

THIS MASTER DEED IS SUBJECT TO MANDATORY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

THIS MASTER DEED CONTAINS LIMITED WARRANTIES, LIMITATIONS OF REMEDIES, AND DISCLAIMERS AND EXCLUSIONS OF ALL OTHER WARRANTIES AND REMEDIES.

MASTER DEED

OF

THE POINTE

HORIZONTAL PROPERTY REGIME

Myrtle Beach, South Carolina

Developer:

THE POINTE LLC

Instrument#: 2008000014837, DEED BK:
3312 PG: 662 DOCTYPE: 001 01/31/2008 at
02:37:42 PM, 1 OF 106, EXEMPT, BALLERY
V. SKIPPER, Horry County, SC
REGISTRAR OF DEEDS

THIS MASTER DEED IS SUBJECT TO MANDATORY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

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MASTER DEED OF THE POINTE

Horizontal Property Regime

Harry County, Myrtle Beach, South Carolina

The Pointe LLC, having its principal office in Columbia, South Carolina, hereinafter referred to as the "Grantor", as the sole owner of the land and improvements hereinafter described, does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the lands and buildings herein described, together with all other improvements thereon, including all easements, rights, and appurtenances thereto belonging, to a Horizontal Property Regime (to be known as The Pointe Horizontal Property Regime, hereinafter called the "Regime") in the manner provided for by the South Carolina Horizontal Property Act, as amended, S.C. Code Ann. § 27-31-10 et seq. (1976) (the "Act"). In conformity with § 27-31-30 and § 27-31-100 of said Act, the Grantor sets forth the following particulars:

I. Legal Description

The lands (the "Real Property") which are hereby submitted to the Regime are described on Exhibit A attached hereto and made a part hereof by reference. The Real Property as so described has an area set forth on the plat incorporated into Exhibit B.

II. Survey and Description of Improvements

Incorporated herein by reference, as is set forth in full herein, is the plat, Incorporated into Exhibit B (the "Plat"), showing the location of the building and other improvements and the Real Property and the Plot Plans showing the location of the building and other improvements on the Real Property consisting of an Architectural Site Plan; Parking Level One Plan; Parking Level Two Plan; Parking Level Three Plan; Building Level One Plan; Building Level Two Plan; Building Level Three Plan; Building Level Four Plan;

Building Level Five Plan; Building Level Six Plan; Building Level Seven Plan; Building Level Eight Plan; Building Level Nine Plan; Building Level Ten Plan; Roof Level Plan; Unit "A" Floor Plan; Unit "B" Floor Plan, Unit "C" Floor Plan, Unit "C" Upper Floor Plan; Unit "D" Floor Plan, Unit "E" Floor Plan; Unit "F" Floor Plan; the East Elevation of the building; the West Elevation of the building; and the North and South Elevations of the building (collectively hereinafter "Plot Plans") which show graphically the dimensions, area, and location of each Unit in the building on the Real Property and General Common Elements on the Real Property affording access to each Unit. Each Unit is identified thereon by specific number and no Unit bears the same designation as any other Unit. Said Plot Plans and Floor Plans are attached hereto as Exhibit C. The building containing the Units has an aggregate area set forth thereon.

III. Notice of Restrictions

The Regime is subject to all restrictions, easements, assessments, conditions, and limitations now of record affecting the Real Property and the Improvements thereon. The Association as a whole and each Owner individually is subject to the terms and conditions of said restrictions and easements.

IV. [Reserved]

V. Units and General and Limited Common Elements

The Regime consists of Units and General and Limited Common Elements, as said terms are hereinafter defined.

- A. Units. "Units," as the term is used herein, shall mean and comprise the fifty-one (51) residential Units which are separately designated in Exhibit C to this Master Deed, including but not limited to the space, interior partitions or interior walls, fixtures and appliances therein, excluding, however, all spaces and Improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings and floors of each Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surface of all interior load-bearing columns, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services to other Units or to the Limited or General Common Elements. The general description and number of each Unit in the building on the Real Property, expressing its area, general location, and any other data necessary for its identification, also appears in Exhibit C. The Units include entry area, living area, dining area, kitchen area, including appliances therein, bathrooms, bedrooms, closets and the HVAC System excluding the central air conditioning components on the roof. The Units are described and depicted in the attached Exhibit C; however the Owners may have made interior alterations to the Floor Plan of a Unit, which are not shown in Exhibit C. **THE DIMENSIONS OF THE ROOMS IN EACH UNIT ARE CALCULATED FROM EXHIBIT C AND MAY NOT ACCURATELY DEPICT THE DIMENSIONS OF THE UNITS AND THE ROOMS IN EACH UNIT.** The Units are generally described as follows:

Units 101, 201, 301, 401, 501, 601, 701, 801, and 901. These Units each contain approximately 2824 square feet in heated space. These Units each have three bedrooms, a study/entertainment room, three and a half baths, kitchen, and living and dining area. Each of these Units has Limited Common Element balcony area of approximately 373 square feet. These Units are shown on the Unit "A" Floor Plan in the attached Exhibit C.

Units 102, 202, 302, 402, 502, 602, 702, 802, 902, and 1002. These Units each contain approximately 2443 square feet in heated space. These Units each have three bedrooms, three and a half baths, kitchen, and living and dining area. Each of these Units has a Limited Common Element balcony of approximately 177 square feet. These Units are shown on the Unit "B" Floor Plan in the attached Exhibit C.

Units 103, 303, 503, 703, and 903. These two-level Units each contain approximately 3039 square feet in heated space. These Units each have three bedrooms, three and a half baths, kitchen, and living and dining area. Each of these Units has a Limited Common Element balcony of approximately 432 square feet. These Units are shown on the Unit "C" Floor Plan in the attached Exhibit C.

Units 104, 204, 304, 404, 504, 604, 704, 804, 904, and 1004. These Units each contain approximately 3138 square feet in heated space. These Units each have three bedrooms, three and a half baths, kitchen, and living and dining area. Each of these Units has a Limited Common Element balcony of approximately 440 square feet. These Units are shown on the Unit "D" Floor Plan in the attached Exhibit C.

Units 205, 305, 405, 505, 605, 705, 805, 905, and 1005. These Units each contain approximately 2492 square feet in heated space. These Units each have three bedrooms, three and a half baths, kitchen, and living and dining area. Each of these Units has a Limited Common Element balcony of approximately 184 square feet. These Units are shown on the Unit "E" Floor Plan in the attached Exhibit C.

Units 206, 306, 406, 506, 606, 706, 806, and 906. These Units each contain approximately 2927 square feet in heated space. These Units each have three bedrooms, a study/entertainment room, three and a half baths, kitchen, and living and dining area. Each of these Units has a Limited Common Element balcony of approximately 284 square feet. These Units are shown on the Unit "F" Floor Plan in the attached Exhibit C.

B. General Common Elements. "General Common Elements" means and includes:

1. The land on which the buildings are constructed, more fully described above, together with all of the other real property described in Exhibit A;
2. The foundations, main walls, roofs, utility rooms, property management rooms, halls, corridors, railings in the corridors, elevator lobbies, pools, decks, stairways, elevators, lounge areas, and communication ways of the buildings;
3. The sprinkler system, yards, patio, shrubs, planter boxes, exterior lights, fire alarms, fire hoses, signs, maintenance equipment, and storm drainage system, except as otherwise provided or stipulated;
4. The compartments or installations of central services such as power, light, telephone, television, cold and hot water, surveillance cameras and screens, refrigeration, generator, fuel tank and water pump, and the like;
5. All parking areas are as shown and depicted in the attached Exhibit C;
6. In general, all devices or installations existing for common use;

7. The trash chute, fire command rooms, fire pump rooms, water pump rooms, electrical rooms, and storage rooms, all as shown and depicted in the attached Exhibit C as General Common Elements;
8. All other elements of the property rationally of common use or necessary to its existence, upkeep, and safety; and
9. The common area containing such areas as are shown on said plat and shown on Exhibit C.

C. Limited Common Elements. "Limited Common Elements" means and includes:

1. Any mailboxes, porches, balconies, floor, ceiling, railings and walls, entrance or exit ways, and all exterior doors and windows or other fixtures designed to serve one or more but less than all Units, are Limited Common Elements allocated exclusively to such Unit or Units.
2. If any flue, duct, wire, conduit, load bearing wall, load bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit. Insofar as possible, the Limited Common Elements are shown graphically and described in detail in words and figures in the plat and plot plans. The air conditioning compressors located outside of a Unit shall be Limited Common Elements, limited to the use of the Units they serve.
3. The air conditioning compressors located outside of the Unit shall be Limited Common Elements, limited to the use of the Unit it serves;

VI. **Ownership of Units and Appurtenant Interest in General Common Elements**

Any Unit in the Regime may be individually conveyed and encumbered and may be the subject of ownership, possession, or sale, and of all types of juridical acts, inter vivos or mortis causa, as if it were sole and entirely independent of the other Units in the Regime of which it forms a part, and the corresponding individual titles and interests are recordable.

Any Unit may be held and owned by more than one Person as tenants in common or in any other form of real property ownership recognized in this State.

A Unit Owner shall have the exclusive ownership of its Unit and shall have a common right to a share, with the other Owners, in the Common Elements of the Regime, equivalent to the percentage representing the value of the individual Unit, with relation to the value of the whole Regime. This percentage, which is set forth on Exhibit D attached hereto and made a part hereof by reference, shall have a permanent character and shall not be altered without the acquiescence of the Owners representing all the Units of the Regime, such acquiescence to be expressed in a duly recorded amendment to this Master Deed.

The basic value, which shall be fixed for the sole purpose of this Master Deed and irrespectively of the actual value, shall not prevent each Owner from fixing a different circumstantial value to his Unit in all types of acts and contracts.

VII. **Restriction Against Further Subdividing of Units and Separate Conveyance of Appurtenant Common Elements, Etc.**

- A. Restriction Against Further Subdividing or Combining Units. Subject to the rights reserved herein to the Grantor per this Section, a Unit may not be divided or subdivided into a smaller Unit or smaller Units than as described in Exhibit C attached hereto, nor shall any Unit, or portion thereof, be added to or incorporated into any other Unit without consent of the Grantor. An Owner of adjacent Units may, with the written consent of the Grantor and the Board of the Association, join the adjacent Units to form one residential Unit; provided, however, no change shall be made to the percentage interest ownership in the Common Elements (as shown in Exhibit D attached hereto) for any other Units or to the aggregate percentage interest of all the Units. In such event, the Owner of the combined Units shall be entitled to such number of votes in the Association and shall be subject to such number of Assessments as shall be represented by the total of the Units so combined. Notwithstanding the above, Grantor, on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute, at any time and from time to time, one or more Units owned by Grantor or its affiliates without the consent of the Association or any Owner other than those Owners who may be directly and materially affected by such modification or reconstitution; provided, however, that the: (a) aggregate Unit percentage interest ownership in the Common Elements (as shown in Exhibit D attached hereto) will not change, even though the same may be reallocated among such modified Units owned by Grantor; and (b) the Unit percentage interest ownership in the Common Elements (as shown in Exhibit D attached hereto) will not change for any of the unaffected, unmodified Units. If Grantor makes any changes to the Units pursuant to this Section, such changes will be reflected by an amendment of the Master Deed duly recorded in the Office of the Register of Deeds for Horry County, and such amendment will not require the consent or signature of the Association or any Owners other than the Grantor.
- B. Undivided Interest in Common Elements. The undivided interest in the General and Limited Common Elements declared to be an appurtenance to each Unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said Unit, and the undivided interest in General and Limited Common Elements appurtenant to each Unit shall be deemed conveyed, devised, encumbered, or otherwise included with the Unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such Unit. Any conveyance, Mortgage, or other instrument which purports to effect the conveyance, devise, or encumbrance, or which purports to grant any right, interest or lien in, to, or upon a Unit, shall be null, void, and of no effect insofar as the same purports to effect any interest in a Unit and its appurtenant undivided interest in General and Limited Common Elements, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire Unit. Any instrument conveying, devising, encumbering or otherwise dealing with any Unit which describes said Unit by the Unit Number assigned thereto in Exhibit C without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the General and Limited Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the General and Limited Common Elements by more than one Person as tenants in common, joint tenants, or any other form of real property ownership recognized in this State.
- C. Leasing of Common Elements. All Common Elements shall be owned by the Regime and may not be subject to a lease between the Unit Owners (or the Association) and another party, except that the Association shall have the authority to lease (i) General Common Element space on the rooftop to a third party for purposes of placing and maintaining electronic transmitting equipment

and the like for the benefit of the Unit Owners, and (ii) telephone, internet, and related communication and electronic transmitting equipment from a third party for the benefit of the Unit Owners.

VIII. Horizontal Property Regime Subject to Restrictions, Etc.

Each and every Unit and the General and Limited Common Elements shall be, and is hereby declared to be, subject to the restrictions, easements, conditions, and covenants prescribed and established herein, governing the use of said Unit and General and Limited Common Elements, and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the General and Limited Common Elements. Said Units and General and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the Real Property.

IX. Perpetual Non-Exclusive Easements in General Common Elements

The General Common Elements shall be, and are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of Units in the Horizontal Property Regime for their use and the use of their immediate family, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, or the enjoyment of said Owners of Units.

The Grantor reserves unto itself and its successors or assigns an easement, including a construction easement, through all General and Limited Common Elements as may be reasonably necessary for the purpose of discharging Grantor's rights or obligations of exercising special Grantor rights reserved in this Master Deed.

As part of the right of Grantor to construct the General and Limited Common Elements of this Regime, Grantor reserves unto itself, and its successors and assigns, easements for ingress and egress over, under and across all Common Elements, Limited and General and such other reasonable right of access to and use of the Common Elements, Limited and General, subject to this Regime as may be necessary for the construction, maintenance and marketing of the Units and the General and Limited Common Elements, including without limitation the right to place signage on any portion of the Common Elements. Notwithstanding anything above provided in this Article, the Association shall have the right to establish, modify, amend, and/or retract the rules and regulations pursuant to which the Owner or Owners of any Unit may be entitled to the exclusive use of any parking spaces or storage areas located in or around the building, provided such rules and regulations comply with all local, state and federal laws, rules and regulations. The assigning, and any subsequent reassigning, of General Common Element parking spaces and storage spaces to particular Units shall be at the sole discretion of the Association's Board and shall not create any vested interest or entitlement to the assigned spaces on behalf of the Unit Owners.

X. Perpetual Exclusive Easement to Use Limited Common Elements

Subject to Grantor's rights reserved herein, each Owner shall have the exclusive right to use the Limited Common Elements allocated to such Owner's Unit for his use and the use of his immediate family, guests, and invitees for all proper and normal purposes. Such right to use shall be a perpetual exclusive easement in favor of such Owner.

XI. Easement for Unintentional and Non-Negligent Encroachments

In the event that any portion of the General and Limited Common Elements now or hereafter encroaches upon any Unit, or vice versa, or in the event that any portion of one Unit now or hereafter encroaches upon another Unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, does and shall exist.

XII. Restraint Upon Separation and Partition of General and Limited Common Elements

The General Common Elements and the Limited Common Elements shall remain undivided and shall not be the object of an action for partition or division of the ownership. Any covenant to the contrary shall be void. All of the Owners or the sole Owner of the Regime may waive the Regime and regroup or merge the records of the individual Units with the Real Property, provided that the individual Units are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors.

Subject to the other provisions of this Master Deed, unless all of the first Mortgagees (based upon one vote for each first Mortgage owned) and all Owners of the Units have given their prior written approval, the Association shall not be entitled to:

- (1) by act or omission, seek to abandon or terminate the Regime or legal status of the project as a condominium, except in accordance with the provisions of this Master Deed;
- (2) change the pro rata interest or obligations of any Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the General and Limited Common Elements;
- (3) partition or subdivide any Unit; or
- (4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Regime or Association shall not be deemed a transfer within the meaning of this subparagraph (4).

XIII. Rights of Eligible Mortgagees and Eligible Insurers or Guarantors

A. Notice of Action. Upon written request to the Association in accordance with Section XIII.E below, any Eligible Mortgagee or eligible insurer or guarantor will be entitled to timely written notice of:

1. Any condemnation loss or any casualty loss which affects a material portion of the Regime or any Unit on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee, eligible insurer or guarantor, as applicable;
2. Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a Mortgage held, insured, or guaranteed by an Eligible Mortgagee or an eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
 4. Any proposed action which would require the consent of a percentage of Eligible Mortgagees as specified in this Master Deed.
- B. Other Provisions for Eligible Mortgagees. To the extent permitted by applicable law, Eligible Mortgagees shall also be afforded the following rights:
1. Any restoration or repair of the Regime, after a partial condemnation or damage, due to an insurable hazard, shall be performed substantially in accordance with this Master Deed and the original Plans, unless other action is approved by at least fifty-one percent (51%) of Eligible Mortgagees;
 2. Any election to terminate the legal status of the Regime after substantial destruction or a substantial taking in condemnation of the Regime property must require the approval of at least fifty-one percent (51%) of Eligible Mortgagees;
 3. No reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of such a Regime may be effected without the prior approval of at least fifty-one percent (51%) of Eligible Mortgagees of all remaining Units, whether existing in whole or in part; and
 4. When professional management has been previously required by any Eligible Mortgagee, insurer, or guarantor, whether such entity became an Eligible Mortgagee, insurer or guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of at least fifty-one percent (51%) of the Eligible Mortgagees.
- C. Non-Material Amendments to Master Deed. An addition or amendment to this Master Deed, Bylaws, or other exhibits shall not be considered material if it is for the purpose of correcting technical, scrivener's or typographical errors or for clarification or as permitted pursuant to Section XXVIII.B below. All other additions or amendments shall be deemed material and thus subject to Section (D) below.
- D. Material Amendments to Master Deed. In addition to the foregoing requirements, amendments of a material nature (including, without limitation, those listed in items 1 through 12 below) must be agreed to by Unit Owners who represent at least sixty-seven percent (67%) of the total allocated votes in the Association and by at least fifty-one percent (51%) of Eligible Mortgagees. Material amendments include (but are not limited to):
1. voting rights;
 2. increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of the assessment liens;
 3. reductions in reserves for maintenance, repair, and replacement of Common Elements;
 4. responsibility for maintenance and repairs of the Regime;

5. reallocation of Interests in the General or Limited Common Elements, or rights to their use;
6. redefinition of any Unit boundaries;
7. convertibility of Units into Common Elements, or vice versa;
8. expansion or contraction of the Regime, or the addition, annexation, or withdrawal of property to or from the Regime in a manner other than as provided herein;
9. hazard or fidelity insurance requirements;
10. imposition of any further restrictions on the leasing of the Units beyond what is contained herein;
11. imposition of any right of first refusal or other restriction of the right of any Unit Owner to sell, transfer or otherwise convey his or her Unit; and
12. any provision included in the Master Deed, the Bylaws or the Articles that expressly benefit holders, guarantors or insurers of Mortgages on Units.

The provisions of this Section shall not be construed to reduce the percentage vote that must be obtained from Mortgagees or Unit Owners where a larger percentage vote is otherwise required by the Act or the Condominium Instruments for any of the actions contained in this Section.

- E. Notice Requirements for Eligible Mortgagees. Whenever any Mortgagee desires to avail itself of the provisions of this Master Deed with respect to Eligible Mortgagees, it shall furnish written notice thereof to the Association by CERTIFIED MAIL at the address shown in the Articles identifying the Unit or Units upon which any such Mortgagee holds any first lien or identifying any Unit or Units owned by such Mortgagee and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Eligible Mortgagee.
- F. Timeliness of Response. An Eligible Mortgagee who receives a written request to approve additions or amendments that does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

XIV. Unit Use Restrictions

- A. Residential Use. Each Unit is hereby restricted to residential use by the Owner or Owners thereof, their immediate families, guests, tenants, lessees, licensees, and invitees; provided, however, that so long as the Grantor shall retain any interest in the Regime or any Unit, it may utilize a Unit or Units of its choice owned or leased by Grantor from time to time, for a sales office, model, or other usage for the purpose of selling or closing the sale of Units in said Regime or outside of the Regime. Grantor may assign this commercial usage right to such other Persons as it may choose; provided, however, that when all Units have been sold this right of commercial usage shall immediately cease. Except for the easement rights relating to signage as described herein, no "For Sale" or "For Rent" signs or the like shall be permitted on any General or Limited Common Element or any Unit so as to be visible from any General or Limited Common Element or public street or area. Nothing herein shall prevent the Association from providing portions of the Common Elements to management companies for use as an office, model or other purpose connected with the management of the Regime or to grant licenses and easements over the

Common Elements for utilities, roads, electronic transmitting equipment, and other purposes reasonably necessary or usable for the proper maintenance and operation of the Regime.

- B. Leasing. Any lease or rental agreement concerning the use of the Unit must be in writing and subject the lessee to the requirements of the Master Deed and the rules and regulations of the Association and terms adopted by the Board of the Association. Any Owner will have the right to lease or rent his Unit; provided, however, that all leases and rental contracts shall be for a duration of six (6) months or more. The Board will have the right to approve the form of all such leases and rental contracts at any time if it elects to do so. Occupancy by a tenant or renter under any such approved form of lease or rental contract is subject to continuing approval of the Board thereunder, which may be removed at any time by the Board for any violation by any such tenant or renter of the Rules and Regulations of the Association or of the provisions of this Master Deed.
- C. Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Regime, except that dogs, cats, birds and fish may be kept by the respective Owners inside their respective Units provided that (i) the Board may, in its sole discretion, establish by rule that dogs of a certain breed are potential hazards to the Regime and its Owners and Occupants, such as those known as Pit Bulls, Rotweillers, Dobermans, Chows and German Shepards, and are deemed not to be household pets; (ii) the Board may, in its sole discretion, establish by rule that cats of a certain breed or exotic species are potential hazards to the Regime and its Owners and Occupants and are deemed not to be household pets; (iii) the Board may establish reasonable rules and regulations to insure that all permitted pets are properly licensed and inoculated for rabies and such other diseases for which inoculation is customary for that breed of pet; (iv) an Owner executes a written indemnification and hold harmless agreement in favor of the Regime, the Association, and the Association's management company, in form and content satisfactory to counsel for the Board, prior to bringing the Owner's pet upon the Real Property of the Regime; (v) permitted pets are not kept, bred, or maintained for any commercial purpose and do not create any health hazard or, in the sole discretion of the Board, unreasonably disturb the peaceful possession and quiet enjoyment of any other portion of the Regime by other Owners and lessees of Owners, their families, invitees, and guests; and (vi) the Board may establish reasonable rules to limit the number of such allowed pets. All pets must be registered with the Association Manager. ALL PETS MUST BE CARRIED IF INSIDE THE BUILDING, ELEVATOR OR PARKING GARAGE (ALL COVERED PUBLIC AREAS) UNLESS LEASHED. Further, the Board reserves the right to require Owners, for any reason, to muzzle dogs in public areas; provided, that when on property outside the building, an Owner may remove the muzzle while walking his leashed pet. Owners must always clean up and encourage pet to use designated pet walk/area for its intended use. Any abuse of pet guidelines may result in owner's loss of pet ownership privilege.
- D. Construction & Moving Activities. All Unit construction and moving activities of an Owner must be submitted in advance to the Association for approval, said approval not to be unreasonably denied. All approved contractors and movers must register with the Association's management company upon arrival and present proof of adequate insurance coverage before access to the building will be granted. Any damages to the Common Elements or other Units in the Regime caused by an Owner's contractors or movers shall be the sole responsibility of that Owner to repair or reimburse the Association for its repair work, and said repair costs shall become part of the Association's lien on that Owner's Unit if not immediately paid. No construction or moving activity of any kind shall occur before 9AM or after 5PM, unless permission is granted in writing by the Board, and the Association reserves the right to place limits and restrictions on

contractor/mover access to the Common Elements, including without limitation access to parking and to the elevators. No construction or moving activity of an Owner shall disturb the quiet enjoyment of any other Owner. The Association may establish additional restrictions and requirements related to Unit construction or moving by Owners at any time, including without limitation putting enforcement mechanisms in place such as fines for noncompliance, which shall become a part of the Association's lien on the Unit if not immediately paid.

XV. Use of General Common Elements Subject to Rules of Association

The use of General Common Elements by the Owner or Owners of all Units, and all other parties authorized to use the same shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such or which may hereafter be prescribed and established by the Association.

XVI. Horizontal Property Regime to be Used for Lawful Purposes, Restriction Against Nuisances, Etc.

No immoral, improper, offensive, or unlawful use shall be made of any Unit or of the General or Limited Common Elements, nor any part thereof, and all laws, zoning ordinances, and regulations of all governmental authorities having jurisdiction over the Regime shall be observed by the Unit Owners and Occupants. No Owner or Occupant of any Unit shall permit or suffer anything to be done or kept in a Unit, or on the General or Limited Common Elements, which will increase the rate of insurance on the Regime, or which will obstruct or interfere with the rights of other Occupants of the building or annoy them by unreasonable noises, nor shall any such Owner or Occupant of any Unit undertake any use or practice which shall create and constitute a nuisance to any other Owner of a Unit, or which interferes with the peaceful possession and proper use of any other Unit or the General or Limited Common Elements.

XVII. Right of Entry into Units in Emergencies

In case of any emergency originating in or threatening any Unit, regardless of whether the Owner is present at the time of such emergency, the Board of the Association or any other Person or firm authorized by it, or the building superintendent or managing agent, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit under the control of the Association a key to such Unit.

XVIII. Right of Entry for Maintenance of General Common Elements

Whenever it is necessary to enter any Unit for the purpose of performing any maintenance, alteration, or repair to any portion of the Common Elements, the Owner of each Unit shall permit other Owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such Unit, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XIX. Limitation Upon Right of Owners to Alter and Modify Units

Except as otherwise permitted in this Master Deed, no Owner of a Unit shall permit any structural modification or alterations to be made therein without first obtaining the written consent of the Association, whose consent may be withheld if a majority of the Board of said Association determine, in their sole discretion, that such structural modifications or alterations would affect or in any manner endanger the building in part or in its entirety. If the modification or alteration desired by the Owner of any Unit involves the removal of any permanent interior partition, the Association shall have the right to permit

such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting General or Limited Common Elements located therein. No Owner shall cause the balcony abutting his Unit to be enclosed, or cause any improvements or changes to be made on the exterior of the building, the balconies, or railings, including painting or other decoration, or the installation of electrical wiring, wire, screening, any railing cover, television, radio or telecommunication antennae, machines or air conditioning Units which may protrude through the walls or roof of the building, or in any manner change the appearance of any portion of the building, including balconies and railings not within the walls of such Unit (collectively, "Exterior Modifications"). No storm panels or awnings shall be affixed to any Unit without first obtaining the written consent of the Association. Nothing herein shall prevent an Owner from protecting Unit with protective covering on the doors when a hurricane is hitting the area, provided such protective covering meets the reasonable rules and regulations of the Association.

Floor slabs and other concrete components in the building contain post tension cables and reinforced steel. Owners are not allowed to do any drilling or modifications to the concrete floor slabs, walls or columns without written approval from a structural engineer licensed in the state of South Carolina, and said written approval must be submitted to and approved by the Association prior to any such work being commenced. According to the building's structural engineer, Owners are allowed to drill holes for window treatments only no larger than 3/4" deep and 1/4" in diameter.

The Association is authorized to establish an architectural design and review committee to facilitate the review and approval or rejection of structural modifications or alterations specified above and subject to Association approval. Notwithstanding the foregoing, under no circumstances shall the Association or any committee established thereby have any authority to approve any Exterior Modifications, such alterations being expressly prohibited hereby.

XX. Right of the Association to Alter and Improve General and Limited Common Elements and Assessment Therefor

The Association shall have the right to make or cause to be made alterations, modifications, and improvements to the General and Limited Common Elements, provided such alterations, modifications, or improvements are first approved in writing by the Board of the Association and also by the Owners of sixty-seven percent (67%) or more of the Units in the entire Regime. The cost of such alterations, modifications, or improvements shall be assessed as Common Expenses and collected from the Owners of all Units according to their percentage of ownership of the General and Limited Common Elements.

