to all Co-Owners by mail at least twenty days prior to the date of the meeting.

Section 2. Special meetings of the Association may be called by the Board. Also, upon request of Voting Members totaling fifty (50%) percent of the total votes of the Association in writing made to the Secretary stating the purpose therefor, a special meeting shall be called by the Secretary of the Association to be held within forty (40) days thereafter. Special meetings of the Association may be held at the call of the President upon five days notice by mail to all members. Such notice shall state the purpose for which the special meeting is called and no other business shall be transacted at said meeting.

Section 3. Voting Members holding fifty-one (51%) percent of the total votes of the Association must be present personally or by proxy to constitute a quorum at all Annual and Special meetings of the Association. Should voting members holding fifty-one percent of the vote not be present or constitute a quorum at an Annual Meeting of the membership, a special Board meeting may be called by the President or the Secretary and by action of two-thirds (2/3) of the entire membership of the Board of Directors a quorum may be declared provided there are voting members holding at least one-third (1/3) of the total outstanding votes of the Association present and that the business to be conducted at such meeting does not require that a greater number of voting members be present.

Section 4. Any action required by law to be taken at a meeting of the Association or any action which may be taken in a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Voting Members holding not less than sixty-seven (67%) percent of the entire votes entitled to vote on the subject matter thereof and further provided the same is not otherwise prevented by these By-Laws, the Declaration or the Act.

Section 5. When notice to Co-Owners is required, the mailing of such notice to the last known address of the Co-Owner in the Association's records shall constitute notice.

EXHIBIT 3-6

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ARTICLE XII
Obligations of Co-Owners

Section 1. Each Co-Owner is obligated to pay all annual, monthly and special Assessments and charges levied or imposed by the Association and/or through its Board of Directors for such purposes as are enumerated in the Declaration, in the Act and in these By-Laws. Such charges or Assessments so levied shall be paid on or before the date(s) affixed by resolution of the Board. Written notice of the change in any Assessment and the date the payment shall be paid shall be sent to each Co-Owner at the address given by such Co-Owner to the Secretary of the Association. All common Assessments shall be prorated dependent upon each Co-Owner's percentage of ownership in the Common Elements as is determined and set forth in the Master Deed and the Exhibits thereto. Such Assessments shall include monthly payments to a general operating reserve in a reserve fund for replacements and all other things as required or set forth in Declaration, the Act and/or these By-Laws.

Section 2. The amount of Assessment levied shall be paid on or before the date due. If not so paid, the amount of such Assessment plus any other charges thereon including a late payment charge of ten (10%) percent of the payment due or ten and no/100 ($10.00), whichever is greater (but in no event more than the maximum limit allowed by law), and costs of collection, including attorney's fees unless prohibited by law, shall constitute and become a lien on the Co-Owner's Apartment and share of the Common Elements and Common Surplus appurtenant thereto. Such lien rights shall be as provided for and in accordance with the terms and provisions of the Master Deed and the Act. The notice of Assessment which shall state the amount of such Assessment and such other charges and give the number of the Apartment which has been assessed shall be mailed to the Co-Owner thereof. Upon payment of such said Assessments and charges or other satisfaction thereof, if notice of a lien has been recorded, the Board shall, within a reasonable time, cause to be recorded a notice stating the satisfaction of said lien. The priority of the lien hereinabove set forth shall be as provided in the Master Deed and/or the Act.

Section 3. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage, deed of trust or other lien upon real property securing a debt and in accordance with the provisions of the Act and in such event, the Association may be a bidder at the foreclosure sale. The Association through its Board or any duly authorized agent or designee may file notice of and foreclose such lien and also pursue any other remedy against any Co-Owner owing money which is available by law or in equity for the collection of debt.

Section 4. Upon request and payment as provided in the Act, the Board shall within the time set by the Act furish a statement certifying that all Assessments then due have been paid or indicating the amount then due.

Section 5. Each and every Co-Owner shall perform promptly all maintenance and repair work required of individual Co-Owners by the Master Deed, the Act or these By-Laws or which is within his own Apartment which, if omitted, would affect the Master Deed in its entirety or in a part belonging to some other Co-Owner(s). The Association shall be responsible for all maintenance and repair work required of the Association in the Master Deed, these By-Laws and/or the Act.

A Co-Owner shall reimburse the Association if there be any expenditures incurred in repairing and/or replacing any Common Elements or facilities damaged by such Co-Owner, his family, guests, invitees or lessees.

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Section 6. Each Apartment, other than any Apartment owned by Declarant or designated as a Commercial Unit shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease of his Apartment by a Co-Owner to a lessee or rentor to use for residential purposes.

Section 7. No Co-Owner shall make any structural modifications or alterations in his Apartment or upon any Common Elements without the approval of the Association through the Board of Directors.

Section 8. No Co-Owner, his family, guests, invitees, or lessees shall place or cause to be placed in any common area or facilities any furniture, package(s) or object(s) of any kind. Such areas shall be used for no purpose other than normal transit through them and/or use of the facilities provided; provided, however, the provisions hereof shall not prevent the Co-Owner of a Commercial Unit from using portions of the Common Elements adjoining such Commercial Unit for uses normally attendant to such Commercial Unit, provided such does not unduly interfere with normal use of such Common Elements by other Co-Owners, their families, guests, invitees and lessees.

Section 9. Each Co-Owner shall and does hereby grant right of entry to the Board or its duly authorized agent in the case of any situation provided for in the Master Deed or the Act whether such Co-Owner is present at the time or not.

Section 10. No occupant of an Apartment shall post any advertisements or posters of any kind in or on the Regime property except as authorized by the Board or as is permitted in the Master Deed; provided, however, this provision shall not be applicable to Declarant or its assigns during the period it is managing, renting or selling units or prevent the owner of any Commercial Unit from displaying one or more signs (which must be architecturally and aesthetically harmonious with the appearance of the Property).

Section 11. Occupants of Apartments shall use extreme care about making noises or the use of musical instruments, radio, television and/or amplifiers that may distrub other occupants and in the event so notified by the Board or its duly authorized agent such occupant shall immediately cease and desist such activity.

It is prohibited to hang garments, rugs, etc. from the windows or from any sides or from any of the building or parts thereof.

It is prohibited to dust rugs, etc. from the windows or to clean rugs, etc. by beating on the exterior part of any of the building.

It is prohibited to throw or place garbage or trash outside the disposal installation(s) provided for such purposes.

Section 12. No Co-Owner, occupant or lessee of an Apartment shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or roof of any building except as authorized by the Board.

Section 13. Nothing herein contained shall limit in any manner the power of the Association and/or Board to issue or promulgate such Rules and Regulations as are deemed necessary or desirable for the use, occupancy and enjoyment of the Regime by the Co-Owners and/or occupants thereof.

EXHIBIT 3-8

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Further, all obligations imposed by the Master Deed, its Exhibits and/or the Act are hereby incorporated by reference as further obligations as fully as if herein set forth.

Section 14. The Board of Directors shall have the right to enter into such agreements as it deems desirable to provide common services or to lease equipment for the use and enjoyment of the Co-Owners or any one or more Co-Owners. Such rights shall include but not be limited to the right to enter into lease and/or use and/or purchase agreements with third parties to provide recreational equipment and facilities and/or to install, sell and/or lease to the Regime an MATV system and/or cable television system and/or television sets and/or telephone systems and sets. Furthermore, Declarant shall have the right to enter into such agreements on behalf of and for the Association, its Board and the Co-Owners which agreement(s) shall be binding upon the Association and each and every Co-Owner.

ARTICLE XIII
Mortgages

Section 1. Any Co-Owner who mortgages or grants a lien upon his Apartment or any interest therein shall notify the Board of Directors of the name and address of his mortgagee and the Board shall maintain such information in a book entitled "Mortgagees of Condominium Units."

Section 2. The Board shall, at the request of such mortgagee, report any unpaid Assessments due from the Co-Owner of such Apartment so mortgaged.

Section 3. Any and all Institutional Mortgagees shall have the rights and powers granted unto them by the Master Deed and/or the Act and nothing herein contained shall supersede such rights and powers. In the event any right or duty or power herein delegated or granted unto the Association or Board by these By-Laws is given to an Institutional Mortgagee by reason of the Master Deed and/or the Act or should that Institutional Mortgagee by reason of the Master Deed and/or the Act have any voice in such decisions, then such Institutional Mortgagee is hereby given and granted such rights and powers and vote in such decisions as are thereby granted.

ARTICLE XIV
Rules and Regulations

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issued as it may in its sole discretion determine necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any Apartments, common areas or facilities contained within the Regime, subject, however, to such restrictions upon such as contained in the Master Deed, its Exhibits and the Act together with any Rules and Regulations issued thereunder. Such Rules and Regulations shall be binding upon and enforceable against all Co-Owners, their families, guest, invitees and/or lessees, and all occupants of Apartments.

ARTICLE XV
Contracts, Checks, Deposits, Agreements and Funds

Section 1. The Board of Directors may authorize any officer or officers or agent or agents of the Association to enter into any contract or execute and deliver any

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instrument in th : of and on behalf of t sociation and/or the Co-Own. chereof. Such authorit be general or confined to specific instances.

Section 2. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by the resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer (or duly authorized assistant treasurer) and by the President (or Vice President).

Section 3. All funds of the Association and/or received by it from or on behalf of the Co-Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depository as the Board may select or as the circumstances and purposes of such deposits may require; provided, however, all payments of Common Expenses by Co-Owners shall be paid by the Co-Owners into a lock-box account which shall be owned by the Association and maintained in a federally insured bank, designated by unanimous vote of the Board and concurred in by the Institutional Mortgagee(s) (if any), described in Article X, Section 2 of the Declaration. No payment shall be considered made until delivered into such lock box.

Section 4. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any of the special purposes of the Association.

ARTICLE XVI
Certificates of Membership

Section 1. The Board may provide for the issuance of certificates evidencing membership in the Association of each Co-Owner which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President and by the Secretary and shall be sealed with the seal of the Association, if any. All certificates shall be consecutively numbered. The name and address of each Co-Owner and the date of the issuance of the certificates shall be entered on the records of the Association. If any certificate may become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board may determine.

Section 2. Upon purchase of the Apartment, a certificate of membership may be issued in the name of the Co-Owner thereof and delivered to him by the Secretary. Such certificate shall be non-transferable and shall be immediately surrendered to the Board upon termination of ownership for any reason. Further, should such Co-Owner fail to surrender such certificate upon termination of ownership such termination shall automatically terminate membership in the Association and such membership certificate shall become null and void.

Section 3. Any Co-Owner failing to pay Assesments when due may, in addition to any other remedies available against him, have his membership in the Association suspended by the Board. Any Co-Owner thus suspended shall immediately be notified in writing by the Secretary.

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ARTICLE XVII
Books and Records

Section 1. The Association and the Board shall keep correct and complete books and records of account, in accordance with generally accepted accounting principles, open to inspection by Co-Owners at reasonable times. Such records shall include:

a. A record of all receipts and expenditures.

b. An account for each Apartment setting forth any shares of Common Expenses or other charges due, the due dates thereof, the present balance due and any interest in Common Surplus.

The Association shall also keep minutes of the proceedings of the Association, of the Board and committees having any authority of the Board and/or the Association and shall keep at the registered office a record giving the names and addresses of the Co-Owners who are Voting Members.

Section 2. For purposes of voting at all meetings of the Association, that person designated as Voting Member for a particular Apartment shall be conclusively so presumed to be the Voting Member therefor until the Secretary be notified of a change in the Voting Member. The name of the Voting Members entitled to vote at any meeting may not be changed at such meeting without the express permission of the Board. For purposes of this section, deposit of notice in the United States mail prepaid or personal delivery shall constitute delivery.

ARTICLE XVIII
Miscellaneous

Section 1. Each person elected and qualified as a Director or Officer shall be indemnified by the Association against expenses actually and necessarily incurred by and in connection with the defense by such person of any action, suit or proceeding in which he is made a party by reason of his being a Director or Officer except as to matter as to which he is adjudged to be liable for gross negligence or wilful misconduct. The right of indemnification shall inure to each Director or Officer when such matter occurred during the time that such person was a Director or Officer even though such action takes place after such Director or Officer has been succeeded in office by someone else. Such payment by the Association to the extent not paid by insurance shall be included as a part of the Common Expenses.

Section 2. Any question as to the interpretation of these By-Laws shall be determined by simple majority of the full Board.

Section 3. Robert's Rules of Order shall apply in any meeting of the Board or of the Association unless in conflict with the By-Laws, Master Deed or the Act in which case these By-Laws, the Master Deed and/or the Act shall control.

ARTICLE XIX
Compliance

These By-Laws are set forth to comply with the requirements of the Act. In case any of these By-Laws conflict with the provisions of the Act, the Provisions of

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the Act shall apply where no variance is allo If variance is allowed, the provisions of these By-Laws shall apply. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control.

ARTICLE XX
Amendments

These By-Laws may be amended by a vote of sixty-seven (67%) percent of the total vote of the Regime unless some other or greater vote is required herein, in the Master Deed and/or in the Act; provided, however, no amendment may be enacted affecting the security or rights of an Institutional Mortgagee. No Amendment may be enacted affecting any right of the Declarant without consent of the Declarant.

ARTICLE XXI
Dissolution

Termination of the Regime shall automatically dissolve this Association. It may also be dissolved in the manner provided by law. Upon dissolution those funds held by the Association for the Co-Owners shall be turned over to the Association's successor as governing entity of the Regime, or if the Regime be terminated, after payment of all debts and expenses, divided as provided according to the percentage ownership interests of the Co-Owners in the Common Elements and disbursed as provided in the Act and/or the Master Deed, provided, however, the residual of any property of any nature owned by the Association not held by it on behalf of the Co-Owners or any of them, shall, if appropriate, be turned over to one or more organizations which, themselves, are exempt from Federal Income Tax as organizations described in Sections 501(e) (3) and 170(c) of the Internal Revenue Code and from Alabama Income Tax, or to the Federal, State or Local Government for exclusively public purposes.

THESE BY-LAWS are hereby adopted, accepted and fully ratified as the By-Laws of THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME this 21st day of November, 1984.

WITNESSETH:

THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME

BY: (Seal)

ATTEST: (Seal)

EXHIBIT 3-12

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EXHIBIT 4

PROPERTY RIGHTS AND PERCENTAGE OF INTEREST

PROPERTY ... TS AND PERCENTAGE OF IN ... T
THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME

Each Co-Owner owns, in addition to his Apartment, an interest in the Common Elements of the Property, which percentage of ownership interest has been determined and computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. The Regime consists of one hundred seventy-eight (178) two bedroom Apartments, nine (9) one bedroom Apartments, one hundred thirty-five (135) Suites and five (5) Commercial Units, for a total of three hundred twenty-seven (327) Units.

The percentage of interest in the Common Elements of each Co-Owner of each Apartment represents the percentage of the total votes of all Co-Owners as set out below. There are five (5) votes appurtenant to each Grand two bedroom (Units "16" and "17") and Front two bedroom (Units "01" and "02", floors 14-22) Apartments, four (4) votes appurtenant to each Side two bedroom Apartment (Units "10", "11", "12", "13", "14" and "15"), three (3) votes appurtenant to each one bedroom Apartment (Units "06", floors 14-22) and each Front Suite containing approximately 548 square feet (Units "01" and "04", floors 2-12), two (2) votes appurtenant to each remaining Suite (Units "02", "03" and "06", floors 2-12, and Units "05", "07", "08" and "09"), twenty (20) votes appurtentant to Commercial Unit A, three (3) votes appurtenant to Commercial Unit B, Commercial Unit C and Commercial Unit D each, respectively, and one (1) vote appurtenant to Commercial Unit E. The percentage of the total vote that the vote assigned to each Apartment represents is shown on the attached chart entitled "Unit Percentage Interest in Common Elements". The percentage of ownership stated therein represents that Apartment's share in the Common Elements of the Property and share in the Common Expenses and Assessments and Common Surplus of the Regime.

There are one thousand one hundred ninteen (1119) total votes in the Regime. Such voting rights and the percentage of the total vote appurtenant to each Apartment have been computed by taking as a basis the value of each individual Apartment in relation to the value of the Property as a whole. Each Grand two bedroom and Front two bedroom Apartment has an equal value to every other like Apartment. Commercial Unit A has a value equal to approximately four times the value of each Grand two bedroom and Front two bedroom Apartment. Each Side two bedroom Apartment has an equal value to every other Side two bedroom Apartment. Each one bedroom Apartment and each Front Suite containing approximately 548 square feet has a value equal to every other like Apartment. Likewise, Commercial Unit B, Commercial Unit C and Commercial Unit D each, respectively, have a value equal to equal one bedroom Apartment. Each remaining Suite has an equal value to every other like Suite. Commercial Unit E is smaller in size than any other Unit and has been assigned a value proportional to the other Units.

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UNIT P. AGE INTEREST IN COMMON ELEME...S

Floor	Unit No.	Type	Percentage of Common Elements
2	201	Suite	.2681
	202	Suite	.1787
	203	Suite	.1787
	204	Suite	.2681
	205	Suite	.1787
	206	Suite	.1787
	207	Suite	.1787
	208	Suite	.1787
	209	Suite	.1787
	210	2BR	.3575
	211	2BR	.3575
	212	2BR	.3575
	213	2BR	.3575
	214	2BR	.3575
	215	2BR	.3575
	216	2BR	.4468
	217	2BR	.4468
3	301	Suite	.2681
	302	Suite	.1787
	303	Suite	.1787
	304	Suite	.2681
	305	Suite	.1787
	306	Suite	.1787
	307	Suite	.1787
	308	Suite	.1787
	309	Suite	.1787
	310	2BR	.3575
	311	2BR	.3575
	312	2BR	.3575
	313	2BR	.3575
	314	2BR	.3575
	315	2BR	.3575
	316	2BR	.4468
	317	2BR	.4468
4	401	Suite	.2681
	402	Suite	.1787
	403	Suite	.1787
	404	Suite	.2681
	405	Suite	.1787
	406	Suite	.1787
	407	Suite	.1787
	408	Suite	.1787
	409	Suite	.1787
	410	2BR	.3575
	411	2BR	.3575
	412	2BR	.3575
	413	2BR	.3575
	414	2BR	.3575
	415	2BR	.3575
	416	2BR	.4468
	417	2BR	.4468
5	501	Suite	.2681
	502	Suite	.1787
	503	Suite	.1787
	504	Suite	.2681
	505	Suite	.1787
	506	Suite	.1787
	507	Suite	.1787
	508	Suite	.1787
	509	Suite	.1787
	510	2BR	.3575
	511	2BR	.3575
	512	2BR	.3575
	513	2BR	.3575
	514	2BR	.3575
	515	2BR	.3575
	516	2BR	.4468
	517	2BR	.4468

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Floor	Unit No.	Type	Percentage of Common Elements
6	601	Suite	.2681
	602	Suite	.1787
	603	Suite	.1787
	604	Suite	.2681
	605	Suite	.1787
	606	Suite	.1787
	607	Suite	.1787
	608	Suite	.1787
	609	Suite	.1787
	610	2BR	.3575
	611	2BR	.3575
	612	2BR	.3575
	613	2BR	.3575
	614	2BR	.3575
	615	2BR	.3575
	616	2BR	.4468
	617	2BR	.4468
7	701	Suite	.2681
	702	Suite	.1787
	703	Suite	.1787
	704	Suite	.2681
	705	Suite	.1787
	706	Suite	.1787
	707	Suite	.1787
	708	Suite	.1787
	709	Suite	.1787
	710	2BR	.3575
	711	2BR	.3575
	712	2BR	.3575
	713	2BR	.3575
	714	2BR	.3575
	715	2BR	.3575
	716	2BR	.4468
	717	2BR	.4468
8	801	Suite	.2681
	802	Suite	.1787
	803	Suite	.1787
	804	Suite	.2681
	805	Suite	.1787
	806	Suite	.1787
	807	Suite	.1787
	808	Suite	.1787
	809	Suite	.1787
	810	2BR	.3575
	811	2BR	.3575
	812	2BR	.3575
	813	2BR	.3575
	814	2BR	.3575
	815	2BR	.3575
	816	2BR	.4468
	817	2BR	.4468
9	901	Suite	.2681
	902	Suite	.1787
	903	Suite	.1787
	904	Suite	.2681
	905	Suite	.1787
	906	Suite	.1787
	907	Suite	.1787
	908	Suite	.1787
	909	Suite	.1787
	910	2BR	.3575
	911	2BR	.3575
	912	2BR	.3575
	913	2BR	.3575
	914	2BR	.3575
	915	2BR	.3575
	916	2BR	.4468
	917	2BR	.4468

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Floor	Unit No.	Type	Percentage of Common Elements
10	1001	Suite	.2681
	1002	Suite	.1787
	1003	Suite	.1787
	1004	Suite	.2681
	1005	Suite	.1787
	1006	Suite	.1787
	1007	Suite	.1787
	1008	Suite	.1787
	1009	Suite	.1787
	1010	2BR	.3575
	1011	2BR	.3575
	1012	2BR	.3575
	1013	2BR	.3575
	1014	2BR	.3575
	1015	2BR	.3575
	1016	2BR	.4468
	1017	2BR	.4468
11	1101	Suite	.2681
	1102	Suite	.1787
	1103	Suite	.1787
	1104	Suite	.2681
	1105	Suite	.1787
	1106	Suite	.1787
	1107	Suite	.1787
	1108	Suite	.1787
	1109	Suite	.1787
	1110	2BR	.3575
	1111	2BR	.3575
	1112	2BR	.3575
	1113	2BR	.3575
	1114	2BR	.3575
	1115	2BR	.3575
	1116	2BR	.4468
	1117	2BR	.4468
12	1201	Suite	.2681
	1202	Suite	.1787
	1203	Suite	.1787
	1204	Suite	.2681
	1205	Suite	.1787
	1206	Suite	.1787
	1207	Suite	.1787
	1208	Suite	.1787
	1209	Suite	.1787
	1210	2BR	.3575
	1211	2BR	.3575
	1212	2BR	.3575
	1213	2BR	.3575
	1214	2BR	.3575
	1215	2BR	.3575
	1216	2BR	.4468
	1217	2BR	.4468
14	1401	2BR	.4468
	1402	2BR	.4468
	1405	Suite	.1787
	1406	1BR	.2681
	1407	Suite	.1787
	1408	Suite	.1787
	1409	Suite	.1787
	1410	2BR	.3575
	1411	2BR	.3575
	1412	2BR	.3575
	1413	2BR	.3575
	1414	2BR	.3575
	1415	2BR	.3575
	1416	2BR	.4468
	1417	2BR	.4468

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Floor	Unit No.	Type	Percentage of Common Elements
15	1501	2BR	.4468
	1502	2BR	.4468
	1505	Suite	.1787
	1506	1BR	.2681
	1507	Suite	.1787
	1508	Suite	.1787
	1509	Suite	.1787
	1510	2BR	.3575
	1511	2BR	.3575
	1512	2BR	.3575
	1513	2BR	.3575
	1514	2BR	.3575
	1515	2BR	.3575
	1516	2BR	.4468
	1517	2BR	.4468
16	1601	2BR	.4468
	1602	2BR	.4468
	1605	Suite	.1787
	1606	1BR	.2681
	1607	Suite	.1787
	1608	Suite	.1787
	1609	Suite	.1787
	1610	2BR	.3575
	1611	2BR	.3575
	1612	2BR	.3575
	1613	2BR	.3575
	1614	2BR	.3575
	1615	2BR	.3575
	1616	2BR	.4468
	1617	2BR	.4468
17	1701	2BR	.4468
	1702	2BR	.4468
	1705	Suite	.1787
	1706	1BR	.2681
	1707	Suite	.1787
	1708	Suite	.1787
	1709	Suite	.1787
	1710	2BR	.3575
	1711	2BR	.3575
	1712	2BR	.3575
	1713	2BR	.3575
	1714	2BR	.3575
	1715	2BR	.3575
	1716	2BR	.4468
	1717	2BR	.4468
18	1801	2BR	.4468
	1802	2BR	.4468
	1805	Suite	.1787
	1806	1BR	.2681
	1807	Suite	.1787
	1808	Suite	.1787
	1809	Suite	.1787
	1810	2BR	.3575
	1811	2BR	.3575
	1812	2BR	.3575
	1813	2BR	.3575
	1814	2BR	.3575
	1815	2BR	.3575
	1816	2BR	.4468
	1817	2BR	.4468

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Floor	Unit No.	Type	Percentage Of Common Elements
19	1901	2BR	.4468
	1902	2BR	.4468
	1905	Suite	.1787
	1906	1BR	.2681
	1907	Suite	.1787
	1908	Suite	.1787
	1909	Suite	.1787
	1910	2BR	.3575
	1911	2BR	.3575
	1912	2BR	.3575
	1913	2BR	.3575
	1914	2BR	.3575
	1915	2BR	.3575
	1916	2BR	.4468
	1917	2BR	.4468
20	2001	2BR	.4468
	2002	2BR	.4468
	2005	Suite	.1787
	2006	1BR	.2681
	2007	Suite	.1787
	2008	Suite	.1787
	2009	Suite	.1787
	2010	2BR	.3575
	2011	2BR	.3575
	2012	2BR	.3575
	[illegible]	2BR	.3575
	2014	2BR	.3575
	2015	2BR	.3575
	2016	2BR	.4468
	2017	2BR	.4468
21	2101	2BR	.4468
	2102	2BR	.4468
	2105	Suite	.1787
	2106	1BR	.2681
	2107	Suite	.1787
	2108	Suite	.1787
	2109	Suite	.1787
	2110	2BR	.3575
	2111	2BR	.3575
	2112	2BR	.3575
	2113	2BR	.3575
	2114	2BR	.3575
	2115	2BR	.3575
	2116	2BR	.4468
	2117	2BR	.4468
22	2201	2BR	.4468
	2202	2BR	.4468
	2205	Suite	.1787
	2206	1BR	.2681
	2207	Suite	.1787
	2208	Suite	.1787
	2209	Suite	.1787
	2210	2BR	.3575
	2211	2BR	.3575
	2212	2BR	.3575
	2213	2BR	.3575
	2214	2BR	.3575
	2215	2BR	.3575
	2216	2BR	.4468
	2217	2BR	.4468
Ground	Commercial Unit A		1.7877
	Commercial Unit B		.2681
	Commercial Unit C		.2681
	Commercial Unit D		.2681
	Commercial Unit E		.0894

2BR = two bedroom apartment
1BR = one bedroom apartment

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EXHIBIT 5
TELEVISION RENTAL AND SERVICE AGREEMENT

STATE OF SOUTH CA -INA)
)
COUNTY OF HORRY)

TELEVISION RENTAL AND SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 27th day of November, 1984, by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, on behalf of itself and each and every Unit Owner thereof (hereinafter referred to as "Renter").