XXI. Maintenance and Repair by Owners of Units

Every Owner must perform promptly all maintenance and repair work within his Unit which, if omitted, would adversely affect the Regime in its entirety or in a part belonging to other Owners, and is expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment located within the Unit, water heaters, stoves, refrigerators, garbage disposals, dishwashers, fans, or other appliances or equipment, including any fixtures and/or their connections or receptacles required to provide water, light, power, telephone, television, and sewerage and sanitary service to his Unit and which may now or hereafter be situated in his Unit including toilets, lavatories, sinks, tubs, and showers. Such Owner shall further be responsible and liable for maintenance, repair, and replacement of any and all window glass, glass doors, wall, ceiling and floor surfaces or coverings, painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his Unit. Whenever the maintenance, repair, and replacement of any items for which the Owner of a Unit is obligated to maintain, repair, or replace at his own expense is

occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association, or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair, and replacement. Any cost of maintenance, repair, or replacement, by reason of the applicability of any deductibility provision of such insurance which is not paid by the insurance of the Association, shall be paid by such Owner. Reference is made to Section 27-31-250 of the Act, which is controlling of insurance proceeds use when said code section is applicable by its terms.

If a Unit or any portion thereof is damaged by another Owner's Unit, whether due to the other Owner's failure to maintain their Unit or not, the Association shall be responsible for repairing the damage and fixing the cause of the problem. If the damage was caused by the other Owner's failure to properly maintain such Owner's Unit in accordance with the provisions of this Master Deed, the Association shall have the authority to assess a special assessment against the negligent Owner, which shall be a lien on said Owner's Unit until paid in full along with all accrued interest, costs, and attorney's fees related to collection in accordance with this Master Deed. If the Unit damage was caused by a problem with the Common Elements, the Association shall be responsible for the cost of repair.

Owners are hereby notified of the following Unit temperature control recommendations in order to insure proper humidity levels to protect woodwork, furniture and electronic equipment in the Units: the Unit's thermostat should never be set higher than eighty (80°) degrees nor lower than seventy (70°) degrees in the cooling mode; in the heating mode the thermostat should never be set lower than sixty (60°) degrees nor higher than seventy-five (75°) degrees. UNDER NO CIRCUMSTANCES SHOULD THE AIR CONDITIONING SYSTEM FOR THE INDIVIDUAL UNITS BE TURNED OFF. Owners are responsible for any damage to their Units or to the contents of their Units if these temperature control recommendations are not adhered to.

XXII. Maintenance and Repair of General and Limited Common Elements by the Association

The Association, at its expense, shall be responsible for the maintenance, repair, and replacement of all of the General and Limited Common Elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring, and other facilities located in the General or Limited Common Elements for the furnishing of utility services to the Units and said General and Limited Common Elements. Should any incidental damage be caused to any Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair, or replacement of any General or Limited Common Elements, the Association shall, at its expense, repair such incidental damage. Excepted herefrom, however, are the maintenance of the floor and interior walls of the balcony or balconies attached to the Unit, which shall be maintained by the Owner at his expense.

The Association is responsible for insuring that the Regime's management company conduct, or have conducted at the Association's expense, a visual inspection of the exterior Common Elements of the building a minimum of twice a year or as necessary for the purpose of determining needed repairs and maintenance and to insure that the building does not deteriorate and compromise the water tightness of the exterior skins. Said visual inspection shall include, but not be limited to, the following: (1) exterior stucco; (2) sealant around doors, windows and all dissimilar materials; (3) water proof membrane on the balcony concrete slabs and breezeways; (4) roofing materials and related flashing; (5) roof penetrations at mechanical units, supports, etc.; (6) handrail sleeves and anchorage; (7) expansion joint assemblies; (8) ventilation equipment and louvers; and (9) elevator equipment and related items. Further, the Association is responsible for ensuring that the Regime's management company performs properly any maintenance to the Common Elements and Unit HVAC units located outside of the Units, as required by the manufacturer.

XXIII. Personal Liability and Risk of Loss of Owner and Unit and Separate Insurance Coverage, Etc.

Subject to the requirements of Section XXV.I below, the Owner of each Unit may, at his own expense, obtain insurance coverage for loss of or damage to any post-closing upgrades or betterments to the Unit, furniture, furnishings, personal effects, and other personal property belonging to such Owner and may, at his own expense and option, obtain insurance coverage against personal liability or injury to the person or property of another while within such Owner's Unit or upon the General or Limited Common Elements. All such insurance obtained by the Owner of each Unit shall, where available, provide that the Insurer waives its right of subrogation as to any claims against other Owners of Units, the Association, the Grantor and the respective servants, agents and guests of said other Owners, the Association and the Grantor. Risk of loss or, damage to any furniture, furnishings, personal effects, and other personal property (other than such furniture, furnishings, and personal property constituting a portion of the General or Limited Common Elements or which is insured by the Association) belonging to an Owner or carried on the person of the Owner of each such Unit or carried by such Owner in, to, or upon General or Limited Common Elements shall be borne by the Owner of each such Unit. All furniture, furnishings, and personal property constituting a portion of the General or Limited Common Elements and held for the joint use and benefit of all Owners of all Units shall be covered by such insurance as shall be maintained in force and effect by Association as hereinafter provided. The Owner of a Unit shall have no personal liability for any damages caused by the Association. The Owner of a Unit shall be liable for injuries or damage resulting from an accident in his own Unit, to the same extent and degree that the Owner of a house would be liable for an accident occurring within the house.

XXIV. Condemnation

- A. Units Acquired. If a Unit or a portion thereof is acquired by eminent domain, leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Deed, the award must compensate the Unit Owner for his Unit and its General and Limited Common Element interest, whether or not any General or Limited Common Element interest is acquired. Upon acquisition, unless the decree otherwise provides, and subject to Section XIII.B above, that Unit's entire General and Limited Common Element interest, votes in the Association, and Common Expense liability are automatically reallocated to the remaining Units in proportion to the respective interests and votes, and the Association shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a General and Limited Common Element.
- B. Part of Unit Acquired. Except as provided above, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction of value of the Unit and its Common Element interest. Upon acquisition and subject to Section XIII.B above, (1) that Unit's Limited and General Common Element percentage interest, votes in the Association, and Common Expense liability are reduced in proportion to the reduction in size of the Unit, and (2) the portion of Limited and General Common Element interest, votes, and Common Expense liability divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in the percentages set out in Exhibit D.
- C. Claims. The Board of the Association shall have exclusive authority to negotiate and settle on behalf of the Owners all claims arising from condemnation of any portion or all of the Units or General or Limited Common Elements and the Owners hereby appoint the Board as their

attorney in fact for this purpose. Any proceeds from such condemnation shall be distributed in accordance with the Insurance provisions of this Master Deed.

XXV. Insurance

- A. Hazard Insurance. The Association shall insure all Units and all General and Limited Common Elements against all hazards and risks normally covered by a standard hazard policy, including fire and lightning, the hazards and risks covered by "extended coverage," vandalism, and malicious mischief, and by hazards or risks covered by the National Flood Insurance Act, windstorm and hail policies and all other coverage commonly required by lending institutions in the area. All Units and all General and Limited Common Elements shall be insured for the full replacement cost thereof, and where possible, the policy of insurance shall have a full replacement cost rider. Each year the Association shall update the replacement value cost rider. Such insurance shall cover only the Units and General and Limited Common Elements, and the Association shall not be responsible for insuring, but rather the Unit Owner is solely responsible for obtaining his own insurance coverage for, the following: (a) the contents of the Unit (other than standard fixtures originally installed therein by Grantor and being a part of such Unit), and (b) any and all post-closing improvements and betterments made to the Units by Owners at their expense (such improvements and betterments not being shown on the final plans and specs of the Regime as it was originally built). A deductible amount may be included at the discretion of the Board, and in such amounts as the Board shall determine to be available at a material savings, as determined by the Board in its sole discretion, in premium cost resulting therefrom, but the deductible amount will be considered a Common Expense and borne by the Association regardless of the number of Owners directly affected by the loss and reserves will be established therefor.

All policies of hazard insurance on the Units and General and Limited Common Elements obtained by the Board shall provide as many of the following elements as reasonably practical to obtain:

1. The policy shall not be canceled without thirty (30) days prior written notice to the Board and to every holder of a security interest in any Unit who is named in the policy or an endorsement thereto;
2. No separate insurance obtained by an Owner on his own Unit shall be brought into contribution with the insurance obtained by the Board;
3. No right to subrogation shall exist against any Owner or members of his household or his social guests; and
4. The policy shall not be canceled on account of the actions of one or more of the Owners.

- B. Liability Insurance. The Association shall also obtain premises liability Insurance on all Units and General and Limited Common Elements and the policy shall provide for a single limit indemnity of not less than One Million Dollars (\$1,000,000.00) and cover bodily and personal injury and property damage, including, but not limited to, injury or property damage caused to third parties, Owners, the Limited and General Common Elements or the Units or any improvements therein. Such liability insurance shall cover claims of one or more Owners against one or more Owners as well as claims of third parties against one or more Owners. The Association shall not be required however, to obtain public liability insurance covering accidents occurring within the limits of a Unit

or off the Regime Real Property. If available at a reasonable cost, the Association shall cause premises medical payment coverage to be included within the policy of liability insurance.

C. Additional Insurance. In addition to the insurance required herein above, the Board shall obtain as a Common Expense:

1. worker's compensation insurance if and to the extent necessary to meet the requirements of law;
2. public liability and officers' and directors' liability insurance in such amounts as the Board may determine, but in no event less than One Million (\$1,000,000.00) Dollars per occurrence (such insurance shall contain a cross liability endorsement);
3. fidelity bonds, if reasonably available, covering officers, directors, employees, and other Persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount which in the best business judgment of the Board reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than two (2) months aggregate assessments, plus reserves on hand as of the beginning of the fiscal year and shall contain waivers of any defense based upon the exclusion of Persons serving without compensation; provided, however, fidelity coverage herein required may be reduced based on the implementation of financial controls which take one or more of the following forms: (1) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which the funds are deposited sends copies of the bank statements directly to the Association; (2) the management company, if any, maintains separate records and bank accounts for each Association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (3) two (2) members of the Board must sign any check written on the reserve account;
4. flood insurance, to the extent that it is required by law or the Board determines it to be reasonably necessary; and
5. such other insurance as the Board may determine to be reasonably necessary.

D. General Provisions. All insurance obtained on the Units and General and Limited Common Elements by the Association shall be written in the name of the Association as trustee for itself, each of the Owners and the Mortgagees of Owners, if any, and the cost of such insurance shall be a Common Expense. All such insurance shall be obtained from a company of companies licensed to do business in the State of South Carolina and currently rated "A-" or better by A.M. Best's Insurance Ratings. No such insurance shall be permitted to expire except upon resolution of sixty-seven percent (67%) of the Owners to that effect and all Eligible Mortgagees. Duplicate originals of all policies of hazard insurance obtained with respect to the Regime by the Board, together with proof of payment of the premiums thereon, shall be delivered upon request to any Owner or to any Person holding a security interest in a Unit.

E. Exclusions from Coverage. Insurance carried by the Association as a Common Expense shall not include part of a Unit not depicted on the Plats and Plans, nor shall the Association include public liability insurance for individual Owners for liability arising within the Unit. Nothing

contained herein gives any Owner or other party a priority over the rights of first Mortgagees as to distribution of insurance proceeds.

- F. Deductibles. In the event of an insured loss, any required deductible shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Unit Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. If any Owner fails to pay the deductible when required under this Section, then the Association may pay the deductible and assess the cost to such Owner as provided herein.
- G. Claims. The Board of the Association shall have exclusive authority to negotiate and settle on behalf of the Owners all claims arising under policies of hazard insurance obtained with respect to the Regime by the Board except to the extent of the rights of Mortgagees. In the event of damage to or destruction of any portion of the Units or General or Limited Common Elements, the Board shall promptly file a claim for any indemnity due under any such policies. The Board shall simultaneously notify any Eligible Mortgagees who may be entitled to participate in such claim.
- H. Insurance Proceeds. In the event of damage to or destruction of all or any part of the Regime insured by the Association as a result of fire or other casualty, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure. Notwithstanding the above, if two-thirds or more of the Regime is damaged or destroyed, the Association may elect not to proceed with reconstruction and repair if Owners holding eighty percent (80%) of the total votes in the Association (including the Owner of any Unit that will not be rebuilt) and the affirmative vote of fifty-one percent (51%) of Eligible Mortgagees so decide.
1. Cost Estimates. Immediately after a fire or other casualty causing damage to the Regime, the Board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures (including any damaged Unit) to substantially the condition which existed before such casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Such costs may also include professional fees and premiums for such bonds as the Board determines to be necessary.
 2. Source and Allocation of Proceeds. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, as determined by the Board, or if at any time during the reconstruction and repair the funds for the payment of the costs thereof are insufficient, the additional costs shall be assessed against all Owners in proportion to each Owner's respective undivided interest in the Common Elements. This assessment shall not be considered a special assessment. If there is a surplus of funds after repair and reconstruction is completed, such funds shall be common funds of the Association to be used as directed by the Board.
 3. Plans. Any such reconstruction or repair shall be substantially in accordance with the original Plans, except where changes are necessary to comply with current applicable building codes or where improvements not in accordance with the original Plans are approved by the Board and Eligible Mortgagees pursuant to Section XIII.B. To the extent insurance proceeds are available, the Association may, in its sole discretion, reconstruct or repair Owner improvements damaged as a result of fire or other casualty.

4. Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the Plans. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.
5. Construction Fund. The net proceeds of the insurance collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section to be disbursed by the Association in appropriate progress payments to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board.

If the insurance proceeds exceed Fifty Thousand (\$50,000.00) Dollars, the net proceeds received by the Board from any indemnity paid under a policy of hazard insurance obtained by the Board with respect to the Regime and any amounts collected through assessment as set forth in paragraph 5 above shall promptly be paid by the Board to an Insurance Trustee as trustee for the Owners as hereinafter provided. The Insurance Trustee shall be a state or federally chartered bank or savings and loan association selected by the Board and having trust powers and capital and surplus of Five Million Dollars (\$5,000,000.00) or more or a Professional Property Management Company with a like amount of Fidelity insurance coverage. The Insurance Trustee shall hold these amounts in trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

- (a) If the Owners and Mortgagees, as applicable, determine, in the manner provided herein, not to reconstruct the damaged property, the Insurance Trustee shall distribute the insurance proceeds among all the Owners and/or Mortgagees, as their respective interests may appear, in proportion to their respective undivided interests in the portion or portions of the property damaged or destroyed.
- (b) If the Board is required to provide for the reconstruction of the damaged property, the Insurance Trustee shall disburse the funds to the Person or Persons employed by the Board to effect such reconstruction in accordance with written authorizations submitted to the Insurance Trustee by the architect supervising the reconstruction or by the Board. Any portion of the funds remaining after all the costs of reconstructing the damaged property have been paid shall be disbursed to the Owners and their Mortgagees in proportion to their interests in the portion or portions of the property repaired or restored.

In making disbursements from the construction fund, the Insurance Trustee shall be entitled to rely upon the written authorization submitted as provided above or upon any written certification of facts submitted to the Insurance Trustee by the Board as hereinafter provided without further inquiry. The Insurance Trustee shall in no event be responsible for obtaining insurance on the Regime, paying the premiums on any such insurance, or filing claims for any payments due under any such insurance.

- I. Insurance by Owners. Every Unit Owner shall be obligated to obtain and maintain at all times insurance covering those portions of his or her Unit to the extent not insured by policies maintained by the Association. In the event that any such Unit Owner fails to obtain insurance as required by this subsection, the Association may purchase such insurance on behalf of the Unit Owner and assess the cost thereof to the Unit Owner, to be collected in the manner provided for collection of assessments herein. To that end, each Unit Owner shall be responsible for obtaining such amounts of the following types of insurance as the Unit Owner deems necessary or desirable: (1) hazard insurance on the contents of his Unit and on post-closing improvements and betterments made to his Unit; and (2) liability insurance covering accidents occurring within the boundaries of his Unit.

In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees. Each Unit Owner shall notify the Board of all structural improvements made by the Unit Owner to his Unit. Any Unit Owner who obtains an individual insurance policy covering any portion of the Regime, other than improvements and betterments made by such Unit Owner, shall file a copy of such individual policy or policies with the Board within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify, in writing, the Board in the event such policy is canceled.

- J. Limitations on Association Grantor Liability. Neither the Association nor Grantor shall be liable for any loss or damage to a portion of the Regime, the Common Elements or Units not required to be insured by the Association hereunder. With respect to any claim for which the Association may be responsible and the monetary amount of such claim is \$1,000 or less, the Board shall meet with the claimant and representatives of the Association to hear the details of such claim, and the decision of the Board with respect to the resolution thereof shall be binding in all cases.

XXVI. Assessments

- A. Purpose of Assessment. The Association shall have the power to levy assessments as provided herein and in the Act. The assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants of Units in the Regime as may be more specifically authorized from time to time by the Board.
- B. Creation of the Lien and Personal Obligation For Assessments. Each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided; provided, however, that to the extent permitted by law, Grantor shall not be required to pay such annual, special, or specific assessments for Units owned by Grantor but will, to the extent of any shortfall or deficit in the annual budget, pay to the Association an amount equal to any such shortfall or deficit. All such assessments, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, and if the Board so elects, rents, in the maximum amount permitted by the Act, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each assessment is made. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure in the same manner as Mortgages are foreclosed under South Carolina law.

Such amounts shall also be the personal obligation of each Person who was the Owner of such Unit at the time when the assessment fell due and may be collected in the same manner as other debts or liens are collected under South Carolina law. Each Owner and each successor-in-title to the Unit shall be jointly and severally liable for all assessments and charges due and payable at the time of any conveyance. Assessments shall be paid in such manner and on such dates as may be fixed by the Board; unless otherwise provided, the annual assessments shall be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt such Owner from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to perform its obligations required under this Master Deed, or inconvenience or discomfort arising from the Association's performance of its duties. The lien provided for herein shall have priority as provided in the Act.

C. Delinquent Assessments. All assessments and related charges not paid on or before the due date shall be delinquent, and the Owner shall be in default.

1. If any monthly installment of annual assessments or any part thereof is not paid in full when due or if any other charge is not paid when due, a late charge equal to the greater of ten dollars (\$10.00) or ten percent (10%) of the amount not paid, or such higher amounts as may be authorized by the Act, may be imposed without further notice or warning to the delinquent Owner and interest at the highest rate as permitted by the Act and adopted by resolution of the Board shall accrue from the due date.
2. If part payment of assessments and related charges is made, the amount received shall be applied in the following order, and no restrictive language on any check or draft shall be effective to change the order of application:
 - (a) respectively, to any unpaid late charges, interest charges, and specific assessments (including, but not limited to, fines) in the order of their coming due;
 - (b) to costs of collection, including reasonable attorney's fees actually incurred by the Association; and
 - (c) to any unpaid installments of the annual assessment or special assessments in the order of their coming due.
3. If assessments, fines or other charges or any part thereof due from an Owner are not paid when due, a notice of delinquency may be given to that Owner stating that if the assessment, fine or charge remains delinquent for more than ten (10) days from the date of the notice of delinquency, the Board may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment and of any special assessment. If an Owner fails to pay all assessments and related charges currently due within ten (10) days of the date of the notice of delinquency, the Board may then accelerate and declare immediately due all installments of the annual assessment and of any special assessment, without any further notice being given to the delinquent Owner. Upon acceleration, that Owner shall thereby lose the privilege of paying the annual assessment in monthly installments for that fiscal year.
4. If assessments and other charges or any part thereof remain unpaid more than thirty (30) days after the assessment payments first become delinquent, the Association, acting through the Board, may institute suit to collect all amounts due pursuant to the provisions

of the Master Deed, the Bylaws, the Act and South Carolina law and suspend the Owner's and/or Occupant's right to vote and/or to use the Common Elements; provided, however, the Board may not limit ingress or egress to or from the Unit.

- D. Computation of Operating Budget and Assessment. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare and adopt a budget covering the estimated costs of operating the Regime during the coming year. Such budget shall project all Common Expenses for the forthcoming year that may be required for the proper operation, management and maintenance of the Regime, including a reasonable allowance for contingencies and reserves if deemed appropriate by the Board. The budget shall separately itemize the liability of the Association in connection with the maintenance, repair, replacement and insurance for the Regime, in each case allowing for reasonable reserves in the discretion of the Board. The Board shall cause the budget and notice of the assessments to be levied against each Unit for the following year to be delivered to each member at least thirty (30) days prior to the end of the Association's fiscal year. The budget adopted by the Board and the assessment established pursuant to the budget shall become effective without further action by the Board or the members of the Association if the annual assessment amount established does not exceed the annual assessment amount levied in the prior fiscal year by more than six percent (6%). If the annual assessment amount established by the Board pursuant to the budget exceeds the annual assessment amount levied in the prior fiscal year by more than six percent (6%), the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the budget or summary to the Unit Owners. There shall be no requirement that a quorum be present at the meeting. The budget and the annual assessment amount established pursuant to the budget are deemed ratified unless at the meeting the budget is rejected by a vote of at least sixty-seven (67%) of the total eligible voting power of the Association. In the event the Board fails to adopt a budget or fails to call a meeting for the ratification of a budget requiring ratification or a budget requiring ratification is rejected, the annual budget last in effect shall be continued until such time as a subsequent budget is adopted by the Board, and if required pursuant to this Section, ratified by the Owners. The amount of annual assessments to be levied against each Unit shall be equal to the amount obtained by multiplying the amount of annual Common Expenses expressed in the Association's last ratified budget by a fraction, the numerator of which is the allocated interests in the Common Elements assigned to such Unit and the denominator of which is 100. In addition, Common Expenses reasonably determined by the Board to have been incurred on behalf of or for the benefit of fewer than all Units may be assessed solely against the Unit(s) so benefited and the Unit Owner(s) thereof.

The Board may adopt a revised budget and adjust annual assessments from time to time during the year, subject to the provisions of the foregoing paragraph requiring that assessment increases in excess of six percent (6%) in any fiscal year must be ratified by the Owners pursuant to the provisions of the foregoing paragraph shall apply. The revised budget and assessment amount shall be delivered to the members at least thirty (30) days prior to the proposed effective date thereof.

- E. Special Assessments. In addition to the annual assessment provided for in Section XXVI.D above, the Board may, at any time, and in addition to any other rights it may have, call for a special assessment against all Owners as, in its discretion, it shall deem appropriate. Notice of any such special assessment shall be sent to all Owners prior to becoming effective. Any such special assessment shall become effective unless disapproved at a duly called and constituted meeting of the Association by a vote of at least sixty-seven percent (67%) of the total eligible voting power of the Association; provided, however, if a quorum is not obtained at such meeting,

the special assessment shall become effective even though a vote to disapprove the special assessment could not be called at the meeting.

- F. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Regime that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit or (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests. The Association may also levy or specifically assess any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Master Deed, any applicable supplemental master deed, the Articles, the Bylaws, and any rules and regulations of the Association, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing.
- G. Capital Budget and Contribution. The Board shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget. The capital contribution required, if any, shall be fixed by the Board and included within the budget and assessment as provided in Section XXVI.D of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.
- Notwithstanding any other provisions of this Master Deed, during the time in which Grantor appoints the directors and officers pursuant to this Master Deed and the Bylaws, the Association shall not be required to prepare a capital budget, set any other capital contribution, or otherwise collect or contribute any amounts for capital reserves. Any capital contribution collected by Grantor shall not be collected against a Mortgagee which takes title to a Unit pursuant to foreclosure.
- H. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to a Unit on the date on which such Unit is conveyed to a Person other than Grantor. Until such time, Grantor shall be responsible for all costs incurred by the Association with respect to unsold Units, including, without limitation, the cost of any insurance maintained by the Association on such Units or the buildings in which they are located. The first annual assessment levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.
- I. Statement of Account. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Unit, or a lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association setting forth the amount of assessments due and unpaid, including any late charges, interest, fines, or other charges against a Unit. The Association shall respond in writing within ten (10) days of receipt of the request for a statement; provided, however, the Association may require the payment of a reasonable fee as a prerequisite to the issuance of such a statement. Such written statement shall be binding on the Association as to the amount of assessments due on the Unit as of the date specified therein.
- J. Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than Grantor (or Grantor's Mortgagee), and upon each subsequent transfer of record title to a Unit, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the general assessments. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance

payment of such assessment. The working capital fund shall be maintained by the Association as a segregated fund. The working capital fund shall not be available for use by Grantor to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while Grantor is in control of the Association. All monies paid into the working capital fund shall be held and administered by the Association in accordance with the terms of this Master Deed and the Bylaws.

- K. Reimbursements to Grantor. Upon acquisition of record title to a Unit by the first Owner thereof other than Grantor (or Grantor's Mortgagee), such Owner shall repay to Grantor, in proportion to its percentage interest ownership as set forth on Exhibit D attached hereto, any insurance premiums, equipment lease payments, loans and any and all other prepayments or advances made to the Association or on its behalf to third parties by Grantor, with respect to the proportional interest of such Unit.
- L. Surplus Funds and Common Profits. Common profits from whatever source shall be applied to the payment of Common Expenses. Subject to the limitations and restrictions set forth in the Articles, any surplus funds remaining after the application of such common profits to the payment of Common Expenses shall, at the option of the Board, either be distributed to the Owners or credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit, or added to the Association's reserve account.
- M. Restriction on Expense of Litigation. Notwithstanding any contrary provision contained in this Master Deed, in no event may the Association commence any action or proceeding against any Person seeking equitable relief, or seeking either an unspecified amount of damages or damages in excess of \$25,000.00 or any action or proceeding where the estimated cost of legal fees exceeds \$5,000.00, unless the following conditions are satisfied: (a) the decision to commence such action or proceeding shall be taken at an annual or special meeting of the Association; (b) a budget for such litigation, including all fees and costs assuming trial and all potential appeals, shall have been prepared by the attorneys who will be engaged by the Association for such purpose and shall have been mailed or delivered to all Owners and posted at the principal office of the Association at least 30 days prior to such meeting; and (c) at such meeting Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the Common Elements shall approve the decision to commence, and the proposed budget for, such action or proceeding, and shall concurrently approve the imposition of a special assessment to fund the costs of such action or proceeding in accordance with the approved budget. The Association shall be authorized to expend funds for such proceeding in excess of the amount contemplated by the approved budget only after an amended budget has been approved in accordance with the procedures specified in the foregoing subparts (a), (b) and (c). The procedural requirements set forth in this Section XXIV.L, however, shall not apply to any action to collect or otherwise enforce assessments and any related fines, late charges, penalties, interest, or costs and expenses, including reasonable attorneys' fees, in an amount of \$25,000.00 or less, or any such action where the estimated cost of legal fees is less than \$5,000.00. All of the costs and expenses of any action or proceeding requiring the approval of the Owners in accordance with this paragraph shall be funded by means of a special assessment pursuant to Section XXVI.E, and in no event may the Association use reserve funds or contingency funds, reallocate previously budgeted operating funds, or incur any indebtedness in order to pay any costs and expenses incurred for such purpose. Further, if the Association commences any action or proceeding against a particular Owner or particular Owners requiring the approval of the Owners in accordance with the foregoing, the Owner(s) against whom suit is being considered shall be exempted from the obligation to pay the special assessment(s) levied in order to pay the costs

and expenses of such action or proceeding. The monetary thresholds stated in this Section shall increase by the greater of three percent (3%) or the CPI Index each year on the anniversary of filing this Master Deed. The provisions of this Section XXVII cannot be amended without the approval of at least seventy-five (75%) of the total eligible voting power of the Association.

XXVII. Apportionment of Tax or Special Assessment if Levied and Assessed Against the Regime as a Whole.

In the event that any taxing authority having jurisdiction over the Regime shall levy or assess any tax or special assessment against the Regime as a whole, as opposed to levying and assessing such tax or special assessment against each Unit and its appurtenant undivided interest in General and Limited Common Elements as now provided by law, then such tax or special assessment so levied shall be paid as a Common Expense by the Association, and any taxes or special assessments which are to be levied shall be included wherever possible, in the estimated annual budget of Association, or shall be separately levied and collected as an assessment by the Association, against all of the Owners of Units and said Units if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by the Association in the event that such tax or special assessment is levied against the Regime, as a whole, instead of against each separate Unit and its appurtenant undivided interest in General and Limited Common Elements shall be apportioned among the Owners of all Units so that the amount of such tax or special assessment so paid or to be paid by the Association and attributable to and to be paid by the Owner or Owners of each Unit shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in General and Limited Common Elements appurtenant to each Unit bears to the total undivided interest in General and Limited Common Elements appurtenant to all Units. In the event that any tax or special assessment shall be levied against the Regime in its entirety, without apportionment by the taxing authority of the Regime and appurtenant undivided interests in General and Limited Common Elements, then the assessment by the Association, which shall include the proportionate share of such tax or special assessment attributable to each Unit and its appurtenant undivided interest in General and Limited Common Elements, shall separately specify and identify the amount of such assessment attributable to such tax or special assessments and the amount of such tax or special assessment so designated shall be a lien prior to all Mortgages and encumbrances upon any Unit and its appurtenant undivided interest in General and Limited Common Elements, regardless of the date of the attachment and/or recording of such Mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Unit and its appurtenant undivided interest in General and Limited Common Elements.

XXVIII. Amendment of Master Deed.

- A. Voting Requirements; Recorded Instrument. Subject to (1) the provisions of Section XIII.D, (2) the provisions of the following paragraph below and (3) specific provisions of this Master Deed requiring a greater vote, neither this Master Deed nor any of its provisions shall be revoked or amended without the acquiescence of the Owners owning at least sixty-seven percent (67%) of the Units and at least sixty-seven (67%) of the total interest in the General and Limited Common Elements and fifty-one percent (51%) of Eligible Mortgagees to the extent Eligible Mortgagees are granted the right of approval and/or consent pursuant to Section XIII.D of this Master Deed; provided, that the system of administration as set forth in the Articles and Bylaws may be amended and modified from time to time in accordance with the provisions of the Act and other applicable provisions of the Code of Laws of South Carolina. Any such amendment or revocation shall be executed and subscribed with the same formalities required in South Carolina for the making of deeds, and recorded in the public records of Horry County.

- B. Non-Material Amendments; Conformance to Mortgage Legislation. Notwithstanding the foregoing, the Grantor, its successors or assigns, acting alone, shall have the power but not the obligation, at any time (and from time to time), to amend the Master Deed to correct typographical or scrivener's errors and to cause the Master Deed to conform to the requirements of the Act, 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 to Conventional Mortgages," as the same may be amended from time to time.

XXIX. Remedies in Event of Default.

The Owner or Owners of each Unit shall be governed by and shall comply with the provisions of this Master Deed, the Articles and the Bylaws of the Association, and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the Owner or Owners of any Unit shall entitle the Association or the Owner or Owners of other Unit or Units to the following relief:

- A. Relief. Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles, Bylaws of the Association, its rules and regulations, or decisions made pursuant thereto shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof. Relief may be sought by the Association, or if appropriate, by an aggrieved Owner of a Unit or both;
- B. Liability. The Owner or Owners of each Unit shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation;
- C. Costs. In any proceeding arising because of an alleged default by the Owner of any Unit, the Association, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorneys' fees as may be determined by the Court, and the Owner of any Unit shall be entitled to such attorney's fees and costs if successful in such action;
- D. Waiver by Association, Owner. The failure of the Association or of the Owner of a Unit to enforce any right, provision, covenant, or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of the Association or of the Owner of a Unit to enforce such right, provision, covenant, or condition in the future;
- E. Cumulative Remedies. All rights, remedies, and privileges granted to Association or the Owner or Owners of a Unit pursuant to any terms, provisions, covenants; or conditions of this Master Deed or other above mentioned documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional right, remedies, or privileges as may be available to such party at law or in equity; and
- F. Waiver by Grantor, Lender. The failure of the Grantor or the lender to enforce any right, privilege, covenant, or condition which may be granted to them, or either of them, by this Master Deed or

other above mentioned document shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provision, covenant, or condition in the future.

XXX. Use or Acquisition of Interest in the Regime to Render User or Acquirer Subject to Provisions of Master Deed Rules and Regulations, Bylaws and Binding Arbitration

All present or future Owners, tenants, or any other Person who might use the facilities of the Regime in any manner are subject to the provisions of this Master Deed and all documents appurtenant thereto and incorporated herewith. The acquisition or rental of any Unit, or the mere act of occupancy of any Unit, shall signify that the provisions of the Condominium Instruments are accepted and ratified in all respects.

XXXI. Council of Owners Association, Control of Board

Subject to the remainder of this paragraph, the Grantor may appoint and remove members of the Board of Directors of the Association ("Board") for a period not exceeding five (5) years from the date of the first conveyance of any Unit to a Person other than the Grantor. This period of Grantor control terminates no later than sixty (60) days after conveyance of seventy-five percent (75%) of the Units to Unit Owners other than the Grantor. The Grantor may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period. After termination of the Grantor's control, any or all Directors serving on the Board may be removed or replaced in accordance with the applicable provisions set forth in the Bylaws of the Association.

Whenever Grantor shall be entitled to designate and select any Person or Persons to serve on the Board, the manner in which such Person or Persons shall be designated shall be as provided in the Articles and/or Bylaws of the Association. Grantor shall have the right to remove any Person or Persons selected by it to act and serve on said Board and to replace such Person or Persons with another Person or other Persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Grantor need not be an Owner or a resident in the Regime. Anything to the contrary notwithstanding, the power in the Grantor to designate Directors shall terminate five (5) years from the date of recording of the Master Deed.

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

All rights, duties and obligations of the Grantor herein may be experienced or performed by the Grantor, its successors and assigns.

XXXII. Annual Reports to be Provided to Lender

So long as any institutional lender is an Owner or Mortgagee encumbering a Unit in the Regime, the Association shall furnish said lender upon request with at least one copy of the annual financial statement and report of the Association audited satisfactorily, setting forth such details as the said lender may reasonably require, including a detailed statement of annual carrying charges or income collected and operating expense, with such financial statement and report to be furnished within ninety (90) days following the end of each fiscal year.

Such statement shall be prepared in accordance with generally accepted accounting principles and shall contain the certificate of the accountant or accounting firm to that effect. Further, the accountant or accounting firm shall include as a special item(s) any information to which a reasonable man would attach importance in the management of his own financial affairs, should said information not appear readily from the face of the statement.

The Association shall make available to Unit Owners, lenders, Mortgagees, insurers, or guarantors of any Mortgage current copies of any Condominium Instrument or any other rules concerning the project and the books, records and financial statements of the Association. For purposes of this section, the term "available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Any Mortgagee or any insurer or guarantor of a Mortgage shall be entitled, upon written request, to a financial statement of the immediately preceding fiscal year, free of charge to the party so requesting.

Any financial statement requested pursuant to this Article shall be furnished within a reasonable time following such request.

XXXIII. Severability

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

XXXIV. Master Deed Binding Upon Grantor, Its Successor and Assigns, and Subsequent Owners

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Unit and its appurtenant undivided interest in General and Limited Common Elements. This Master Deed and all easements reserved herein shall be binding upon Grantor, its successors and assigns, and upon all parties who may subsequently become Owners of Units in the Regime and their respective heirs, legal representative, and successors and assigns.

XXXV. Definitions

Unless otherwise defined herein, the definitions contained in the Act are hereby incorporated herein and made a part hereof by reference. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in Appendix A.

XXXVI. Limited Warranty

- A. Association. In the event of any Dispute concerning the condition of the Common Elements, Grantor's sole obligation, and the sole remedy of the Association, under this Limited Warranty, to the exclusion of all other remedies, is limited to the repair or replacement, at Grantor's option, of the defective condition of the work (the "Work") in accordance with the construction plans for the Regime (the "Plans") prepared by JHS Resort Design, Inc. (the "Architect"). Any portion of the Common Elements or the Regime not included in the Plans is sold "AS IS" without warranty. Association must give written notice to Grantor specifically describing the defect to be repaired or replaced no later than one (1) year following the date of issuance of the certificate of occupancy for the Regime (the "Warranty Period"). No warranty is given for matters as to which Grantor

does not receive written notice during the Warranty Period. Grantor assigns to Association all of Grantor's rights, as they pertain to the Common Elements or the Regime, under the limited warranty from Dargan Construction Services, LLC, d/b/a Dargan Construction Company LLC (the "Contractor"). Any correction, repair or replacement of the Work by Contractor shall satisfy Grantor's obligations under this Limited Warranty. Contractor's warranty is limited to the Work performed by the Contractor pursuant to the Plans and does not apply to any portion of the Common Elements or the Regime which has not been constructed by the Contractor.

The Limited Warranty set forth above is further subject to the Limitation of Remedies, Disclaimer and Exclusion of all other Warranties and Additional Warranty Exclusions set forth below, and the Arbitration Agreement set forth in Section XXXVI.C below.

1. Limitation of Remedies and Disclaimer and Exclusion of all Other Warranties

THE LIMITED WARRANTY PROVIDED ABOVE IS IN LIEU OF ALL OTHER WARRANTIES OF GRANTOR, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, WHICH GRANTOR HEREBY EXPRESSLY DISCLAIMS.

THIS LIMITED WARRANTY IS NONTRANSFERABLE AND IS PERSONAL ONLY TO THE ASSOCIATION.

AS TO ANY FURNITURE, FURNISHINGS OR OTHER PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNIT(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE GENERAL AND LIMITED COMMON ELEMENTS BY THE GRANT TO THE ASSOCIATION, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) AND AS TO ANY PORTION OF THE REGIME AND OTHER IMPROVEMENTS NOT CONSTRUCTED BY CONTRACTOR PURSUANT TO THE PLANS WHICH MAY BE CONTAINED IN THE COMMON ELEMENTS, GRANTOR NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, THE GRANTOR EXCLUDES ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

ASSOCIATION'S RIGHTS AGAINST CONTRACTOR ARE LIMITED SOLELY TO THE ASSIGNMENT OF LIMITED WARRANTY PROVIDED HEREIN. ASSOCIATION HAS NO CONTRACTUAL RELATIONSHIP WITH, AND NO RIGHTS AGAINST, ARCHITECT.

2. Additional Warranty Exclusions

- (a) Nail or screw pops or cracks in the walls and ceilings of the General and Limited Common Elements which do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components. To the extent that the Grantor may elect at its sole discretion to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Grantor, Contractor and Architect during the Warranty Period, Grantor, Contractor and Architect will not be liable for repainting, wallpapering or refinishing any repaired areas.
- (b) This Limited Warranty does not cover correction of the results of ordinary wear and tear, or damage due to misuse or neglect, negligence, or the Association's failure to provide proper maintenance to the General and Limited Common Elements or the Association's failure to perform maintenance as required by the manufacturer.
- (c) This Limited Warranty does not cover the individual Units.
- (d) This Limited Warranty does not extend to any item which has been modified or repaired by the Association or any items which are installed or constructed pursuant to a separate contract or agreement between the Association and any party other than Grantor.
- (e) This Limited Warranty specifically excludes any and all secondary, incidental or consequential damages caused by any defect or breach hereof.
- (f) No steps taken by Grantor, Contractor and Architect to correct defects shall act to extend the scope of duration of the Limited Warranty beyond the Warranty Period.
- (g) No representative of Grantor, Contractor, and Architect has the authority to expand or extend the scope of this Limited Warranty or to make verbal agreements with respect thereto.
- (h) All requests for correction pursuant to this Limited Warranty must be in written form and delivered to the Grantor at 3710 Landmark Drive, Suite 114, Columbia, South Carolina 29204.
- (i) This Limited Warranty is not assignable and any attempted assignment shall be null and void without Grantor's prior written consent.
- (j) In the event for any reason the arbitration provisions set forth in Section XXXVI.C below are not applied, Grantor and Association expressly waive all resort to trial by jury and all issues otherwise so triable arising out of this Limited Warranty.

- (k) The invalidity or ambiguity of any agreement, restriction, condition, reservation or any other provisions of this Limited Warranty shall not impair or affect in any manner the validity or effect of the remainder of this Limited Warranty.

- B. Unit Owners. By accepting a Unit in the Regime, each Owner thereof agrees that the terms and conditions of the unit limited warranty set forth below (the "Unit Limited Warranty") shall apply to any Disputes between any Owner and Grantor, but also to any Disputes between such Owner and Contractor, Architect, Drake Development Company USA or any other party concerning a Unit or any General or Limited Common Elements of the Regime.

In the event of any Dispute concerning the condition of the Unit, Grantor's sole obligation and Owner's sole remedy under this Unit Limited Warranty, to the exclusion of all other remedies, is limited to the repair or replacement, at Grantor's option, of the defective condition of Work in accordance with the Plans for the Regime prepared by the Architect. Any portion of the Unit or the Regime not included in the Plans is sold "AS IS" without warranty. Owner must give written notice to Grantor specifically describing the defect to be repaired or replaced within one (1) year after the date on which the Unit was initially purchased from Grantor (the "Unit Warranty Period"). No warranty is given for matters as to which Grantor does not receive written notice during the Unit Warranty Period. Grantor assigns to Owner all of Owner's rights, as they pertain to the Unit, under the limited warranty from Contractor. Any correction, repair or replacement of the Work by Contractor shall satisfy Grantor's obligations under this applicable Unit Limited Warranty. Contractor's warranty is limited to the Work performed by the Contractor pursuant to the Plans and does not apply to any portion of the Unit which has not been constructed by the Contractor.

The Unit Limited Warranty set forth above is further subject to the Limitation of Remedies, Disclaimer and Exclusion of all other Warranties, and Additional Warranty Exclusions set forth below, and the Arbitration Agreement set forth in Section XXXVI.C below.

1. Limitation of Remedies and Disclaimer and Exclusion of All Other Warranties

THIS UNIT LIMITED WARRANTY IS IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES OF GRANTOR, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, WHICH GRANTOR HEREBY EXPRESSLY DISCLAIMS.

THIS UNIT LIMITED WARRANTY IS NON-TRANSFERABLE AND IS PERSONAL ONLY TO THE ORIGINAL PURCHASER OF A UNIT FROM GRANTOR UNLESS APPROVAL IS OBTAINED FROM GRANTOR PRIOR TO TRANSFER.

AS TO ANY FURNITURE, FURNISHINGS, OR OTHER PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNITS(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE UNIT BY GRANTOR TO OWNER, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS), AND AS TO ANY PORTION OF THE REGIME AND OTHER IMPROVEMENTS NOT CONSTRUCTED BY CONTRACTOR PURSUANT TO THE PLANS, WHICH MAY BE CONTAINED IN THE PURCHASED UNIT, OR THE COMMON

ELEMENTS, GRANTOR NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES, EXPRESS OR IMPLIED, REPRESENTATIONS AND WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, GRANTOR EXCLUDES AND DISCLAIMS ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

OWNER'S RIGHTS AGAINST CONTRACTOR ARE LIMITED SOLELY TO THE ASSIGNMENT OF CONTRACTOR'S LIMITED WARRANTY PROVIDED HEREIN. OWNER HAS NO CONTRACTUAL RELATIONSHIP WITH, AND NO RIGHTS AGAINST, ARCHITECT.

2. Additional Warranty Exclusions

- (a) All chips, scratches or mars on items such as tile, walls, porcelain, glass (including breakage or cracks), plumbing fixtures, plastic laminate counter tops, granite or marble, must be noted on the inspection report required below, or else they will not be covered under this Unit Limited Warranty.
- (b) Faucet leaks, toilet door and door frame adjustments, floor and wall tile grouting are covered for a period of one (1) year after closing on the purchase from Grantor. Thereafter, any repairs or corrections become the sole responsibility of Owner.
- (c) Nail or screw pops or cracks in the walls and ceilings which do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components, are not covered. To the extent that Grantor may elect at its sole discretion to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Grantor during the Unit Warranty Period, Grantor will not be liable for repainting, wallpapering or refinishing any repaired areas.
- (d) This Unit Limited Warranty does not cover correction of the results of ordinary wear-and-tear, or damage due to misuse or neglect, negligence, or an Owner's or Association's failure to provide proper maintenance.
- (e) This Unit Limited Warranty does not cover damage arising from leaks or water infiltration at perimeter walls or ceilings.
- (f) This Unit Limited Warranty does not cover the General or Limited Common Elements of the Regime.
- (g) This Unit Limited Warranty does not cover any personal property, including without limitation any and all furniture or furnishings, conveyed by Grantor along with the Unit.
- (h) This Unit Limited Warranty does not extend to any item which has been modified or repaired by an Owner or any item which is installed or constructed pursuant to

a separate contract or agreement between an Owner and any party other than Grantor.

- (i) This Unit Limited Warranty specifically excludes any and all secondary, incidental or consequential damages caused by any defect or breach hereof.
- (j) No steps taken by Grantor to correct defects shall act to extend the scope or duration of this Unit Limited Warranty beyond the Unit Warranty Period.
- (k) No representative of Grantor has the authority to expand or extend the scope of this Unit Limited Warranty or to make verbal agreements with respect thereto.
- (l) All requests for correction pursuant to this Unit Limited Warranty must be in written form and shall be delivered to Grantor at 3710 Landmark Drive, Suite 114, Columbia, South Carolina 29204
- (m) This Unit Limited Warranty is not assignable and any attempted assignment shall be null and void without Grantor's prior written consent.
- (n) In the event for any reason the arbitration provisions set forth in Section XXXVI.C below are not applied, Grantor and each Owner expressly waive all resort to trial-by-jury of any and all issues otherwise so triable arising out of this Unit Limited Warranty.
- (o) The invalidity or ambiguity of any agreement, restriction, condition, reservation, or any other provision of this Unit Limited Warranty shall not impair or affect in any manner the validity or effect of the remainder of this Unit Limited Warranty.

- C. Arbitration Agreement. Any and all claims under the Limited Warranty set forth in Section XXXVI.A and the Unit Limited Warranty set forth in Section XXXVI.B above against Grantor, Contractor, Architect, Drake Development Company USA or any broker or sales agent, or any officers, directors, managers, members, agents, employees or representatives thereof, shall be subject to the following arbitration provision:

ANY DISPUTE (AS DEFINED BELOW) BETWEEN THE PARTIES SHALL BE SUBJECT TO MANDATORY ARBITRATION, AT THE REQUEST OF ANY PARTY, WHETHER MADE BEFORE OR AFTER INSTITUTION OF ANY JUDICIAL PROCEEDING, PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF IT IS DEEMED NOT TO APPLY, THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET. SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA. The term "Dispute" shall mean any dispute, claim or controversy of any nature whatsoever asserted by (i) any Person that now has or hereafter acquires any interest in a Unit, (ii) the Grantor or Developer, (iii) the Association or any corporation or other entity formed to serve as Unit Owners' association, (iv) any Person that has previously or hereafter supplied (directly or indirectly) labor, materials, design services, equipment or other things of value in connection with the construction or maintenance of any Unit or the Common Elements, (v) any heir, successor, delegatee or assignee of any such Persons, (vi) any broker or sales agent, or (vii) any officers, directors, managers, members, agents, employees or representatives of the foregoing, including without limitation:

1. any dispute, claim or controversy arising out of or relating to this Master Deed;

2. any dispute, claim or controversy arising out of or relating to the Common Elements, the condition of the Units, the Common Elements or any alleged defect in the Units or Common Elements, or in the property on which the Units or Common Elements are located;
3. any dispute, claim or controversy concerning any aspect of the Regime, including the condition of the Common Elements or any alleged defect in the Common Elements of the Regime;
4. any dispute, claim or controversy concerning the conveyance of the Units or the Common Elements; and
5. any other dispute, claim or controversy which concerns the Units, the Common Elements, the Regime (including the Common Elements) or their surrounding land or environment in any manner, whether or not based on or relating to this Agreement.

Without limiting the generality of the foregoing, Disputes which are subject to arbitration under this Section shall include Disputes based on alleged breach of contract, Disputes based on alleged negligent or intentional misrepresentation or non-disclosure in the Inducement of a contract or in the execution or performance of a contract, Disputes concerning alleged breach of any alleged duty of good faith and fair dealing, Disputes under the Limited Warranty set forth in Section XXXVI.A and the Unit Limited Warranty set forth in Section XXXVI.B above, and Disputes concerning the design, construction or condition of the Units, the Common Elements, the Regime (including the Common Elements) or the surrounding subdivision or environment. Disputes subject to arbitration hereunder also include all disputes, claims and controversies alleging negligence, gross negligence, reckless conduct, intentional conduct, breach of implied warranty of habitability or any other basis or theory of liability whatsoever. The parties confirm their intention that this arbitration paragraph be construed liberally to give effect to the parties' desire that all Disputes between the parties of every nature whatsoever be subject to arbitration. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes include disagreement as to whether a matter is subject to arbitration, claims brought as class actions, and claims arising from documents executed in the future.

Arbitration shall be conducted under and governed by the Construction Industry Arbitration Rules of the American Arbitration Association (the "AAA"). All applicable statutes of limitation shall apply to a Dispute. As a condition precedent to arbitration, the dispute shall first be mediated in accordance with the Construction Industry Mediation Rules of the AAA, or such other mediation service selected by us. The arbitration proceedings shall be conducted in the Horry County, South Carolina, on an expedited basis before a neutral arbitrator who is a member of the Bar of the State of South Carolina, and has been actively engaged in the practice of law for at least 15 years, specializing in commercial transactions with substantial experience in the subject matter of this Agreement. The arbitrator should be of recognized standing in South Carolina and need not necessarily be an attorney who generally serves as an arbitrator for AAA or otherwise. Any attorney who serves as an arbitrator shall be compensated at a rate equal to his or her current regular hourly billing rate. Upon the request of any party, the arbitrator's award shall include findings of fact and conclusions of law provided that such findings may be in summary form. Any party may seek review of the arbitrator's award before an arbitration review panel comprised of three arbitrators qualified in the same manner as the initial arbitrator (as set forth above) by submitting a written request to the AAA. The right of review shall be deemed waived unless requested in writing within ten (10) days of the delivery of the initial arbitrator's award. The

arbitration review panel shall be entitled to review all findings of fact and conclusions of law in whatever manner it deems appropriate and may modify the award of the initial arbitrator in its discretion. Unless otherwise deemed appropriate by the arbitrator(s), the prevailing party shall be entitled to an award of all reasonable out-of-pocket costs and expenses (including attorneys' and arbitrators' fees) related to the entire arbitration proceeding (including review if applicable). In the event that the arbitration provision herein is invalidated by a court of competent jurisdiction, Association, any Unit Owner and Grantor, binding their heirs, successors and assigns, agree that any and all Disputes which would have been subject to this arbitration provision shall be tried non-jury and further expressly agree that they hereby waive all resort to trial-by-jury of any and all issues otherwise so triable. Association, any Unit Owner and Grantor hereby consent to jurisdiction in South Carolina. This provision shall survive Closing and shall be binding on the heirs, successors and assigns of the parties.

THIS ARBITRATION PROVISION IS EXPRESSLY INTENDED TO BENEFIT AND BE ENFORCEABLE BY EACH PERSON REFERENCED HEREIN WHETHER OR NOT SUCH PERSON IS BOUND BY THIS ARBITRATION PROVISION. ANY ATTEMPT BY ANY SUCH PERSON TO ENFORCE THIS ARBITRATION PROVISION SHALL CONSTITUTE CONCLUSIVE CONSENT TO BE BOUND HEREBY. ANY CLAIM OR CAUSE OF ACTION NOT COVERED BY THIS ARBITRATION AGREEMENT SHALL BE COVERED BY ARTICLE XXXVII HEREIN.

- D. Acknowledgment. EACH OWNER, BY ACCEPTING A UNIT SUBJECT TO THE TERMS OF THIS MASTER DEED, ACKNOWLEDGES THE DISCLAIMERS OF IMPLIED WARRANTIES OF HABITABILITY WITH RESPECT TO THE UNITS AND ALL GENERAL AND LIMITED COMMON ELEMENTS AS SET FORTH HEREIN, AND ACKNOWLEDGES THAT SUCH DISCLAIMERS WERE SPECIFICALLY BARGAINED FOR BY GRANTOR.

XXXVII. Alternative Dispute Resolution

Any claim or cause of action not covered by the arbitration provisions of Article XXXVI shall be covered by the provisions of this Article:

A. Definitions Applicable to this Article XXXVII.

1. Bound Party. Includes: Grantor; all Owners; the Association and its officers, directors, and committee members, including any corporation or other entity formed to serve as the Association; all Persons subject to this Master Deed; any Person not otherwise subject to this Master Deed who agrees to submit to this Article; any Person that now has or hereafter acquires any interest in a Unit; the developer of the Regime; any Person that has previously or hereafter supplies (directly or indirectly) labor, materials, design services, equipment or other things of value in connection with the construction or maintenance of any Unit or Common Element in the Regime; any heir, successor, delegatee or assignee of any Person listed in this paragraph, any broker or sales agent, or any officers, directors, managers, members, agents, employees or representatives of the foregoing.
2. Dispute. For purposes of this Article XXXVII, the term "Dispute" refers to any claim, grievance or dispute arising out of or relating to (i) the interpretation, application, or enforcement of this Master Deed, including all documents attached thereto or incorporated by reference therein and; (ii) the rights, obligations, and duties of any Bound Party under the Master Deed, including all documents attached thereto or incorporated

by reference therein; and any other claim, grievance or dispute not otherwise subject to the arbitration provisions set forth in Article XXXVI above, except that the following shall not be considered a Dispute unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section B of this Article: (i) any suit by the Association to collect assessments or other amounts due from any Owner of a Unit; (ii) any suit between Owners, which does not include Grantor or the Association as a party, if such suit asserts a Dispute which would constitute a cause of action independent of the Master Deed; and (iii) any suit in which any indispensable party is not a Bound Party.

B. Arbitration.

1. ANY DISPUTE BETWEEN THE BOUND PARTIES SHALL BE SUBJECT TO MANDATORY ARBITRATION, AT THE REQUEST OF ANY BOUND PARTY, WHETHER MADE BEFORE OR AFTER INSTITUTION OF ANY JUDICIAL PROCEEDING, PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF IT IS DEEMED NOT TO APPLY, THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET. SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA.
2. Without limiting the generality of the foregoing, Disputes which are subject to arbitration under this Article XXXVII shall include Disputes based on alleged breach of contract, Disputes based on alleged negligent or intentional misrepresentation or non-disclosure in the inducement of a contract or in the execution or performance of a contract, Disputes concerning alleged breach of any alleged duty of good faith and fair dealing, disagreements as to whether a matter is subject to arbitration, claims brought as class actions, and claims arising from documents executed in the future, and all disputes, claims and controversies alleging negligence, gross negligence, reckless conduct, intentional conduct, breach of implied warranty of habitability or any other basis or theory of liability whatsoever. The Bound Parties confirm their intention that these arbitration provisions be construed liberally to give effect to the Bound Parties' desire that all Disputes between the Bound Parties of every nature whatsoever be subject to arbitration. Institution of a judicial proceeding by a Bound Party does not waive the right of that Bound Party to demand arbitration hereunder.
3. Arbitration shall be conducted under and governed by the Commercial Arbitration Rules of the AAA. All applicable statutes of limitation shall apply to a Dispute. As a condition precedent to arbitration, the Dispute shall first be mediated in accordance with the applicable Mediation Rules of the AAA, or such other mediation service selected by us. The arbitration proceedings shall be conducted in Horry County, South Carolina, on an expedited basis before a neutral arbitrator who is a member of the Bar of the State of South Carolina, and has been actively engaged in the practice of law for at least 15 years, specializing in commercial transactions with substantial experience in the subject matter of this Agreement. The arbitrator should be of recognized standing in South Carolina and need not necessarily be an attorney who generally serves as an arbitrator for AAA or otherwise. Any attorney who serves as an arbitrator shall be compensated at a rate equal to his or her current regular hourly billing rate. Upon the request of any Bound Party, the arbitrator's award shall include findings of fact and conclusions of law provided that such findings may be in summary form. Any Bound Party may seek review of the arbitrator's award before an arbitration review panel comprised of three arbitrators qualified in the same manner as the initial arbitrator (as set forth above) by submitting a written request to the AAA. The right of review shall be deemed waived unless requested in writing within ten (10) days of the delivery of the initial arbitrator's award. The

arbitration review panel shall be entitled to review all findings of fact and conclusions of law in whatever manner it deems appropriate and may modify the award of the initial arbitrator in its discretion. Unless otherwise deemed appropriate by the arbitrator(s), the prevailing party shall be entitled to an award of all reasonable out-of-pocket costs and expenses (including attorneys' and arbitrators' fees) related to the entire arbitration proceeding (including review if applicable). In the event that the arbitration provision herein is invalidated by a court of competent jurisdiction, Association, any Owner and Grantor, binding their heirs, successors and assigns, agree that any and all disputes which would have been subject to this arbitration provision shall be tried non-jury and further expressly agree that they hereby waive all resort to trial-by-jury of any and all issues otherwise so triable. Each Bound Party hereby consents to jurisdiction in South Carolina. This provision shall survive Closing and shall be binding on the heirs, successors and assigns of the Bound Parties.