W I T N E S S E T H :

Capital and Renter do hereby mutually agree as follows:

1. Capital will furnish and rent unto Renter, and Renter does hereby rent from Capital, for the term and under the terms and conditions herein set forth, the number and type of television sets and/or equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Renter at its expense), in Units located upon premises owned or rented or otherwise lawfully operated by Renter located in THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, a Condominium, (the "Regime"), County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but no limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of television sets and/or equipment rented under the terms hereof are as follows and are the model, type and design selected by the Renter as suitable, in its judgment, for Renter's purpose:

(a) One (1) 19-inch Solid State Television for each residential Unit included in the Condominium;

(b) One locking furniture swivel for each television set so provided; and

(c) Cable, access outlets, and distribution equipment and amplification equipment for signal distribution.

All equipment to be prepaid by Capital.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said rented equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Renter, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective set or sets shall occur, such substituted equipment shall be subject to all the terms hereof. The extent, nature, type channel capacity, periods or the like of cable TV programming service shall be within Capital's sole discretion.

It is the obligation of the Renter to notify Capital of any deficiency in service as rendered by Capital or its service representative. Capital shall not be liable to Renter for any loss, damage or expense of any kind or nature directly or indirectly caused by the television equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused; and Capital shall in no event be liable for any special or consequential damages. Renter further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

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EXHIBIT 5-1

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3. ASSIGNMENT OF AGREEMENT: Except as provided for herein this Agreement shall not be assigned by Renter except upon prior written consent of Capital. Capital may assign this Agreement, its rights hereunder and all or any part of the rentals, charges and all other claims or rights to money due or to become due hereunder (except for those charges and rental fees or portions thereof made hereunder by Capital in order to provide service, maintenance and replacement herein required of Capital) at any time to an independent third party ("Assignee") and upon notice of any assignment from Assignee, Renter shall make all payments (except for those portions of payment which are made in order to provide service, maintenance and replacement hereunder) coming due thereafter to the Assignee without offset, counterclaim or defense of any kind. Renter's rights under this Agreement shall at all times be subject, junior and subordinate to any and all rights and remedies of the Assignee. Notwithstanding any assignment, Renter shall continue to look to Capital for the performance of its obligations hereunder and in no event shall the Assignee become liable or responsible to perform any of the obligations imposed upon Capital for service, maintenance or replacement by this Agreement. In the event of default by Capital of any provisions of this Agreement, Renter will remain responsible to Assignee to perform those of Renter's obligations hereunder assigned to Assignee. However, with consent of Assignee, Renter may (a) purchase for cash all equipment covered by this Agreement or (b) assume all obligations that Capital has with Assignee with respect to the equipment covered by this Agreement.

4. LOCATION: Renter shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Renter further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The term hereof shall be for a period of one hundred twenty (120) months beginning on the date of the completion of the delivery of the equipment on the premises of Renter, said date to be confirmed in writing by Renter upon request of Capital.

6. RENT PAYMENTS: As rental for said equipment, Renter shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of $26.26 inclusive of applicable taxes per set delivered per month as "Base Rental" (which includes a television rental fee of $14.18 and a cable fee of $12.08). Upon each anniversary from the date of this Agreement furing the term of this Agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index shown by the Consumer Price Index (or similar government index) and increases in royalty costs or similar fees paid to suppliers of cable programming from time to time, provided, further, in no event shall the Base Rental during the term of this Agreement and any renewals hereof ever be less than $26.26 inclusive of applicable taxes per month. Capital may further charge to Renter any fees, charges or similar costs imposed by the Federal Communications Commission (FCC). Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Renter requests partial delivery of equipment, Renter agrees to pay billing on an interim basis, with such billing based on rates for equipment in use, and upon completion of delivery, the full term of this lease shall commence.

7. OWNERSHIP: The equipment, together with wiring, reception and distribution facilities, rented under the terms hereof shall at all times be the sole property of

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contained. Said equipment shall remain perso. .l property and, no matter how connected with or attached to the premises of Renter, will not become a part of the realty or fixtures therein, and Renter, if so requested by Capital, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Renter, or of any Purchaser of the premises of Renter in the event of sale of same, that said equipment shall remain personal property. Renter shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Renter or his agent order delivery of equipment and installation on specified dates and the Renter's premises are not ready for installation of same, Renter assumes full responsibility for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Renter grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Renter shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said television sets in or about the premises of Renter and shall carry public liability insurance to save Capital harmless in the event of such injury, except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including television sets in guest rooms, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Renter, excepting television sets or equipment in storage awaiting use of servce, providing, however: (a) Renter reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Renter furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Renter and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Renter agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Renter agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the rented equipment. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Renter shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives or Renter, or if Renter fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Renter to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this Agreement, Renter agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Renter agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be

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applicable now or any time during the term of this Agreement to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this Rental and Service Agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this agreement.

14. DEFAULT: In the event that any payment of rent shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this Agreement by Renter, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Renter's last known address, or should Renter be adjudged as bankrupt or there be filed against Renter a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Renter, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Renter does not (a) pay the entire remaining rental payments under this Agreement or (b) cure its breach of the provisions of this Agreement, then and in that event Capital shall have the right, without giving further notice to Renter, to remove the property thereby without liability and Renter shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of the Condominium as to each Unit Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Unit Owner(s) as granted to Renter by the Alabama Condominium Ownership Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest recorded prior to the recording of such notice of lien.

Renter agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this Agreement or to require strict performance by the Renter or any provision of this Agreement shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital or any default by the Renter shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this Agreement, Renter shall remove the rented equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Renter fails to so remove and surrender the rented equipment, Capital shall have the right to enter any premises where the rented equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of this Agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Renter shall upon demand by Capital either: (a) pay to Capital

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equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. SUBORDINATION OF AGREEMENT: Should the equipment rented herein be covered by a Conditional Sales Contract, Chattle Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this Agreement is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This Agreement constitutes the entire and only Agreement between the parties with respect to renting the equipment covered hereby and any representation, promise or conditions with respect to said renting not set forth in this Agreement or such amendments as may be accepted in writing by the designated officers or either party, shall not be binding on either party.

19. SOUTH CAROILNA LAW: Should any question arise as to the validity, construction, interpretation or performance of this rental and service agreement in any court of any State of the United States, or of Canada, it is agreed that the laws of the State of SOUTH CAROLINA shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this Agreement shall not affect the validty of any other provision hereof. This Agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Renter.

20. EASEMENTS: Renter on behalf of itself and each and every of the Unit Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Units, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, access outlets, distribution amplification equipment herein rented, as well as the locking furniture swivels and television sets.

21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

22. INTERIM BILLING: Renter shall be billed per terms herein on the first day of the month following delivery of each television increment, and when units are delivered, the 120-month rental term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:

THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Its _____

CAPITAL TELECOMMUNICATIONS CORPORATION

By _____
Its _____

EXHIBIT 5-5

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EXHIBIT 6
TELEPHONE RENTAL AND SERVICE AGREEMENT

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STATE OF SOUTH CAROLINA)
) TELEPHONE RENTAL AND SERVICE AGREEMENT
COUNTY OF HORRY)

THIS AGREEMENT, made and entered into this 21st day of November, 1984, by and between CAPITAL TELECOMMUNICATIONS CORPORATION (hereinafter referred to as "Capital"), and THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS, on behalf of itself and each and every Unit Owner thereof (hereinafter referred to as "Renter").

W I T N E S S E T H :

Capital and Renter do hereby mutually agree as follows:

1. Capital will furnish and rent unto Renter, and Renter does hereby rent from Capital, for the term and under the terms and conditions herein set forth, the telephones and equipment herein specified. Said equipment shall be delivered by Capital (with the exception of conduit which is to be supplied by Renter at its expense), upon premises and in Units located upon said premises owned or rented or otherwise lawfully operated by Renter located in THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, (the "Regime"), County of Horry, State of South Carolina. Capital shall not be liable for delay in, or failure to make, delivery of equipment or installation caused by circumstances beyond its reasonable control, including, but no limited to, acts of God, fire, flood, wars, accidents, labor or different contingencies. The number and types of television sets and/or equipment rented under the terms hereof are as follows and are the model, type and design selected by the Renter as suitable, in its judgment, for Renter's purpose.

(a) One (1) touch tone telephone for each residential Unit included in the Condominium mounted upon suitable bracket;

(b) Non-exclusive use of one (1) central PBX system providing limited message forwarding and security; and

(c) Cable and distribution equipment.

2. SERVICE: Capital shall keep and maintain, or cause to be kept and maintained, at its sole expense, said rented equipment in good operating order, condition and repair during the full term hereof except for damage to or repair to such equipment as might be made necessary by the negligent acts or omissions of the Renter, its agents and/or employees. Capital shall promptly replace any defective set or injured part or parts thereof; provided, however, that in the event replacement of any defective telephone set or sets shall occur, such substituted equipment shall be subject to all the terms hereof.

It is the obligation of the Renter to notify Capital of any deficiency in service as rendered by Capital or its service representative(s). Capital shall not be liable to Renter for any loss, damage or expense of any kind or nature directly or indirectly caused by the telephone sets or equipment covered hereby, or because of any failure thereof, or because of any interruption of service or loss of use or for any loss of business or damage whatsoever or howsoever caused, and Capital shall in no event be liable for any special or consequential damages. Renter further agrees there shall be no abatement of rental during the time that may be required for repair, adjustment, servicing or replacement of equipment covered hereby.

EXHIBIT 6-1

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3. ASSIGNMENT OF AGREEMENT: Except as provided for herein this Agreement shall not be assigned by Renter except upon prior written consent of Capital. Capital may assign this Agreement, its rights hereunder and all or any part of the rentals, charges and all other claims or rights to money due or to become due hereunder (except for those charges and rental fees or portions thereof made hereunder by Capital in order to provide service, maintenance and replacement herein required of Capital) at any time to an independent third party ("Assignee") and upon notice of any assignment from Assignee, Renter shall make all payments (except for those portions of payment which are made in order to provide service, maintenance and replacement hereunder) coming due thereafter to the Assignee without offset, counterclaim or defense of any kind. Renter's rights under this Agreement shall at all times be subject, junior and subordinate to any and all rights and remedies of the Assignee. Notwithstanding any assignment, Renter shall continue to look to Capital for the performance of its obligations hereunder and in no event shall the Assignee become liable or responsible to perform any of the obligations imposed upon Capital for service, maintenance or replacement by this Agreement. In the event of default by Capital of any provisions of this Agreement, Renter will remain responsible to Assignee to perform those of Renter's obligations hereunder assigned to Assignee. However, with consent of Assignee, Renter may (a) purchase for cash all equipment covered by this Agreement or (b) assume all obligations that Capital has with Assignee with respect to the equipment covered by this Agreement.

4. LOCATION: Renter shall not remove said equipment or any part thereof from the premises where installed nor sell or encumber any of said leased equipment. Renter further agrees to make no alteration in or repairs to said equipment except through the authorized service representative of Capital.

5. TERM: The term hereof shall be for a period of one hundred twenty (120) months beginning on the date of the completion of the delivery of the equipment on the premises of Renter, said date to be confirmed in writing by Renter upon request of Capital.

6. RENT PAYMENTS: Renter shall pay to Capital an installation fee of fifty ($50.00) Dollars per Unit in which a telephone set is installed. In additon to the fifty ($50.00) Dollar installation fee per Unit, as rental for said equipment Renter shall pay to Capital, at Columbia, South Carolina, during the full term hereof, the sum of $20.48 inclusive of applicable taxes per telephone set delivered per month as "Base Rental". Upon each anniversary from the date of this Agreement during the term of this Agreement and any renewals hereof, the Base Rental may be adjusted by Capital in accordance with and by the same percentage as the percentage change in the cost of living index as shown by the Consumer Price Index (or similar government index) and increases mandated or approved by the applicable Public Service Commission or Public Utility Commission for such telephone service from time to time, provided, further, in no event shall the Base Rental during the term of this Agreement and any renewals hereof ever be less than $20.48 inclusive of applicable taxes per month. Base Rental payments plus tax are due on or before the first day of the month, the first of which shall be due on or before the first day of the month following the delivery of equipment. In the event that Renter requests partial delivery of equipment, Renter agrees to pay billing on an interim basis, with such billing shall be based on rates for equipment in use, and upon completion of delivery, the full term of this Agreement shall commence. The rent charges herewith shall include local telephone service but not charges for long distance service, which shall be in addition to the base rental charge, if available.

7. OWNERSHIP: The equipment, together with PBX switchboard wiring, reception facilities rented under the terms hereof shall at all times be the sole property of

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EXHIBIT 6-2

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Capital, its successors and assigns, and Renter shall have no property interest therein, except under any conditions herein contained. Said equipment shall remain personal property and, no matter how connected with or attached to the premises of Renter, will not become a part of the realty or fixtures therein, and Renter, if so requested by Capital, will obtain written consent of any other party holding a mortgage, encumbrance or lien on the premises of Renter, or of any Purchaser of the premises of Renter in the event of sale of same, that said equipment shall remain personal property. Renter shall not at any time during the term hereof transfer, assign, mortgage or otherwise encumber any interest in said personal property.

8. DELIVERY: Should Renter and/or his agent order delivery of equipment and installation on specified dates and the Renter's premises are not ready for installation of same, Renter assumes full responsibility for storage, insurance and any redelivery charges on equipment.

9. INSPECTION: Renter grants unto Capital the right to inspect said equipment at all reasonable times during the full term hereof.

10. INDEMNITY: Renter shall be responsible to all third parties, including paying guests, for any injury received as a result of the installation of said telephone sets and system in or about the premises of Renter and shall carry public liability insurance to save Capital harmless in the event of such injury, except such personal injury or property damage as may be occasioned solely by negligent acts or omissions of agents or employees of Capital.

11. INSURANCE: Capital agrees during the term of this lease to replace or repair any of its equipment, including telephone sets in Units, which is stolen, burglarized, damaged by fire or maliciously damaged while on the premises of Renter, excepting telephone sets or equipment in storage awaiting use of servce, providing, however: (a) Renter reports within 48 hours of occurrence any such loss or damage to Capital and to local law enforcement authorities--notice of loss to be sent to Capital by Certified Mail; (b) Renter furnishes in such report all available information regarding such loss, including name and address of last occupant of room and room number in which loss occurred (if applicable), auto license number and other pertinent information which would assist in recovery of loss; (c) Renter and its employees, agents and representatives cooperate fully with Capital and local law enforcement authorities in their subsequent efforts to effect recovery and prosecution if necessary. Renter agrees to notify Capital immediately in the event of subsequent recovery of property covered by any and all loss reports.

Renter agrees at all times to maintain and exercise due care, caution and watchfulness in the protection and accounting for the rented equipment. Failure to cooperate in providing such care, caution and watchfulness shall make the terms and provisions of Item 11 "INSURANCE" null and void and Renter shall be responsible for the replacement of and/or repair to equipment for which such insurance is provided.

In the event loss or damage proves to have been caused by employees, agents or representatives of Renter, or if Renter fails to comply with (a), (b) or (c) above, it shall be the responsibility of the Renter to pay Capital for its cost of replacement or repair of Capital's equipment involved in such loss. In the event that service by Capital is not included in this Agreement, Renter agrees to maintain the theft equipment installed hereunder; otherwise, theft and burglary insurance will be null and void in the event of any losses while the equipment is inoperative.

12. TAXES: Renter agrees to be responsible for the collection and payment of any local, state and federal fees, sales, use or property taxes or penalties that may be

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applicable now or any time during the term of this Agreement to the property covered hereby or the use or rental thereof.

13. RENEWAL: At the expiration of the term hereof, this Rental and Service Agreement shall be automatically renewed for additional terms of two (2) years, unless either party hereto should give written notice to the other party hereto at least sixty (60) days prior to the expiration of the term hereof, or at least sixty (60) days prior to the expiration of any additional term of two (2) years thereafter, of the desire of such party to terminate this Agreement.

14. DEFAULT: In the event that any payment of rent shall have become due as herein provided and shall remain unpaid for ten (10) days, or in the event of any other breach of the terms or conditions of this Agreement by Renter, which breach shall not have been cured within ten (10) days after notice thereof by mail postage prepaid to Renter's last known address, or should Renter be adjudged as bankrupt or there be filed against Renter a petition under the bankruptcy laws, or if any insolvency proceeding is initiated by or against Renter, or if any equipment covered hereby is attached, seized or taken under any judicial process, all of the entire remaining unpaid rental payments shall, at the option of Capital, become immediately due and payable. If Renter does not (a) pay the entire remaining rental payments under this Agreement or (b) cure its breach of the provisions of this Agreement, then and in that event Capital shall have the right, without giving further notice to Renter, to remove the property thereby without liability and Renter shall forthwith pay any and all damages, including attorneys' fees, suffered by Capital. Further, in the event of non-payment, Capital shall be, and hereby is, subrogated to the lien rights of the Condominium as to each Unit Owner failing to pay his share of Common Expenses necessary to make the rental payments herein required to the extent of the amount(s) due and owing to Capital, but unpaid, which shall include the right to file notice of and perfect a lien(s) against such Unit Owner(s) as granted to Renter by the Alabama Condominium Ownership Act; PROVIDED, HOWEVER, such right and any lien filed thereunder shall be subordinate in lien and interest to any lien recorded prior to the recording of such notice of lien.

Renter agrees to pay late charges of five ($.05) cents per dollar in addition to the regular monthly payment or installment if payments hereunder are not made within ten (10) days after due date, but not exceeding One Hundred and No/100 ($100.00) Dollars, or the lawful maximum, if any. Capital's failure to exercise a right or remedy under this Agreement or to require strict performance by the Renter or any provision of this Agreement shall not waive or diminish Capital's right thereafter to demand strict compliance with any such right or provision or with any other rights or provisions. Waiver by Capital or any default by the Renter shall not constitute waiver of any other or subsequent default.

15. SURRENDER: Upon expiration of this Agreement, Renter shall remove the rented equipment from the premises referred to herein and surrender such equipment in good operating condition to Capital or its assignee and if the Renter fails to so remove and surrender the rented equipment, Capital shall have the right to enter any premises where the rented equipment may be located and take possession and remove all such equipment either with or without permission and without prejudice to any other rights or remedies of Capital.

If Capital determines, upon termination or expiration of this Agreement, that, as a result of causes other than its failure to provide service as expressly required herein, the equipment covered hereby is not in good operating condition, reasonable wear and tear excepted, the Renter shall upon demand by Capital either: (a) restore the

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equipment in good operating condition at its sole expense or (b) reimburse Capital for the reasonable expense of so restoring the equipment.

16. SUBORDINATION OF AGREEMENT: Should the equipment rented herein be covered by a Conditional Sales Contract, Chattle Mortgage or Security Agreement on which Capital is the purchaser or obligor, it is understood and agreed that this Agreement is subject and subordinate to the terms and conditions of said Conditional Sales Contract, Chattel Mortgage or Security Agreement.

17. NOTICE: Any notice required to be given by one party hereto to the other party hereto shall be in writing and sent by Certified Mail, addressed, postage prepaid, to the mailing address which shall be provided by the other party.

18. AMENDMENTS: This Agreement constitutes the entire and only Agreement between the parties with respect to renting the equipment covered hereby and any representation, promise or conditions with respect to said renting not set forth in this Agreement or such amendments as may be accepted in writing by the designated officers or either party, shall not be binding on either party.

19. SOUTH CAROLINA LAW: Should any question arise as to the validity, construction, interpretation or performance of this rental and service agreement in any court of any State of the United States, or of Canada, it is agreed that the laws of the State of SOUTH CAROLINA shall govern without reference to the place of execution or performance of same.

The invalidity of any provision of this Agreement shall not affect the validty of any other provision hereof. This Agreement and any amendment hereto shall become binding upon the parties hereto when executed by a duly authorized officer or agent of Renter.