4. THIS ARBITRATION PROVISION IS EXPRESSLY INTENDED TO BENEFIT AND BE ENFORCEABLE BY EACH BOUND PARTY WHETHER OR NOT SUCH PERSON IS BOUND BY THIS ARBITRATION PROVISION. ANY ATTEMPT BY ANY SUCH PERSON TO ENFORCE THIS ARBITRATION PROVISION SHALL CONSTITUTE CONCLUSIVE CONSENT TO BE BOUND HEREBY.

C. Association Claims. In addition to compliance with the foregoing arbitration procedures outlined in this Article, the Board shall not be authorized or obligated to and the Association shall not initiate any judicial or administrative proceeding unless first approved by a seventy-five percent (75%) affirmative vote of the entire Association membership, except that no such approval shall be required for actions or proceedings:

1. initiated to enforce the provisions of this Master Deed against an Owner or Occupant of any Unit or Common Element (excluding the provisions of the Limited Warranty and Unit Limited Warranty contained in Article XXXVI herein) including all documents attached hereto or incorporated by reference herein, including, but not limited to, collection of assessments and foreclosure of liens;
2. initiated to challenge property taxation or condemnation proceedings; or
3. to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section C shall not be amended unless such amendment is approved by one hundred percent (100%) of votes of the Association membership.

D. Waiver of Jury Trial. BY ACCEPTANCE OF A DEED TO ANY UNIT OR OTHER PROPERTY HEREUNDER, ASSOCIATION AND OWNER(S) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY HEREBY AGREE, THAT, TO THE EXTENT THE ARBITRATION PROVISIONS OF ARTICLES XXXVI AND XXXVII MAY BE DETERMINED BY A COURT NOT TO APPLY FOR ANY REASON:

1. NEITHER ANY OWNER NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF OWNER OR GRANTOR, SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, OR ANY OTHER LITIGATION PROCEDURE ARISING FROM OR BASED UPON THE MATTERS SET FORTH HEREUNDER, OR TO THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG THE GRANTOR, ITS

AGENTS, CONTRACTORS, SUBCONTRACTORS, ARCHITECTS, ENGINEERS AND THE OWNERS OR THE ASSOCIATION;

2. NEITHER ANY OWNER, NOR ASSOCIATION, NOR GRANTOR WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED;
3. NEITHER ANY OWNER, NOR ASSOCIATION, NOR GRANTOR HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND
4. THE PROVISIONS CONTAINED IN THIS ARTICLE ARE A MATERIAL INDUCEMENT FOR GRANTOR TO MAKE THE DECLARATIONS SET FORTH HEREIN.

XXXVIII. Safety & Gated Access to Regime

All Owners, by accepting title to a Unit, waive all rights of uncontrolled and unlimited access, ingress and egress to and from such Unit and acknowledge and agree that such access, ingress, and egress will be limited to roadways, sidewalks and walkways located within the Regime from time to time, provided that pedestrian and vehicular access to and from all such property will be provided at all times. There is reserved unto Grantor and the Association and their respective successors and assigns the right and privilege, but not the obligation, to maintain guarded or electronically-monitored gates controlling vehicular access to and from the Regime, provided that access may be granted to any Person who gives reasonable evidence satisfactory to entry guards, if there are any, that entry is with the specific permission of Owner or his duly authorized agent. Neither the Grantor nor the Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Regime in accordance with the foregoing.

NEITHER GRANTOR NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF ANY GATE OR CONTROLLED ACCESS TO THE REGIME OR SAFETY MEASURES UNDERTAKEN WITH RESPECT THERETO BY EITHER OR BOTH OF THEM AND WHETHER OR NOT SUCH ACTIVITIES OR UNDERTAKINGS ARE REFERRED TO AS "SECURITY" MEASURES, NOR SHALL EITHER OR BOTH BE LIABLE FOR ANY LOSS OF DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE CONTROLLED ACCESS OR SAFETY MEASURES, OR FROM LEAVING ANY GATE OPEN, AS PERMITTED UNDER THIS SECTION, OR FROM A FAILURE OR INEFFECTIVENESS OF ANY SUCH CONTROLLED ACCESS OR SAFETY MEASURES UNDERTAKEN BY EITHER OR BOTH OF THEM. NO REPRESENTATION, WARRANTY OR COVENANT IS GIVEN TO ANY OWNER OR OCCUPANT BY EITHER OR BOTH OF GRANTOR AND THE ASSOCIATION THAT ANY CONTROLLED ACCESS OR SAFETY MEASURES INSTALLED OR UNDERTAKEN CANNOT BE BYPASSED OR COMPROMISED OR THAT THEY WOULD, IN FACT, AVERT DAMAGE OR LOSS RESULTING FROM THAT WHICH THEY ARE DESIGNED TO PREVENT, AND EACH OWNER BY ACCEPTANCE OF A DEED TO A UNIT AND EACH OCCUPANT THEREOF SHALL INDEMNIFY AND HOLD GRANTOR AND ASSOCIATION HARMLESS FROM ANY DAMAGE AND COSTS AND EXPENSES, INCLUDING ATTORNEY FEES, INCURRED BY EITHER OR BOTH OF THEM AS A RESULT OF ANY SUCH ASSERTION OR DETERMINATION.

Notwithstanding anything herein contained to the contrary, Grantor hereby reserves unto itself, its successors and assigns, the right and option to control any gate, to the Regime and to leave the gate in

an open position for the unobstructed and uncontrolled passage of construction vehicles for Persons engaged in both infrastructure and building construction activities.

XXXIX. Prohibition on Time Shares

Notwithstanding anything herein to the contrary and subject to the proviso set forth below, no Unit shall be used for or subject to any type of Vacation Time Sharing Ownership Plan, Vacation Time Sharing Lease Plan, or Vacation Time Sharing Plan, as defined by the South Carolina Code of Laws, Section 27-32-10, et seq., as amended, or any subsequent laws of the State of South Carolina dealing with a vacation time share ownership or leasing plan, unless the Owner of said Unit has obtained the prior written approval of Grantor or, following the formation of the Association, the Board; provided, however, that upon the prior written approval of Grantor or, following the formation of the Association, the Board, any Unit may be owned by a partnership, limited liability company, tenants in common or other joint ownership arrangement, and all partners, members, managers, tenants in common or other joint owners shall have the right to use the Unit on such basis as the partners, members, managers, tenants in common or other joint owners, may agree; provided, that the total number of partners, members, tenants in common or other joint owners of such an entity may not exceed thirteen (13); and provided, further, that Grantor or the Board, as applicable, is notified in writing upon any change or proposed change in control of the underlying owners of any such Owner entity or joint ownership arrangement.

XL. Miscellaneous

- A. Attached hereto as Exhibit A, Legal Description.
- B. Attached hereto as Exhibit B, Plat & Elevation Certificate.
- C. Attached hereto as Exhibit C, Plot Plans.
- D. Attached hereto as Exhibit D, Table of Values.
- E. Attached hereto as Exhibit E, the Architect's Certificate required by S. C. Code Ann. § 27-31-110 (1976).
- F. Attached hereto as Exhibit F, Articles of the Association.
- G. Attached hereto as Exhibit G, the Bylaws of the Association, as required by S. C. Code Ann. § 27-31-150 (1976).

[Signature Page Follows]

EXHIBIT A

Description of Land

All and singular, those certain pieces, parcels or lots of land, situate, lying and being northeast of the City of Myrtle Beach, in the County of Horry, State of South Carolina, and being designated as Parcel 2 carved from Parcel 3-B, Egerton Acres, containing 1.21 acres of Uplands and 5.9 acres +/- of Saltwater Marsh, as more particularly shown on that certain plat entitled "Resurvey of a 7.1 +/- Acre Portion of Parcel 3-B, Egerton Acres, Horry County, South Carolina, prepared for Shoreclub, LTD" by Robert L. Bellamy & Associates, Inc., dated July 16, 1999, and recorded in the Office of the Register of Deeds for Horry County in Plat Book 164 at page 109 on July 29, 1999, reference to which is made for a more complete description of the Real Property.

EXHIBIT B

As-Built Survey & Elevation Certificate

The As-Built Survey attached hereto is a true and correct copy of the As-Built Survey for the Regime recorded January 29, 2008, in the Office of the Register of Deeds for Horry County in Plat Book 235 at page 63.

ELEVATION CERTIFICATE

OMB No. 1550-0008
Expires February 28, 2009

Important: Read the Instructions on pages 1-8.

SECTION A - PROPERTY INFORMATION		For Insurance Company Use:
A1. Building Owner's Name	SHORE CLUB LTD.	Policy Number
A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.	EDGERTON DRIVE	Company NAIC Number
City MYRTLE BEACH State SC ZIP Code 29562		
A3. Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.) TMS# 16S-03-33-006		

A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.) **RESIDENTIAL**

A5. Latitude/Longitude: Lat. 33-46-47.8 Long. 78-47-33.9 Horizontal Datum: NAD 1927 NAD 1983

A6. Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.

A7. Building Diagram Number 6

A8. For a building with a crawl space or enclosure(s), provide:

a) Square footage of crawl space or enclosure(s)	<u>1012</u> sq ft	A9. For a building with an attached garage, provide:	
b) No. of permanent flood openings in the crawl space or enclosure(s) walls within 1.0 foot above adjacent grade	<u>0</u>	a) Square footage of attached garage	<u>N/A</u> sq ft
c) Total net area of flood openings in A8.b	<u>0</u> sq ft	b) No. of permanent flood openings in the attached garage walls within 1.0 foot above adjacent grade	<u>N/A</u>
		c) Total net area of flood openings in A9.b	<u>N/A</u> sq ft

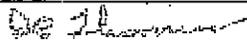
SECTION B - FLOOD INSURANCE RATE MAP (FIRM) INFORMATION					
B1. NFIP Community Name & Community Number	B2. County Name		B3. State		
HORRY COUNTY 450104	HORRY		SC		
B4. Map/Panel Number	B5. Suffix	B6. FIRM Index Date	B7. FIRM Panel Effective/Revised Date	B8. Flood Zone(s)	B9. Base Flood Elevation(s) (Zone AD, use base flood depth)
45051C0560	H	9-17-03	8-23-99	AE	14, 15

B10. Indicate the source of the Base Flood Elevation (BFE) data or base flood depth entered in item B9.
 FIS Profile FIRM Community Determined Other (Describe) _____

B11. Indicate elevation datum used for BFE in item B9: NGVD 1929 NAVD 1988 Other (Describe) _____

B12. Is the building located in a Coastal Barrier Resources System (CBRS) area or otherwise Protected Area (OPA)? Yes No
 Designation Date: _____ CBRS OPA

SECTION C - BUILDING ELEVATION INFORMATION (SURVEY REQUIRED)	
C1. Building elevations are based on:	<input checked="" type="checkbox"/> Construction Drawings* <input type="checkbox"/> Building Under Construction* <input type="checkbox"/> Finished Construction
*A new Elevation Certificate will be required when construction of the building is complete.	
C2. Elevations - Zones A1-A30, AE, AH, A (with BFE), VE, V1-V30, V (with BFE), AR, ARIA, ARIAE, AR/A1-A30, AR/AH, AR/AO. Complete items C2.a-g below according to the building diagram specified in item A7.	
Benchmark Used: <u>SCCG MON 5510 6</u> Vertical Datum: <u>NGVD 1929</u>	
Conversion/Comments: _____	
Check the measurement used.	
a) Top of bottom floor (including basement, crawl space, or enclosure floor)	<u>18.0</u> <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
b) Top of the next higher floor	<u>28.0</u> <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
c) Bottom of the lowest horizontal structural member (V Zones only)	<u>N/A</u> <input type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
d) Attached garage (top of slab)	<u>N/A</u> <input type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
e) Lowest elevation of machinery or equipment servicing the building (Describe type of equipment in Comments)	<u>42.0</u> <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
f) Lowest adjacent (finished) grade (LAG)	<u>10.0</u> <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)
g) Highest adjacent (finished) grade (HAG)	<u>20.3</u> <input checked="" type="checkbox"/> feet <input type="checkbox"/> meters (Puerto Rico only)

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION	
This certification is to be signed and sealed by a land surveyor, engineer, or architect authorized by law to certify elevation information. I certify that the information on this Certificate represents my best efforts to interpret the data available. I understand that any false statement may be punishable by fine or imprisonment under 18 U.S. Code, Section 1001.	
<input checked="" type="checkbox"/> Check here if comments are provided on back of form.	
Certifier's Name: DONALD E. THOMAS	License Number: SC 17575
Title: PROFESSIONAL LAND SURVEYOR	Company Name: ROBERT L. BELLAMY & ASSOCIATES
Address: 4706 OLEANDER DRIVE	City: MYRTLE BEACH State: SC ZIP Code: 29577
Signature: 	Date: 5-10-05 Telephone: 843-449-8453

POOR QUALITY DUE TO CONDITION OF ORIGINAL BATTERY V. SKIPPER, RMC

IMPORTANT: In these spaces, copy the corresponding information from Section A.	For Insurance Company Use:
Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No. EDGERTON DRIVE	Policy Number
City MYRTLE BEACH State SC ZIP Code 29582	Company NAIC Number

SECTION D - SURVEYOR, ENGINEER, OR ARCHITECT CERTIFICATION (CONTINUED)

Copy both sides of this Elevation Certificate for (1) community official, (2) insurance agent/company, and (3) building owner.

Comments BUILDING IS A MULTI-STORY CONDOMINIUM. THE LOWER THREE LEVELS ARE FOR PARKING AND THE DWELLING LEVELS START AT ELEV. +2.0.

W.O.# 2047-1

Signature <u>DeThorn</u>	Date 5-10-06	<input type="checkbox"/> Check here if attachments
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SECTION E - BUILDING ELEVATION INFORMATION (SURVEY NOT REQUIRED) FOR ZONE AO AND ZONE A (WITHOUT BFE)

For Zones AO and A (without BFE), complete Items E1-E5. If the Certificate is intended to support a LOMA or LOMR-F request, complete Sections A, B, and C. For Items E1-E4, use natural grade, if available. Check the measurement used. In Puerto Rico only, enter meters.

- E1. Provide elevation information for the following and check the appropriate boxes to show whether the elevation is above or below the highest adjacent grade (HAG) and the lowest adjacent grade (LAG).
 - a) Top of bottom floor (including basement, crawl space, or enclosure) is _____ feet meters above or below the HAG.
 - b) Top of bottom floor (including basement, crawl space, or enclosure) is _____ feet meters above or below the LAG.
- E2. For Building Diagrams B-3 with permanent flood openings provided in Section A Items B and/or B (see page 8 of Instructions), the next higher floor (elevation C2.b in the diagrams) of the building is _____ feet meters above or below the HAG.
- E3. Attached garage (top of slab) is _____ feet meters above or below the HAG.
- E4. Top of platform of machinery and/or equipment servicing the building is _____ feet meters above or below the HAG.
- E5. Zone AO only: If no flood depth number is available, is the top of the bottom floor elevated in accordance with the community's floodplain management ordinance? Yes No Unknown. The local official must certify this information in Section G.

SECTION F - PROPERTY OWNER (OR OWNER'S REPRESENTATIVE) CERTIFICATION

The property owner or owner's authorized representative who completes Sections A, B, and E for Zone A (without a FEMA-issued or community-issued BFE) or Zone AO must sign here. The statements in Sections A, B, and E are correct to the best of my knowledge.

Property Owner's or Owner's Authorized Representative's Name _____

Address _____ City _____ State _____ ZIP Code _____

Signature _____ Date _____ Telephone _____

Comments _____

Check here if attachments

SECTION G - COMMUNITY INFORMATION (OPTIONAL)

The local official who is authorized by law or ordinance to administer the community's floodplain management ordinance can complete Sections A, B, C (or E), and G of this Elevation Certificate. Complete the applicable item(s) and sign below. Check the measurement used in Items G2, and G9.

- G1. The information in Section C was taken from other documentation that has been signed and sealed by a licensed surveyor, engineer, or architect who is authorized by law to certify elevation information. (Indicate the source and date of the elevation data in the Comments area below.)
- G2. A community official completed Section E for a building located in Zone A (without a FEMA-issued or community-issued BFE) or Zone AO.
- G3. The following information (Items G4-G9) is provided for community floodplain management purposes.

G4. Permit Number _____	G5. Date Permit Issued _____	G6. Date Certificate Of Compliance/Occupancy Issued _____
-------------------------	------------------------------	---

G7. This permit has been issued for: New Construction Substantial Improvement

G8. Elevation of as-built lowest floor (including basement) of the building: _____ feet meters (PR) Datum _____

G9. BFE or (in Zone AO) depth of flooding at the building site: _____ feet meters (PR) Datum _____

Local Official's Name _____ Title _____

Community Name _____ Telephone _____

Signature _____ Date _____

Comments _____

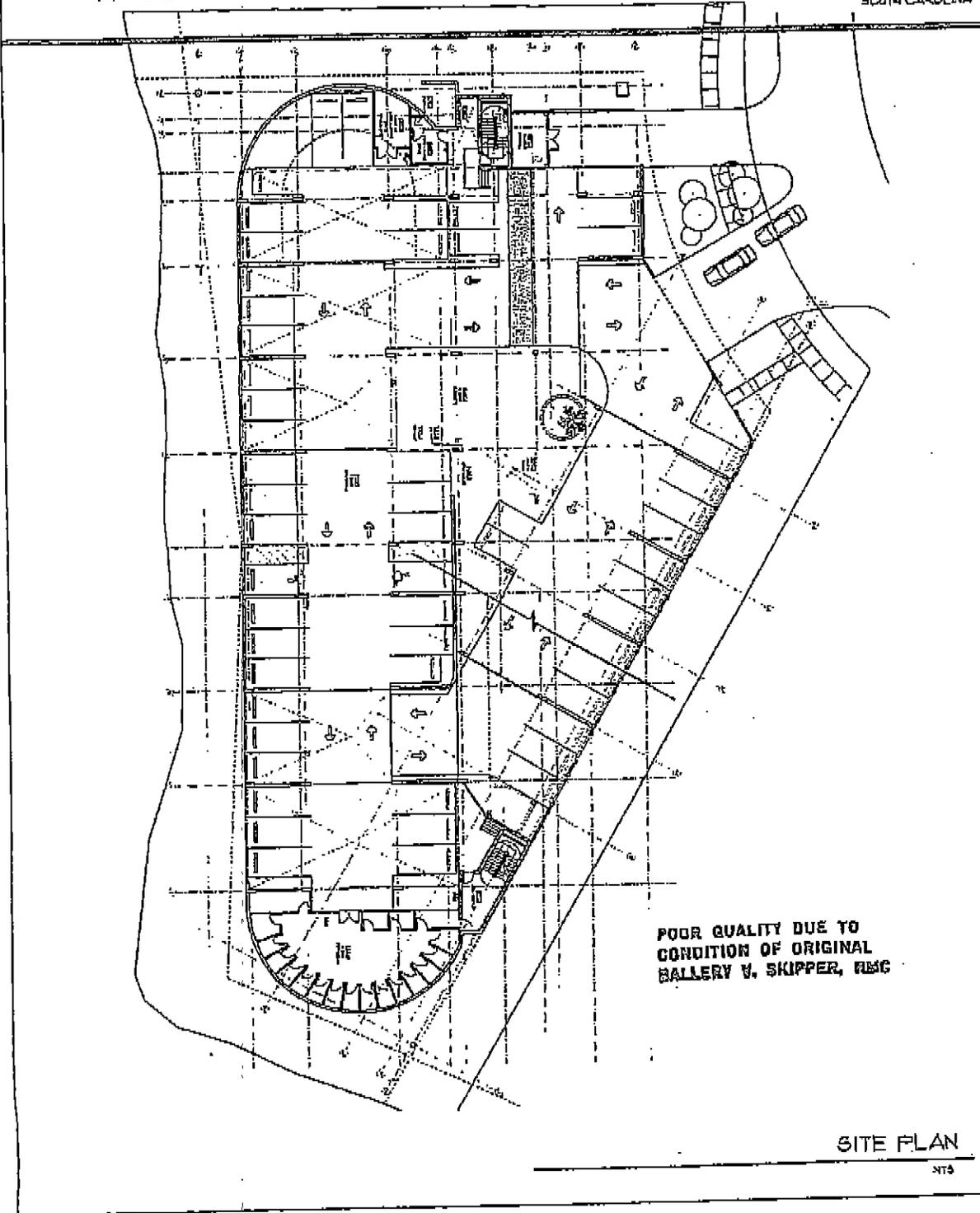
Check here if attachments

EXHIBIT C

**Plot Plans, consisting of
Site Plan, Floor Plans, Unit Plans and Elevations**

THE POINTE

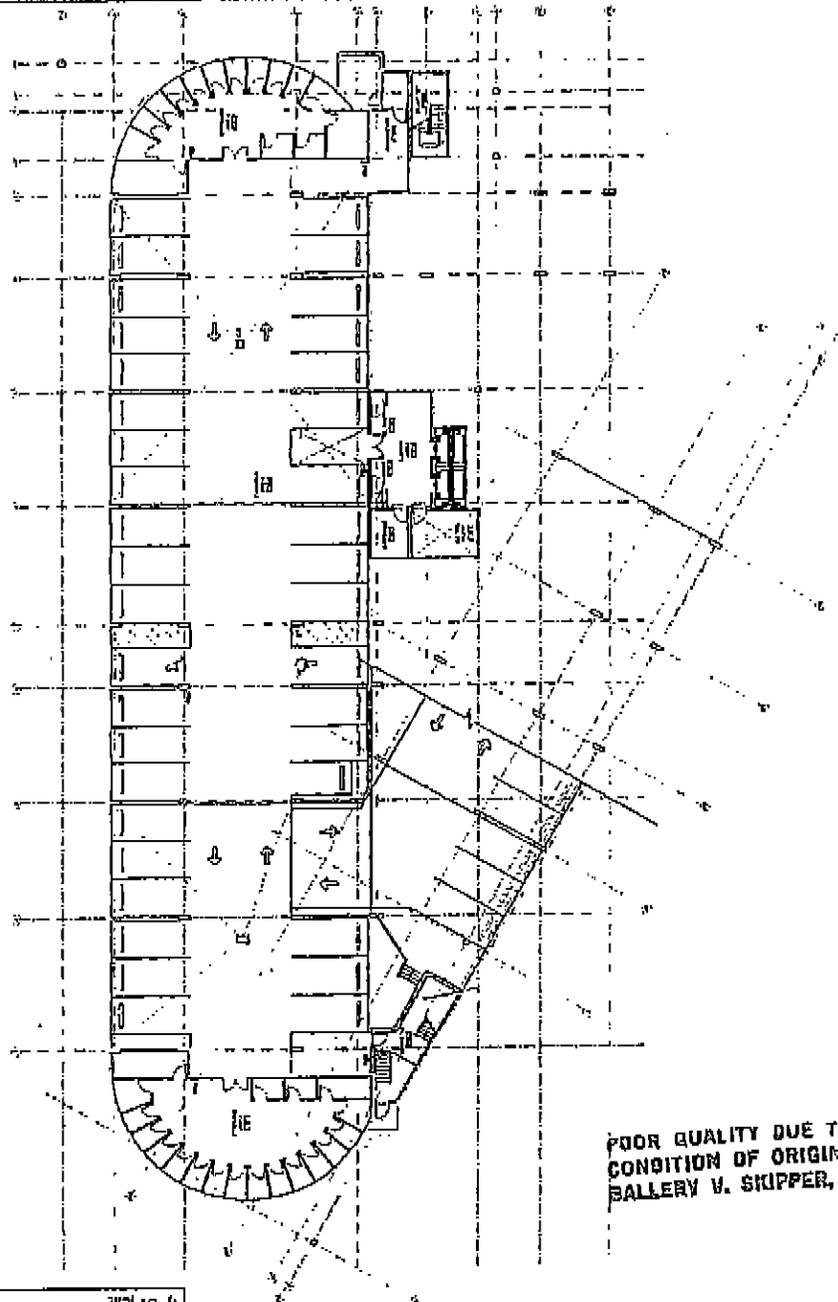
HORRY COUNTY-HYRILE BEACH
SOUTH CAROLINA



POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMC

SITE PLAN

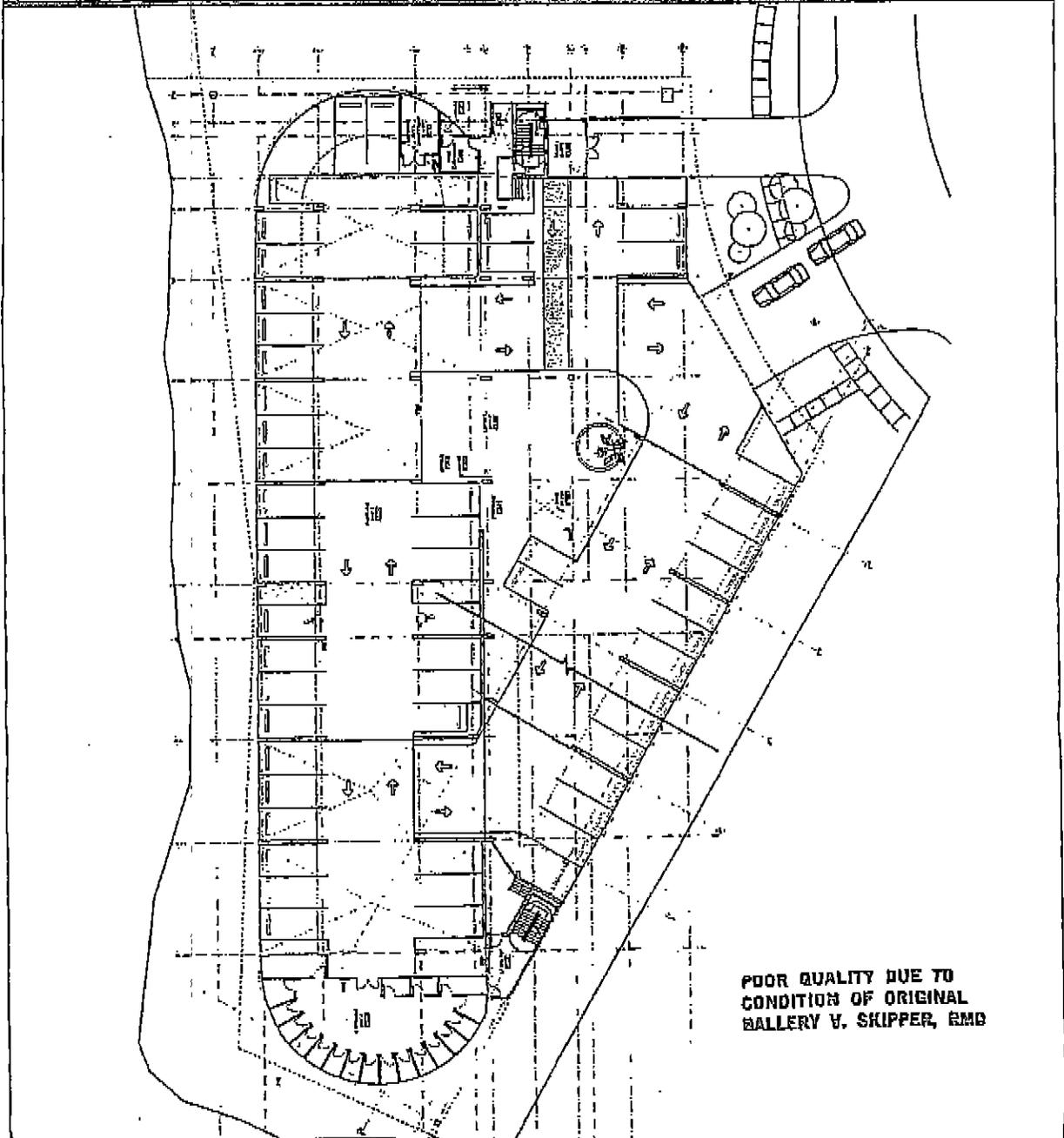
NTS



POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMB

COMMON AREA	2151 sq. ft.
COMMERCIAL AREA	0 sq. ft.
RESIDENTIAL AREA	0 sq. ft.
RESIDENTIAL LIMITED COMMON AREA	0 sq. ft.
TOTAL AREA	2151 sq. ft.

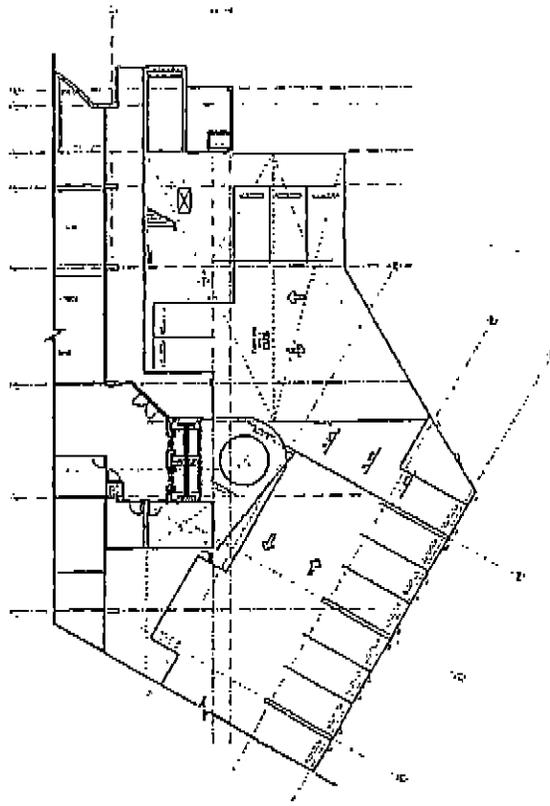
PARKING LEVEL ONE



POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMD

□ COMMON AREA	10193 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	0 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	0 sq. ft.
TOTAL AREA	10193 sq. ft.

PARKING LEVEL TWO



POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

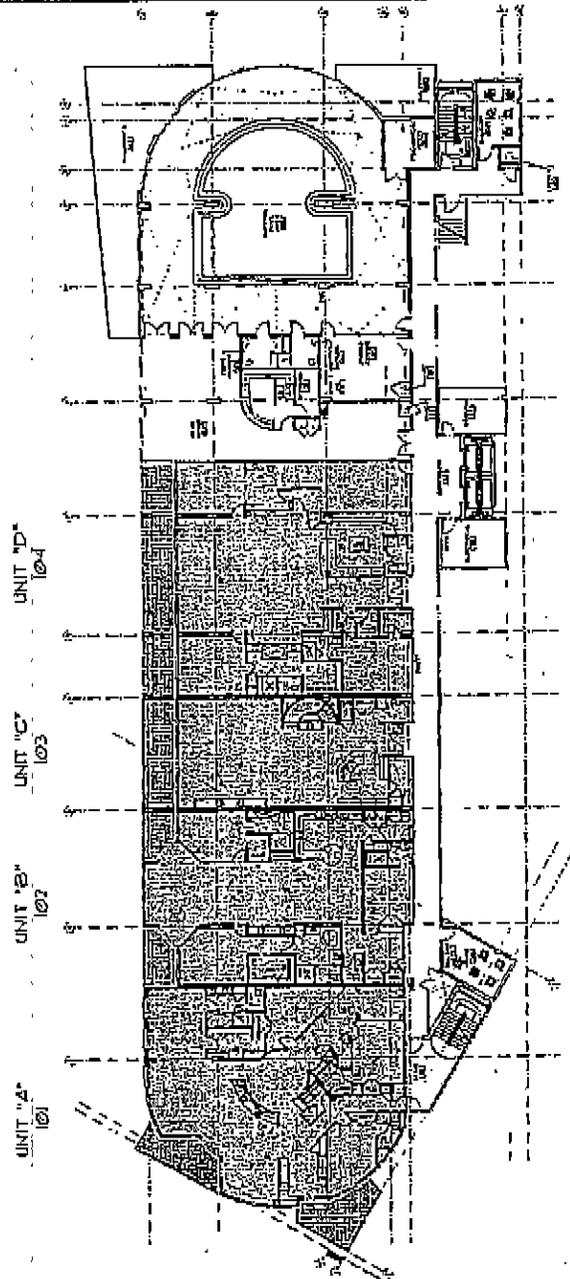
COMMON AREA	0222 sq. ft.
COMMERCIAL AREA	0 sq. ft.
RESIDENTIAL AREA	0 sq. ft.
RESIDENTIAL LIMITED COMMON AREA	0 sq. ft.
TOTAL AREA	0222 sq. ft.

PARKING LEVEL THREE

NTS

THE POINTE

HORRY COUNTY-MYRTLE BEACH
SOUTH CAROLINA

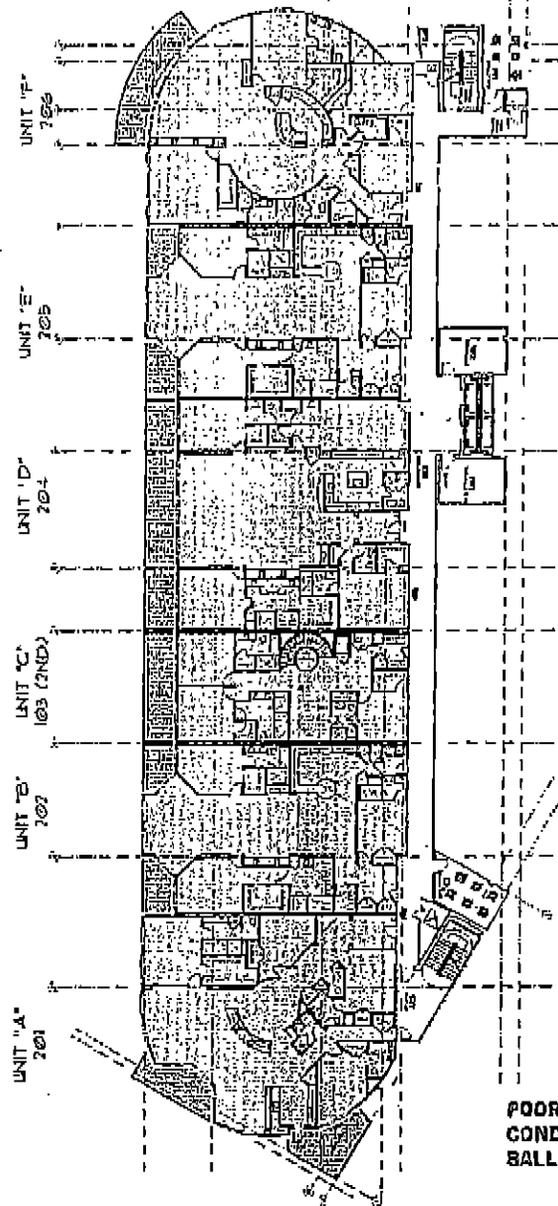


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMD

□ COMMON AREA	12470 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	10383 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	658 sq. ft.
TOTAL AREA	22277 sq. ft.

BUILDING LEVEL ONE

N16



□ COMMON AREA	3365 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	16136 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	7189 sq. ft.
TOTAL AREA	20290 sq. ft.

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMG

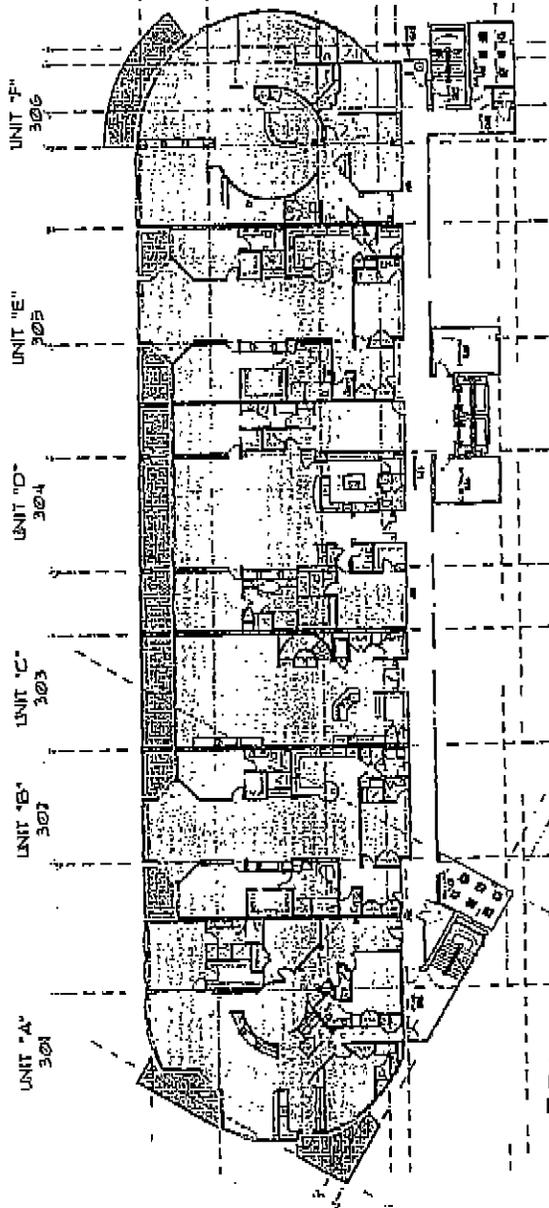
BUILDING LEVEL TWO

NTS

THE POINTE

GRAPHIC DESCRIPTION
PAGE 7 TO 25

HOBBS COUNTY-MYRTLE BEACH
SOUTH CAROLINA

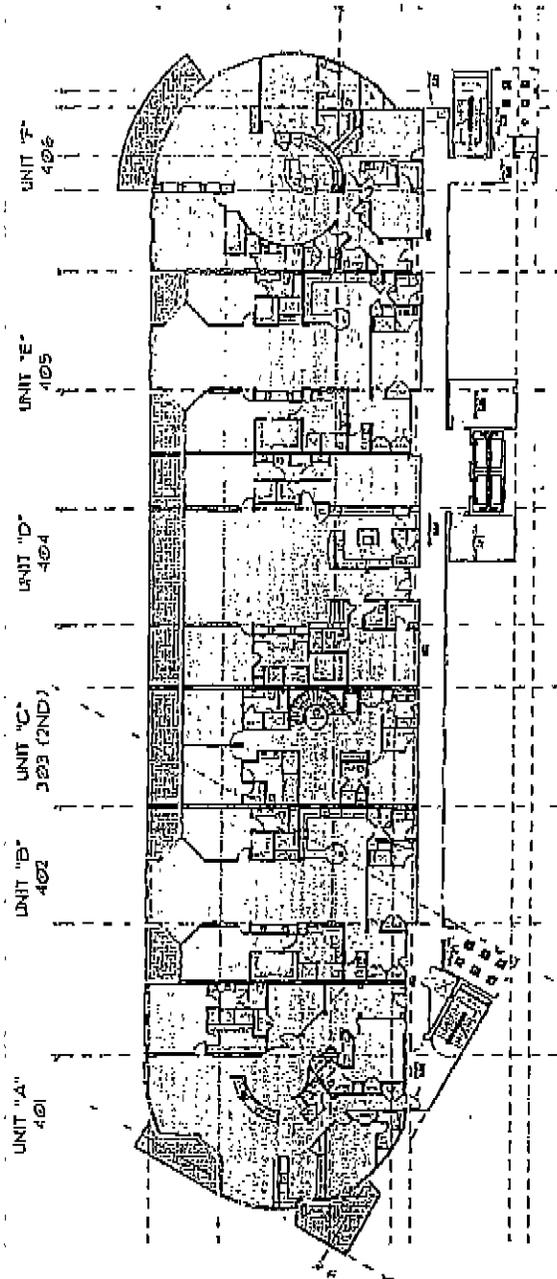


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMC

COMMON AREA	3207 sq. ft.
COMMERCIAL AREA	0 sq. ft.
RESIDENTIAL AREA	16170 sq. ft.
RESIDENTIAL UNITS COMMON AREA	1700 sq. ft.
TOTAL AREA	21377 sq. ft.

BUILDING LEVEL THREE

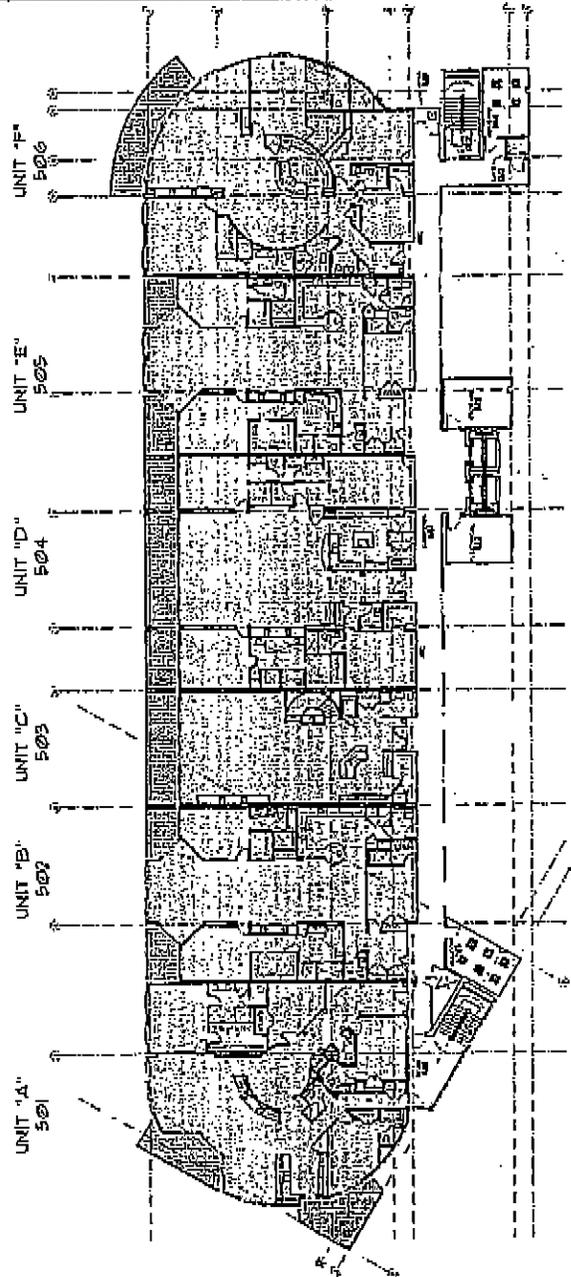
NTS



□ COMMON AREA	3269 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	10150 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	7150 sq. ft.
TOTAL AREA	21379 sq. ft.

BUILDING LEVEL FOUR

NTS

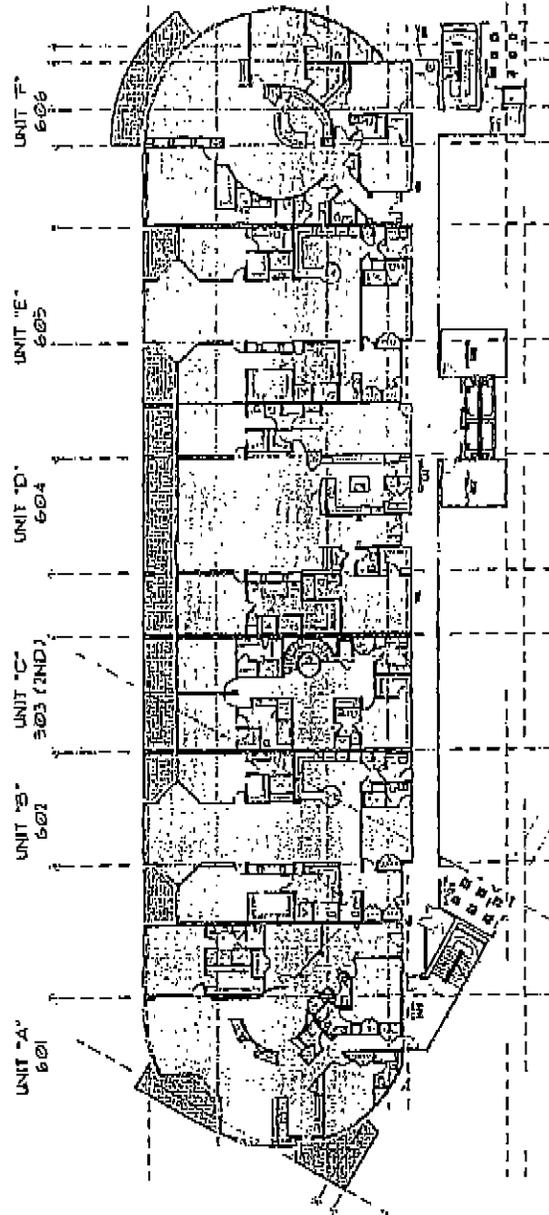


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMC

□ COMMON AREA	3387 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	16115 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	1150 sq. ft.
TOTAL AREA	20252 sq. ft.

BUILDING LEVEL FIVE

NTS

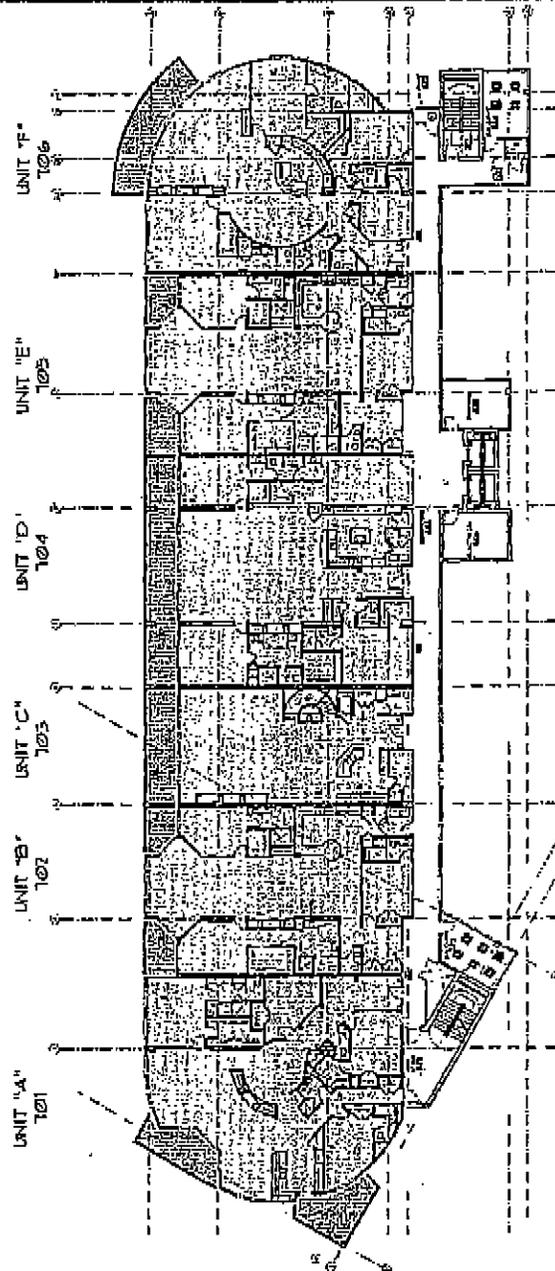


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

COMMON AREA	3365 sq. ft.
COMMERCIAL AREA	0 sq. ft.
RESIDENTIAL AREA	16186 sq. ft.
RESIDENTIAL LIMITED COMMON AREA	1756 sq. ft.
TOTAL AREA	18327 sq. ft.

BUILDING LEVEL SIX

NTB

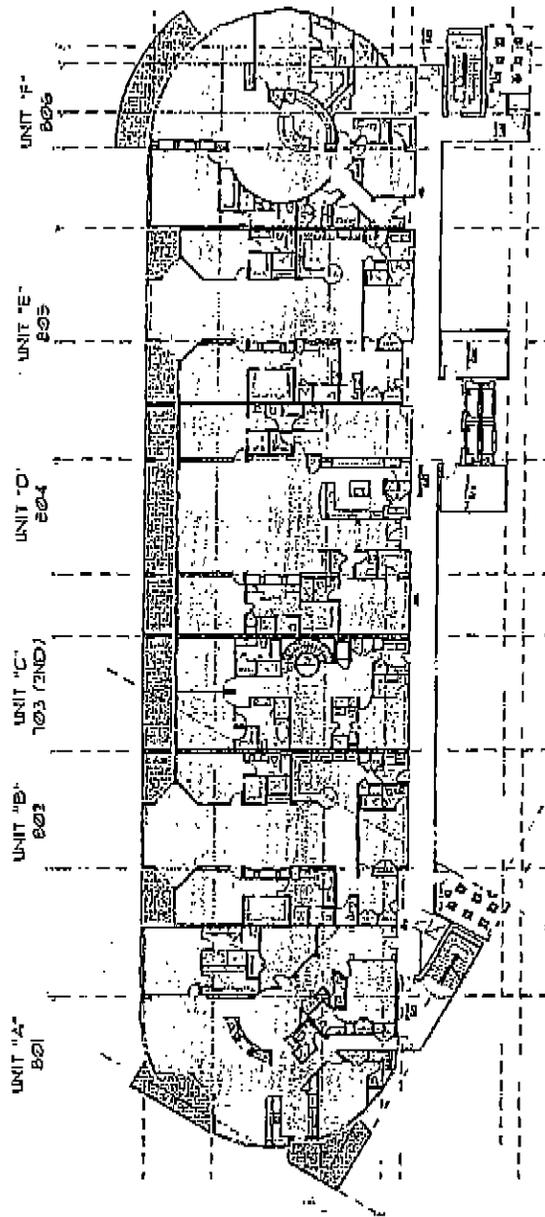


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMB

□ COMMON AREA	3327 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	16176 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	1768 sq. ft.
TOTAL AREA	21273 sq. ft.

BUILDING LEVEL SEVEN

NTS

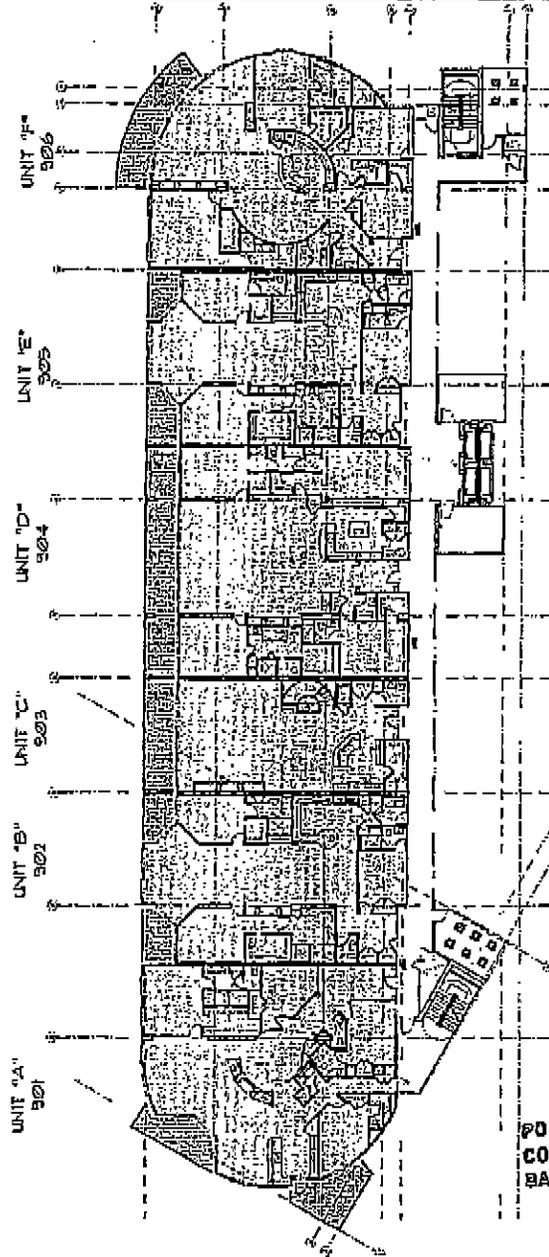


POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

□ COMMON AREA	3369 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	16126 sq. ft.
▧ RESIDENTIAL LIMITED COMMON AREA	1150 sq. ft.
TOTAL AREA	21273 sq. ft.

BUILDING LEVEL EIGHT

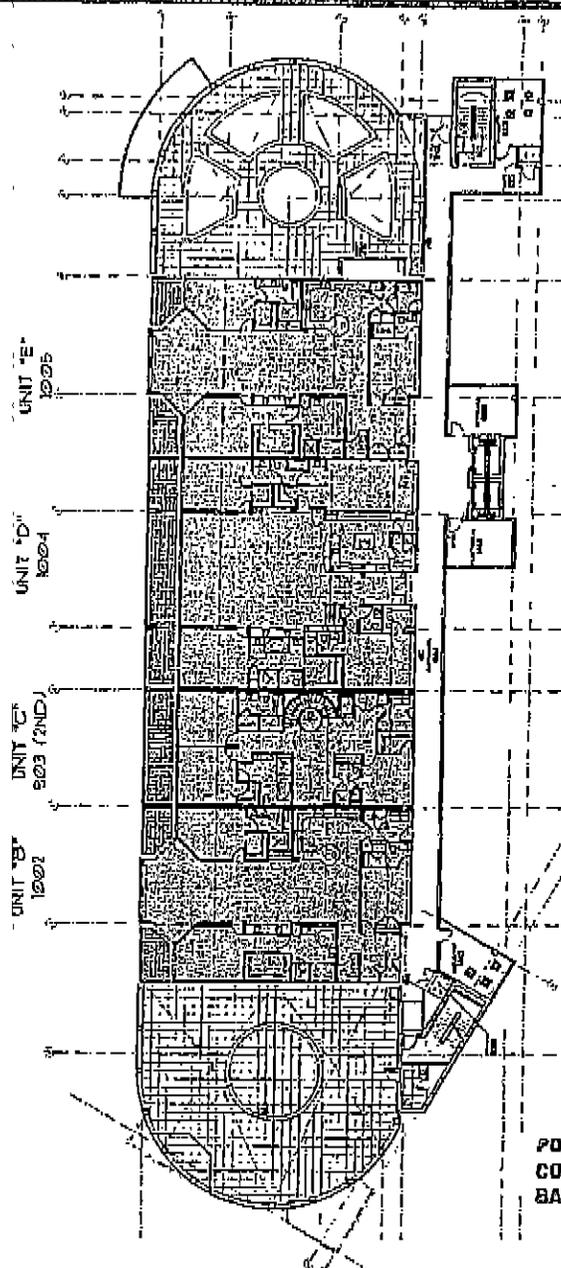
NTS



POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMB

□ COMMON AREA	3387 sq. ft.
▨ COMMERCIAL AREA	0 sq. ft.
▩ RESIDENTIAL AREA	10179 sq. ft.
▧ RESIDENTIAL LEASED COMMON AREA	1158 sq. ft.
TOTAL AREA	7623 sq. ft.

BUILDING LEVEL NINE

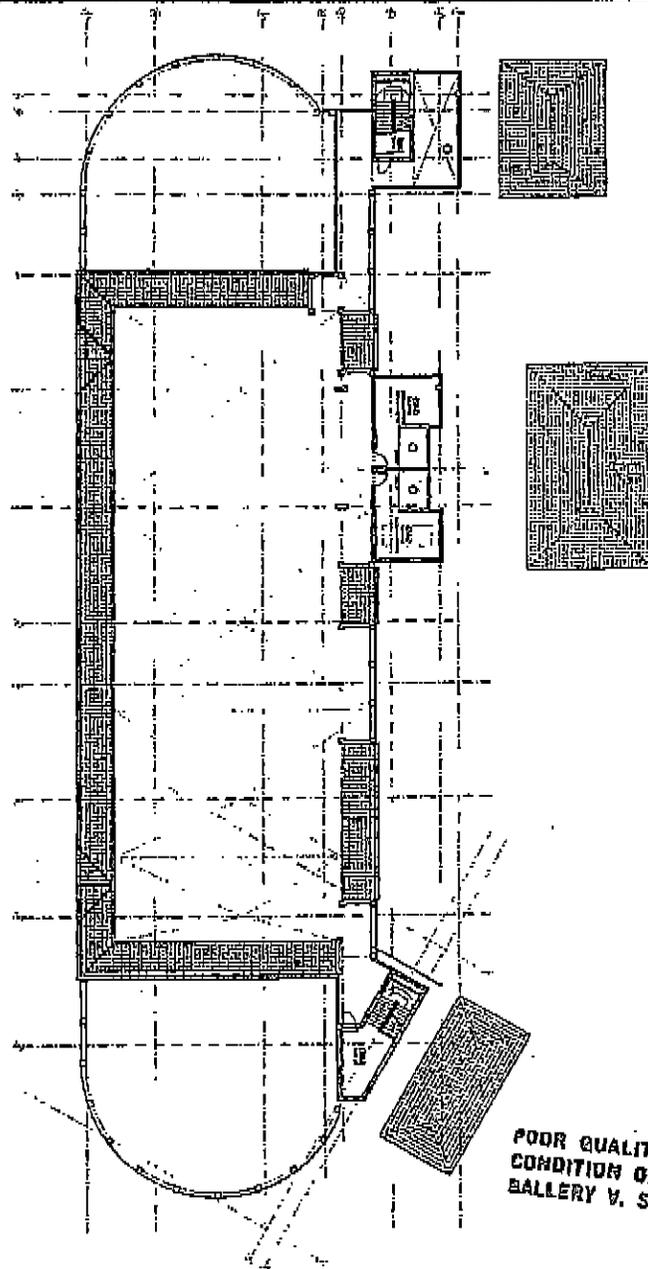


POOR QUALITY DUE TO
 CONDITION OF ORIGINAL
 BATTERY V. SKIPPER, RMS

□	COMMON AREA	3570 sq. ft.
▨	COMMERCIAL AREA	0 sq. ft.
▩	RESIDENTIAL AREA	4034 sq. ft.
▧	RESIDENTIAL LIMITED COMMON AREA	1083 sq. ft.
TOTAL AREA		7077 sq. ft.