20. EASEMENTS: Renter on behalf of itself and each and every of the Unit Owners does hereby grant to Capital during the term hereof and any renewals each and every such easement through, over, under and across the Submitted Property, the structures on and to be located thereon, including individual Units, as may be necessary and/or appropriate, for the purposes of location, installation, maintenance and service of the cable, transmission and distribution equipment and switchboard and PBX equipment herein rented, as well as the telephone sets and mounting brackets; and in addition thereto, to provide electricity and such other utility services to Capital as may be necessary to operate Capital's equipment rented hereby, at such locations upon the premises as are required by Capital, and at no cost to Capital.

21. ASSIGNS: All rights, remedies and powers reserved or given to Capital shall inure to the benefit of Capital's assigns.

22. INTERIM BILLING: Renter shall be billed per terms herein on the first day of the month following delivery of each telephone set increment, and when all sets are delivered, the 120-month rental term will commence.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED & DELIVERED
In The Presence Of:

Carol L. Lytton

Carol L. Lytton

THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Its President

CAPITAL TELECOMMUNICATIONS CORPORATION

By _____
Its President

BOOK 517 PAGE 960

963

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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

FIRST AMENDMENT TO THE
MASTER DEED OF THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME

WHEREAS, RESORT INVESTMENT CORPORATION, as Declarant, did cause to be recorded on November 28, 1984, the Master Deed of The Renaissance Tower Horizontal Property Regime (the "Master Deed"), said Master Deed being recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 917 at Page 885; and

WHEREAS, due to a scrivener's error, the Legal Description of The Renaissance Tower Horizontal Property Regime was incorrectly set forth in Exhibit 1 to said Master Deed; and

WHEREAS, the Declarant wishes to amend said Master Deed to correct said scrivener's error;

NOW, THEREFORE, Know all men by these presents that the Master Deed of The Renaissance Tower Horizontal Property Regime, recorded November 28, 1984, in the Office of the Clerk of Court for Horry County, in Deed Book 917 at Page 885 is hereby amended by deleting the first page of Exhibit 1 thereto in its entirety and substituting the attached page therefor.

The Master Deed, as amended herein, is hereby ratified and shall remain unchanged in all other aspects.

IN WITNESS WHEREOF, this Amendment has been executed this 12th day of August, 1985.

Signed, Sealed & Delivered
In the presence of:

RESORT DEVELOPMENT CORPORATION
f/k/a RESORT INVESTMENT CORPORATION

By: (SEAL)
Its:

Attest:

By
Its:

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT DEVELOPMENT CORPORATION f/k/a RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written FIRST AMENDMENT TO THE MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL REGIME, and that (s)he with the other witness whose signature appears below, witnessed the execution thereof.

Witness

SWORN and subscribed to before me
This 12th day of August, 1985.

Notary Public for South Carolina
My Commission Expires: 1-3-95

ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

Deed BK 984 Pg 45

STATE OF SOUTH CAROLINA)
) FIRST AMENDMENT TO THE
) MASTER DEED OF THE RENAISSANCE TOWER
COUNTY OF HORRY) HORIZONTAL PROPERTY REGIME

WHEREAS, RESORT INVESTMENT CORPORATION, as Declarant, did cause to be recorded on November 28, 1984, the Master Deed of The Renaissance Tower Horizontal Property Regime (the "Master Deed"), said Master Deed being recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 917 at Page 885; and

WHEREAS, due to a scrivener's error, the Legal Description of The Renaissance Tower Horizontal Property Regime was incorrectly set forth in Exhibit 1 to said Master Deed; and

WHEREAS, the Declarant desires to amend said Master Deed to correct said scrivener's error;

NOW, THEREFORE, Know all men by the: Master Deed of The Renaissance Tower Horizonta recorded November 28, 1984, in the Office of t Horry County, South Carolina, in Deed Book 917 -- Page 885 is hereby amended by deleting the first page of Exhibit 1 thereto in its entirety and substituting the attached page therefor.

The Master Deed, as amended herein, is hereby ratified and shall remain unchanged in all other respects.

IN WITNESS WHEREOF, this Amendment has been executed this 12th day of August, 1985.

Signed, Sealed & Delivered
In the Presence of:

Carl Rogers

Marc R. Williams

RESORT DEVELOPMENT CORPORATION
f/k/a RESORT INVESTMENT CORPORATION

By: _____ (SEAL)
Its: Vice Chairman

Attest:
By: _____
Its: ASSISTANT SECRETARY

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT DEVELOPMENT CORPORATION f/k/a RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written FIRST AMENDMENT TO THE MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL REGIME, and that (s)he with the other witness whose signature appears above, witnessed the execution thereof.

Marc R. Williams
Witness

SWORN and subscribed to before me this 12th day of August, 1985.

Deborah A. Millard L.S.
Notary Public for South Carolina
My Commission Expires: 1-3-95

BOOK 984 PAGE 045

HORRY COUNTY ASSESSOR
122-05-03-ALL PARCELS
Map Blk Parcel 8/23/85

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LEGAL DESCRIPTION

All that piece, parcel, or tract of land, situate in the County of Horry, State of South Carolina, and Township of Socastee, situate, lying, and being on the South Eastern side of U.S. Highway 17 containing 8.672 acres, more or less, and designated as a Portion of Lot 5 of Lakewood Plantation Tract, further designated as Phase III of The Myrtle Beach Resort, and described on a Map prepared by Culler Land Surveying Co., Inc. dated November 16, 1984, also being shown as Phase III on a Plat of 44.668 +/- Acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina, revised November 27, 1984, prepared by Culler Land Survey Co., Inc. Said Plats being recorded with the Condominum Plats and Plans in Condominium Plat Book 8, Page 6, Office of the Clerk of Court, Horry County, South Carolina, to wit:

THE POINT OF BEGINNING is located by commencing at iron on the southern margin of U.S. Highway 17, the common corner of lands deeded to Resort Investment Corporation and lands serving as Ocean Lakes Campground, and thence running S28°08'10"E a total of 2972.19 feet, more or less, to the highwater mark of the Atlantic Ocean; thence N40°52'00"E 216.7 feet, more or less, to the POINT OF BEGINNING of the property; thence N38°08'08"W 1201.36 feet, more or less, to a point; thence N40°52'00"E 234.69 feet, more or less, to a point; thence N42°15'00"W 23.61 feet, more or less, to a point; thence N63°00'00"W 195.30 feet, more or less, to a point; thence N63°00'00"W an arc distance of 107.62 feet, more or less, to a point; thence S51°51'50"W 330.0 feet, more or less, to a point; thence S38° 08'10"E 1454.47 feet, more or less, to a point; thence N51°51'50"E 104.0 feet to a point, thence S38°08'10"E 116.79 feet to a point, thence N40°52'00"E 110.75 feet to the POINT OF BEGINNING.

Said parcel has appurtenant to it non-exclusive easements for access and ingress and egress to and from said parcel and for parking over, across and upon those portions of the Submitted Property suitable for vehicular and pedestrian traffic, and non-exclusive easements for the installation and maintenance upon the Submitted Property of utilities to service said parcel including, but not limited to, water, sewer, telephone, electrical, cable television, satellite dish, and drainage structures, including the right to connect such utilities to those servicing the Submitted Property.

TOGETHER WITH all right, title and interest in and to all the land lying between the southeastern boundary of said tract and the low water mark of the Atlantic Ocean formed by an extension of the northeastern and southwestern boundaries of said tract. PROVIDED, HOWEVER, no warranties of title are made as to said parcel lying between said boundary and the low water mark of the Atlantic Ocean.

The above described tract is bounded on the northeast by parcel designated as "Ocean Spa Phase II", on the southwest by the Ocean Lakes Campground and on the southeast by the Atlantic Ocean.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic from U.S. Highway 17 Business to and from the parcel designated as "Phase I", on a Plat of 44.668 +/- Acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina dated June 10, 1982, revised July 13, 1982, and July 19, 1982, prepared by Culler Land Surveying Co., Inc., which plat is recorded in the Office of the Clerk of Court for Horry County, South Carolina in Plat Book 74 at Page 32, said easement being 75 feet in width whereon it adjoins U.S. Highway 17 Business, thereupon being reduced to 50 feet in width, the location and dimensions of which are shown upon the plats to which reference has been made above; reference being craved thereto for additional description; AND a non-exclusive easement for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from U.S. Highway 17 Business

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1171 Amd Bk. 988 PG 274

STATE OF SOUTH CAROLINA)
) SECOND AMENDMENT TO THE
COUNTY OF HORRY) MASTER DEED OF THE RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME

1985 SEP -9 AM 10:12
BILLIE G. RICHARDSON
CLERK OF COURT
HORRY COUNTY
FILED

WHEREAS, RESORT INVESTMENT CORPORATION, as Declarant, did cause to be recorded on November 28, 1984, the Master Deed of The Renaissance Tower Horizontal Property Regime (the "Master Deed"), said Master Deed being recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 917 at Page 885; and

WHEREAS, RESORT INVESTMENT CORPORATION has subsequently changed its name to RESORT DEVELOPMENT CORPORATION, which name change has been duly filed with the Secretary of State of South Carolina; and

WHEREAS, due to a scrivener's error, two lines in Article XIV, Easements, Paragraph 2, of the Master Deed were inadvertantly deleted; and

WHEREAS, the Declarant desires to amend said Master Deed to correct said scrivener's error;

NOW, THEREFORE, Know all men by these presents that the Master Deed of The Renaissance Tower Horizontal Property Regime, recorded November 28, 1984, in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 917 at Page 885 is hereby amended by deleting the page of the Master Deed recorded in Deed Book 917 at Page 903 in its entirety and substituting the attached page therefor.

The Master Deed, as amended herein, is hereby ratified and shall remain unchanged in all other respects.

IN WITNESS WHEREOF, this Amendment has been executed this 4th day of September, 1985.

Signed, Sealed & Delivered
In the Presence of:
Carl Rogers
Carol L. Lytton

RESORT DEVELOPMENT CORPORATION
f/k/a RESORT INVESTMENT CORPORATION
By: _____ (SEAL)
Its: Vice Chairman

Attest:
By: Ronald O. Swinson Jr
Its: Assistant Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT DEVELOPMENT CORPORATION f/k/a RESORT INVESTMENT CORPORATION, by and through its duly authorized agent, execute the within written SECOND AMENDMENT TO THE MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL REGIME, and that (s)he with the other witness whose signature appears above, witnessed the execution thereof.

Carl Rogers
Witness

SWORN and subscribed to before me
this 4th day of September, 1985.
_____ L.S.
Notary Public for South Carolina
My Commission Expires: 2/14/92

HORRY COUNTY ASSESSOR
192-05-03-ALL Parcels
Map Blk Parcel

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ARTICLE XIV
Easements

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of an Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a building or other improvement or an Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The Property is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements for ingress and egress, for pedestrian and vehicular purposes and for utility services and drainage which now exist or are hereafter granted by the Declarant for the benefit of such persons as the Declarant designates. The Declarant shall have the right to grant easements for such purposes as it determines in its sole discretion appropriate and designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to others (including owners, occupants and users of other properties, facilities and horizontal property regimes within the Resort or in proximity thereto) easements for access and for ingress and egress across portions of the Submitted Property suitable for such purpose, for pedestrian and vehicular purposes and for utility services and drains, and easements and licenses of use of the beach area, and amenities and facilities of the Regime, provided any grant of use(s) of facilities or amenities shall require the grantee(s) thereof to pay fees commensurate with such use(s) for such use(s). When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Regime would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

The Declarant reserves for itself, its successors, assigns, designees, and licensees, the right to place a satellite dish in an unobtrusive location on the Submitted Property and/or the right to place cable wiring on the Submitted Property in order to facilitate television reception to the Regime and hereby reserves such general easement to the Submitted Property as is necessary and consistent with this purpose.

The rights of all Co-Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

The Association, all present and future Co-Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

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660182

STATE OF SOUTH CAROLINA)
HORRY COUNTY)
COUNTY OF HORRY)
98 APR -7 PM 4:24

AMENDMENT TO MASTER DEED OF THE RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME

R.M.C.

KNOW ALL MEN BY THESE PRESENTS, that, pursuant to Article VI of the Master Deed of the RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, filed in the Office of the RMC for Horry County, South Carolina, on November 28, 1984, in Deed Book 917 at Page 885, as amended in Deed Book 984 at page 45, and in Deed Book 988 at Page 274, and after proper timely notice, by Resolution adopted by the affirmative vote of the co-owners of not less than sixty-seven percent (67%) of the total vote of the co-owners of the Regime, at a special meeting of said co-owners held on March 28, 1998, at 12:00 PM, the aforesaid Master Deed is hereby amended as follows:

Article XI is amended by the addition of the following:

The following restrictions shall apply to leases of units:

a. Each unit leased for a term of ninety or more days must be occupied by at least one person who has attained the age of 21 years as of the beginning of the lease term.

b. Each unit leased for a term of fewer than ninety days must be occupied by at least one person who has attained the age of 23 years as of the beginning of the lease term, subject to the exception below.

c. **Exception for organized youth groups:** Where occupants of a unit leased for a term of fewer than ninety days are members of an organized youth group occupying more than one unit at the Resort, the occupants may be of any age, **provided that** the group as a whole consists of at least one adult chaperone who has attained the age of 23 years, per ten persons under the age of 23 years, **and further provided that** the unit owner and rental agent have complied with all rules, regulations, and policies promulgated by the Board of Directors with respect to rentals to youth groups. This exception does not apply to units leased for a term of ninety or more days.

Any other provisions in the said Master Deed of the RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, which are otherwise inconsistent with this

BOOK 2026 PAGE 837

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HORRY COUNTY ASSESSOR
192-05-03-001 thru 345
Map Blk Parcel 4-8-98

Law Offices of
PATRICK, CHANDLER & CAMPBELL, L.L.C.
P. O. Box 15669
Surfside Beach,
S.C. 29587

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Amendment are hereby amended so that such provisions are consistent with this Amendment. All other provisions of the aforesaid Master Deed shall remain unchanged.

IN WITNESS WHEREOF, the Board of Directors of the RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, by its undersigned officers, has caused this Amendment to be executed this 1st day of April, 1998.

WITNESSES:

RENAISSANCE TOWER
HORIZONTAL PROPERTY REGIME

Elizabeth S. Tucker

By: _____
FRANK GREGORY
Its: President

Kitti C. Hanna

R.K. Cantrell Jr.

Attest: _____
JEFFREY RICHARDSON
Its: Secretary

Jane B. Wilkins

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ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me, the undersigned witness, who after being first duly sworn, deposes and states that s/he was present and saw the within named RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, by its President, sign, seal and as his act and deed, deliver the within written Amendment to Master Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

Elizabeth S. Tucker

SWORN to before me this 1st day of April, 1998.

Kitticee C Hanna
Notary Public for South Carolina
My Commission Expires: 10-12-2004
NOTARIAL SEAL

BOOK 2026 PAGE 838

838

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STATE OF SOUTH CAROLINA)
COUNTY OF Cherokee) PROBATE

PERSONALLY appeared before me, the undersigned witness, who after being first duly sworn, deposes and states that s/he was present and saw the within named RENAISSANCE TOWER HORIZONTAL PROPERTY REGIME, by its Secretary, sign, seal and as his act and deed, deliver the within written Amendment to Master Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

R K Cantrell Jr

SWORN to before me this 2nd day of April, 1998.

Jane B. Wilkins
Notary Public for South Carolina
My Commission Expires: 11-9-2003

BOOK 2026 PAGE 840

840

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EXHIBIT D

ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

MASTER DEED OF
MYRTLE BEACH RESORT
FIVE SEASONS CENTRE
HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, THIS MASTER DEED is made this 18th day of June, 1985, by RESORT DEVELOPMENT CORPORATION (formerly known as RESORT INVESTMENT CORPORATION and hereinafter called the "Declarant"), a Delaware corporation authorized to do business in the State of South Carolina with its principal office and place of business at 1400 Main Street, Post Office Box 11496, Columbia, South Carolina 29211, for the purposes hereinafter set forth.

W I T N E S S E T H :

WHEREAS, Declarant is the owner in fee simple of certain real property, buildings and improvements thereon located in the County of Horry, State of South Carolina, which is more particularly described in the Exhibits attached hereto and incorporated herein by reference (hereinafter called the "Submitted Property" or "Property"); and

WHEREAS, Declarant desires to submit the Submitted Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, (1976), (hereinafter called the "Act"), hereby creating a Horizontal Property Regime known as Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime; and

WHEREAS, Declarant desires to publish a plan for the individual ownership of the several Apartments of the Submitted Property together with an undivided ownership interest in the general common elements and limited common elements (if any) of the Submitted Property as defined herein and in the Act; and

WHEREAS, Declarant desires to convey the Submitted Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, (1976), and hereby publishes its plan for the division of the Property and the imposition of conditions, restrictions, reservations, liens and charges thereon and the individual ownership thereof, and Declarant hereby specifies that this Master Deed and the declarations herein shall constitute covenants, conditions, reservations and restrictions which shall run with the Submitted Property and shall bind and inure to the benefit of the Declarant, its successors and assigns and all subsequent owners of any interest in the Submitted Property, their grantees, successors, heirs, executors, administrators, legatees and/or assigns.

ARTICLE I
Definitions

As used in this Master Deed and all Exhibits hereto, all amendments hereof and thereof unless the context otherwise requires, the following definitions shall prevail:

1. Act means the South Carolina Horizontal Property Act, Title 27, Chapter 31, Code of Laws of South Carolina, (1976), as presently constituted.

2. Apartment means as defined in the Act. The location, floor plan and dimensions of each are as shown in the Exhibits hereto.

ELECTRONICALLY FILED - 2021 Apr 23 2:48 PM - HORRY - COMMON PLEAS - CASE#2018CP2603173

3. Association or Council of Co-Owners means the Council of Co-Owners as defined in the Act and specifically formed for the purpose of exercising the powers and duties of the Council of Co-Owners of such Horizontal Property Regime.

4. Assessment means a share of the fund required for the payment of common expense, capital improvements and expenses which from time to time are assessed to some or all of the Unit Owners.

5. Board of Directors or Board means the executive and administrative body designated as the governing body of the Association.

6. Buildings means as defined in the Act.

7. Bylaws means the bylaws of the Association as they exist from time to time.

8. Common Elements means and includes all of the Submitted Property excluding the Apartments and specifically includes both the general common elements and limited common elements (if any).

9. Common Expenses means and includes:

(a) All expenses incident to the administration, maintenance, repair and replacements of the Submitted Property after excluding therefrom any and all expenses which are the responsibility of a particular Co-Owner as hereinafter set forth;

(b) Expenses determined by the Board of Directors of the Association to be Common Expenses;

(c) Expenses in this Master Deed and/or its Exhibits denominated as Common Expenses; and

(d) Any other expenses declared by the Act to be Common Expenses.

10. Common Surplus means the excess of all receipts of the Assocation over and above the amount of Common Expenses and not otherwise reserved or designated for a specific use.

11. Condominium Unit or Unit means an individual Apartment as defined herein, in the Act and as described in the Exhibits hereto together with an undivided share of the Common Elements, vote, Common Surplus and liability for Common Expenses and other assessments appurtenant thereto.

12. Co-Owner or Unit Owner means as defined in the Act, and specifically owning an apartment in the Regime.

13. Declarant or Developer means Resort Development Corporation. formerly known as Resort Investment Corporation, its successors and assigns.

14. Exhibits means the exhibits to this Declaration, as they may be amended from time to time.

15. General Common Elements means as defined in the Act.

16. Institutional Mortgagee means a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, the Federal National Mortgage Association, a real estate or or mortgage investment trust, the Declarant, any of its affiliates and any lender generally recognized as an institutional type lender, having a lien on the Property or any part or parts thereof.

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17. Limited Common Elements means as defined in the Act.

18. Long Term Lease means those certain leases and agreements which are included in the Exhibits to this Master Deed or shall be added by Amendment to the Exhibits to this Master Deed and to which the Association and each and every Co-Owner is and shall be bound.

19. Majority or Majority Vote or Majority of the Co-Owners means as defined in the Act.

20. Master Deed means this Master Deed establishing and recording the Property of the Regime and thereby submitting it to Condominium Ownership.

21. Occupant means any person or persons residing in a Unit.

22. Ownership means as defined in the Act.

23. Person means as defined in the Act.

24. Record means as defined in the Act.

25. Submitted Property or Property means and includes that property shown as contained within the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime, as described in the Exhibits hereto and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto and subject to all easements, rights-of-way and rights of use as described herein, in the Exhibits and/or of record.

ARTICLE II
Myrtle Beach Resort Five Seasons Centre
Council of Co-Owners

1. The administration of the affairs of the Regime and the maintenance, repair, replacement and operation of the Common Elements as herein provided, the enforcement of all rules, regulations, bylaws and those acts required of the Association by the Master Deed and/or by the Act shall be the responsibility of the Association acting through the Board of Directors. Such administration shall be in accordance with and under the powers granted by the provisions of the Act, this Master Deed, the Articles of Incorporation and the Bylaws of the Association. The Association shall be known as the "Myrtle Beach Resort Five Seasons Centre Council of Co-Owners."

2. The Association through its Board of Directors (including the initial Board of Directors) shall be and hereby is authorized to enter into such agreemetns and to bind itself and all Co-Owners as it may deem necessary or desirable for the administration and operation of the Regime. Each Co-Owner who acquires an interest in a Unit shall thereby be deemed to agree to be bound by the terms and conditions of all such agreements. A copy of each such agreement shall be made available at the office of the Association for review by any Co-Owner.

3. There shall be only one Voting Member for each Unit. If a Unit is owned by more than one Person, the Owners thereof shall designate one of their number as the Voting Member. If a person other than an individual owns a Unit, a partner, trustee, officer or employee thereof shall be designated as the Voting Member for such Unit. The

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designation of the Voting Member shall be made as provided in the Bylaws. The vote of a Voting Member shall not be divisible.

Each Voting Member (and only the Voting Member) shall be entitled to cast the vote for each Unit he represents, on each matter submitted to a vote at a meeting of the Association, regardless of the number of Persons who own such Apartment it owns. The Declarant shall be entitled to cast the vote for each Unit it owns.

Each Voting Member shall be entitled to cast his vote(s) at each meeting of the Association in person or, if permitted by the Bylaws, by proxy.

4. Declarant shall appoint an initial Board of Directors to serve until Declarant shall relinquish control and their successors have been elected and qualified. Declarant shall release control upon calling a meeting of the Co-Owner for purposes of taking control, which meeting shall be called no later than: (i) four (4) months after seventy-five (75%) percent of the Apartments have been conveyed to the Co-Owners; or (ii) five (5) years following the conveyance of the first Apartment conveyed in a phased project.

ARTICLE III
Property Rights

1. The Regime consists essentially of Apartments in buildings, and other improvements and certain lands as the same are described in the Exhibits. For the purposes of identification, each Apartment in the Regime is identified by number and is delineated in the Exhibits hereto. No two Units have the same identifying number and/or letter designation.

The aforesaid building and Apartments therein and other improvements are constructed in accordance with the plats, plans, descriptions and surveys contained in the Exhibits.

2. Ownership of an Apartment includes title to the Apartment and an undivided interest in the Common Elements and the Common Surplus (if any). Any attempt to divide an Apartment by separating title to the Unit from the undivided interest in the Common Elements and Common Surplus (if any) shall be void.

The undivided interests in the Common Elements, the Common Surplus (if any) and the liability for Common Expenses which the Co-Owners of the Apartments are acquiring are set forth, as percentages, in the Exhibits.