BUILDING LEVEL TEN

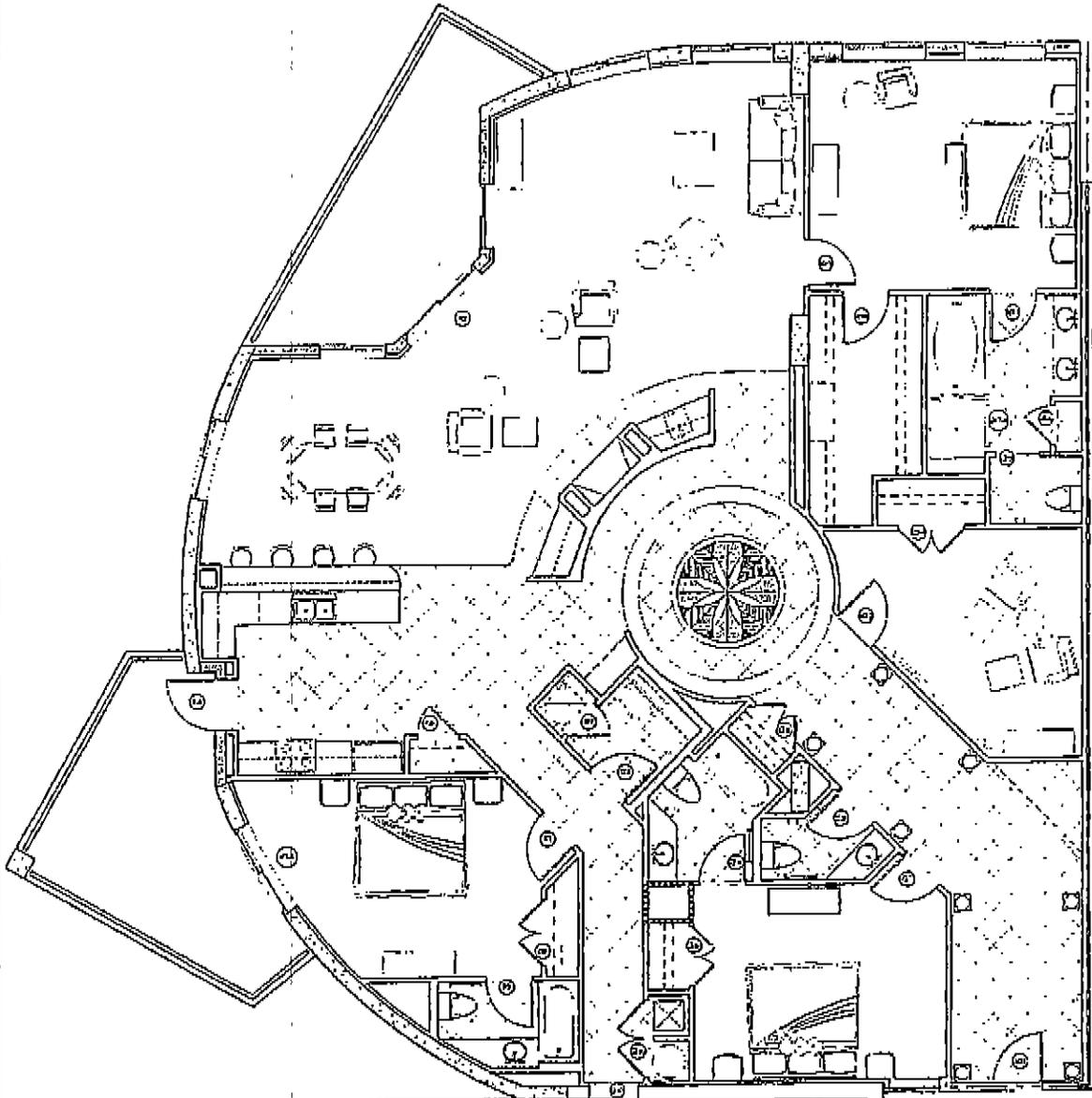
NTB



□	COTTAGE AREA	145-18 sq. ft.
▨	COMMERCIAL AREA	0 sq. ft.
▧	RESIDENTIAL AREA	0 sq. ft.
▩	RESIDENTIAL LIMITED COTTAGE AREA	0 sq. ft.
TOTAL AREA		145-18 sq. ft.

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMB

ROOF LEVEL



UNIT NUMBERS: 101, 201, 301, 401, 501, 601, 701, 801 & 901			
AREA SHOWN BY CALCULATING FROM UNDECORATED OR UNFINISHED INTERIOR OF PERIMETER WALLS, AS SHOWN ON PLAN.		AREA SHOWN USING STD. ARCHITECTURAL MEASURING METHODS FROM CENTER OF INTERIOR WALL TO OUTSIDE OF EXTERIOR WALL.	
HEATED	3074	HEATED	3007
BALCONY	313	BALCONY	313
TOTAL	3187	TOTAL	3320

UNIT "A" FLOOR PLAN

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

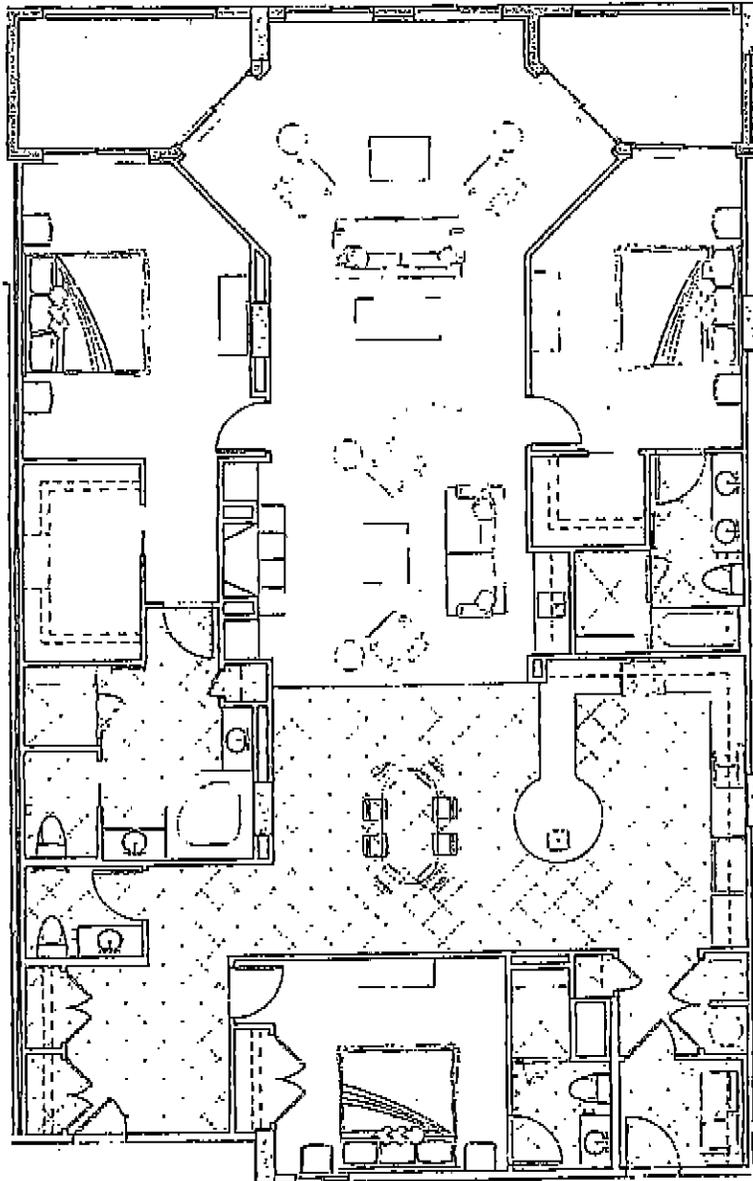
UNIT NUMBERS: 107, 207, 307, 407, 507,
607, 707, 807, 907 + 1001

AREA SHOWN BY CALCULATING FROM
UNDECORATED OR UNFINISHED
INTERIOR OF PERIMETER WALLS, AS
SHOWN ON PLAN.

HEATED	2443
BALCONY	177
TOTAL	2620

AREA SHOWN USING STD.
ARCHITECTURAL MEASURING
METHODS FROM CENTER OF
INTERIOR WALL TO OUTSIDE OF
EXTERIOR WALL.

HEATED	2568
BALCONY	182
TOTAL	2751



UNIT "B" FLOOR PLAN

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMB

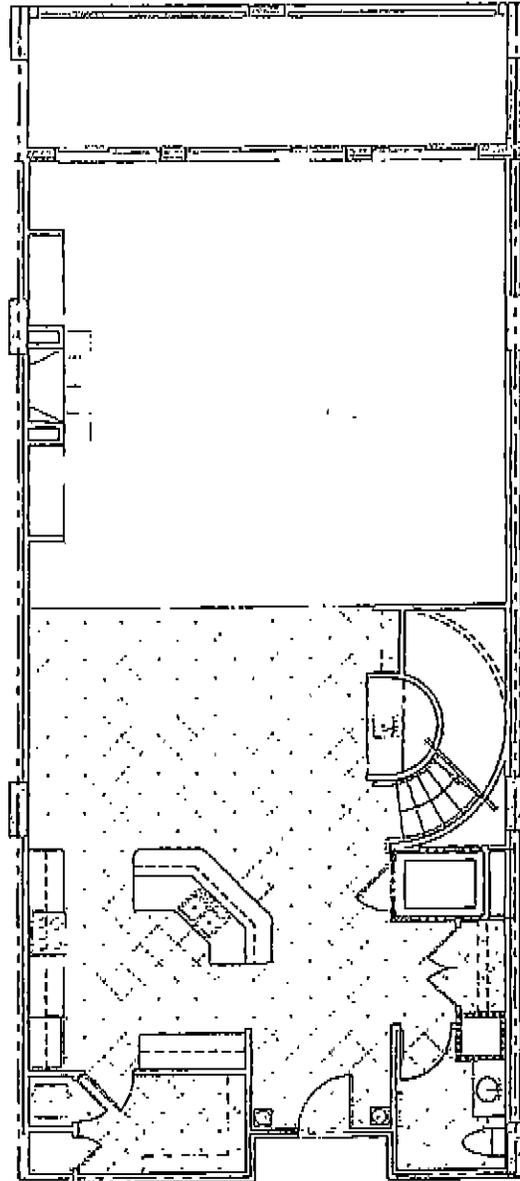
UNIT NUMBERS: 103, 303, 503, 703 + 903.

AREA SHOWN BY CALCULATING FROM UNDECORATED OR UNFINISHED INTERIOR OF PERIMETER WALLS, AS SHOWN ON PLAN.

HEATED	3039
BALCONY	432
TOTAL	3471

AREA SHOWN USING STD. ARCHITECTURAL MEASURING METHODS FROM CENTER OF INTERIOR WALL TO OUTSIDE OF EXTERIOR WALL.

HEATED	3250
BALCONY	448
TOTAL	3698



UNIT "C" FLOOR PLAN

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

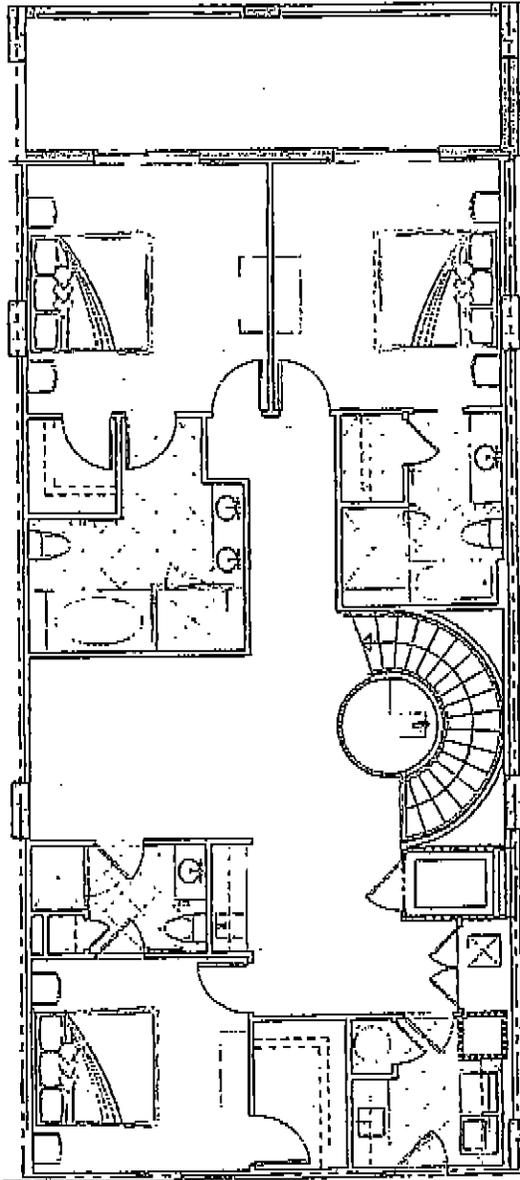
UNIT NUMBERS 103 (2ND), 303 (2ND),
503 (2ND), 703 (2ND) + 803 (2ND)

AREA SHOWN BY CALCULATING FROM
UNDECORATED OR UNFINISHED
INTERIOR OF PERIMETER WALLS, AS
SHOWN ON PLAN.

HEATED 3038
BALCONY 432
TOTAL 3471

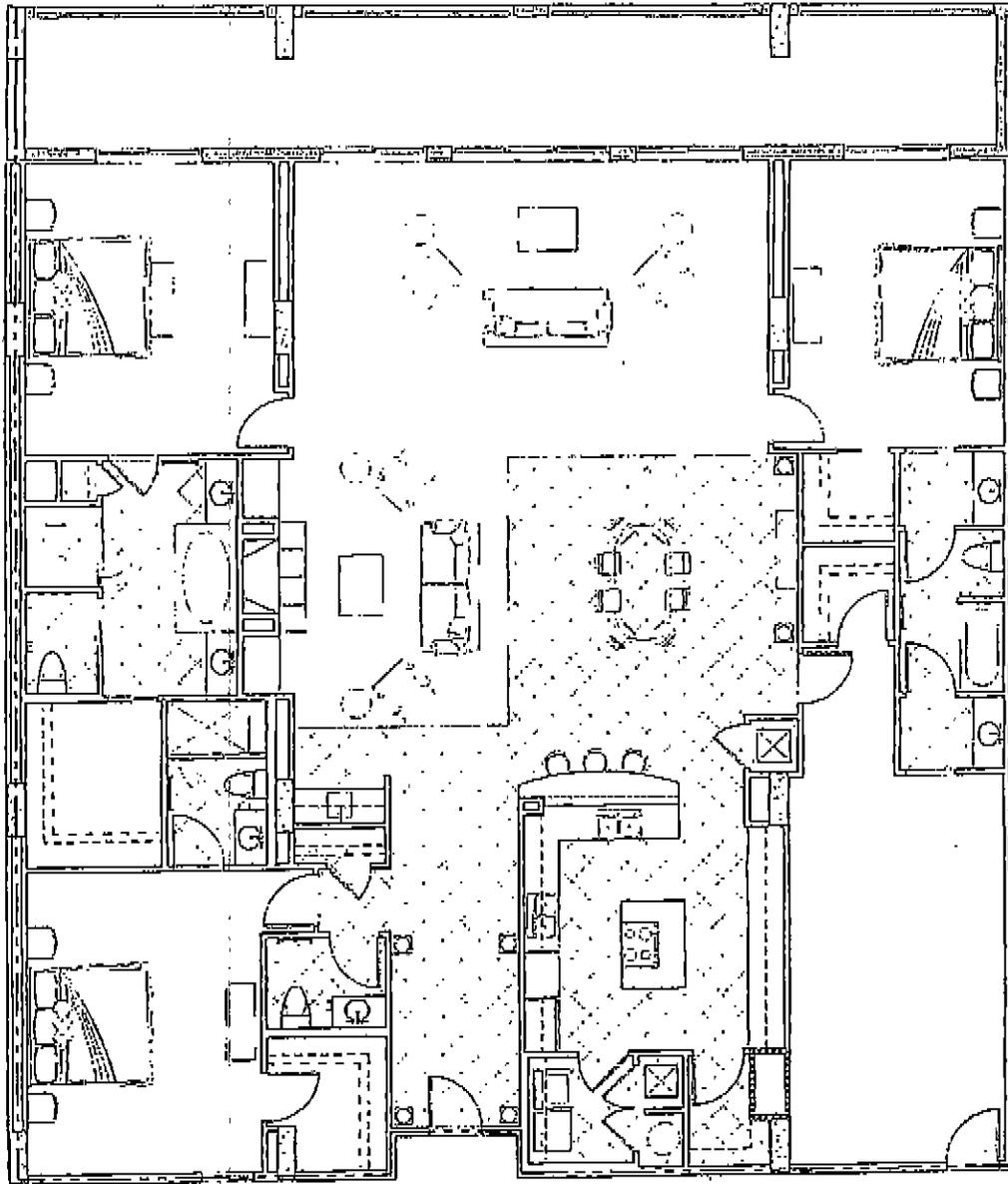
AREA SHOWN USING STD.
ARCHITECTURAL MEASURING
METHODS FROM CENTER OF
INTERIOR WALL TO OUTSIDE OF
EXTERIOR WALL.

HEATED 3250
BALCONY 448
TOTAL 3698



UNIT "C" UPPER FLOOR PLAN

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, RMB



UNIT "D" FLOOR PLAN

UNIT NUMBERS: 104, 104, 304, 404, 504, 604, 704, 804, 904 & 1004.	
AREA SHOWN BY CALCULATING FROM UNDECORATED OR UNFINISHED INTERIOR OF PERIMETER WALLS, AS SHOWN ON PLAN.	AREA SHOWN USING STD. ARCHITECTURAL MEASURING METHODS FROM CENTER OF INTERIOR WALL TO OUTSIDE OF EXTERIOR WALL.
HEATED..... 5138	HEATED..... 3272
BALCONY..... 440	BALCONY..... 451
TOTAL..... 5578	TOTAL..... 3723

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

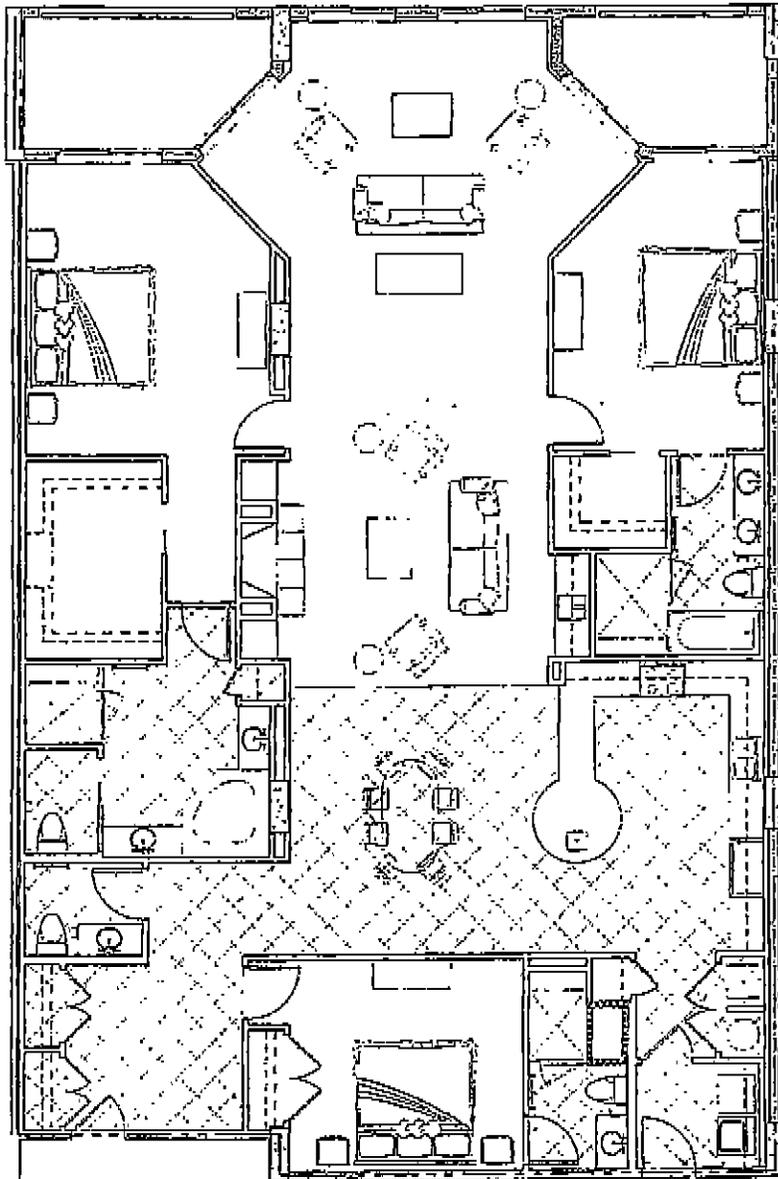
UNIT NUMBERS: 305, 308, 405, 505,
605, 705, 805, 905 & 1005.

AREA SHOWN BY CALCULATING FROM
UNDECORATED OR UNFINISHED
INTERIOR OF PERIMETER WALLS, AS
SHOWN ON PLAN.

HEATED	3492
BALCONY	184
TOTAL	3676

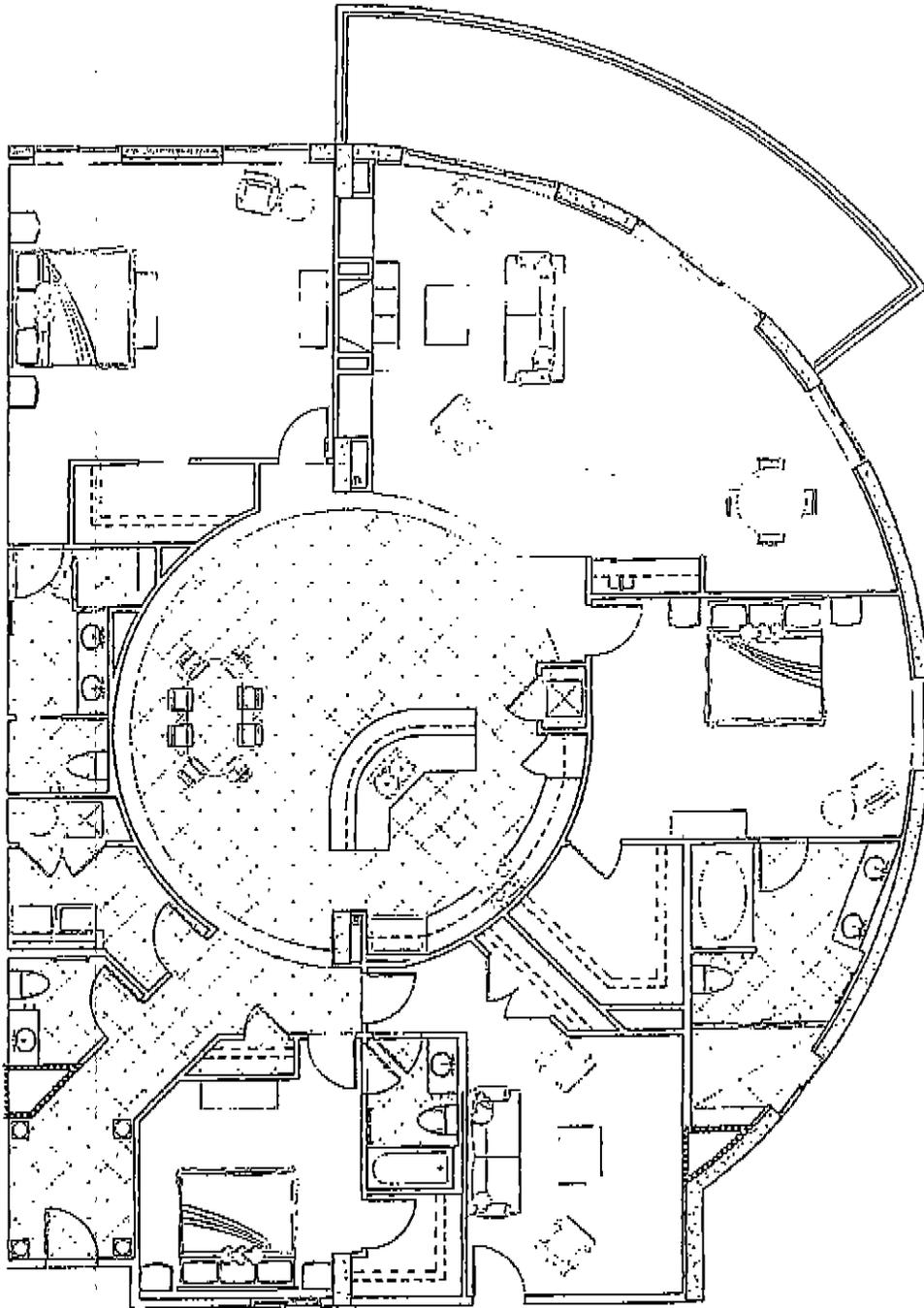
AREA SHOWN USING STD.
ARCHITECTURAL MEASURING
METHODS FROM CENTER OF
INTERIOR WALL TO OUTSIDE OF
EXTERIOR WALL.