3. Neither the Association, any Co-Owner, the Declarant, nor any other party who owns an interest in the Common Elements shall have the right to bring any action for partition or division of the Common Elements.

Initial rules and regulations governing the use of the Submitted Property shall be promulgated by the Declarant on behalf of the Board of Directors. Additional and/or amended rules and regulations may be adopted or repealed by the Board of Directors. The Board of Directors may amend or repeal any rule or regulation adopted by it or by the Declarant provided such does not affect any right(s) of Declarant or any affiliate of it. All rules and regulations shall be posted in conspicuous places in the Common Elements.

Each Co-Owner, by acquiring his Apartment, shall be deemed to agree to be bound by, among other things: (i) all rules and regulations adopted for the use of the Submitted

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Property; (ii) such rules and regulations as the Declarant may adopt pursuant to the Long Term Lease; and (iii) the Master Deed and by Bylaws.

The Association shall have the right to deny any Co-Owner or Occupant the right to use the Common Elements for a period not to exceed thirty (30) days for a violation of the rules and regulations promulgated for the use of the Property.

If a Co-Owner fails to pay an Assessment for the period specified herein, the Association may deny such Co-Owner or any Occupant of that Co-Owner's Apartment the right to occupy that Apartment and the right to use the Common Elements until such time as all Assessments are paid. There shall be no reduction in the Assessments payable by any Co-Owner during any period while his right to use an Apartment or the Common Elements is suspended.

Any Occupant may use the Common Elements reserved for the use of the Apartment he occupies during the time such Occupant is actually in residence in the Apartment. Guests and invitees of an Occupant of an Apartment and the Co-Owner of an Apartment (while another occupies his Apartment) may only use the Common Elements, including facilities under the Long Term Lease, with the express permission of the Board of Directors and subject to such terms and conditions as the Board of Directors may specify in its sole discretion, including the payment of a fee for the use thereof.

4. There are no Limited Common Elements presently designated except that portion of the Common Elements so designated on the Exhibits which is adjacent to the Commercial Unit B. Said Limited Common Element shall and may be used by the Co-Owner of Commercial Unit B, his lessees, assignees and guests for seating, tables and like furnishings and for the service and consumption of food and beverage and such other uses as are consistent with or required thereby.

5. Parking spaces shall not be reserved solely for the use of Occupants of any particular Apartment nor shall they be numbered. Further, Declarant hereby reserves unto itself (including the right to grant to others) and grants to all present and future Owners of real property interests within, Occupants of and visitors within Myrtle Beach Resort (as hereafter described) an easement for vehicular parking upon the parking spaces within the Regime, together with an easement for ingress and egress for access to and from such parking.

6. Expenses:

(a) All costs of maintenance, repair and replacements of Common Elements (including General Common Elements and Limited Common Elements, if any) necessitated by the negligence or misuse by any Occupant of an Apartment shall be borne solely by the Co-Owner of such Apartment and the Board of Directors shall have the right to assess such Co-Owner for such costs.

(b) All other costs of maintenance, repair, replacements, preservation and improvement of the Common Elements (including General Common Elements and Limited Common Elements) and all other assessments and payments declared in the Act and/or herein declared to be Common Expenses shall be, unless the Board of Directors otherwise decides, Common Expenses.

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7. Development Plan:

(a) Declarant has included within the Regime as initially constituted certain property and improvements including buildings containing eighty-seven (87) residential Apartments and three (3) Commercial Units. Of the eighty-seven (87) residential Apartments, sixty-six (66) are two-bedroom Apartments and are numbered 4106 - 4119, 4206 - 4219, 4306 - 4319, 5101 - 5104, 5107 - 5110, 5201 - 5204, 5207 - 5210, 5301 - 5304, and 5307 - 5310. There are twenty-one (21) one bedroom residential Apartments numbered 4101 - 4105, 4201 - 4205, 4301 - 4305, 5105, 5106, 5205, 5206, 5305 and 5306. The three Commercial Units are numbered A, B, and C. The principal improvements included within the Common Elements are an indoor-outdoor pool (part of which is within the All Seasons Centre) with deck, an All Seasons Centre with pool equipment and electrical rooms, whirlpools, sauna and steam rooms and bathrooms, four tennis courts and a center court with plants, benches, and trails, and paved traffic and parking areas, the same being shown and designated in the Exhibits hereto. By reason of the relative values of the Commercial Units, the two bedroom Units (each having an equal value to the others), and the one bedroom Units (each having an equal value to the others) with regard to the Submitted Property as a whole, there is appurtenant to each Commercial Unit an undivided percentage share of ownership interest in the Common Elements as described in the Exhibits, to each two bedroom Unit an undivided percentage share of ownership, interest in the Common Elements as described in the Exhibits, and to each one bedroom Unit an undivided percentage share of ownership interest in the Common Elements, all as described in the Exhibits.

(b) Declarant reserves the right to annex and include additional property, improvements and Apartments and to amend this Master Deed by its sole action for the purpose of creating Phase II of the Regime. Phase II, if so annexed, will include property and improvements, including buildings containing two-bedroom Apartments and one-bedroom Apartments, additional Common Elements, and, if Declarant so elects, additional Commercial Units, Amenities and Common Elements; provided, however, Phase II, if included, will in no event contain more than sixty-nine (69) residential Apartments and/or three (3) Commercial Units [thirty-nine (39) two-bedroom Apartments and thirty (30) one-bedroom Apartments]. Should the Declarant determine to so annex and include Phase II, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase II shall be made not later than twenty years from the date this Master Deed is first recorded and the necessary annexation and amendment to the Master Deed shall be filed with the Clerk of Court for Horry County, South Carolina, no later than that date. Phase II, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-owners of and comprising the Regime as presently constituted (herein "Phase I"). Should Phase II be included, the percentage interest in the Common Elements of each Co-Owner in Phase I shall be reduced accordingly. Likewise, although each Co-Owner of Phase I shall retain the vote presently appurtenant to his Unit, there shall be additional votes and, therefore, the percentage value of each vote, compared to the total votes, shall be reduced as described in the Exhibits.

(c) Declarant reserves the right to annex and include additional property, improvements and Apartments and to amend this Master Deed by its sole action for the purpose of creating Phase III of the Regime. Phase III, if so annexed, will include property and improvements, including buildings containing two-bedroom Apartments and one-bedroom Apartments, additional Common Elements and, if Declarant so elects, additional Commercial Units, Amenities and Common

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Elements; provided, however, Phase III, if included, will in no event contain more than ninety-six (96) residential Apartments and/or three (3) Commercial Units [fifty-seven (57) two-bedroom Apartments and thirty-nine (39) one-bedroom Apartments]. Should the Declarant determine to so annex and include Phase III, it hereby covenants that the necessary annexation and amendment to the Master Deed and the election to proceed with Phase III shall be made not later than twenty years from the date this Master Deed is first recorded and the necessary annexation and amendment to the Master Deed shall be filed with the Clerk of Court for Horry County, South Carolina, no later than that date. Phase III, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners of and comprising the Regime as then constituted. Should Phase III be included, the percentage interest in the Common Elements of each Co-Owner in Phase I (and if then included, Phase II), shall be reduced accordingly. Likewise, although each Co-Owner of the Regime as then constituted shall retain the vote presently appurtenant to his Unit, there shall be additional votes and, therefore, the percentage value of each vote, compared to the total votes, shall be reduced as described in the Exhibits.

(d) Declarant reserves the right to annex and include additional property, improvements and Apartments and to amend this Master Deed by its sole action for the purpose of creating Phase IV of the Regime. Phase IV, if so annexed, will include property and improvements, including buildings containing two-bedroom Apartments and one-bedroom Apartments, additional Common Elements, and, if Declarant elects, additional Commercial Units, Amenities and Common Elements; provided, however, Phase IV, if included, will in no event contain more tn seventy-two (72) residential Apartments and/or three (3) Commercial Units [forty-two (42) two-bedroom Apartments and thirty (30) one-bedroom Apartments]. Should Declarant determine to so annex and include Phase IV, it hereby covenants that the necesary annexation and amendment to the Master Deed and the election to proceed with Phase IV shall be made not later than twenty years from the date this Master Deed is first recorded, and the necessary annexation and amendment to the Master Deed shall be filed with the Clerk of Court for Horry County, South Carolina, no later than that date. Phase IV, if included, will not increase the proportionate amount of the Common Expenses payable by the Co-Owners of and comprising the Regime as then constituted. Should Phase IV be included, the percentage interest in the Common Elements of each Co-Owner in Phase I (and if then included, Phase II and if then included, Phase III) shall be reduced accordingly. Likewise, although each Co-Owner of the Regime as then constituted shall retain the vote presently appurtenant to his Unit, there shall be additional votes and, therefore, the percentage value of each vote, compared to the total votes, shall be reduced as described in the Exhibits.

(e) Ownership in the Common Elements and Common Surplus, pro rata share of Common Expenses due and percentage of total votes attributable to each Unit in Phase I, in case of completion of only Phase I, in the event of completion of Phases I and II, in the event of completion of Phases I, II and III and in the event of completion of Phases I, II, III and IV are shown in the Exhibits.

ARTICLE IV
Architectural Control

To preserve the original architectural appearance of the Regime, no exterior construction of any nature whatsoever except as specified in this Master Deed shall be commenced or maintained upon any building and/or Common Element and all such additions as are herein specified shall

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be architecturally compatible with existing structures. No Co-Owner shall paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Co-Owner change the design or color of the exterior or lighting, nor shall any Co-Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change, including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until plans and specifications showing the nature, kind, shape, height, material, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors (or its designee), all Institutional Mortgagees and (so long as Declarant, or its successors or assigns, owns one or more Apartments in the Regime) the Declarant or its successors and assigns. Failure of the Board of Directors (or its designee) and, if appropriate, of the Declarant to approve or disapprove such plans and specifications within sixty (60) days after their being submitted in writing shall constitute approval.

ARTICLE V
Expenses and Common Surplus

The Common Expenses of the Regime and the monetary obligations of the Co-Owners under any agreements entered into by the Association shall be shared by the Co-Owners in the percentages set forth in the Exhibits. Such percentages shall not be altered because of any increase or decrease in the purchase price or square footage of an Apartment or because of its location.

Each Co-Owner's interest in the Common Surplus (if any) shall be equal to his interest in the Common Elements.

ARTICLE VI
Amendment of the Master Deed

This Master Deed may be amended at the regular or any special meeting of the Association of the Regime, called and convened in accordance with the Bylaws, upon the affirmative vote of sixty-seven (67%) percent of all the Voting Members of the Association; provided, however, that this Master Deed may not be cancelled nor any amendment be made hereto having as its effect a termination of the Regime without the written agreement of all the Co-Owners in the Regime and all mortgagees holding mortgages of record upon the Regime or any portion thereof, as provided in the Act.

All amendments hereto shall be recorded and certified as required by the Act. No amendment(s) shall change any Apartment or the proportionate share of the Common Expenses or Common Surplus attributable to each Apartment, nor the voting rights of any Apartment, unless all Co-Owners of the Regime and all mortgagees holding any mortgages or other liens upon the Property or any part(s) thereof shall join in the execution of such amendment. No amendment shall be passed which shall impair or prejudice rights and/or priorities of any Institutional Mortgagee or change the provisions of this Master Deed with respect to Institutional Mortgagees without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of Declarant, its successors and assigns, without written approval and consent of the Declarant, or its successors or assigns.

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Notwithstanding the foregoing provisions of this Article, the Declarant reserves the right to alter the interior design and arrangement of all Apartments and to alter the boundaries between Apartments as long as the Declarant owns all the Apartments so altered; however, no such change shall increase the number of Apartments nor alter the boundary of the Common Elements, except the party wall between any Apartments, without amendment of this Master Deed in the manner herein set forth. If the Declarant shall make any changes in Apartments as provided in this paragraph, such changes shall be reflected by an amendment of this Master Deed and the recording thereof reflecting such authorized alteration of Apartments and said amendment need only be executed and acknowledged by the Declarant and any holder of mortgage(s) encumbering the said altered Apartments. Such shall be certified and recorded in the manner required in the Act.

Notwithstanding the foregoing provisions of this Article, it is understood and agreed that as of the time this Master Deed is dated and recorded in the public records of Horry County, South Carolina, all of the improvements shown on the Exhibits may not be completed; however, said improvements shall be as and located as described and shown in the Exhibits; provided, however, that all improvements must be completed within fourteen (14) months of the date hereof; provided, however, said time may be extended by virtue of delays caused by acts of God, acts of governmental authorities, strikes, labor conditions or any other condition(s) beyond Declarant's control.

ARTICLE VII
Bylaws

The operation of the Regime shall be governed by the Bylaws of the Association which are attached to this Master Deed as an Exhibit and made a part hereof.

No modification of, or amendment to, the Bylaws of the Association shall be valid unless set forth in or annexed to a duly recorded amendment. The Bylaws may be amended in the manner provided for therein but no amendment to said Bylaws shall be adopted which will affect or impair the validity or priority of any mortgage upon the Submitted Property or any portion thereof without written consent of the mortgagee thereof and of all Institutional Mortgagees of record. No amendment shall change the rights and privileges of the Declarant without written approval of the Declarant, its successors or assigns.

ARTICLE VIII
The Operating Entity

The operating entity of the Regime shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all the powers and duties granted to and imposed upon it by Master Deed, the Act and the Bylaws of the Association, and, in addition, all other powers and duties necessary to operate the Regime which shall be exercised through its Board of Directors.

Every Co-Owner, whether he has acquired his Apartment by purchase, gift, devise or other conveyance or transfer, by operation of law or otherwise, shall be bound by this Master Deed, the Act, the Bylaws, all other Exhibits hereto and any and all Rules and Regulations of the Association.

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ARTICLE IX
Assessments

The Association, through its Board of Directors, shall have the power to fix and to provide for the Common Expenses of the Regime including such sums as are necessary for the care, repair, replacement, maintenance, preservation and improvement of the Submitted Property, as are necessary to meet expenses and payments under the Long Term Lease and to meet the pro rata share of expenses payable by the Co-Owners for maintaining streets, roads, marsh and roadside areas, entrance ways, facilities and lighting within and for the Myrtle Beach Resort (herein the "Resort") as hereafter described (which shall be included as an item of Common Expense). The Board of Directors shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Regime and such other expenses as are provided for herein, in the Act or deemed necessary and appropriate expenses of the Regime. The procedure for the determination of sums necessary and Assessments upon Co-Owners and the method of collection of the same shall be as set forth in the Bylaws of the Association, as provided herein and in the Exhibits hereto and in the Act.

A Co-Owner shall become liable for the payment of Assessments upon issuance of a statement of Assessments by the Board of Directors of the Association.

Upon assessments that are unpaid for over ten (10) days after due date, at the sole discretion of the Board of Directors (and if not prohibited by law), a late charge not to exceed Ten ($10.00) Dollars or ten (10%) percent of the amount due, whichever is greater, shall also be due and payable to defray the expense of late collection. Regular Assessments shall be due and payable on the first day of each month (unless set otherwise by the Board of Directors) and monthly bills for the same need not be delivered or mailed to the Co-Owners by the Board; provided, however, that on or before December 1st of the preceding year, the amount of regular monthly Assessments due from each Co-Owner for each month of that year shall be mailed by the Board of Directors to each Co-Owner and provided, further, that notice of any increase or decrease in regular monthly Assessments shall likewise be mailed or delivered to each and every Co-Owner by the Board of Directors no later than thirty (30) days prior to the time the first regular monthly Assessment so changed shall be due.

Further, the Board of Directors, on behalf of the Council, shall have a lien on each Apartment together with the Common Elements appurtenant thereto in the amount of any Assessment not paid when due as provided in the Act (provided, however, such lien shall be valid against third parties without notice only from the date and time of recording of notice thereof), which may be collected and/or the lien foreclosed upon as provided in the Act. Reasonable attorneys' fees incured by the Board of Directors incident to the collection of such Assessments or the enforcement (including but not limited to foreclosure) of such lien together with all sums advanced and/or paid by the Association for taxes and payments on account of a superior mortgage lien(s) or encumbrance(s) which may be required to be advanced by the Association to preserve and/or protect its lien and all other changes allowed by the Act shall be payable by the delinquent Co-Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments as provided in the Act and further may settle and/or compromise the same if deemed in its best interest.

No mortgagee of any mortgage of record or other purchaser of an Apartment who obtains title to the same at the foreclosure sale upon foreclosure of such mortgage shall be liable for the share of the Common Expenses or Assessments accruing after the date of recording of such mortgage but prior to the acquisition of title by such acquirer. In addition, any Co-Owner, person having executed a contract for the purchase of an Apartment or lender considering the loan of funds to be secured by an Apartment shall be entitled upon request to a statement setting forth the amount of Assessment(s) past due as provided in the Act. Failure to respond timely shall extinguish the lien for such assessment(s), to be extinguished as provided in the Act. Except in the foregoing circumstances, any acquirer shall be jointly and severally liable for such expenses with the former Co-Owner.

The Board of Directors shall have the right to assign any claim and/or lien rights for the recovery of any unpaid Assessments.

No Co-Owner may exempt himself from liability for his share of the Common Expenses or any other Assessment by waiving the use or enjoyment of any of the Common Elements or by abandoning his Apartment.

ARTICLE X
Insurance

1. The Board of Directors of the Association shall obtain insurance upon the Submitted Property insuring it (including both Common Elements and all Apartments) against all risks, all premiums of which shall be included as part of the Common Expenses. The provisions of this Article shall relate to all residential Units and all Common Elements; provided, however, because of the unique nature of the Commercial Units, the Co-Owner of a Commercial Unit may have that Unit exempted from any master hazard, casualty, liability or other insurance policy(ies) required to be maintained upon the Units (and have the amount of Common Expenses due from that Unit reduced accordingly), provided such Co-Owner provides evidence to the Board, and any Institutional Mortgagee requesting same, of equivalent insurance coverage with a carrier equivalent to that herein required.

The Board, on behalf of the Association, shall obtain extended insurance coverage (by policies, each having, if such can be obtained, a term of not less than three (3) years) upon the Submitted Property and Improvements hereon, including the Apartments and Common Elements, insuring the Co-Owners and their mortgagees against loss from fire, earthquake, flood, vandalism and the elements (windstorm, etc.), as well as any other risks the Institutional Mortgagees described in Section 2 (if any) may deem it reasonable to require, in an amount (the "Insured Amount") not less than one hundred fifteen (115%) percent of the amount necessary to completely restore and replace all improvements within the Regime without deduction for depreciation. In addition, such insurance shall provide for an automatic quarterly increase for inflation of two (2%) percent of the Insured Amount. Not less than thirty (30) days prior to the anniversary of such policy(ies), the Board shall obtain three (3) written estimates from reputable general construction contractors who have engaged in construction of projects similar to the Regime and who are acceptable to the Institutional Mortgagees described in Section 2 hereof, of the total costs of reconstruction and replacement of all improvements in the Regime. The Insured Amount shall be adjusted on that anniversary date to an amount equal to one hundred fifteen (115%) percent of the

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average of these estimates. In the event such coverage as obtained contains deductible(s) and/or is insufficient to so restore or replace, the Insurance Trustee (as hereafter described), with the advice of the Board, shall determine the amount(s) necessary to cover such deductible(s) and/or deficiencies and establish a self-insurance fund shall have the same loss payee as the policies obtained (i.e., the Insurance Trustee for the benefit of the Co-Owners and their mortgagees, etc.). Such self-insurance fund and any increase and/or replacement(s) thereto shall be funded by assessment of all of the Co-Owners by the Insurance Trustee acting on behalf of the Board, which shall be, when so assessed, an item of Common Expense. Such funds so maintained (except for excess funds, which shall be distributed as provided in Section 4), together with interest thereon (if any) may be expended only in the event of: (i) a loss which such funds insure against; (ii) the obtaining of other insurance to cover such deductible(s) and/or insufficiency(ies); (iii) the consent of all Co-Owners and their mortgagees; or (iv) upon termination of the Regime. In the event of distribution of such funds for any of the latter three events, such funds so expensed and/or distributed shall be considered as, owned as and distributed as Common Surplus.

2. Any Institutional Mortgagees holding mortgages recorded prior to August 1, 1985, encumbering Apartments in the Regime having collectively an aggregate of original principal balances of $1,000,000 or more shall have the right to approve all such insurance policy or policies, the company or companies, insurance upon such insurance coverage, the amount(s) thereof and, if appropriate, self-insurance sufficient to cover deductibles. Declarant reserves the right to, by amendment, change the date by which mortgages must be recorded in order for an Institutional Mortgagee to qualify for the rights granted herein.

3. Insurance premiums are and shall be a part of the Common Expenses; provided, however, they shall be paid separately and to the Insurance Trustee by each Co-Owner at such address as it shall designate. The Insurance Trustee shall notify the Co-Owners of the place of payment and monthly payment amount, which shall be due and payable by the first day of each month by each Co-Owner. The amount collected monthly from each Co-Owner shall be an amount equal to his percentage share in the Common Expenses multiplied by not less than 1/12th of the annual premiums of all insurance policies maintained upon the Regime. Further, the Insurance Trustee is hereby subrogated to and assigned the lien rights of the Council of Co-Owners as to each Co-Owner failing to pay any payment due from him to the Insurance Trustee for insurance premiums or self-insurance to the extent of the amounts due and owing but unpaid, which rights include the right to file notice of, perfect and foreclose upon a lien(s) against such Co-Owner(s) as granted to the Council of Co-Owners by the Act and this Master Deed. Sufficient funds shall be collected and maintained, if necessary in advance, by the Insurance Trustee (as hereinafter defined) such that with monthly installments received by it, it will have sufficient funds to pay the next annual premium on each policy maintained under Section 1 hereof not less than sixty (60) days prior to the date such premium on such policy is due and payable. Such funds so held shall be disbursed and used by it solely to pay premiums on said insurance policies described in Section 1. Unless such carrier fails to meet the requirements of Section 13 hereof or unless otherwise instructed by the Board of Directors and agreed to by the Institutional Mortgagees described in Section 2, the Insurance Trustee shall renew each policy with and pay the renewal premium to the same carrier then carrying said coverage. Such funds shall not be otherwise used or disbursed except upon written instruction of the Board of Directors consented to by all of the Institutional Mortgagees within the classification described in Section 2 of this Article.

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4. Mellon Bank, N.A., it successors and assigns, is hereby appointed and designated Insurance Trustee. The Insurance Trustee shall receive all funds designated for the self-insurance fund (if any) described in Section 1 hereof, to be held in trust for the benefit of the Co-Owners and their mortgagees, to be distributed as provided, and only as provided, in this Article. The funds comprising such self-insurance fund shall be placed in one or more demand accounts of a federally insured bank or trust company (which shall be interest bearing account(s) if allowed by such institution and permitted by law). To the extent such funds exceed those required (as defined in Section 1), they shall be paid over to the Council of Co-Owners as Common Surplus.

5. The Insurance Trustee is hereby designated and appointed as agent for the Council of Co-Owners, its Board of Directors, each and every present and future Co-Owner thereof and each and every mortgagee (if any) of each and every such Co-Owner for the purpose of this Article. Any person, by acquiring any ownership or security interest whatsoever in any Apartment, shall be deemed to have appointed the Insurance Trustee as his, her or its agent for the purpose of this Article. Further, such appointment is and shall be irrevocable; provided, however, the present Insurance Trustee may resign upon the acceptance by a successor insurance trustee of all rights, powers and duties herein granted the Insurance Trustee and, further, provided such successor must be a federally insured bank or other federally insured depository having a corporate trust department, and must be acceptable to all Institutional Mortgagees within the classification described in Section 2 of this Article. In its capacity as agent, the Insurance Trustee shall cause itself, as Insurance Trustee, to be designated as named insured and loss payee, for the benefit of those for whom it is herein designated as agent, of the insurance policies procured pursuant to Section 1 of this Article, and in such capacity to receive all proceeds from such policies and execute as duly authorized agent such releases, endorsements or other documents or things as may be necessary to be able to receive such proceeds. In the event of any casualty or loss, the Board of Directors shall be responsible to accomplish reconstruction, replacement and repair, provided the Insurance Trustee shall collect the proceeds of insurance (and to the extent appropriate, from the self-insurance fund) and distribute such proceeds (by, if appropriate, a percentage of completion basis) to the parties entitled thereto satisfying itself as to the effectuation of such repairs, replacement and reconstruction.

6. The proceeds of any such insurance shall be applied to reconstruct the improvements as provided in the Act; provided, further, notwithstanding any provision of the Act to the contrary, reconstruction shall be compulsory in all events. Any Co-Owner hereof, by accepting title to a unit, and any Institutional Mortgagee or other lien holder, by accepting any unit, any interest therein, or any interest in the Submitted Property as security of any type of nature, shall be deemed by such acceptance to have waived the provisions of Section 27-31-250 of the Act to the extent such provisions allow or otherwise provide for a failure to reconstruct. As a consequence, as aforesaid, reconstruction shall be required whether it comprises the whole, more than two-thirds or less than two-thirds of the Submitted Property. The provisions hereof are for the express protection of each and every Co-Owner and Institutional Mortgagee and may not be waived without the written consent of each and every Co-Owner and Institutional Mortgagee.

7. If the Property is not insured or if the insurance proceeds are insufficient to cover the costs of reconstruction, rebuilding costs shall be paid by all of the Co-Owners directly affected by the damage and each shall be

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responsible for a share equal to the total cost times a fraction, the numerator of which is one and the denominator of which is the number of Apartments so directly affected. Failure or refusal of payment of any of the Unit Owners so affected shall result in a lien uopn his Unit in favor of the Association in such amount and may be enforced in the manner provided for collection of unpaid Assesments herein and/or in the Act.

8. Nothing herein contained or contained in the Bylaws shall prevent or prejudice the right of each Co-Owner and/or his mortgagee(s) from insuring his Apartment on his account and for the benefit of himself and/or his mortgagee(s).

9. Any repair and/or restoration must be substantially in accordance with the plans and specifications of the original buildings and improvements or as the buildings or improvements were last constructed or according to plans approved by the Board of Directors and all Institutional Mortgagees of record, which approval shall not be unreasonably withheld.

10. The Insurance Trustee is further hereby irrevocably appointed agent for each Co-Owner, the Council, its Co-Owners and their mortgagees for the purpose of comprising and settling claims arising under insurance policies purchased under the provisions of this Article and to execute and to deliver releases therefor upon the payment of claims.

11. Should the Association fail to pay insurance premiums when due or should the Council or Co-Owners fail to comply with other insurance requirements required herein or by the Act or imposed by Institutional Mortgagees having the right to impose the same, said Institutional Mortgagees or any one of them shall have the right to obtain insurance policies and to advance such sums as are required to maintain or procure such insurance and to the extent of the monies so advanced said mortgagee(s) shall be subrogated to the Assessment and lien rights of the Association and its Board of Directors against the individual Co-Owners for reimbursement of such sums.

12. The Board of Directors of the Association is authorized and directed to purchase such additional insurance and for such additional purposes, including liability insurance (in an amount of not less than Five Hundred Thousand ($500,000.00) Dollars per occurrence) and, if required by law or deemed advisable by it, workmen's compensation insurance, to carry out its purposes and/or to protect itself, the Regime, its Common Elements, Apartments, the Co-Owners thereof and their mortgagees.

13. Any and all insurance coverage(s) obtained under Section 1 above by the Association pursuant to this Article must be obtained from an insurance carrier(s) admitted and authorized to do business in the State of South Carolina, and having an Alfred M. Best Financial Rating of at least "A+15", which company(ies) shall be affirmatively presumed to be a good and responsible company(ies) and the Declarant, the Board of Directors, the Association and Institutional Mortgagees shall not be responsible for the quality or financial responsibility of the insurance company(ies) provided same are so rated and are so licensed, admitted and approved to do business and provide such coverage in the State of South Carolina.

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ARTICLE XI
Use and Occupancy

The Co-Owner of each Apartment (other than the Commercial Units) shall occupy and use his Apartment as a single family private dwelling for residential purposes for himself and the members of his family and/or his social guests or designees and for no other purposes; provided, however, nothing herein contained nor any present or further action by the Council of Co-Owners or its Board of Directors shall prevent any Co-Owner from leasing or renting his Apartment for such period or periods as he shall determine in his sole discretion to third parties; provided, however, such Apartment shall, if so rented or leased, be used for residential purposes only by such lessee or renter and in compliance with this Master Deed and its Exhibits, the Act and Rules and Regulations properly promulgated. Such renter or lessee may be removed from the Property and/or refused further entrance by the Board of Directors of the Association or its designee for non-compliance, and the Co-Owner of that Apartment shall be liable for all damages caused by his lessee or renter and all costs of removal which shall be a lien upon his Apartment the same as the lien for unpaid Common Expenses. No commercial or business activity shall be carried out in any Apartment or other part of the Submitted Property except the Commercial Units and further except that the Declarant, its successors and assigns, may maintain and use one or more Apartments of the Condominium owned or leased by it, its successors or assigns, designated by Declarant as a model and/or for management, sales and/or rental offices, and commercial laundry and vending equipment may be maintained and maintenance and laundry equipment kept and maintained in areas of the Common Elements suitable for such purposes. Notwithstanding the foregoing, all Unit Owners expressly agree to allow Declarant and Declarant expressly reserves the right for itself, in its sole discretion, or any successor in interest to the Declarant as developer of the Regime to sell, commit and/or convey any Apartment under any plan of multiple use, interval ownership or time sharing arrangement; provided, further, no Apartment may be sold, leased or otherwise marketed under any plan of multiple use, interval ownership or time sharing arrangement without express written consent of Declarant.

No Co-Owner shall permit or suffer anything to be done or kept in or about his Apartment or upon the Common Elements which will obstruct or interfere with the rights of other Co-Owners, their guests or assigns or annoy them by creating any unreasonable noises or otherwise, nor shall any Co-Owner permit or commit any nuisance or illegal act in or about the Submitted Property.

No animals or pets of any kind shall be kept in any Apartment or on any property of the Regime except with written consent of, and subject to, the Rules and Regulations adopted by the Board of Directors of the Association; provided, however, that in no case shall they be kept, bred or maintained for any commercial purposes; and provided, further, any animal or pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Submitted Property by the Board of Directors upon three (3) days written notice to the owner thereof. Once permission to allow a pet to be kept in any Apartment is given, it shall not be withdrawn or terminated unless such pet has caused or created a nuisance or unreasonable disturbance as provided herein.

No Co-Owner shall cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors or windows of the Apartments or upon the general or limited common Elements; nor shall he plant any type of plants, shrubbery, flower, vine or grass outside an Apartment nor shall he cause awnings or storm shutter, screens,

enclosures and the like to be affixed or attached to any Apartment, limited or general Common Element; nor shall he place any furniture or equipment outside an Apartment except with the written consent of the Board of Directors of the Association; and, further, where approved, subject to the Rules and Regulations of the Board of Directors. No clothesline or similar device shall be allowed on any portion of the Submitted Property nor shall clothes be hung anywhere except where designated by the Board of Directors. Co-Owners may not screen or enclose any exterior pation which abuts a Unit, where applicable, nor may any Co-Owner screen or enclose any exterior deck and/or balcony which abuts his Apartment, where applicable, with any type of material without the prior written consent of the Board of Directors.

No person shall use the Common Elements or any part(s) thereof or a Unit or any part of Submitted Property in any manner contrary to, or not in accordance with, such Rules and Regulations pertaining thereto as may from time to time be promulgated by the Board of Directors of the Association, provided, however, no rule or regulation may be passed unduly restricting the quiet and peaceful use of an Apartment for its intended purpose. The Board may impose penalities (including, but not limited to, fines, enforceable by lien as Common Expenses) for violation of such rules and regulations.

The Board of Directors may further, if it determines appropriate, suspend use of the Common Elements for a period of up to thirty (30) days for any violation of the provisions hereof and/or said Rules and Regulations. Such remedy is not exclusive.

Notwithstanding the provisions hereof, the Declarant, its successors and assigns in interest as developer or the Regime, shall be allowed to maintain one (1) or more Apartments as laundry and/or maintenance areas, management, as a model, sales and/or rental office(s); to display and place signs upon the premises to aid in sales or rentals; and to engage in sale or rental activities and provide laundry and maintenance service upon the Submitted Property.

ARTICLE XII
Maintenance and Alterations

1. The Board of Directors (including the initial Board appointed by the Declarant) may enter into contracts with firm(s), person(s) or corporation(s), or may join with other regimes and/or entities in contracting for the maintenance and/or repair of the Submitted Property and any properties belonging to the Regime; may contract for or may join with other associations in contracting for the maintenance and management of the Regime; and may delegate to such contractor or manager all power and duties of the Association and its Board of Directors except such as are specifically required by this Master Deed, by its By-Laws or by the Act to have approval of the Board of Directors and/or of the Association.

2. There shall be no alterations or additions to the Common Elements or any part(s) thereof except as authorized by the Board of Directors and approved by not less than seventy-five (75%) percent of the total vote of the Co-Owners of the Regime provided the aforesaid alterations or additions do not affect the rights of any Co-Owner and/or his Institutional Mortgagee(s) of record unless the consent of both have been obtained. The cost of the foregoing shall be assessed as Common Expenses. Where alterations or additions as aforesaid are exclusively or substantially for the benefit of the particular Co-Owner(s) requesting the same, then the cost of such alterations or additions shall be assessed

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against and collected solely from the Co-Owner(s) exclusively or substantially benefiting therefrom. The assessment shall be levied in such proportion as may be determined as fair and equitable by the Board of Directors taking into account the benefit to each and the relative value of each such Apartment as opposed to the others so improved. Where such alterations or additions exclusively or substantially benefit Co-Owner(s) requesting same, said alterations or additions shall only be made when authorized by the Board of Directors approved by not less than seventy-five (75%) percent of the total votes of the Co-Owners exclusively or substantially benefiting therefrom, and where said Co-Owners are ten (10) or less, the approval of all but one (1) shall be required.

Where the approval of Co-Owners for alterations or additions to the Common Elements of this Regime is required, the approval of Institutional Mortgagees whose mortgages encumber Apartments representing not less than ninety (90%) percent of the total unpaid dollar indebtedness as to principal on said Apartments at said time shall also be required.

3. Each Co-Owner is hereby required:

(a) To maintain in good condition and repair his Apartment, all interior surfaces and the entire interior of his Apartment and to maintain and repair the fixtures and equipment therein, which includes, but is not limited to, the following, whre applicable: air conditioning and heating units, including condensers and all apurtenances thereto wherever situated; hot water heaters; refrigerators, ranges and ovens and all other appliances; drains, plumbing fixtures and connections, sinks, all plumbing and water lines within the Apartment; electric panels; lines outlets and fixtures within the Apartment; interior doors, windows, screens and glass; all exterior doors (except the painting of the exterior of an exterior door shall be a Common Expense). Water, sewerage, disposal and waste fees, electricity or other utility charges, if applicable, shall be part of the Common Expenses if billed to the Regime; however, if the individual bills are sent to each Co-Owner by the provider of such services, each such Co-Owner shall pay said bill for his Apartment individually. Electricity for the Units and all other purposes for the Regime may be metered to the Regime as a whole, rather than to individual Apartments, and, if so, shall be a Common Expense. Where an Apartment is carpeted, the cost of maintaining and replacing the carpeting shall be borne by the Co-Owner of said Apartment. Each Co-Owner shall maintain, care for and preserve those portions of the Limited Common Expenses (if any) exclusively for his use or exclusively for his use together with certain other Co-Owners. Where there is a light fixture or fixtures attached to the exterior wall or walls of the Apartment, the Co-Owner thereof shall replace the bulb(s) by the same color and bulb wattage at his cost and expense unless the Board of Directors decides to replace same as a Common Expense. Each Co-Owner is responsible for and will pay for his telephone service.

(b) Not to make or cause to be made any structural addition or alteration to his Apartment or to the Common Elements or any part(s) thereof. Alterations within an Apartment may be made with prior written consent of the Board of Directors and any Institutional Mortgagee holding a mortgage upon such Apartment as could be affected by such alteration. Upon approval of such alteration, the Board of Directors shall have the right to require approval of any contractor and/or sub-contractor employed by such Co-Owner for such purpose. Said parties shall comply with all Rules and Regulations adopted by the Board of Directors. Further, such Co-Owner shall be liable for all damages to any other Apartment(s), Common Element(s) or Submitted Property caused

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by the Co-Owner's contractor, sub-contractor or employee whether such damage be caused by negligence, accident or otherwise.

(c) To allow the Board of Directors or its representative, agent or employee to enter into his Apartment for the purposes of maintenance, inspection, repair or replacement of improvements within the Apartment and/or Common Elements; to determine in the case of emergency, circumstances threatening the Apartment and/or Common Elements; or to determine compliance with the provisions of this Declaration and/or any By-Law or Rule or Regulation of the Association.

(d) To show no signs, advertisements or notices of any type on the Common Elements, Apartments or buildings and to erect no exterior antennae or aerials except as consented to by the Board of Directors.

4. In the event that a Co-Owner fails to maintain his Apartment and all parts thereof as required, makes any alterations or additions without the required consent, or otherwise violates the provisions hereof, the Board of Directors, on behalf of the Association, shall have the right to proceed with an action at law for damages or to obtain an injunction to prevent such activity and/or to require compliance with the provisions hereof, with the By-Laws, the Act or any Rules or Regulations. In lieu thereof and in addition thereto, the Board of Directors shall have the right to levy an assessment against such Co-Owner for such necessary sums to remove any unauthorized additions or alterations and/or to restore the property to good condition and repair. Said assessments shall have the same force and effect as all other special assessments. The Board of Directors shall have the right to have its employees or agents, or subcontractors appointed by it, enter an Apartment at all reasonable times to do such work as it deems necessary to enforce compliance with the provisions hereof.

5. The Board of Directors shall determine the exterior color scheme of all buildings and all exterior and interior color scheme(s) of the Common Elements (subject to the approval rights of the Association), and shall be responsible for the maintenance thereof. No Co-Owner shall paint an exterior wall, door, window or any exterior surface or place anything thereon or affix anything thereto without the written consent of the Board of Directors.

6. The Council of the Co-Owners shall be responsible for the maintenance and repair and replacements of the Common Elements and all portions of the Submitted Property not required to be maintained and/or repaired and/or replaced by individual Co-Owners. Notwithstanding each Co-Owner's duty of maintenance, repair, replacement and other responsibilities to his Apartment, the Association, through its Board of Directors, may enter into an agreement with such firm(s) or company(ies) as it may determine from time to time to provide certain services and/or maintenance for and/or on behalf of the Co-Owners whereby maintenance and services are provided on a regularly scheduled basis, such as air conditioning maintenance services, exterminating services and other types of maintenance and services as the Board of Directors deems advisable and for such periods of time and on such basis as it determines. Further, the Board of Directors may lease equipment and/or service (such as MATV or Cable TV service and telephone systems) and grant easements for the location and/or installation of the same if it determines advisable. Said agreements shall be on behalf of each of the Co-Owners and the Monthly Assessment due from each Co-Owner for Common Expenses shall be increased by such sum as the Board of Directors deems fair and equitable under the circumstances in relation to the monthly charge for said

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equipment maintenance or services. Each Co Owner shall be deemed a party to such agreement with the same force and effect as though said Co-Owner has executed said agreement. It is understood and agreed that the Association through its Board of Directors shall execute said agreements as the agent for each Co-Owner. The aforesaid assessment shall be deemed to be an assessment under the provisions of Article IX of this Master Deed.

ARTICLE XIII
Termination

This Regime may be voluntarily terminated at any time upon the terms and conditions and in the same manner set forth and described in the Act; provided, however, notwithstanding anything to the contrary in the act as to termination in the event of destruction, the Regime may not be terminated unless and until all Co-Owners and all Institutional Mortgagees of record of all Apartments agree thereto and said Institutional Mortgagees agree in writing to accept such termination and to accept as security the unidvided portion of the Submitted Property owned by the debtors of each. In the event of such termination, all Co-Owners shall become tenants in common of the real property and improvements constituting the Apartment and Common Elements. The ownership of each Co-Owner upon termination as tenants in common shall be the same percentage as his percentage ownership in the Common Elements at that time.

ARTICLE XIV
Easements

Each Person who acquires an interest in an Apartment shall be deemed, thereby, to agree that: (i) if any portion of an Apartment shall encroach upon any portion of the Common Elements or another Apartment or any portion of the Common Elements shall encroach upon any Apartment, there shall exist a valid easement for such encroachment and for the maintenance and repair of the same so long as it stands; and (ii) in the event a building or other improvement or an Apartment is partially or totally destroyed and the reconstruction thereof shall create an encroachment on portions of the Common Elements or on any Apartment, there shall exist a valid easement for such encroachment and the maintenance thereof.

The Property is subject to all conditions, limitations, restrictions, reservations and all other matters of record, the rights of the United States of America, the State of South Carolina and any governmental authority or agency, including those pertaining to the use and ownership of any submerged lands and any lands lying below the natural high water line of the surrounding bodies of water, any taxes, applicable zoning ordinances which now exist or are hereafter adopted and easements and ingress and egress, for pedestrian and vehicular purposes and for utility services and drainage which now exist or are hereafter granted by the Declarant for the benefit of such persons as the Declarant designates. The Declarant shall have the right to grant easements for such purposes as it determines in its sole discretion appropriate and to designate the beneficiaries thereof for such time as it determines in its sole discretion. Such rights include, but are not limited to, reservation unto itself, its successors and assigns, and the right to grant to others (including owners, occupants and users of other properties, facilities and horizontal property regimes within the Resort or in proximity thereto) easements for access and for ingress and egress across portions of the Submitted Property suitable for such purpose, for pedestrian and vehicular purposes and for utility services and drains, and easements and licenses of use of the beach area, and amenities and facilities of the Regime, provided any grant of

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use(s) of facilities or amenities shall require the grantee(s) thereof to pay fees commensurate with such use(s) for such use(s). When the Declarant relinquishes such right, the Association shall be empowered to grant such easements. While the Declarant has the right to grant easements, the consent and approval of the Association to the granting thereof shall not be required. No easement shall be granted by the Declarant or the Association if as a result thereof any buildings or other improvement in the Regime would be structurally weakened or the security of any mortgagee of record would be adversely affected without its written consent.

The Declarant reserves for itself, its successors, assigns, designees, and licensees, the right to place cable wiring on the Submitted Property in order to facilitate television reception to the Regime and hereby reserves such general easement to the Submitted Property as is necessary and consistent with this purpose.

Declarant does hereby grant unto the Co-Owners, Occupants and visitors of the Regime, easements for ingress and egress and access only for vehicular and pedestrian traffic over those areas suitable for such traffic respectively within the Myrtle Beach Resort Horizontal Property Regime, Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime and The Renaissance Tower Horizontal Property Regime. Declarant reserves the right to grant easements for ingress and egress, parking, and access for vehicular and pedestrian traffic over and through those areas suitable for such traffic within the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime to the Co-owners, Occupants and visitors of the Myrtle Beach Resort Horizontal Property Regime, Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime and The Renaissance Tower Horizontal Property Regime.

The Association, all present and future Co-Owners and Occupants, the Declarant and their respective successors, assigns, designees, invitees, licensees and guests are hereby granted a perpetual easement over, through and across and a license to use the areas of the Common Elements in the manner for which such is ordinarily intended and are further granted a pedestrian easement over, through and across the Common Elements upon such paths and ways as are suitable for pedestrian traffic and a license to use the same.

The rights of all Co-Owners shall be subject to all such easements as presently exist or as are hereinafter granted.

ARTICLE XV
Certain Rights of Declarant

1. Notwithstanding any other provisions herein, so long as the Declarant continues to own any of the Apartments, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as a Co-Owner to pay assessments as to each Apartment owned by the Declarant after the construction of said Apartment has been completed.

(a) The Declarant shall have the right at any time to sell, transfer, lease or re-let any Apartment(s) which the Declarant continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of

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Apartments contained herein and without the consent or approval of the Association or any other Co-Owner being required.

(b) During the period of time in which structures are under construction by the Declarant and not completed, no dues shall be charged against the Declarant as the Co-Owner of the Apartments included therein until the completion of said Apartments and the dues shall be assessed against the Co-Owners (including the Declarant) of those Apartments which shall have been completed, proportionately, inter se.

(c) Without limiting the foregoing, the Declarant shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Declarant owns or holds a mortgage upon at least one Apartment to amend the Declaration to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide Conventional Mortgages," as the same may be amended from time to time.

(d) The Declarant shall have the rights: (i) to use or grant the use or a portion of the Common Elements for the purpose of aiding in the sales or rentals of Apartments; (ii) to use portions of the Submitted Property for parking for prospective purchasers or lessees of Apartments and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Submitted Property; (iv) to distribute audio and visual promotional material uopn the Common Elements; and (v) to use any Apartment which it owns or leases as a sales and/or rental office, model, management office or laundry and/or maintenance facility.

(e) In order to provide the Regime with, among other things, adequate and uniform water service, sewage disposal service, utility services, telephone services and television reception, the Declarant reserves the exclusive right to contract for the provision of such services. The Declarant, as agent for the Association and the Co-Owners, has entered into or may enter into arrangements, binding upon the Association and the Co-Owners, with governmental authorities or private entities for furnishing such services. The charges therefor will be Common Expenses.

(f) The Declarant reserves the right to enter into, on behalf of and as agent for the Association and the Co-Owners, agreements with other Persons for the benefit of the Regime, the Association and the Co-Owners. The provisions of any such Agreement shall bind the Association and the Co-Owners. The Declarant as agent for and on behalf of Association and the Co-Owners, has entered into an agreement with Capital Tele-Communications Corporation, pursuant to which it will provide a color television set in each Unit together with cable and satellite television reception, service, programming and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such television sets and for such services shall be Common Expenses. If the Association fails to pay the amounts due under the agreement with Capital Tele-Communications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Tele-Communications

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Corporation may be amended only by a written amendment executed by the Association and Capital Tele-Communications Corporation. The Declarant has also entered into an agreement with Capital Tele-Communications Corporation, pursuant to which it will provide a telephone in each Apartment tied to a central PBX system and maintenance and service therefor. This agreement, a copy of which is attached as an Exhibit and incorporated herein by reference is binding upon the Association and the Co-Owners, to the extent allowed by law. The fees for rental of such telephone sets and service shall be Common Expenses. If the Regime fails to pay the amounts due under the agreement with Capital Tele-Communications Corporation, the latter, if it duly performs its obligations under such agreement, shall be subrogated to all rights of the Association as to Common Expenses. The agreement with Capital Tele-Communications Corporation may be amended only by a written amendment executed by the Association and Capital Tele-Communications Corporation.