HEATED	2619
BALCONY	189
TOTAL	2808



UNIT "E" FLOOR PLAN

UNIT NUMBERS: 706, 306, 406, 506, 606, 106, 806 + 906.	
AREA SHOWN BY CALCULATING FROM UNDECORATED OR UNFINISHED INTERIOR OF PERIMETER WALLS, AS SHOWN ON PLAN.	
HEATED	2927
BALCONY	284
TOTAL	3211
AREA SHOWN USING STD. ARCHITECTURAL MEASURING METHODS FROM CENTER OF INTERIOR WALL TO OUTSIDE OF EXTERIOR WALL.	
HEATED	3100
BALCONY	284
TOTAL	3384

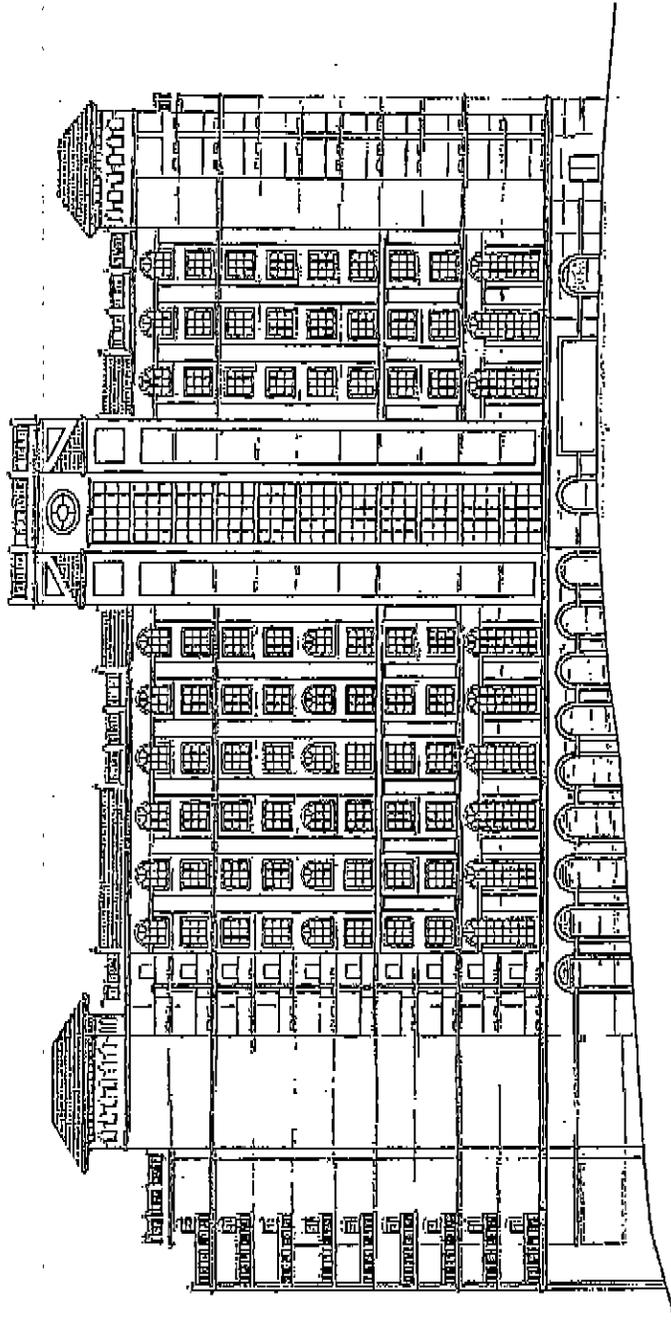


UNIT "F" FLOOR PLAN

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMC

THE POINTE

HORRY COUNTY-HYDRE BEACH
SOUTH CAROLINA

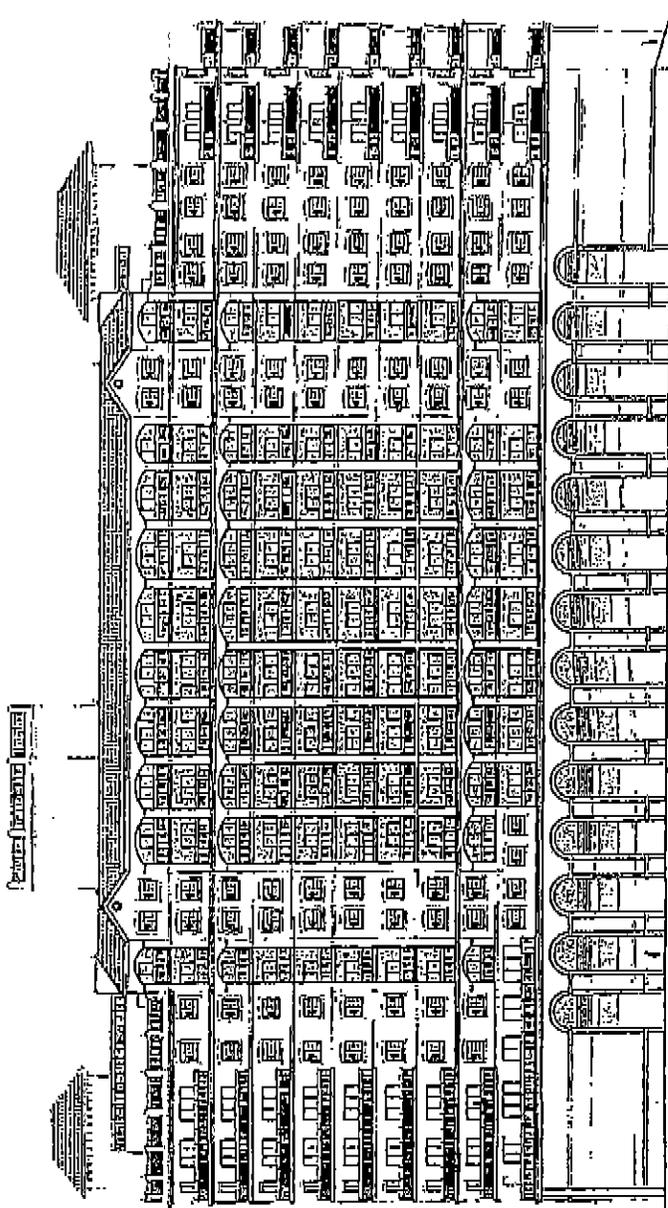


EAST ELEVATION
HTS

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
GALLERY V. SKIPPER, RMB

THE POINTE

HORRY COUNTY - MYRTLE BEACH
SOUTH CAROLINA



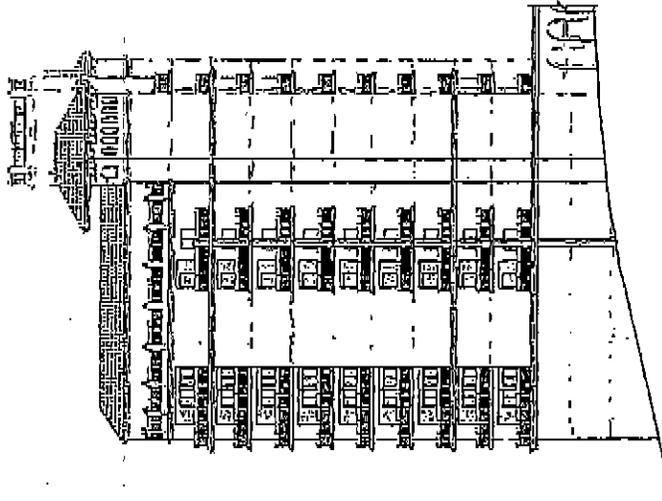
WEST ELEVATION

NFS

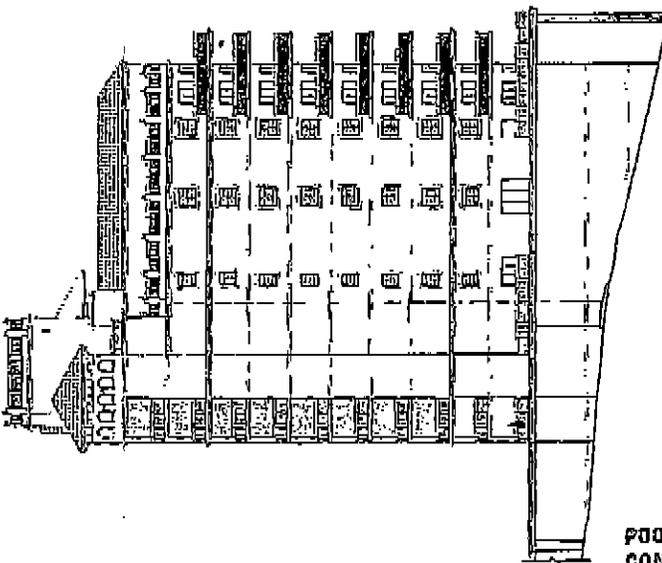
POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BATTERY V. SKIPPER, RMO

THE POINTE

HORRY COUNTY-HYRILE BEACH
SOUTH CAROLINA



SOUTH ELEVATION
415



NORTH ELEVATION
416

POOR QUALITY DUE TO
CONDITION OF ORIGINAL
BALLERY V. SKIPPER, R230

EXHIBIT D

Table of Values

The assigned values set forth below are fixed for the sole purpose required by the Act and irrespectively of the actual value, shall not prevent each Owner from fixing a different circumstantial value to his/her/Its Unit in all types of acts and contracts.

UNITS	TYPE	TOTAL IN BUILDING	ASSIGNED VALUE	% OWNERSHIP PER UNIT
101, 201, 301, 401, 501, 601, 701, 801, 901	A	9	\$1,000,000	1.96078%
102, 202, 302, 402, 502, 602, 702, 802, 902, 1002	B	10	\$1,000,000	1.96078%
103, 303, 503, 703, 903	C	5	\$1,000,000	1.96078%
104, 204, 304, 404, 504, 604, 704, 804, 904, 1004	D	10	\$1,000,000	1.96078%
205, 305, 405, 505, 605, 705, 805, 905, 1005	E	9	\$1,000,000	1.96078%
206, 306, 406, 506, 606, 706, 806, 906	F	8	\$1,000,000	1.96078%
TOTALS		51	\$51,000,000	100.00%

EXHIBIT E

ARCHITECT'S CERTIFICATE

Pursuant to S. C. Code Ann. § 27-31-110 (1976), I certify that the Regime plans described in the attached Exhibit C fully depict the layout, dimensions, location, area and number identification of the Units and the General and Limited Common Elements of the Regime.

JHS RESORT DESIGN, INC.

By: _____


J. Clinton Burdett, Architect

Architect's S.C. License No. 05248

Columbia, South Carolina

This 30 day of January, 2008

EXHIBIT F

Articles of the Association

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

NOV 28 2007

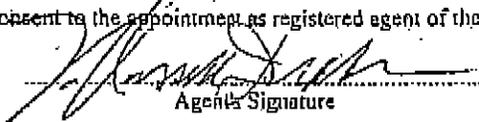
STATE OF SOUTH CAROLINA
SECRETARY OF STATE
NONPROFIT CORPORATION
ARTICLES OF INCORPORATION


SECRETARY OF STATE
~~TYPE OR PRINT CLEARLY IN BLACK INK~~

Pursuant to Section 33-31-202 of the South Carolina Code of Laws, as amended, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is The Pointe Condominium Association, Inc.
2. The initial registered office of the nonprofit corporation is 3710 Landmark Drive, Suite 114, Columbia, South Carolina 29204.
3. The name of the registered agent of the nonprofit corporation at that office is W. Russell Drake.

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


Agent's Signature

3. Check "a", "b", or "c" whichever is applicable. Check only one box:

- a. The nonprofit corporation is a public benefit corporation.
- b. The nonprofit corporation is a religious corporation.
- c. The nonprofit corporation is a mutual benefit corporation.

4. Check "a" or "b", whichever is applicable:

- a. This corporation will have members.
- b. This corporation will not have members.

071128-0251 FILED: 11/28/2007
POINTE CONDOMINIUM ASSOCIATION, INC. THE
Filing Fee: \$25.00 ORIG

Mark Hammond

South Carolina Secretary of State



5. The address of the principal office of the nonprofit corporation is 3710 Landmark Drive, Suite 114, Columbia, South Carolina, 29204.

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

- a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the

The Pointe Condominium Association, Inc.
Name of Corporation

corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

- b. Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to

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

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

- b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

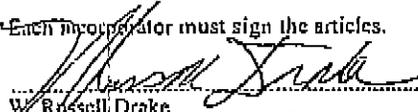
8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See 33-31-202(c) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instructions to this form)

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

W. Russell Drake
3710 Landmark Drive
Suite 114
Columbia, South Carolina 29204

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles: Not applicable.

11. Each incorporator must sign the articles.


W. Russell Drake

Date: November 20th, 2007

EXHIBIT G

Bylaws of the Association

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

FIRST AMENDMENT TO THE
BYLAWS OF THE POINTE
CONDOMINIUM ASSOCIATION, INC.

[This instrument is recordable and references the Master Deed of The Pointe
Horizontal Property Regime recorded in Book 3312 and page 662]

THIS FIRST AMENDMENT TO THE BYLAWS OF THE POINTE
CONDOMINIUM ASSOCIATION, INC. (the "Amendment") is executed as of this 8 day of
MAY, 2008, by THE POINTE CONDOMINIUM ASSOCIATION, INC. (the
"Association").

STATEMENT OF PURPOSE

WHEREAS, by written consent dated January 31, 2008, the Board of Directors of the
Association (the "Board") adopted bylaws for the Association (the "Bylaws") which were
recorded in the Office of the Register of Deeds for Horry County in Book 3312 at page 662 as
Exhibit G to the Master Deed of The Pointe Horizontal Property Regime (the "Master Deed");
and

WHEREAS, pursuant to Article XI, Section F(6) of the Bylaws, as long as The Pointe
LLC (the "Grantor") has the right to fill vacancies on the Board, amendments to the Bylaws
require only the unanimous consent of the Board and no meeting of the members of the
Corporation, or any approval thereof, need be had; and

WHEREAS, as of the date hereof, the Turnover Date (as defined in the Bylaws) has not
occurred, and Grantor is entitled to appoint and/or fill vacancies for the Board; and

WHEREAS, the Board, after having been presented with amendments to the Bylaws as
more particularly described herein and acting in the best interests of the Association, has
approved and adopted such amendments; and

WHEREAS, the Association desires to enter into this Amendment in order to modify
certain terms of the Bylaws as approved and adopted by the Board of Directors and to evidence
such modifications by recording this Amendment in the Office of the Register of Deeds for
Horry County in accordance with the terms of the Master Deed, the Bylaws, and the South
Carolina Horizontal Property Act, as amended.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency
of which are hereby acknowledged, the undersigned agree as follows:

1. **Capitalized Terms.** All capitalized, undefined terms used in this Amendment shall have
the meanings assigned thereto in the Bylaws.

Instrument#: 2008000064117, DEED BK:
3335 PG: 2075 DOCTYPE: 069 05/19/2008
at 01:33:38 PM, 1 OF 37 BALLERY V.
SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

2. Amendments.

(a) Use of Proxies in Electing Directors. The following provisions in the Bylaws are hereby amended in order to permit the use of proxies in electing directors.

(i) The second sentence of Article II, Section F, is hereby deleted in its entirety.

(ii) The second sentence of Article II, Section G, is hereby deleted in its entirety.

(iii) The second sentence of Article IV, Section B, Subsection 7, is hereby deleted in its entirety.

(b) Board of Directors. The Bylaws are hereby amended to authorize a range in the number of directors (as opposed to a fixed number), such that the first sentence of Article IV, Section A, is hereby deleted in its entirety and the following is inserted in lieu thereof:

“The Board of Directors shall consist of no less than three (3) but not more than (5) persons for so long as The Pointe LLC (the “Grantor”) is entitled to appoint any Members of the Board of Directors and shall remain at no less than three (3) but not more than five (5) Directors commencing at the Turnover Meeting (as defined below).”

Further, to facilitate the staggered terms of the directors, the first sentence of Article IV, Section B, Subsection 5 of the Bylaws is hereby deleted in its entirety and the following is inserted in lieu thereof:

“At the Turnover Meeting or, if at the time of the first annual meeting of Members, Owners, other than the Grantor, are entitled to elect all of the Directors: (A) if the number of Directors is set at five (5) Directors, then the terms of office of two (2) Directors shall be three (3) years, the terms of office of two (2) Directors shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year; and (B) if the number of Directors is set at less than five (5) Directors, then the terms of office of one (1) Director shall be three (3) years, the terms of office of one (1) Director shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year.”

(c) Board of Directors Election Procedures. To clarify the election procedures set forth in the Bylaws, Article IV, Section B, Subsection 3 of the Bylaws is hereby amended by adding the following language at the end of such section:

“Notwithstanding the foregoing, nothing contained in this provision shall
(a) prohibit the Association from combining any ballot required to be

delivered hereby with a form of proxy, if delivered; or (b) prevent or prohibit Members present at the noticed meeting from nominating additional candidates for director(s) from the floor of such meeting.”

- (d) Use of Reserve Funds. To facilitate the orderly operation, maintenance and repair of the Condominium, the third and fourth sentences of Article VIII, Section B are hereby amended to read as follows:

“Funds deposited into such reserve accounts shall be used to pay for, without limitation, roof replacement, the replacement of other structural elements and mechanical equipment constituting a portion of the Common Elements, building painting, pavement resurfacing, and the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all the Owners of all Units; provided, that nothing herein contained shall prohibit the Association from applying any monies in such reserve funds for other replacements or to meet other reasonable needs or requirements of the Association in operating, maintaining, repairing or managing the Condominium in the event of emergencies or in the event the sums collected from the Owners of Units are insufficient to meet the then current approved budget of the Association, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors in its sole discretion. Subject to the foregoing, the use of the reserve funds and interest thereon for all expenditures (other than those permitted above) exceeding (a) \$1,000 per instance or (b) \$10,000 in the aggregate during any budget year must be approved in advance by sixty-seven percent (67%) of the Members, and the funds must remain in the established reserve accounts until such approval is granted.”

3. Conformed Bylaws. A conformed copy of the Bylaws, as amended hereby and with such amendments being highlighted for ease of reference, is attached hereto as Exhibit A.
4. Limited Amendment and Waiver; Full Force and Effect. Except as expressly agreed to herein, the Bylaws shall continue to be and shall remain in full force and effect. This Amendment shall not be deemed (a) to be a waiver, modification or amendment of any other term or condition of the Bylaws other than as expressly provided herein, or (b) to prejudice any other right or rights which either party may now have or may have in the future under or in connection with the Bylaws, as the same may be amended or modified from time to time.
5. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina without regard to the conflicts of law principles thereof.

6. Counterparts. This Amendment may be executed in separate counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

[Signature page follows.]

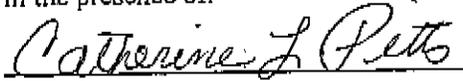
IN WITNESS WHEREOF, the undersigned have executed this Amendment under seal as of the date first written above.

[CORPORATE SEAL]

THE POINTE CONDOMINIUM
ASSOCIATION, INC.

By: 
Rob Bell, President

Signed, sealed and delivered
in the presence of:


Witness 1


Witness 2

Attestation:

[CORPORATE SEAL]

Mike Ward, Secretary

Signed, sealed and delivered
in the presence of:

Witness 1

Witness 2

IN WITNESS WHEREOF, the undersigned have executed this Amendment under seal as of the date first written above.

[CORPORATE SEAL]

THE POINTE CONDOMINIUM
ASSOCIATION, INC.

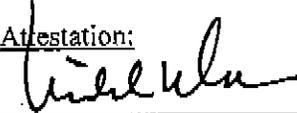
By: _____
Rob Bell, President

Signed, sealed and delivered
in the presence of:

Witness 1

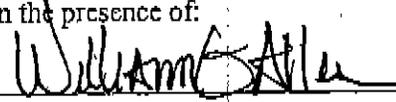
Witness 2

[CORPORATE SEAL]

Attestation:


Mike Ward, Secretary

Signed, sealed and delivered
in the presence of:



Witness 1



Witness 2

STATE OF NC)
COUNTY OF Catawba)

I, Frances N. Bolton, Notary Public for the State of NC, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Rob Bell, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 5 day of May, 2008.

Frances N. Bolton
Notary Public for the State of North Carolina
My Commission Expires: 10-29-2012

[NOTARIAL SEAL]

STATE OF _____)
COUNTY OF _____)

I, _____, Notary Public for the State of _____, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Mike Ward, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this _____ day of _____, 2008.

Notary Public for the State of _____
My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF _____)

COUNTY OF _____)

I, _____, Notary Public for the State of _____, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Rob Bell, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this _____ day of _____, 2008.

Notary Public for the State of _____
My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF North Carolina
COUNTY OF New Hanover

Julia G. Medlin, Notary Public for the State of North Carolina, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Mike Ward, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 25th day of April, 2008.

Julia G. Medlin
Notary Public for the State of North Carolina
My Commission Expires: 7-28-2013

[NOTARIAL SEAL]



EXHIBIT A
Conformed Bylaws

BYLAWS

OF

THE POINTE CONDOMINIUM ASSOCIATION, INC., a South Carolina nonprofit corporation

I. IDENTITY

A. These are the Bylaws of The Pointe Condominium Association, Inc. ("Association"), a South Carolina nonprofit corporation. The purpose of the Association is the administration, operation and management of The Pointe Horizontal Property Regime (the "Condominium"), as the same may now or hereafter be constituted in accordance with the South Carolina Horizontal Property Act § 27-31-10 et seq., Code of Laws of South Carolina 1976, as amended (the "Act"). The Association shall undertake the performance of and shall carry out the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions and authorizations contained herein, in the Articles of Incorporation of the Association (the "Articles") and in the Master Deed of the Condominium which will be recorded in the Office of the Register of Deeds for Horry County, South Carolina (the "Master Deed"). In addition, the Association may own, operate, lease, sell, trade or otherwise deal with any property, real or personal, as may become part of the Condominium (the "Condominium Property") and as may be necessary or convenient for the administration of the Condominium.

B. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these Bylaws will be annexed as Exhibits to the Master Deed. The terms and provisions of the Articles and Master Deed shall control wherever the same may conflict herewith. The defined terms used in these Bylaws shall be as defined in the Master Deed and the Articles, unless specifically defined in these Bylaws or unless otherwise required by the context.

C. All members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Rules and Regulations of the Association, the Articles and the Master Deed.

D. The office of the Association shall be at 9547 Edgerton Drive, Myrtle Beach, South Carolina 29572, or at such other place as may be established by resolution of the Board of Directors.

E. The fiscal year of the Association shall be the calendar year.

F. The seal of the Association shall bear the name of the Association, the word "South Carolina", the words "Nonprofit Corporation" and the year of incorporation.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES

A. Membership. The qualification of members of the Association ("Members"), the manner of their admission to the membership and termination of such membership and voting rights of Members ("Voting Interests") are as follows:

1. The operation of the Condominium shall be by the Association. The Association shall operate pursuant to the provisions of the Master Deed, the Articles, these Bylaws and the Act. The powers and duties of the Association are those as set forth in the Articles and these Bylaws.

2. Subject to the provisions and restrictions set forth herein the Bylaws, each Owner of a Unit shall be a member of the Association and shall be entitled to one (1) vote for each Unit owned by him, to be exercised as provided in the Articles, the Bylaws and the Master Deed, which such vote shall be weighted in accordance with such Owner's allocated interest in the Common Elements as set forth on Exhibit D to the Master Deed. The provisions addressing the right of the Owners to elect members of the Board are contained in Article IV below.

3. The Association shall administer and manage the Condominium (other than the rental management of the Units) and maintain and repair the Common Elements and the Limited Common Elements, except as otherwise provided in the Master Deed.

4. The Association may enter into a management contract with a third party (the "Management Company") for the management and maintenance of the Units and the Association, including, without limitation, the Common Elements and the Limited Common Elements. The Management Company shall be paid a reasonable fee for its management services, the amount of such fees being consistent with industry standard. The terms and conditions of the management agreement shall conform to the requirements of South Carolina law, which may restrict the term thereof.

B. Quorum. A quorum at meetings of Members shall consist of fifty percent (50%) of the Voting Interests that may be cast for election of the Board, represented either in person or by proxy at the beginning of a meeting, and such quorum shall be necessary at all meetings of the Members for the transaction of business, except as otherwise provided by statute, the Articles or these Bylaws.

C. Voting. The vote of the owner(s) of a Unit owned by more than one natural person, as tenants in common or as joint tenants (except a husband and wife as tenants by the entirety), a partnership, limited liability company or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, limited liability company or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association (the

"Voting Certificate"), designate one natural person as the Primary Occupant. The Voting Certificate shall be filed with the Association and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

D. Approval. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Votes Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Master Deed, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, which is duly called and at which time a quorum is present, the affirmative vote of sixty-seven percent (67%) of the Voting Interests present in person or by proxy shall be binding upon the Members.

F. Proxies. Except as otherwise required under the provisions of these Bylaws, at any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by general or limited proxy. ~~Proxies may not be used in electing Directors.~~ Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. Each proxy must be dated and state the date of termination. In no event shall any proxy be valid for a period longer than eleven (11) months after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Member executing it by such Member giving actual notice of revocation to the person presiding over the meeting pursuant to Section 33-31-724 of the Act.

G. Limited or General Proxies. Limited or general proxies may be used to establish a quorum. Limited proxies shall be used for (a) votes taken to waive or reduce reserves; (b) votes taken to waive financial statement requirements; (c) votes taken to amend the Master Deed; and (d) votes taken to amend the Articles or the Bylaws. ~~No proxy, limited or general, may be used in connection with the election of Directors.~~ General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given.

H. Consent to Action. Unless a duly called meeting of the Association shall be specifically required for action to be taken by the Members in these Bylaws, the Articles, the Master Deed, the Act or other South Carolina statute, any action to be taken by the Association may be taken, to the extent permitted by law, by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Horry County, South Carolina, and at such time as may be specified in the notice of the meeting, for the purposes of electing Directors and of transacting any other business authorized to be transacted by the Members.

B. Special Meetings. Except as elsewhere provided in these Bylaws to the contrary, special meetings of the entire membership of the Association shall be held whenever called by the President or by a majority of the Board of Directors. A special meeting must be called by the officers upon receipt of a written request from Members of the Association owning five percent (5%) of the Voting Interests in the Condominium.

C. Notice of Meetings. Notice of all meetings of Members, if any, shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member, if any (unless waived in writing). Each notice shall be written or printed and shall incorporate an identification of agenda items and shall state the date, time, place of and purpose for which the meeting is called. Notice of each meeting shall be given to each Member not less than ten (10) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed to each Member by first class or registered mail. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his post office address as it appears on the records of the Association, with postage thereon prepaid. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed in accordance with this provision, to each Owner at the address last furnished to the Association. Each notice shall in addition be posted at a conspicuous place in the Condominium at least ten (10) continuous days prior to said meeting. Upon notice to all Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property, upon which all notices of Owner meetings shall be posted. If any meeting of the Members cannot be held because a quorum is not present, or because a greater percentage of the Voting Interests required to constitute a quorum for a particular purpose is not present, wherever the latter percentage may be required as set forth in the Articles, the Bylaws or the Master Deed, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members, the President shall preside, or in his absence, the Vice President, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Members' Participation at Meetings. Owners have the right to speak at meetings of the Board of Directors and meetings of Members with reference to all designated agenda items.

F. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

1. Calling of the roll and certifying of proxies;
2. Proof of notice of meeting or waiver of notice;
3. Reading or waiver of reading of minutes of previous meeting of Members;
4. Reports of officers;
5. Reports of committees;
6. Appointment by Chairman of inspectors of election;
7. Election of directors;
8. Unfinished business;
9. New business; and
10. Adjournment.

IV. BOARD OF DIRECTORS

A. Members of the Board. The Board of Directors shall consist of ~~five~~ no less than three (3) but not more than (5) persons for so long as The Pointe LLC (the "Grantor") is entitled to appoint any Members of the Board of Directors and shall remain at no less than three (3) but not more than five (5) Directors commencing at the Turnover Meeting (as defined below). (i) Sixty (60) days following the date on which Owners, other than Grantor, own seventy-five percent (75%) of the Units of the Condominium that will ultimately be operated by the Association, (ii) five (5) years after recordation of the Master Deed or (iii) the date on which Grantor voluntarily relinquishes such right by executing and recording an amendment to this Master Deed which shall become effective as specified therein, whichever shall first occur (the "Turnover Date"); the Owners, other than the Grantor, shall be entitled to elect, in the manner provided in Paragraph B, Article IV of these Bylaws, all of the Members of the Board of Directors. No later than five (5) business days following the Turnover Date and subject to Article IV, Section B(5), the Association shall call and notice to the Members a Special Meeting to be held no later than thirty-one (31) days following the Turnover Date (the "Turnover Meeting"), at which such Turnover Meeting the Members shall elect, in the manner provided in Paragraph B, Article IV of these Bylaws, five (5) Directors to serve on the Board, which such Directors need not be Members and will take office effective upon election. The Grantor shall have the right to elect in the same manner provided in Paragraph B, Article IV of these Bylaws the Members of the Board of Directors which other Owners are not entitled to elect. Notwithstanding the foregoing, the Grantor shall be entitled at any time to waive its rights hereunder, by execution and delivery to the Association of written waivers, and thereafter to vote in elections for Members of the Board of Directors in the same manner as any other Owner.

B. Election of Directors. Directors shall be elected in the following manner:

1. Commencing with the election of the first Board to succeed the Board comprised of the persons (a) named in the Articles or (b) appointed by the incorporator following the filing of the Articles, Grantor shall designate that number and the identity of the Members of the Board which it shall be entitled to designate in accordance with the Articles and these Bylaws, and upon such designation by Grantor, by written instrument presented to the meeting at which such election is held, the persons so designated by Grantor shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these Bylaws.

2. For so long as the Grantor shall retain the right to appoint at least one (1) member of the Board of Directors, the members of the Board of Directors whom Grantor shall not be entitled to designate under these Bylaws shall be elected at large by a plurality of the Owners' votes cast at the annual meeting of the general membership immediately following designation of the members of the Board whom Grantor shall be entitled to designate. Beginning with the Turnover Meeting, the Directors shall be elected at large by a plurality of the Voting Interests of the Owners at the annual membership meeting.