2. THE DECLARANT SPECIFICALLY DISCLAIMS ANY INTENTION TO HAVE MADE ANY WARRANTY(IES) OR REPRESENTATION(S) IN CONNECTION WITH THE SUBMITTED PROPERTY (INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE) OR THE DOCUMENTS ESTABLISHING OR GOVERNING THE REGIME, EXCEPT THOSE WARRANTIES AND REPRESENTATIONS (IF ANY) EXPLICITLY SET FORTH HEREIN. NO PERSON SHALL BE ENTITLED TO RELY UPON ANY WARRANTY OR REPRESENTATION NOT EXPLICITLY SET FORTH HEREIN. STATEMENTS (IF ANY) AS TO COMMON EXPENSES, TAXES, ASSESSMENTS OR OTHER CHARGES MADE BY THE DECLARANT OR ANY REPRESENTATIVE THEREOF ARE ESTIMATES ONLY AND NO WARRANTY, GUARANTEE OR REPRESENTATION IS MADE THAT THE ACTUAL AMOUNT OF SUCH COMMON EXPENSES, ASSESSMENTS OR OTHER CHARGES WILL CONFORM WITH SUCH ESTIMATES. The Buildings and the other improvements located in the Regime have been or will be constructed substantially in accordance with the representations made in the Exhibits. Such representations specify the full extent of the Declarant's liability and responsibility for the materials and methods utilized in the construction of the Buildings and the other improvements located in the Condominium.

The Declarant shall not be responsible for any condition caused by condensation on or expansion or contraction of materials, including paint (over interior or exterior walls), for loss or injury in any way due to the elements, the water tightness (or absence thereof) of windows and doors, the collection of water within the buildings or on any portion of the Submitted Property or defects which are the result of characteristics common to the type of materials used, or for damage due to ordinary wear and tear or abusive use or any other cause, except as the Declarant and a Co-Owner may specifically agree in writing. The enforcement of any guaranty or warranty from any contractor, sub-contractor, supplier or manufacturer shall be the obligation of the Association and its members and the Declarant shall bear no responsiblity therefor.

ARTICLE XVI
Provisions Respecting Construction Lender

Notwithstanding anything to the contrary contained in this Master Deed, until the satisfaction of record of any construction mortgage given by Declarant upon the Submitted Property to secure a loan with which to develop the improvements for the Submitted Property such as would be commonly classified as a construction loan mortgage (hereinafter referred to as the "Construction Mortgage"), the following provisions shall be a part of this Declaration and shall supersede any inconsistent provisions contained heretofore in this Master Deed.

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1. Whenever the consent of the Declarant is required under this Master Deed, the written consent of the holder of the Construction Mortgage (hereinafter referred to as "Construction Mortgagee") shall also be required.

2. In the event that the Declarant shall violate any of its obligations as a Co-Owner, the Association shall be required to give Construction Mortgagee written notice of such failure or violation, and the Association shall be prohibited from instituting any suit or exercising any other remedy against the Declarant for any such failure or violation until it has given Construction Mortgagee ten (10) days' prior written notice of its intention to file such suit or exercise such remedy during which time Construction Mortgagee shall have the right to cure any such failure or violation.

3. Construction Mortgagee shall be given written notice by the Association of any meeting of the Co-Owners together with the agenda of such meeting.

4. No amendment shall be made to this Declaration or to the By-Laws of the Association, which would alter the rights of Construction Mortgagee or in any other way affecting the security of Construction Mortgagee without its joinder and written consent to such amendment.

5. If Construction Mortgagee either assumes possession of any portion of the Submitted Property of Common Elements upon which said Construction Mortgage is a lien or acquires title to unsold Submitted Property upon foreclosure of the Construction Mortgage, by purchase of the unsold Submitted Property upon foreclosure sale, or by deed in lieu of foreclosure, Construction Mortgagee and its successors and assigns shall have and enjoy all of the rights, privileges and exemptions granted to Declarant by this Master Deed and/or by the By-Laws.

ARTICLE XVII
Rights of Lenders

Notwithstanding any other provision hereof, any mortgagee of record (including; but not limited to, the Construction Mortgagee while such Construction Mortgage shall remain unsatisfied) shall:

1. Upon request, be permitted to inspect the books and records of the Association during normal business hours;

2. Receive a copy of any audit performed by or for the Association and all proposed and adopted budgets;

3. Upon request, receive written notice of all meetings of the Association and be permitted to designate a representative to attend and observe all such meetings; and

4. Receive written notification from the Association of any default by any of its mortgagors in the performance of his obligations to the Association which is not cured within thirty (30) days.

ARTICLE XVIII
The Myrtle Beach Resort

The Regime is located within and is a part of a certain 44.62, more or less, acres tract of land owned/or under option by Declarant lying between U.S. Highway 17 and the Atlantic Ocean, portions of which Declarant presently has included within and has named The Myrtle Beach Resort (herein "Resort"). Developer does, by the recording of this Master Deed, give the Council of Co-Owners, the present and future

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Co-Owners thereof, all Occupants of the Apartments and their successors and assigns, non-exclusive easements and licenses of use of the pathways, streets and roads (together with roadside and entrance areas), paved areas and recreational facilities and amentities of the Resort (herein "Resort Facilities"). Developer may, in its sole discretion, add additional property up to the entire 44.62 acres tract, build additional streets and roads, pathways, develop certain portions for other multi-family complexes, tennis courts, parking facilities, recreational facilities and develop portions for commercial facilities within the Resort, provided any such development shall be in Developer's sole discretion and no representations are made as to the same whatsoever. As a consequence, Declarant reserves unto itself, its successors and assigns in interest as developer of the Resort, and the present owner of the balance of the real property shown within the Resort in the Exhibits (herein "Present Owner"), the right to include up to the entire tract within the Resort.

Developer, its successors and assigns in interest as developer may retain some or all of the recreational facilities included within the Resort Facilities in trust, provided, however, Declarant reserves the right to convey the same to The Myrtle Beach Resort Homeowners Association (as hereinafter defined) upon the terms hereinafter described.

Declarant, its successors and assigns in interest as developer, and/or Present Owner may elect, in its sole discretion, to include portions or all of the additional property shown in the Exhibits within the Resort and construct and develop additional Resort Facilities upon which the Council of Co-Owners, all present and future Co-Owners, all Occupants of the Apartments and their respective successors and assigns, shall be granted non-exclusive easements and licenses of use to use in common with all others whom Declarant shall designate. Said easements and licenses to use shall be established by one or more easements and licenses which shall be recorded in the public records of Horry County, South Carolina, and which shall require the Council of Co-Owners and the Co-Owners thereof to bear their pro rata share of the costs associated with such facilities (including, but not limited to, insurance, taxes, maintenance, upkeep, repair and replacement). Such shall be recorded as an addition to the Long Term Lease and as an amendment to this Master Deed in the public records of Horry County, South Carolina. Such additional real property and/or Resort Facilities shall become a part of the Resort and all costs and expenses in connection therewith or associated therewith as determined and set by Declarant, its successors and assigns in interest as Developer (and/or Present Owner) or its designee shall, as aforesaid, become part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense (together with other having like rights of use) as is herein described.

Declarant, its successors and assigns in interest as developer of the Resort, and/or Present Owner, may, in its sole discretion, declare certain other areas upon inclusion within the Resort as natural marsh and forest areas and may, within such areas, create plantings, lagoons or such other features as it determines in its sole discretion add to the esthetic qualities of such areas, which areas shall, upon so declaring, be held by Declarant, its successors and assigns (or Present Owner) (which declaration(s) shall be filed in the public records of Horry County, South Carolina) in trust as areas of natural beauty and scenery for use and enjoyment of the Co-Owners and their occupants, such other owners of dwellings Apartments and occupants within the Resort and such third parties as Declarant, its successors and assigns (or Present Owner) may select in its sole discretion (which shall

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become, upon so declaring, part of the Resort Facilities and the pro rata share of upkeep, maintenance, management and replacement of such areas as so set shall be part of the Resort Expenses to be paid pro rata by the Council of Co-Owners and the Co-Owners thereof as an item of Common Expense as is herein described).

Declarant further reserves unto itself, its successors and assigns, and Present Owner, the right to grant easements for ingress and egress across appropriate areas of the Submitted Property to the Atlantic Ocean, provided such does not unduly interfere with the activities and rights of the Co-Owners of the Regime.

The Co-Owners shall each be members of The Myrtle Beach Resort Homeowners Association and as such shall pay pro rata with the Owners of other dwelling Apartments and other interests in real property within the Resort who shall be given similar easements and license of use all costs of maintenance, upkeep and repair arising out of or associated with the Resort Facilities as such exist from time to time; such costs to include, but not be limited to, providing management supervision and control thereof, property taxes, insurance, maintenance and reserve funds and all other costs connected or associated therewith (herein collectively "Resort Expenses"). Such Resort Expenses shall be included as an item of Common Expense and paid over by the Council of Co-Owners to Declarant, its successors or assigns in interest as developer of the Resort (or Present Owner, as the case may be), or its designee, upon such schedule (but not more frequently than once a month) and in advance for use for such purposes, provided the Board or the Council of Co-Owners shall be entitled to an annual accounting of the use of all Resort Expenses by Declarant or its designee. In the event of non-payment of Resort Expenses, Declarant, or if appropriate its designee, shall be subrogated to the rights of the Council of Co-Owners as to the individual Co-Owners to collect the Resort Expenses from the Co-Owners, including being subrogated to all lien rights for non-payment of Common Expenses as described in this Master Deed.

Declarant (its successors or assigns or Present Owner, as the case may be) or its designee shall establish rules and regulations for use of the Resort Facilities and the Board of Directors shall appoint a Resort Facilities committee and, if appropriate, one member to serve on the Board of Directors of the Homeowners (as herein defined) to assist in formulating and enforcing the same, it being the intent that such rules and regulations shall encourage safety, use and enjoyment of the Resort Facilities, provided Declarant makes no warranties whatsoever that said rules and and regulations will be inclusive or allow absolute safety of use.

Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) may, in its sole discretion, establish The Myrtle Beach Resort Homeowners Association (herein "Homeowners"), which shall be an association (which may, in Declarant's sole discretion, be incorporated as a corporation or as a corporation not for profit or unincorporated) and all Co-Owners shall, in addition ot being Co-Owners, automatically become members thereof. In addition, the Board of Directors shall elect one of its members who shall serve on the Board of Directors of Homeowners. The Board of Directors of Homeowners shall be comprised of one representative from this Regime, one representative from

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Myrtle Beach Resort Horizontal Property Regime, one representative from Myrtle Beach Oceanfront Spa Horizontal Property Regime, one representative from The Renaissance Tower Horizontal Property Regime, and one representative from each other development as Declarant as developer of the Resort shall designate. In the event of such establishment, Declarant shall designate Homeowners as its designee to carry out the duties and responsibilities and have the powers herein granted to Declarant's designee.

In addition, Declarant (its successors or assigns in interest as developer of the Resort or Present Owner as the case may be) may, in its sole discretion, at any time convey to the Regime and its Co-Owners and/or any other horizontal property regimes or other multi-family developments within the Resort or which Declarant has developed in proximity to the Resort having like non-exclusive easements and licenses of use, or to Homeowners, all or any portion of the Resort Facilities or any interests therein, provided such shall be for no consideration other than the actual cost of such improvement or facility. Declarant shall have no liability whatsoever for any taxes, assessments, utility charges or other matters whatsoever arising out of the ownership of any Resort Facilities so conveyed and such conveyance shall be subject to Declarant (its successors or assigns in interest as developer of the Resort or Present Owner, as the case may be) retaining unto itself and the right to grant to such third parties as it may designate easements and licenses for use consistent with the conveyed facilities and contract(s) for management thereof and all matters and right theretofore of record. In such event, such documents shall be considered an amendment to this Master Deed and execution only by the Declarant (or its successors or assigns in interest as developer of the Resort or Present Owner as the case may be), shall be sufficient and no execution, concurrence or consent shall be required of the Council of Co-Owners, any Co-Owner, any Mortgagee or any third party whatsoever.

ARTICLE XIX
Miscellaneous Provisions

1. A working capital fund shall be established by the Association and a sum equal to one (1) month's assessment shall be collected from each Owner at the time of closing of the sale of each Apartment. The collected funds shall be maintained in an account for the use and benefit of the Association. Such funds shall not be considered as an advance payment of regular assessments.

2. The Co-Owners of the respective Apartments shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective Apartments nor shall any Co-Owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Apartments which are utilized for or serve more than one Apartment, which items are hereby made a part of the Common Elements. Each Co-Owner shall, however, be deemed to own the walls and partitions which are contained in said Co-Owner's Apartment and shall also be deemed to own the interior decorated and finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.; however, all load-bearing walls, and, if applicable, the floor between the first or ground floor and second floor located within an Apartment, are part of the Common Elements to the unfinished surface of said walls and/or floors.

3. No Co-Owner may exempt himself from liability for his contribution toward the Common Expenses or other assessments duly made by the Association and/or the Board of Directors by waiver of the use of enjoyment of any of the

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Common Elements or the Recreational Facilities of the Regime or the Resort or by abandonment of his Apartment.

4. Each Co-Owner shall pay all ad valorem taxes and other taxes assessed against his Apartment and shall file any tax returns required in connection therewith. No Co-Owner shall have a right of contribution or a right of adjustment against any other Co-Owner because the value of his Apartment as fixed by any taxing authority may differ from that stated herein.

5. For the purposes of ad valorem taxation, the interest of the Co-Owner of an Apartment in his Apartment and Common Elements appurtenant thereto shall be considered an Apartment. The value of said Apartment as compared to the value of the Regime shall be equal to the percentage of the value of the entire Regime as then constituted, including land and improvements, as has been assigned to said Apartment and as set forth in this Master Deed. The total of all said percentages equal one hundred (100%) percent of the value of all the land and improvements as it shall then be constituted.

6. All provisions of this Master Deed and all Exhibits hereto and amendments hereof shall be construed as covenants running with the land and of every part thereof and interest therein including, but not limited to, every Apartment and the appurtenances thereto and every Co-Owner and/or occupant of the Submitted Property or any part thereof or owning any interest therein, his heirs, executors, successors, administrators and assignees shall be bound by all the provisions of this Master Deed and Exhibits hereto and any amendments to the same and the Act.

7. If any of the provisions of this Master Deed of the Exhibits hereto, of the Act or any section, clause, phrase, work or the application thereof in any circumstances is held invalid, the validity of the remainder of same and of the application of any provision, action, sentence, clause, phrase or work in other circumstances shall not be affected thereby.

8. Whenever notices are required to be sent hereunder, the same may be delivered to each Co-Owner either personally or by mail addressed to such Co-Owner at his place of residence in the Regime unless the Co-Owner has by written notice, duly receipted for, specified a different address. Proof of such mailing or personal delivery by the Association shall be given by affidavit of the person mailing or personally delivering such notice. Notices to the Association (including the Board of Directors) shall be delivered by mail to the Secretary of the Association at the Secretary's address within the Regime or, in the case of the Secretary's absence, then to the President of the Association at his address in the Regime; provided, however, that the Association may specify a different address by written notice delivered to all Co-Owners, Institutional Mortgagees of record, and any third party affected thereby. Notices to the Declarant shall be sent by mail to Post Office Box 11496, Columbia, South Carolina 29211. All notices shall be deemed delivered when mailed. Any party may change his or its mailing address by written notice duly receipted for. The change of the mailing address of any party as specified herein shall not require an amendment to this Master Deed. Notices required to be given the personal representative of a deceased Co-Owner may be delivered either personally or by mail to such party at his or its address appearing in the records of the probate court wherein the estate of such deceased Co-Owner is being administered.

9. All remedies for non-compliance provided in the Act shall be in full force and effect. In addition

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thereto, should the Association find it necessary to bring an action to bring about compliance with any provision of law, the Act, this Master Deed and/or the Exhibits attached hereto, upon finding by the Court that the violation claimed was wilful or deliberate, the Co-Owner so violating shall reimburse the Association for reasonable attorneys' fees incurred in prosecuting such action.

10. Subsequent to the filing of this Master Deed, the Association when authorized by a vote of the majority of the total voting members of the Association and the Institutional Mortgagees of record encumbering condominium Apartments who represent the majority of the dollar institutionally mortgaged indebtedness against this Regime may, together with other owners' associations and/or others, purchase and/or acquire leaseholds, memberships, and other possessory or use interest in lands and/or facilities, including, but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to lands of the Regime, intended to provide for the enjoyment and/or recreation and/or other use and/or benefit of the Co-Owners. The expenses of such ownership, rental, membership fees, operations, replacement and other undertakings in connection therewith shall be Common Expenses together with all other expenses and costs herein or by law defined as Common Expenses.

11. Declarant presently owns certain certain real property lying between the Regime (as it will be comprised upon inclusion of all phases, if included) and U.S. Highway 17. Declarant, its successors and assigns may, but are not required to, use such for commercial development and/or multi-family development and to include the same within the Resort. As a consequence, Declarant reserves unto itself, its successors and assigns, the right to grant unto itself and owners and/or occupants of said real property easements for ingress and egress across areas of the Regime suitable for such purposes for access to the Atlantic Ocean and its beaches, and to amenities and facilities within the Regime, together with licenses to use such facilities and amenities provided such users may abe required to pay reasonable fees commensurate with such use.

12. Whenever the context so requires, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural and plural shall include the singular. The provisions of this Master Deed shall liberally construed to effectuate its purposes of creating a uniform plan for the operation and development of a Horizontal Property Regime.

13. The captions used in this Master Deed and the Exhibits attached hereto are inserted solely as a matter of convenience and shall not be relied upon and/or be used to construe the effect or meaning of the text of this Master Deed or Exhibits hereto annexed.

14. Where an Institutional Mortgagee by some circumstance fails to be a first mortgagee, it shall nevertheless for the purposes of the Master Deed and the Exhibits hereto be deemed to be an Institutional First Mortgagee of record.

15. If any term, covenant, provision, phrase or other elements of this Master Deed or the Exhibits hereto or the Act are held invalid or unenforceable for any reason whatsoever, such holding shall not be deemed to affect, alter, modify or impair in any manner whatsoever any other term, provision, covenant or element of this Master Deed, Exhibits and the Act.

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16. Notwithstanding the fact that the present provisions of the Act are incorporated by reference and included thereby, the provisions of the Master Deed and the Exhibits hereto shall be paramount to the Act as to those provisions where permissive variances are permitted; otherwise, the provisions of the Act shall prevail and shall be deemed incorporated herein.

17. Each Co-Owner by virtue of acceptance of a Deed of Conveyance of an Apartment and/or any portion of or interest in the Common Elements and other parties by virtue of their occupancy of Apartments or use of the Common Elements, hereby approves the provisions hereof and all covenants, terms, conditions, duties and obligations hereof and Exhibits hereto and the Act, and does agree to be bound by all the terms, conditions, duties and obligations contained herein, in the Exhibits hereto and in the Act.

IN WITNESS WHEREOF, this Master Deed has been executed under seal as of this day and year first above written.

Signed, Sealed & Delivered
In The Presence Of:

Carl Rogers
Marc R Williams

RESORT DEVELOPMENT CORPORATION
f/k/a Resort Investment
Corporation

By _____ (SEAL)

ATTEST: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named RESORT DEVELOPMENT CORPORATION, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT FIVE SEASONS CENTRE HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above witnessed the execution thereof.

Carl Rogers
WITNESS

SWORN and subscribed to before me
this 18 day of June, 1985.

_____ (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 3/19/92.

NO RENUNCIATION OF DOWER NECESSARY. DEVELOPER IS A DELAWARE CORPORATION.

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FOR GOOD AND VALUABLE CONSIDERATION, the receipt whereof is hereby acknowledged, MYRTLE BEACH RESORT FIVE SEASONS CENTRE COUNCIL OF CO-OWNERS hereby agrees to and does on behalf of itself and all its present and future Co-Owners, accept all the benefits and all the duties, responsibilities, obligations and burdens imposed upon it and them by the provisions of this Master Deed together with all the Exhibits hereto and as set forth in the Act.

IN WITNESS WHEREOF, the above named MYRTLE BEACH RESORT FIVE SEASONS CENTRE COUNCIL OF CO-OWNERS has caused these presents to be signed in its name by its duly authorized agent this 18 day of June, 1985.

SIGNED, SEALED & DELIVERED
In The Presence Of:

Marc L. Williams

Carl Rogers

MYRTLE BEACH RESORT FIVE SEASONS CENTRE HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

By _____
Its President

ATTEST: _____
Its Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named the MYRTLE BEACH RESORT FIVE SEASONS CENTRE COUNCIL OF CO-OWNERS, by and through its duly authorized agent, execute the within written MASTER DEED OF MYRTLE BEACH RESORT FIVE SEASONS CENTRE HORIZONTAL PROPERTY REGIME, and that (s)he, with the other witness whose signature appears above, witnessed the execution thereof.

Marc L Williams
WITNESS

SWORN and subscribed to before me this 18th day of June, 1985.

_____ (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 3/19/92.

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EXHIBIT I

LEGAL DESCRIPTION

AND SURVEY

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LEGAL DESCRIPTION

All that piece, parcel, or tract of land, situate in the County of Horry, State of South Carolina, and Township of Socastee, situate, lying and being on the Southeastern side of U.S. Highway 17 designated as Phase I of The Myrtle Beach Resort Five Seasons Centre, and described on a plat prepared by Culler Land Surveying Co., Inc. dated June 4, 1985, also being shown as Phase I, Myrtle Beach Resort Five Seasons Centre on a plat of 44.668+/- acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina, dated June 10, 1982, with latest revision dated June 14, 1985, prepared by Culler Land Surveying Co., Inc. Said plats being recorded with the Condominium Plats and Plans in Condominium Plat Book _____, Page _____, Office of the Clerk of Court, Horry County, South Carolina, to wit:

Beginning at an iron corner on the Southwestern property line of Lakewood Campground 743.50 feet Southeast from U.S. Highway 17 Frontage Road to the POINNT OF BEGINNING of the Property herein described. Thence running along said property line South 38°08'08" East for a distance of 955.0 feet to an iron corner; thence turning and running along property line of Phase I Myrtle Beach Resort South 40°52'00" West for a distance of 3.09 feet to an iron corner which intersects the right-of-way of a fifty (50') foot entrance road; thence turning and running along the curved Northern right-of-way of said road for an arc distance of 153.52 feet with a radius of 150.73 feet to a point; thence turning and running along said right-of-way South 59°30'00" West for a distance of 16.54 feet to a point; thence turning and running along curved right-of-way for an arc distance of 158.36 feet with a radius of 159.18 feet to a point; thence turning and running along curved right-of-way for an arc distance of 154.23 feet with a radius of 247.18 feet to a point; thence turning and running along said road North 27°45'00" West for a distance of 77.0 feet to a point; thence turning and running along curved right-of-way for an arc distance of 286.35 feet with a radius of 690.79 feet to a point; thence turning and running along said road North 51°30'00" West for a distance of 111.0 feet to a point; thence turning and running along curved right-of-way for an arc distance of 158.95 feet with a radius of 748.76 feet to an iron corner; thence turning and running between Phase I and Phase II of Myrtle Beach Resort Five Seasons Centre North 51°51'52" East for a distance of 318.83 feet to an iron corner which is the POINT OF BEGINNING.

The above described tract is bounded on the northeast by parcel designated as "Lakewood Campground", and on the south by a fifty (50') foot road easement.

Said parcel has appurtenant to it non-exclusive easements for access and ingress and egress to and from said parcel and for parking over, across and upon those portions of the Submitted Property suitable for vehicular and pedestrian traffic, and non-exclusive easements for the installation and maintenance upon the Submitted Property of utilities to service said parcel including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures, including the right to connect such utilities to those servicing the Submitted Property.

TOGETHER WITH a non-exclusive easement for purposes of ingress and egress for vehicular and pedestrian traffic from U.S. Highway 17 Business to and from the parcel designated as "Phase I", on a plat of 44.668 +/- Acres, Lot 5 of Lakewood Plantation Property, Socastee Township, Horry County, South Carolina in Plat Book 74 at Page 32, said easement being seventy-five (75') feet in width whereon it adjoins U.S. Highway 17 Business, thereupon being reduced to fifty (50') feet in width, the location and dimensions of which are shown upon the plat to which reference has been made above; reference being craved thereto for additional description; AND a non-exclusive easement for the underground installation and maintenance of utilities including, but not limited to, water, sewer, telephone, electrical, cable television and drainage structures from U.S. Highway 17 Business to the parcel designated as "Phase I"; said easement being thirty (30') feet in width; all as more fully shown upon said plat to which reference has been made above; reference being craved thereto for additional description.

SUBJECT TO a non-exclusive permanent easement for purposes of ingress and egress for vehicular and pedestrian traffic from the fifty (50') foot road leading from U.S. Highway 17 Business to the parcel designated as "Phase I" on the plat referenced in the preceding paragraph (a/k/a Myrtle Beach Resort Horizontal Property Regime), which easement was previously granted by deed which was recorded in Deed Book 725 at Page 30, Horry County Records and shown on plat recorded in Plat Book 72 at Page 58 and Plat Book 74 at Page 32, Horry County Records and leading from said road to The Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime, said easement being thirty (30') feet in width and more particularly described as follows: Commencing at an iron located at the Northwest corner of The Myrtle Beach Resort Oceanfront Spa Horizontal Property Regime, thence running S40°52'W for a distance of 27.5 feet to the center line of said easement; thence running along said center line N50°30'W for a distance of 180 feet, more or less, to a point intersecting with the Southeastern edge of said fifty (50') foot road, said easement being thirty (30') feet in width with fifteen (15') feet on either side of said center line. Said easement is more particularly described and delineated on a plat by Culler Land Surveying Company, Inc. dated June 10, 1982, last revised June 14, 1985 and recorded as first above stated in the Office of the Clerk of Court for Horry County, South Carolina, as a part of the Plat and Plans prepared by Culler Land Surveying Company, Inc.; and being more particularly described in the easement from R. Grant Singleton and Elizabeth G. Singleton dated April 13, 1983 and recorded in the Office of the Clerk of Court for Horry County, South Carolina.

TOGETHER WITH a non-exclusive easement for ingress and egress and access only for vehicular and pedestrian traffic over those areas suitable for such traffic respectively within the Myrtle Beach Resort Horizontal Property Regime, Mytle Beach Resort Oceanfron Spa Horizontal Property Regime, and The Renaissance Tower Horizontal Property Regime. This being the same easement granted to the Co-Owners, Occupants and visitors of the Regime by Article XIV of this Master Deed.

THE FOREGOING described parcel comprising the Regime is a part of the same property conveyed to Resort Investment Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 807 at Page 747. The foregoing non-exclusive easements from U.S. Highway 17 Business to the parcel designated as Phase I (which now constitutes Myrtle Beach Resort Horizontal Property Regime) were granted to Resort Investment

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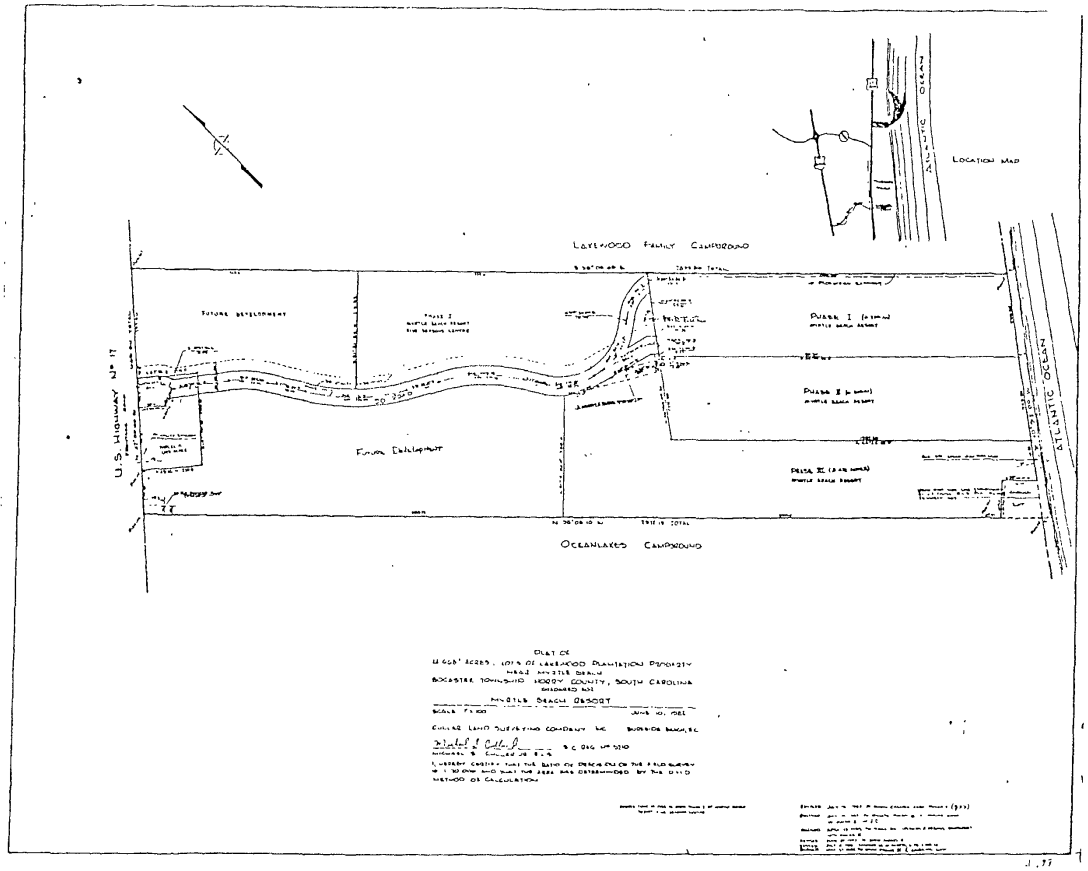
Corporation by deed of R. Grant Singleton and Elizabeth G. Singleton which is recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Deed Book 725 at Page 030.

ALSO SUBJECT TO all easements, reservations, restrictions, conditions and matters of record.

The aforesaid real property and the particular improvements thereon which are hereby committed (the location of such improvements) are shown and described on the plats and plans which are recorded in the Condominium Plat Book set forth above and those which are attached hereto as part of this Exhibit, all of which are incorporated in this Description, Exhibits 1 and 2 to the Master Deed of the Myrtle Beach Resort Five Seasons Centre Horizontal Property Regime (the "Regime"). The improvements consisting of the buildings within which apartments are located and the location of individual apartments within the buildings are located as shown and described upon the aforesaid parts of these Exhibits, which locations and descriptions are also incorporated in this description by reference. Each apartment has appurtenant to it an undivided interest in the Common Elements as shown and described on the attached plats and plans and those recorded in the Condominium Plat Book to which reference is made above and as described in the Master Deed to which this is an Exhibit. All areas not contained within the Apartment as the term "Apartment" is defined in the aforesaid Master Deed constitute Common Elements. Improvements which constitute Common Elements are the streets and driveways, sidewalks, parking areas, all stairways, walkways, corridors and halls providing access to individual Apartments, an indoor/outdoor pool (part of which is within the All Seasons Centre) with deck, an All Seasons Centre with pool equipment and electrical rooms, whirlpools, sauna and steam rooms and bathrooms, four tennis courts and a center court with plants, benches, and trails, and paved traffic and parking areas, the same being shown and designated in the Exhibits hereto.

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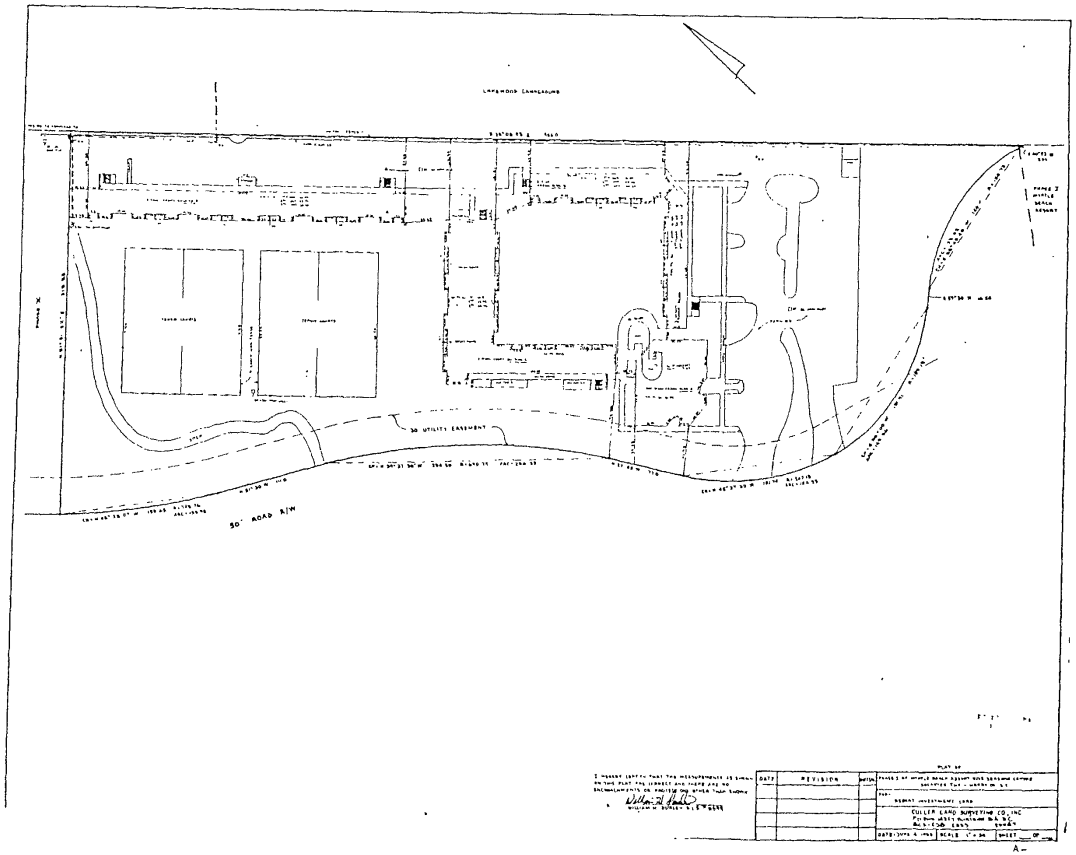


EXHIBIT 2

REGIME DESCRIPTION, APARTMENT DESIGNATION,

ARCHITECTURAL PLANS AND UNIT INFORMATION

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The Regime consists of four buildings designated on the Architectural Plans as A, B, C and D, each containing three floors. Building A is the All Seasons Centre. Apartments in Building B and Building C begin with the prefix "4" and Apartments in Building D begin with the prefix "5".

Each Apartment includes:

(a) The space enclosed by the unfinished surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and such other structural elements that are ordinarily regarded as enclosures of space.

(b) All interior dividing walls and partitions (including the space occupied by such walls and partitions).

(c) The decorataed interior surfaces of all interior walls (including the decorated surfaces of all interior load-bearing walls) and floors, ceilings, consisting as the case may be or wallpaper, paint, plaster, carpeting, tiles and all other furnishings, materials and fixtures affixed or installed and for the sole and exclusive use of any dwellings space, commencing at the point of disconnection of the structural body of the building and from utility lines, pipes, or systems serving dwelling space. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall system designed for the service of any particular dwelling space of a building or any property of any kind, including fixtures and appliances within an apartment, which are not removable without jeopardizing the safety or usefulness of the remainder of the building shall be deemed to be part of any apartment.

In Building B and Building C, Apartments 4101 - 4105 are one-bedroom apartments located on the first floor, Apartments 4201 - 4205 are one-bedroom apartments located on the second floor and Apartments 4301 - 4305 are one-bedroom apartments located on the third floor. Apartments 4106 - 4119 are two-bedroom apartments located on the first floor, Apartments 4206 - 4219 are two-bedroom apartments located on the second floor and Apartments 4306 - 4319 are two-bedroom apartments located on the third floor. In Building D, Apartments 5105 and 5106 are one-bedroom apartments and Apartments 5101 - 5104 and 5107 - 5110 are two-bedroom apartments located on the first floor, Apartments 5205 and 5206 are one-bedroom apartments and Apartments 5201 - 5204 and 5207 - 5210 are two-bedroom apartments located on the second floor and Apartments 5305 and 5306 are one-bedroom apartments and Apartments 5307 - 5310 are two-bedroom apartments located on the third floor. All Unit numbers, types, floors, square footages (inclusive of balconies) and the fractional share of ownership of the Units computed to a percentage are set forth on the attached chart entitled "Unit Information."

All Commercial Units are located as shown on the attached Architectural Plans. Commercial Unit A is located in the All Seasons Centre and is an Arcade Room. Commercial Unit B consists of the snack bar in the All Seasons Centre, together with the Limited Common Elements appurtenant thereto as designated on the Architectural Plans. Commercial Unit C consists of the three housekeeping rooms one located on each floor of Building C as shown on the Architectural Plans.

The principal improvements included within the Common Elements are an indoor-outdoor pool (part of which is within the All Seasons Centre) with deck, an All Seasons Centre with pool equipment and electrical rooms, whirlpools, sauna and steam rooms and bathrooms, four tennis courts and a center court with plants, benches, and trails, and paved traffic and parking areas, the same being shown and designated in the Exhibits hereto.

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UNIT INFORMATION

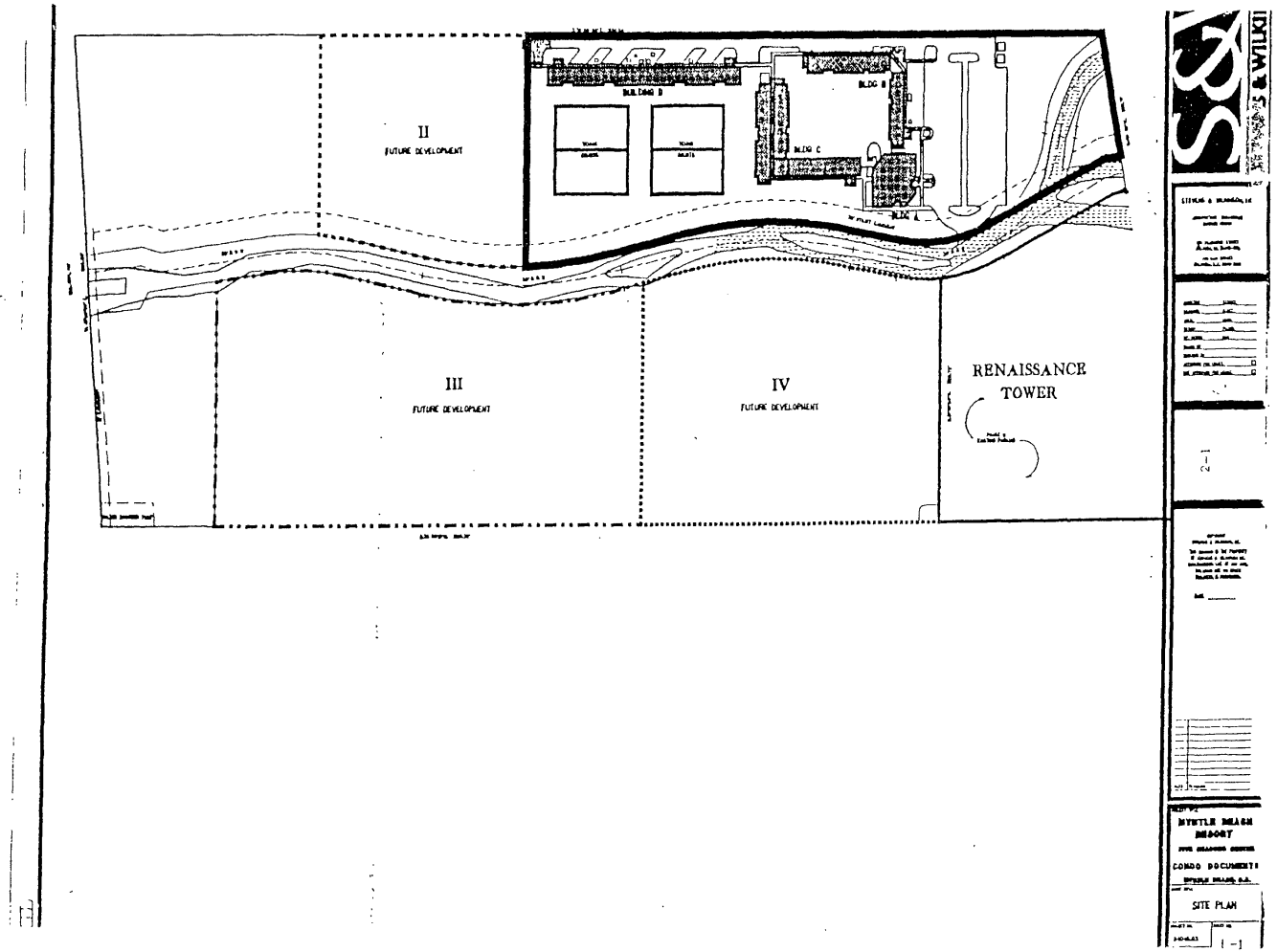
Building	Floor	Unit No.	Type	Square Footage	Percentage Ownership
C	1	4101	1BR*	576	.8097
C	1	4102	1BR	576	.8097
C	1	4103	1BR	576	.8097
C	1	4104	1BR	576	.8097
C	1	4105	1BR	576	.8097
C	1	4106	2BR*	775	1.215
C	1	4107	2BR	775	1.215
C	1	4108	2BR	775	1.215
C	1	4109	2BR	775	1.215
C	1	4110	2BR	775	1.215
C	1	4111	2BR	775	1.215
C	1	4112	2BR	775	1.215
B	1	4113	2BR	767	1.215
B	1	4114	2BR	767	1.215
B	1	4115	2BR	767	1.215
B	1	4116	2BR	767	1.215
B	1	4117	2BR	775	1.215
B	1	4118	2BR	775	1.215
B	1	4119	2BR	775	1.215
C	2	4201	1BR	576	.8097
C	2	4202	1BR	576	.8097
C	2	4203	1BR	576	.8097
C	2	4204	1BR	576	.8097
C	2	4205	1BR	576	.8097
C	2	4206	2BR	775	1.215
C	2	4207	2BR	775	1.215
C	2	4208	2BR	775	1.215
C	2	4209	2BR	775	1.215
C	2	4210	2BR	775	1.215
C	2	4211	2BR	775	1.215
C	2	4212	2BR	775	1.215
B	2	4213	2BR	767	1.215
B	2	4214	2BR	767	1.215
B	2	4215	2BR	767	1.215
B	2	4216	2BR	767	1.215
B	2	4217	2BR	775	1.215
B	2	4218	2BR	775	1.215
B	2	4219	2BR	775	1.215
C	3	4301	1BR	576	.8097
C	3	4302	1BR	576	.8097
C	3	4303	1BR	576	.8097
C	3	4304	1BR	576	.8097
C	3	4305	1BR	576	.8097
C	3	4306	2BR	775	1.215
C	3	4307	2BR	775	1.215
C	3	4308	2BR	775	1.215
C	3	4309	2BR	775	1.215
C	3	4310	2BR	775	1.215
C	3	4311	2BR	775	1.215
C	3	4312	2BR	775	1.215
B	3	4313	2BR	767	1.215
B	3	4314	2BR	767	1.215
B	3	4315	2BR	767	1.215
B	3	4316	2BR	767	1.215
B	3	4317	2BR	775	1.215
B	3	4318	2BR	775	1.215
B	3	4319	2BR	775	1.215
D	1	5101	2BR	775	1.215
D	1	5102	2BR	775	1.215
D	1	5103	2BR	775	1.215
D	1	5104	2BR	775	1.215

Building	Floor	Unit No.	Type	Square Footage	Percentage Ownership
D	1	5105	1BR	576	.8097
D	1	5106	1BR	576	.8097
D	1	5107	2BR	775	1.215
D	1	5108	2BR	775	1.215
D	1	5109	2BR	775	1.215
D	1	5110	2BR	775	1.215
D	2	5201	2BR	775	1.215
D	2	5202	2BR	775	1.215
D	2	5203	2BR	775	1.215
D	2	5204	2BR	775	1.215
D	2	5205	1BR	576	.8097
D	2	5206	1BR	576	.8097
D	2	5207	2BR	775	1.215
D	2	5208	2BR	775	1.215
D	2	5209	2BR	775	1.215
D	2	5210	2BR	775	1.215
D	3	5301	2BR	775	1.215
D	3	5302	2BR	775	1.215
D	3	5303	2BR	775	1.215
D	3	5304	2BR	775	1.215
D	3	5305	1BR	576	.8097
D	3	5306	1BR	576	.8097
D	3	5307	2BR	775	1.215
D	3	5308	2BR	775	1.215
D	3	5309	2BR	775	1.215
D	3	5310	2BR	775	1.215
A	Commercial Unit A			403	1.619
A	Commercial Unit B			70.6	.3776
C	Commercial Unit C			729	.8097

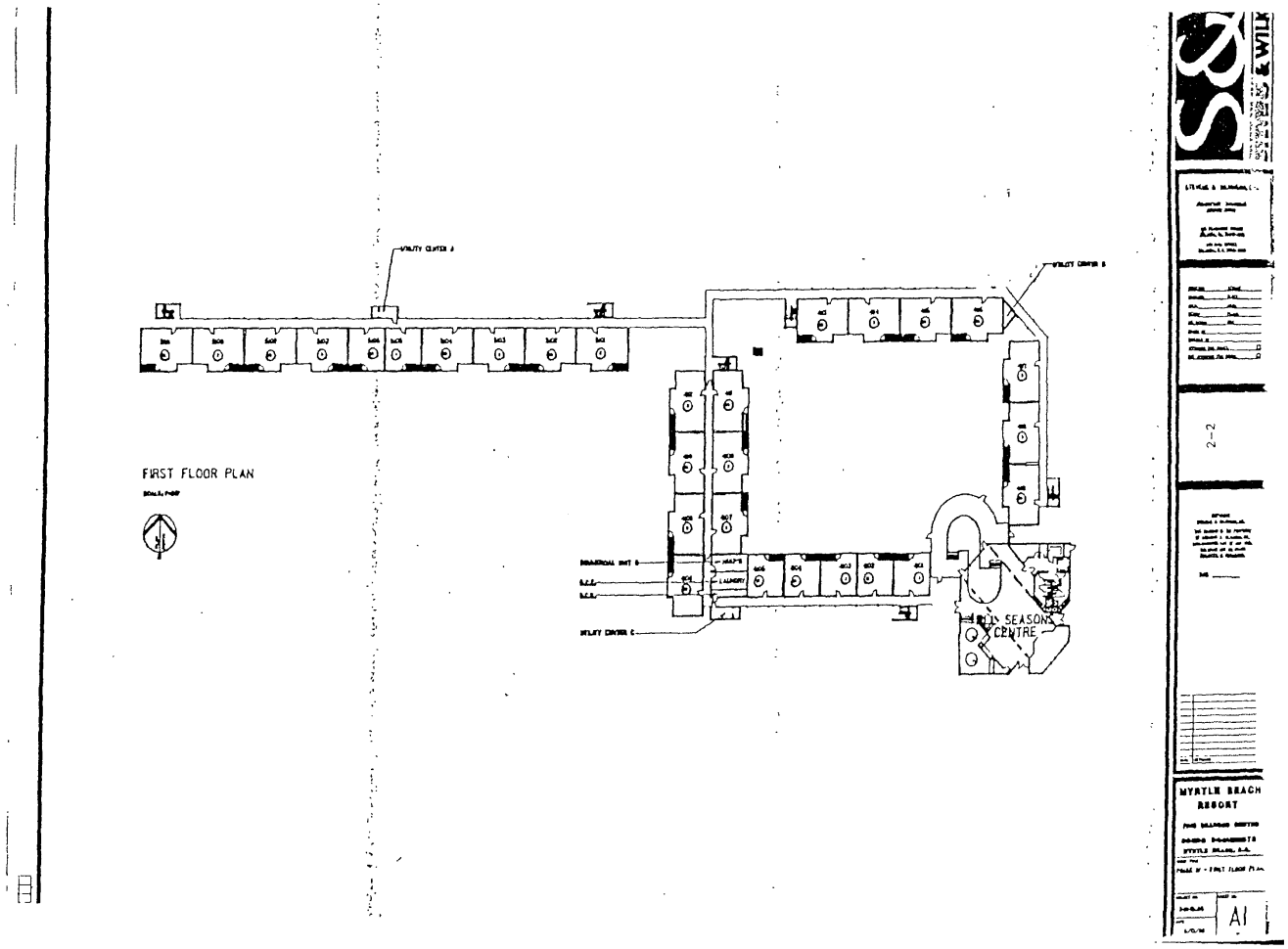
1BR = one bedroom
2BR = two bedroom

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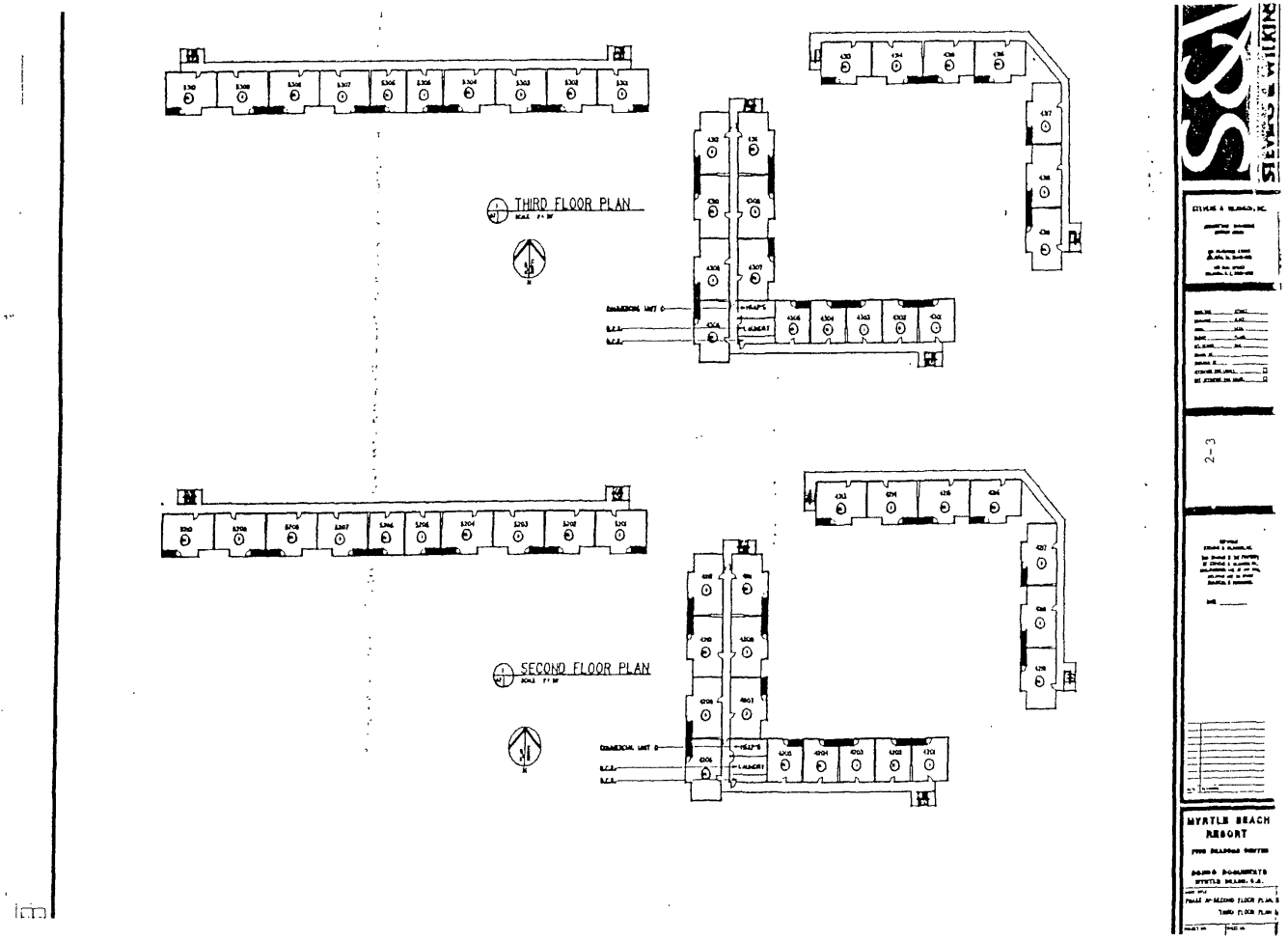
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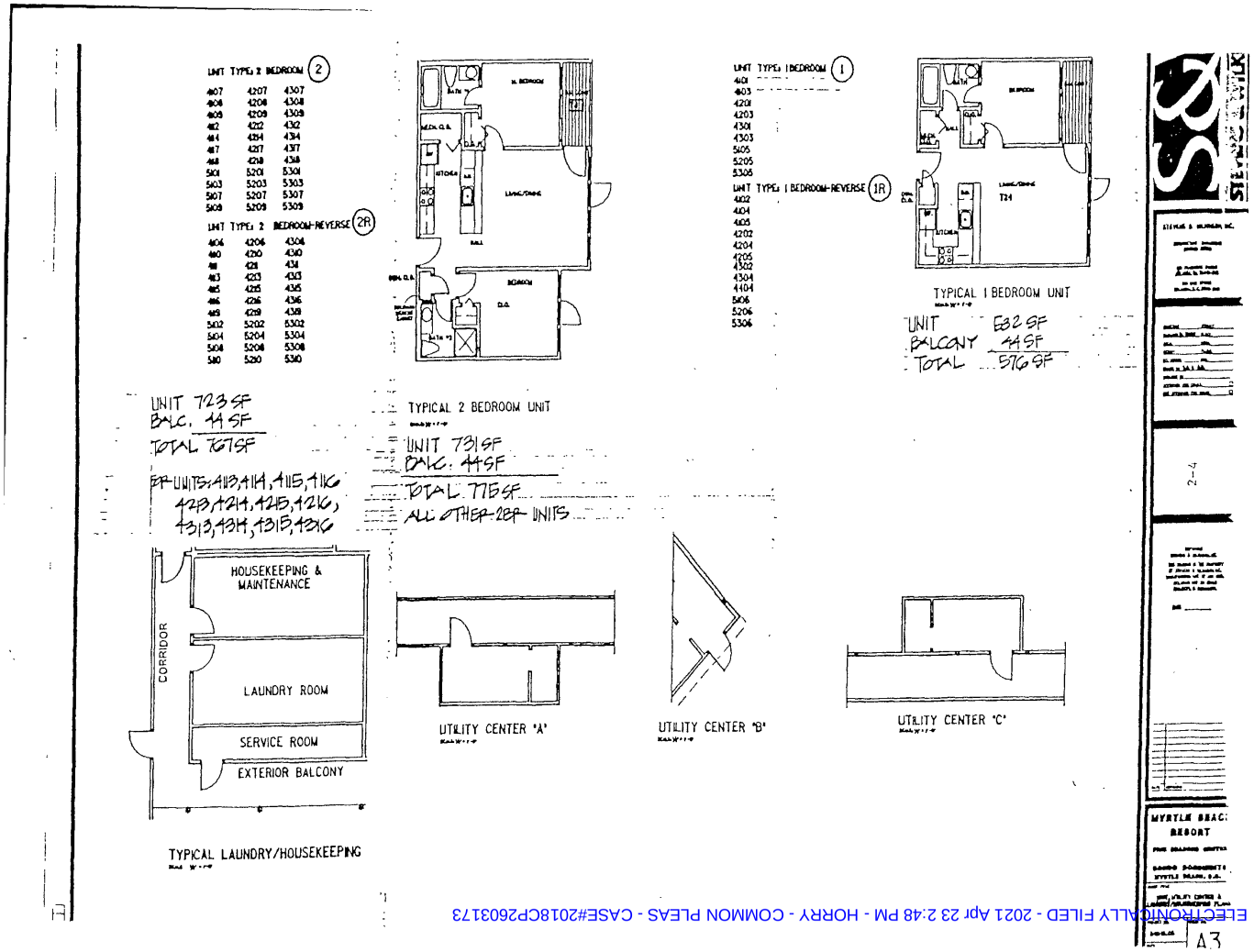


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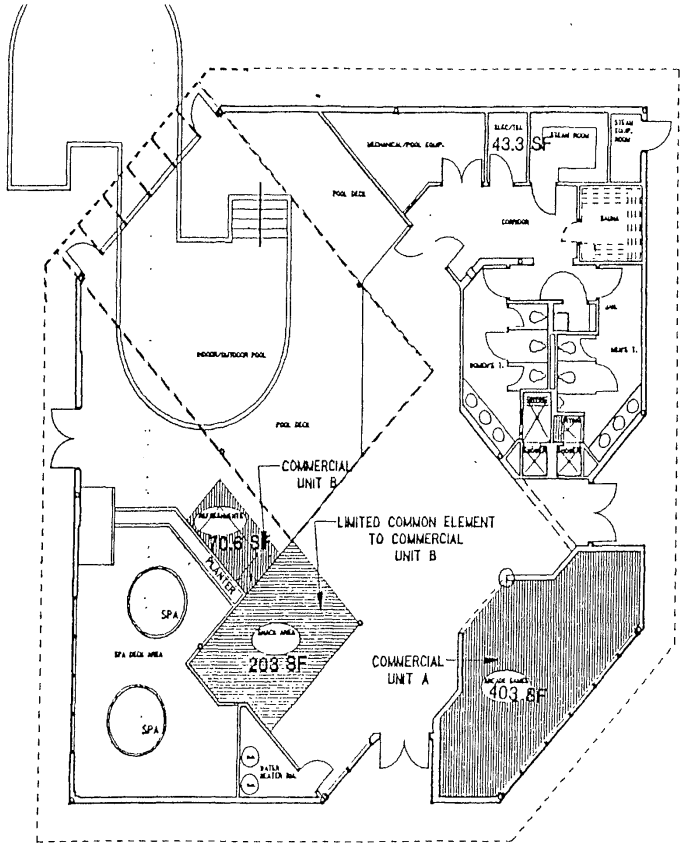
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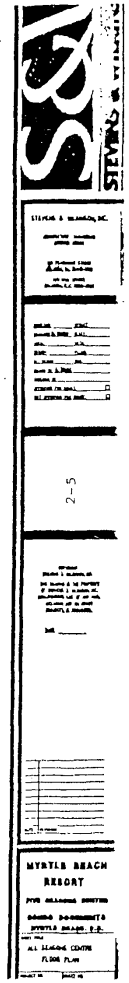
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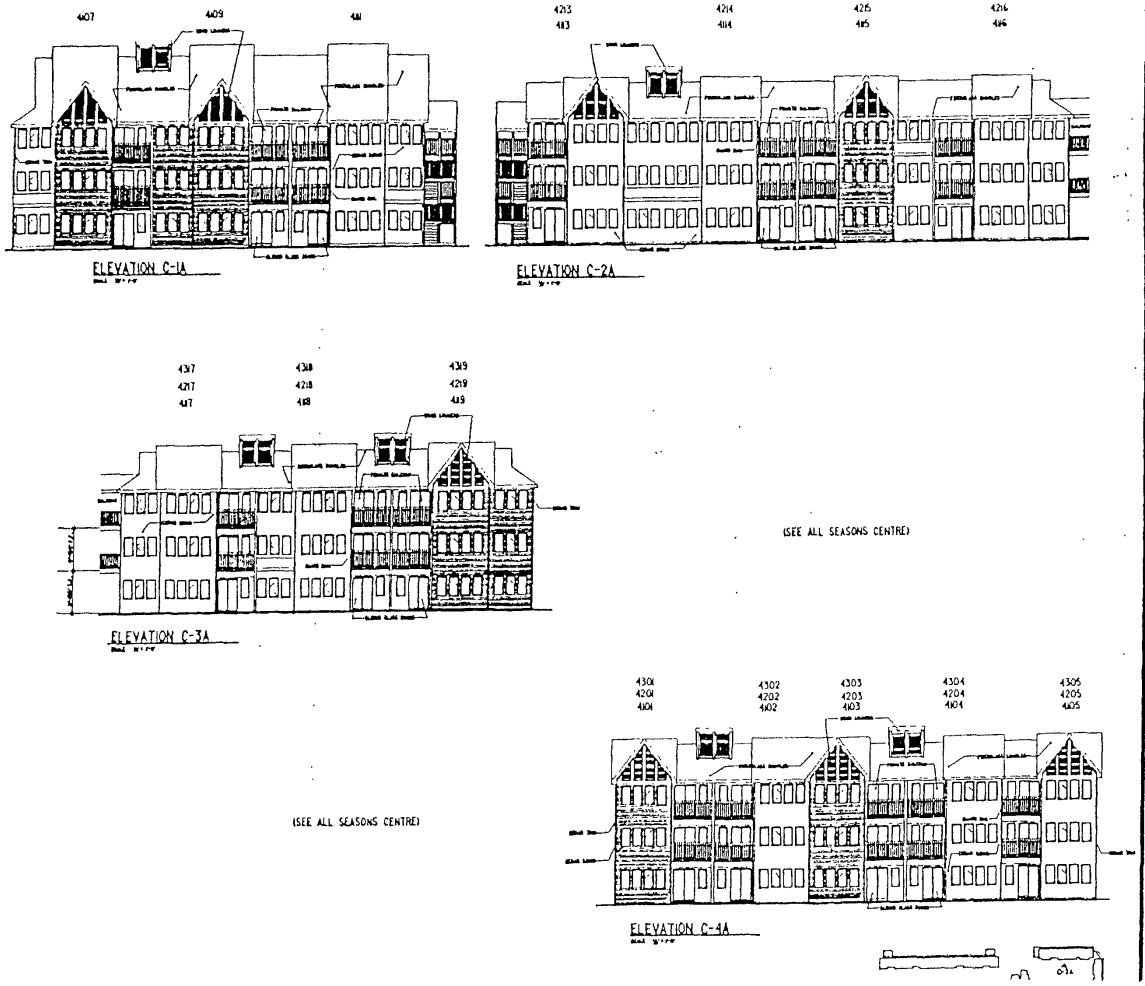
ALL SEASONS CENTRE FLOOR PLAN

SCALE: 1/2" = 1'-0"

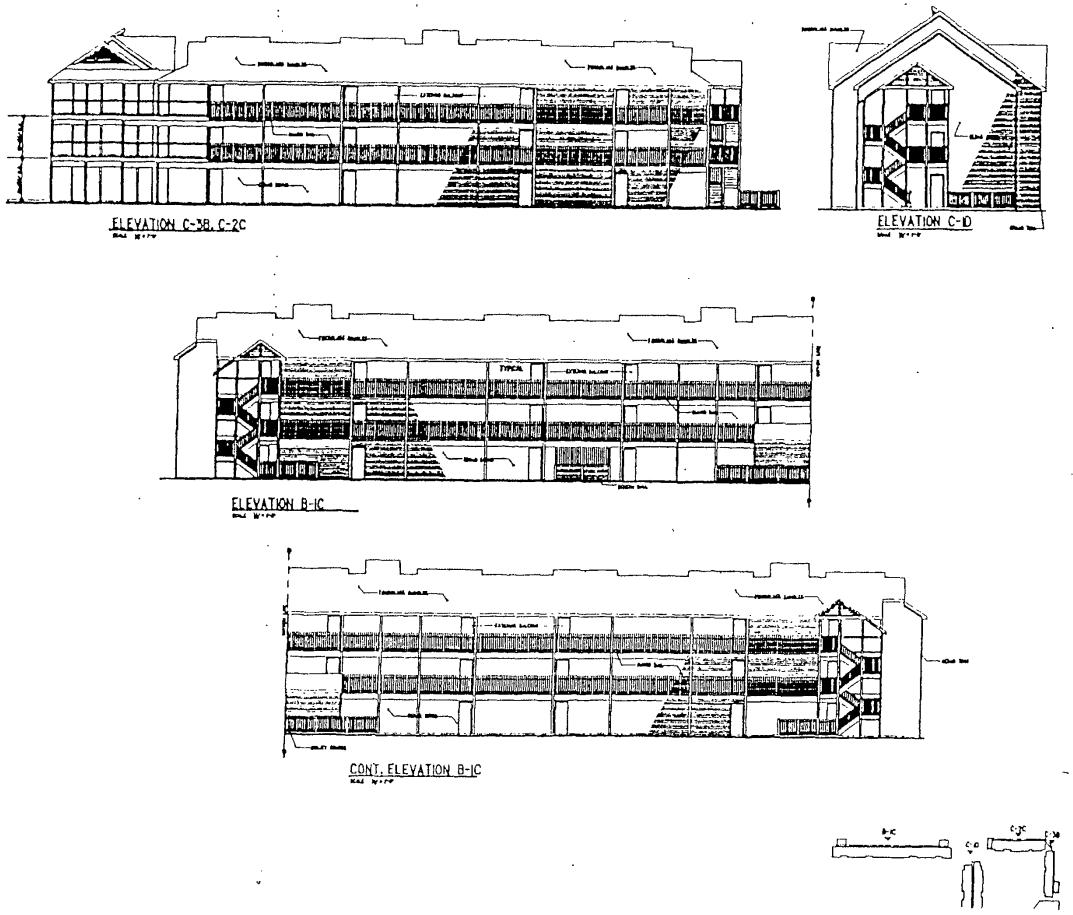




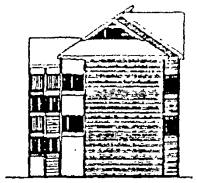
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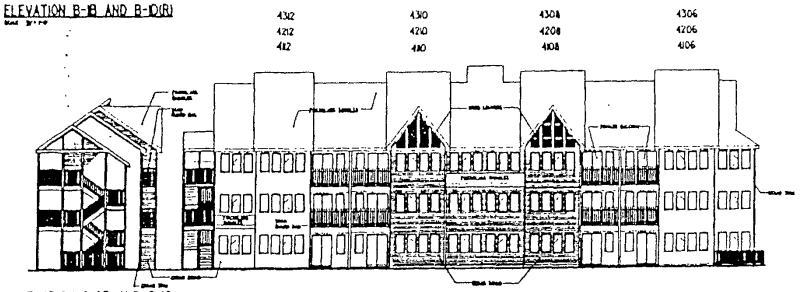
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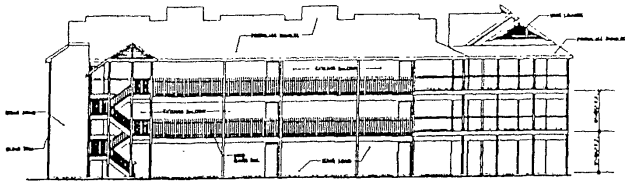


ELEVATION B-1B AND B-1D(R)

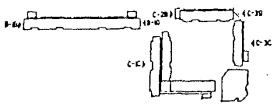


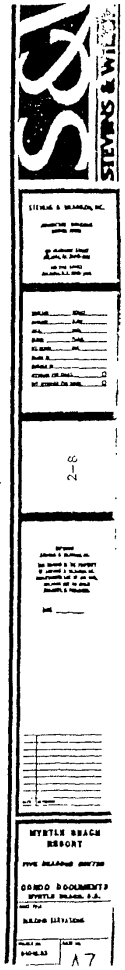
ELEVATION C-2B AND C-1C

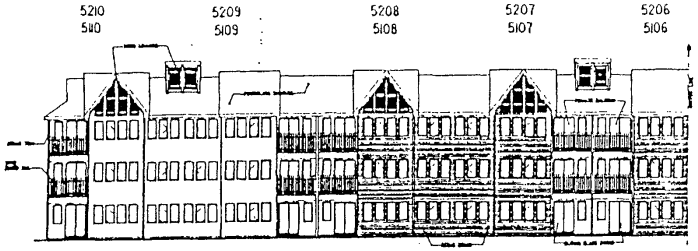
(SEE ALL SEASONS CENTRE)



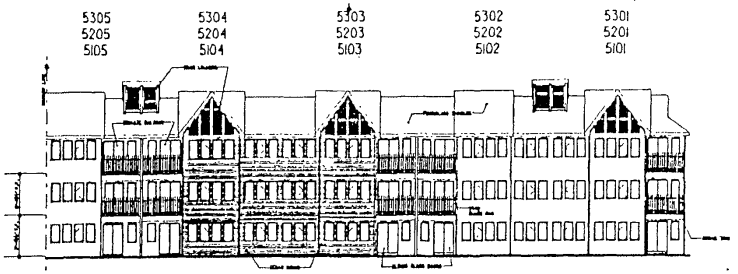
ELEVATION C-3C AND C-2D



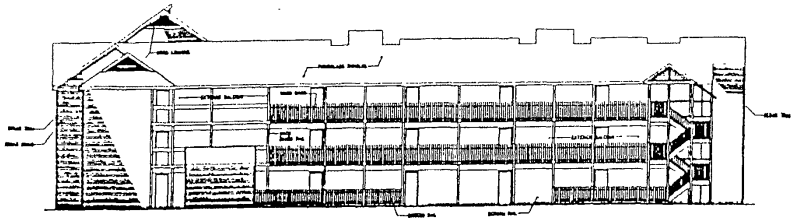




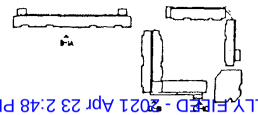
ELEVATION B-1A

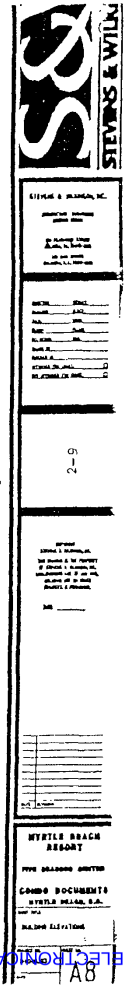


CONT. OF ELEVATION B-1A



ELEVATION C-1B AND C-4C





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