3. Not less than sixty (60) days before scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newspaper, to each Owner entitled to a vote, the first notice of the date of the election. Any Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before scheduled election. Together with the written notice and agenda, the Association shall mail or deliver a second notice of the election, in accordance with Article III, Section (c) above, to all Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than "8½ x 11", which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. The Association has no liability for the contents of the information sheets prepared by the candidate. No Owner shall permit any other person to vote his ballot, and any such ballot improperly cast shall be invalid. The regular election shall occur on the date of the annual meeting. Notwithstanding the foregoing, nothing contained in this provision shall (a) prohibit the Association from combining any ballot required to be delivered hereby with a form of proxy, if delivered; or (b) prevent or prohibit Members present at the noticed meeting from nominating additional candidates for director(s) from the floor of such meeting.

4. Vacancies on the Board may be filled by the remaining Directors for the unexpired term of such Director or, if no such Directors exist, by a vote of the Owners at a special meeting of the membership called for such purpose and conducted in the manner called for in Section B(2) above; provided, that any vacancy in the Board created in a directorship previously filled by any person designated by Grantor, such vacancy should be filled by Grantor designating by written instrument delivered to any office of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.

5. At the Turnover Meeting or, if at the time of the first annual meeting of Members, Owners, other than the Grantor, are entitled to elect all of the Directors; (A) if the number of Directors is set at five (5) Directors, then the terms of office of two (2) Directors shall be three (3) years, the terms of office of two (2) Directors shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year; and (B) if the number of Directors is set at less than five (5) Directors, then the terms of office of one (1) Director shall be three (3) years, the terms of office of one (1) Director shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year. If, at the time of the first annual meeting of Members, Grantor is entitled to designate some or all of the Directors, Grantor shall have the right to designate for up to three (3) year terms that number of Directors which the Director is entitled to designate. The remaining Director or Directors designated by the Grantor or elected by the Owners, as applicable, if any, shall have terms of office of one (1) year; the intention being that terms of office of Directors be staggered. Thereafter, as many Directors shall be elected, or designated by Grantor or the Owners, as applicable, for three (3) year terms, as there are regular terms of office for Directors expiring at such times. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by the Grantor, and qualified, or until removed in the manner elsewhere herein provided or provided by law.

6. In the election of Directors, there shall be, appurtenant to each Unit, one (1) vote for each Director, which is to be filled at that meeting; provided, however, that no Member or owner of any Voting Interest may cast more than one (1) vote per Unit or Voting Interest owned for any person nominated as a Director, it being the intent hereof that the voting of Directors shall be non-cumulative. Each such vote shall be weighted in accordance with such Owner's allocated interest in the Common Elements of the Condominium as described in Article IV and Exhibit D of the Master Deed.

7. The election of Directors shall be by written ballot. ~~Proxies shall not be used in electing Directors.~~

8. In the event that Grantor selects any person or persons to serve on any Board, Grantor shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Grantor to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Grantor to any officer of the Association.

C. Organizational Meetings. The organizational meeting of a newly elected or designated Board shall be held within thirty (30) days of their election or designation, and shall be noticed as required by this Article IV.

D. Regular Board Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of

regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least one (1) day prior to the day named for such meeting, unless notice is waived.

E. Special Board Meetings. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of (20%) of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Notices and Open Meetings. Adequate notice to the Members of all meetings (regular and special) of the Board, or any committee thereof at which a quorum of the Members of that committee are present, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance of the meeting, except in an emergency. The notice shall specifically incorporate an identification of agenda items. Upon prior notice to all Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property upon which notices of all Board meetings shall be posted. All meetings of the Board shall be open to all Owners. Notice of any meeting of the Board or any committee thereof where the Association's budget or where regular assessments against Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Written notice of any meeting of the Board or any committee thereof at which non-emergency special assessments, or at which amendment to rules regarding Unit use will be proposed, discussed, or approved, shall be mailed or delivered to the Members and posted conspicuously on the Condominium Property not less than fourteen (14) continuous days prior to the meeting. The Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision, to each Owner.

G. Board Meetings. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

H. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting by signing a waiver of notice and placing it in the minute book, and such waiver shall be deemed equivalent to the giving of notice.

I. Quorum, Voting and Approval. A quorum at meetings of the Board shall consist of the Directors entitled to cast at least a majority of the votes of the currently composed Board immediately before the start of the meeting. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Master Deed. A Director of the Association who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the Action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required

as set forth in the Articles, these Bylaws or the Master Deed, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice to the Directors, however notice of the adjourned meeting must be given in accordance with Paragraph F, Article IV hereof. All meetings of the Board of Directors shall be open to all Owners, unless otherwise provided by law.

J. Presiding Officer. The presiding officer of meetings of the Board shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

K. Action without a Meeting. To the extent now or from time to time hereafter permitted by the laws of the State of South Carolina, the Board may take any action without a meeting by unanimous written consent if (i) the Board action does not involve voting on a fine, damage, assessment, appeal from a denial of architectural approval or suspension of a right of a particular Association Member before such Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue and (ii) a record of all such actions so taken, signed by each Director, is filed and retained in the minutes book of the Association.

L. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of the State of South Carolina, the Articles, these Bylaws and the Master Deed. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Master Deed, and shall include, without limitation, the right, power and authority to:

1. Make, levy and collect assessments, including without limitation, assessments for reserves and for improvements to Condominium Property assessments imposed against the Units pursuant to the Master Deed and these Bylaws.
2. Maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of Members;
3. Repair and reconstruct improvements after casualty;
4. Make and amend regulations governing the use of the property, real and personal, in the Condominium, provided that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Master Deed;
5. Acquire, own, hold, operate, lease, encumber, convey, exchange, manage and otherwise trade and deal with property, real and personal, including Units of and in the Condominium as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Master Deed;
6. Contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers

and duties including, but not limited to, the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements and Limited Common Elements with funds as shall be made available by the Association for such purposes. All management agreements entered into on behalf of the Association shall (a) be for a term not in excess of one (1) year, (b) provide that either party may terminate the agreement, without cause, upon ninety (90) days written notice, without a termination fee (except that management agreements entered into while Grantor has the right to appoint at least one (1) person to the Board shall be terminable without cause on thirty (30) days written notice), (c) provide that the Board may, for cause, terminate such agreement upon thirty (30) days written notice (without a termination fee) and (d) provide for renewal upon agreement by the parties for successive one (1)-year periods. The Grantor, or an affiliate of the Grantor, may be employed as managing agent. The managing agent shall at all times be a professional management company, with expertise and experience in the operation of condominiums. Notwithstanding the foregoing, the Association and its officers shall retain at all times the powers and duties granted by the Condominium Documents and the Act, including, but not limited to, the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

7. Enforce by legal means the provisions of the Articles, these Bylaws, the Master Deed and all regulations governing use or property of and in the Condominium hereafter adopted;

8. Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens;

9. Carry insurance for the protection of Members and the Association against casualty and liability;

10. Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units; and

11. Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

M. First Board of Directors. The first Board of Directors of the Association (the "First Board") shall be comprised of those Members of the Board as described in the Articles or as appointed by the incorporator after filing the Articles, in each case who shall serve until their successors are designated by Grantor or elected at the first annual meeting of the Members as described in Article IV, Section B. Should any member of the First Board be unable to serve for any reason, the Grantor shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

N. Removal and Recall. Any Director of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Voting Interests. A special meeting of the Members to recall a member or Members of the Board may be called by twenty percent (20%) of the Voting Interests giving notice of the meeting in the

same manner as notice of the call of a special meeting of the Members is required as set forth in Article III, Paragraph C, and the notice shall state the purpose of the meeting. Such special meeting to recall a member or Members of the Board is subject, however, to the right of Grantor to elect Directors as provided herein.

1. If the recall is approved by a majority of all Voting Interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within five (5) full business days of the adjournment of the Owner meeting to recall one or more Board Members. At the meeting, the Board shall either certify the recall, in which case such member or Members shall be recalled effective immediately and shall turn over to the Board, within five (5) full business days, any and all records and property of the Association in their possession or shall proceed as set forth below.

2. If the proposed recall is, to the extent permitted by law, by an agreement in writing by a majority of all Voting Interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized the laws of the State of South Carolina and the South Carolina Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the board, within five (5) full business days, any and all records and property of the Association in their possession or proceed as described below.

3. If the Board determines not to certify the written agreement to recall a member or members of the Board or does not certify the recall by a vote at a meeting, then the Board shall, within five (5) full business days after the meeting, file a petition for arbitration in accordance with the applicable arbitration provisions set forth in the Master Deed. For the purposes of this provision, the Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or Members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. Any member or Members so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall.

4. If the Board fails to duly notice and hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Owner recall meeting, the recall shall be deemed effective and the Board Members so recalled shall immediately turn over to the Board any and all records and property of the Association.

5. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, a vacancy in the Directors may be filled by the affirmative vote of a majority of the remaining Directors. If vacancies occur on the Board as a result of a recall and a majority or more of the Board Members are removed, the vacancies shall be filled for the unexpired terms of such directorships in accordance with Article IV, Section B

above. Until such time as a vacancy is filled, the Board shall continue to operate with the remaining Directors.

O. Place of Board Meetings. Notwithstanding anything contained in these Bylaws to the contrary, any meeting of Members of the Board may be held at any place within the State of South Carolina, as designated in the notice of any such meeting, or notice of which is waived.

V. OFFICERS

A. Generally. The Board shall elect, for terms consisting of one (1) year, a President, Secretary, Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board, and the unexpired term of any vacancies resulting therefrom or from Officer resignations may be filled, from time to time, by the Board in accordance herewith.

B. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a non-profit corporation including, but not limited to, preparing, executing and recording, or directing the preparation and recordation of, amendments to the Master Deed on behalf of the Association and the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

C. Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

D. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a non-profit corporation and as may be required by the Board and the President, including, without limitation, certifying amendments to the Master Deed on behalf of the Association. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. Treasurer. The Treasurer shall have custody of all of the Property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association in

accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the Voting Interests of the Members of the Association, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Grantor shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any Director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a Director or officer or with any corporation in which a Director or officer or with any corporation in which a Director or officer of the Association may be a stockholder, officer, Director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, Director or corporation, or from contracting with a Director or officer or corporation in which a director or officer of the Association may be a stockholder, officer, director or employee for the purpose of making available to the Owners of Condominium Units such services as are contemplated by these Bylaws, the Articles and the Master Deed. An officer, Director or manager may not solicit, offer to accept or accept anything of service or value for which consideration has not been provided for his or her own benefit or that his or her immediate family, from any person providing or proposing to provide goods or services to the Association.

VI. FIDELITY BONDING OF OFFICERS AND DIRECTORS

The Association shall obtain and maintain adequate insurance or fidelity bonds for all persons who control or disburse funds for the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any time. The Association shall bear the cost of bonding.

VII. OFFICIAL RECORDS

A. From the inception of the Association, the Association shall maintain a copy of each of the following where applicable, which shall constitute the official records of the Association:

1. The Plans, permits, warranties (including, without limitation, the Association Limited Warranty and the Unit Limited Warranties) and other items provided by the Grantor applicable to the Condominium;

2. A photocopy of the recorded Master Deed and all amendments thereto;

3. A photocopy of these Bylaws as recorded and all amendments thereto;

4. A certified copy of the Articles and amendments thereto;

5. A copy of the current rules and regulations, if any, of the Association;

6. The Association minute book containing the minutes of all meetings of the Association, of the Board, and of Owners, which minutes shall be retained for a period of not less than seven (7) years;

7. Voting records, proxies and correspondence relating to amendments to the Master Deed, which documents shall be retained for a period of not less than seven (7) years;

8. A current roster of all Owners, their mailing addresses, Unit identifications, Voting Certificates, and if known, telephone numbers;

9. All current insurance policies of the Association and the Condominium;

10. A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Owners have an obligation or responsibility;

11. Bills of sale or transfer for all property owned by the Association;

12. Detailed financial records of the Association that comply with generally accepted accounting principles. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

(a) Accurate, itemized, and detailed records of all receipts and expenditures.

(b) A current account and a monthly, bimonthly or quarterly statement of the account for each Unit designating the name of the Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(c) All audits, reviews, accounting statements and financial reports of the Association or Condominium.

(d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

13. All rental records where the Association is acting as agent for the rental of Condominium Units.

B. The official records of the Association shall be maintained in Horry County, South Carolina.

C. A Member or an authorized representative of such Member may inspect the official records of the Association required to be maintained by this Section during ordinary business hours upon three (3) days' advance written notice to the Secretary of the Association.

D. No later than thirty (30) days after acquiring an interest in a Unit, an Owner shall provide the Association with:

1. The Owner's mailing address, telephone number and driver's license number, if any;
2. The name and address of the holder of any lien against the Unit and the corresponding loan number;
3. The name and telephone number of any person occupying the Unit other than the Owner; and
4. The name, address and telephone number of any person managing the Unit as agent of the Owner.

In addition, an Owner shall notify the Association no later than thirty (30) days following the date the Owner has notice of any change in the information required by this Section and shall provide and update such information from time to time as reasonably requested by the Association.

VIII. FISCAL MANAGEMENT

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

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the Owner(s) of each Unit, the amount of each assessment against the Owner(s) of each Unit, the amount paid, and the balance due upon each assessment.

B. Annual Budget. The Board shall adopt for, and in advance of, each fiscal year a budget for the Condominium showing the estimated costs of performing all of the functions of the Association as such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements and Limited Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and reserve accounts for capital expenditures and deferred maintenance and any other reserves and/or funds which may be established from time to time by the Board. Such funds deposited into such reserve accounts shall include, but not be limited to be used to pay for, without limitation, roof replacement, the replacement of other structural elements and mechanical equipment constituting a portion of the Common Elements, building painting and pavement resurfacing. All such pavement resurfacing, and the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all the Owners of all Units; provided, that nothing herein contained shall prohibit the Association from applying any monies in such reserve funds for other replacements or to meet other reasonable needs or requirements of the Association in operating, maintaining, repairing or managing the Condominium in the event of emergencies or in the event the sums collected from the Owners of Units are insufficient to meet the then current approved budget of the Association, but it shall not be

a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors in its sole discretion. Subject to the foregoing, the use of the reserve funds and interest thereon shall remain in such accounts for authorized reserve expenditures, unless their use for other purposes is^B for all expenditures (other than those permitted above) exceeding (a) \$1,000 per instance or (b) \$10,000 in the aggregate during any budget year must be approved in advance by sixty-seven percent (67%) of the Members, and the funds must remain in the established reserve accounts until such approval is granted.

Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Owner(s) of each Unit and due date(s) and amount of installments thereof. Copies of the proposed budget and proposed assessments for the fiscal year for which the budget is made shall be mailed or hand delivered to each Member at the address last furnished to the Association on or before December 1st of the current year and not less than fourteen (14) days prior to the meeting of a Board at which the budget will be considered, if a meeting is required by Section XXVI.D of the Master Deed whichever is earlier, together with a notice of the time and place of that meeting. The Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision to each Owner. Such meeting of the Board shall be open to Members. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management or in the event of emergencies.

C. Notice of Adopted Budget. Upon adoption of budgets, if such adoption is not automatic pursuant to Section XXVI.D of the Master Deed, the Board shall cause written copy thereof to be delivered to all Members. Assessments shall be made against the Units pursuant to procedures established by the Board, and in accordance with terms of the Master Deed and Articles. Subject to Section E below, Members shall be liable to pay assessments not less often than quarterly, provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

D. Assessments. To provide funds necessary for proper operation and management of the Condominium, the Association shall have the right to make, levy and collect assessments against the Members and their respective Units to pay their share of Common Expenses. Assessments by the Association against each Member and his Unit shall be the fractional share of the total assessments to be made against all Members and their Units as set forth in the Master Deed. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be

amended at any time by the Board of Directors subject to the limitations of Article VIII, Section C. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in case of any immediate need or emergency. Terms and provisions relating to assessments, and the creation of liens upon the failure to pay assessments, are more specifically discussed in Article XXVI of the Master Deed.

E. Special Assessments. Special assessments shall be levied and paid as determined by the Board and shall be those chargeable to all Members of a Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements or Association property (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Board. The specific purpose or purposes of any special assessment imposed by the Board shall be set forth in a written notice of such assessment sent or delivered to each Owner in the manner prescribed for giving notice of meetings to the Owners as described in these Bylaws. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered Common Surplus.

F. The Depository and Commingling of Funds. All sums collected by the Association from all assessments against all Units in the Condominium may be commingled in a single fund, or divided into more than one fund, as determined from time to time by the Board of Directors; provided, however, that reserve and operating funds of the Association shall not be commingled but shall be maintained in separate accounts at all times. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized. Any contract for the management and maintenance of the Condominium Property entered into by the Board with a management agent may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

G. Audit. The Association shall, as a Common Expense, annually obtain an audit of the Association's records. Any such audit shall be performed by a certified public account upon the affirmative vote of either a majority of the Board of Directors or a majority of the Voting Interests of the Members of the Association. Copies of the audits shall be made available to the Owners in accordance with Article VII, Section C above.

IX. PARLIAMENTARY RULES AND ARBITRATION

A. Roberts' Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles, these Bylaw, the Master Deed or the laws of the State of South Carolina.

B. Internal disputes arising from the operation of the Condominium among Owners, the Association, their agents and assigns shall be subject to the arbitration provisions set forth in the Master Deed.

X. RULES AND REGULATIONS

A. The Board may, from time to time, adopt rules and regulations applicable to the Condominium Property, the Common Elements, the Limited Common Elements and the Condominium Units (the "Rules"). Any such Rules shall be deemed in effect until amended by the Board of Directors of the Association, subject to Section D below, and shall apply to and be binding upon all Owners. The Owners shall, at all times, obey said Rules and shall use their best efforts to see that they are faithfully observed by their families, Guests, invitees, servants, lessees, customers, patrons, employees, and persons over whom they exercise control and supervision.

B. The initial Rules for the Association are attached hereto as Exhibit A. The Board of Directors shall have the power as set forth in the Bylaws to promulgate additional rules and regulations as they see fit for the operation and management of the Condominium, subject to the restrictions set forth in Paragraph D below. In the event of any conflict between the Rules, on the one hand, and these Bylaws or the Master Deed, on the other hand, the terms of the Bylaws and the Master Deed, as applicable, shall control.

C. The Board of Directors may impose fines in such reasonable sums as they deem appropriate, not to exceed: (i) Fifty Dollars (\$50.00) per first offense violation; (ii) One Hundred Dollars (\$100.00) per second offense violation; and (iii) One Hundred Dollars (\$100.00) per week thereafter, until the violation is remedied, against Owners for violations of the Condominium Documents, including the Rules, by Owners or their guests or lessees. Each day of continuing violation shall be a separate violation. No fine shall be levied until the Owner(s) has been given an opportunity for a hearing. The hearing must be held before a committee of other Owners. If the committee does not agree with the fine, the fine may not be levied. The procedure of the hearing shall be, at a minimum, as follows:

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

- (i) A statement of the date, time and place of the hearing;
- (ii) A statement of the provisions of the Master Deed, Bylaws, or Rules which have allegedly been violated; and
- (iii) A short and plain statement of the matters asserted by the Association, including the amount of any proposed fine or damage charge; and
- (iv) A statement allowing the Owner a reasonable time, by a specified date, to cure the violation, and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

D. The Board of Directors may not promulgate rules or regulations pertaining to restrictions on (i) the term of leases for Units or (ii) the Rules. The Board may also not narrow the definition of Guests or customer, patron or employee in order to restrict the use of any Unit. Restrictions on these areas are permissible only by complying with the amendment procedures of these Bylaws or the Master Deed, whichever is applicable. The Rules of the Association may not be amended unless the Board has complied with the provisions applicable to proposed amendments to Bylaws set forth in Article XI below.

XI. AMENDMENTS TO BYLAWS

Amendments to these Bylaws may be proposed and amended only in the following manner:

A. Proposal. Amendments to these Bylaws may be proposed by the Board, action upon vote of a majority of the Directors, or by Members owning five percent (5%) of the Voting Interests in the Condominium, whether meeting as Members or, to the extent permitted by law, by instrument in writing signed by them.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than ten (10) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

C. Content of Amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicator of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw for present text." Nonmaterial errors or omissions in the bylaw process shall not invalidate an otherwise properly promulgated amendment. The content of the proposed amendment must be delivered to each Owner after the twentieth (20th) day but before the tenth (10th) day preceding date of the meeting to consider the proposed amendment.

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members owning not less than sixty-seven percent (67%) of the Voting Interests in the Condominium that Members present in person or by proxy are entitled to cast at the meeting. Thereupon, such amendment or amendments to these Bylaws shall be transcribed and shall include on the first page thereof a reference to the book and page of the public records where the Master Deed is recorded, and shall be certified by the

President and Secretary of the Association. A copy thereof shall be recorded in the public records of Horry County, South Carolina, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized, to the extent permitted by law, if such Member is not present at such meeting in person or by limited proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Grantor's Reservations. Notwithstanding the foregoing provisions of this Article XI, no amendment to these Bylaws which shall abridge, amend or alter the rights of Grantor may be adopted to become effective without the prior written consent of Grantor. Notwithstanding the provisions contained herein for amendment to the Bylaws, no amendment to these Bylaws shall:

1. Change or alter any Unit and the Common Elements appurtenant thereto unless the record owner thereof and all record owners of liens thereon shall join in the execution and acknowledgment of the amendment unless otherwise permitted by the Master Deed;
2. Conflict with the Master Deed, the Articles or the Act;
3. Discriminate against any Owner or against any Unit or building or class of buildings comprising part of the Condominium Property, unless the record owners of all affected Units and record owners of all liens thereon shall join in the execution and acknowledgment of the amendment;
4. Change the share of Common Elements appurtenant to any Unit or Units or the share of any Owner in the Common Surplus, or increase the share of any Owner(s) in the Common Expenses, unless the record owner of all Units and record owners of all liens thereon shall join in the execution and acknowledgment of such amendments;
5. Adversely affect the lien or priority or materially and adversely affect the rights and remedies of any first mortgagee of any Unit or of a Mortgagee (as defined in the Master Deed) holding by a previously recorded mortgage on a Unit, unless the record owner of all liens on the Units affected shall join in the execution and acknowledgment of the amendment; and
6. Anything herein to the contrary notwithstanding and to the extent permitted by the Condominium Act, until the first regular election of the Directors by the membership, and so long as the Grantor shall have the right to fill vacancies on the Board, an amendment shall require only the unanimous consent of the Board, and no meeting of the Members nor any approval thereof need be had.

XII. AMENDMENTS TO THE MASTER DEED

The President or the Vice President, acting alone, or any other officer expressly authorized by the Board of the Association, may prepare, execute, certify and record amendments to the Master Deed; provided, that such amendments are made and approved in

accordance with the applicable provisions of the Master Deed, including, without limitation, Article XXVIII therein.

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EXHIBIT A
TO THE BYLAWS OF
THE POINTE CONDOMINIUM ASSOCIATION

**RULES AND REGULATIONS
OF
THE POINTE HORIZONTAL PROPERTY REGIME**

Pursuant to the authority vested in the Board of Directors of **THE POINTE CONDOMINIUM ASSOCIATION, INC.** ("Association"), the following rules and regulations of **THE POINTE HORIZONTAL PROPERTY REGIME** ("Condominium") have been adopted by the Board of Directors of the Association ("Board") to govern the use of the Real Property, as defined in the Master Deed recorded in the Office of the Register of Deeds for Horry County in Book 3312 at page 662 (the "Master Deed"), together with any improvements built thereon (the "Condominium Property"). All terms used but not defined herein shall have the meanings assigned to such terms in the Master Deed.

A. Unit, Common Element and Limited Common Elements Rules and Regulations.

1. The rules and regulations hereinafter enumerated as to the Condominium Property, the Common Elements, the Limited Common Elements and the Units shall be deemed in effect until amended by the Board of the Association and shall apply to and be binding upon all Owners. The rules and regulations shall be consistent for all Condominiums operated by the Association. The Owners shall, at all times, obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.
2. The use of the Units shall be consistent with existing laws, and the restrictions set forth in the Master Deed, the Articles and the Bylaws and shall not constitute a nuisance. Each of the Units shall be occupied only as a residence by an Owner, its guests, tenants and lessees and for no other purpose.
3. Common Elements and Limited Common Elements shall not be obstructed, littered, defaced or misused in any manner and shall be kept free and clear of all rubbish, debris and unsightly materials. Destruction or damage caused to a Common Element or a Limited Common Element shall be the responsibility and at the expense of the responsible Owner.
4. Owners and occupants of Units shall exercise extreme care to minimize noises in the use of musical instruments, radios, television sets, amplifiers, etc., so as not to disturb other persons or parties occupying Residential Units.
5. No garments, rugs, etc., may be hung from the windows or other portions of Units. No rugs, etc., may be dusted from the windows of the Units. Rugs may be cleaned within the Units and not in any other portion of the Condominium Property.
6. All garbage and trash shall be deposited in the disposal installations provided for such purposes.
7. No Owner or occupant of a Unit shall install wiring for electrical or telephone installations, nor install machines or air conditioning units, etc., that may affect the

exterior of a Unit in any shape or manner except as authorized in writing by a majority of the Board.

8. Owners shall not cause or permit anything to be placed on the outside walls of any of the buildings or placed on windows which are visible from the outside of the building, and no sign (for rent, for sale or otherwise), canopy, shutter, radio, or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof of any Unit, without the prior written consent of the Board and the Grantor.

9. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements or Limited Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or may become an annoyance or nuisance to the other Owners or occupants, or which may be injurious to the reputation of the property.

10. Nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which will impair the structural integrity of the buildings or which would structurally change the buildings except with the approval of the Board.

11. Nothing shall be done or kept in any Unit or in the Common Elements or Limited Common Elements which will increase the rate of insurance on the buildings or contents thereof without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the building or contents thereof, or which would be in violation of any law.

12. Each person using any Common Element, as defined in the Master Deed, including, without limitation, the pool, the fitness room, the clubhouse or the roof top sun deck, does so at his or her own risk. Neither the Board nor the Association assumes any responsibility for any accident or injury resulting in personal injury, death or property loss or damage in connection with the use of any Common Element.

13. Children shall, at all times while on the premises, act in an orderly manner without creating disturbing noises or being a nuisance to Owners. Parents are at all times responsible for the general conduct of their children. The cost of repair and/or replacement for damage to Common Elements or personal property will be strictly enforced against the parents of the child responsible for same. Parents are urged to pay special attention to their children's conduct while in elevators and in and around the parking areas, the pool, the fitness room and the beach. The Board reserves the right to promulgate additional rules and regulations specifying minimum age requirements for unsupervised minors' use of or entry into any Common Element, including, without limitation, the pool, the fitness room, the clubhouse or the roof top sun deck.

14. Swim diapers are required for infants and toddlers in the pool.

15. No clotheslines or similar devices shall be allowed on any portion of the Condominium Property by any person, firm or corporation without the written consent of the Board. No grilling or barbecuing is permitted on the balconies or porches of Units. Balconies may be used only in the usual manner, except as hereinafter restricted, but in no event as an area for storage. Articles of clothing, linens, towels, etc., may not be hung or draped from rails,

window sills or outdoor furniture. Articles such as, but not limited to, bikes, hanging flower pots, planters, seasonal decorations, etc. shall not be kept, placed or maintained on Unit balconies. FEEDING SEAGULLS FROM BALCONIES IS PROHIBITED. No material of any nature (water, sand, dirt, etc.) may be pushed off the edge of any balcony. These materials must be swept into some type of container and removed. Only a damp mop, sponge or similar tool may be used to clean a balcony floor of a Unit. No object may ever be thrown or otherwise allowed to fall from any balcony.

16. Parking shall be as provided in the Master Deed. All motor vehicles shall be currently licensed. No repair or maintenance of vehicles is to be done in parking spaces or within the Common Elements or Limited Common Elements. No boats, boat trailers, motorcycles (except as expressly permitted below), all terrain vehicles, school buses, recreational vehicles or commercial trucks or vehicles shall be parked on the Condominium Property without prior written approval of the Association. This restriction does not apply to commercial trucks or vehicles parked temporarily on the Common Elements or Limited Common Elements by workmen or subcontractors. Parking spaces become premium during peak vacation periods. Parking spaces are not reserved for Owners. Motorists shall at all times drive carefully and in conformity with conditions and circumstances on the ramps and in the parking areas and shall in no event exceed the five (5) miles per hour speed limit.

(i) To insure parking of only authorized vehicles, decals or other identification will be issued to each Owner for his/her vehicle(s), or for the vehicle(s) of his or her guests or business invitees. Such decals (or hanging passes) MUST be prominently displayed in order to avoid towing and/or fines.

(ii) The use of parking areas are on a first come, first serve basis. Handicap spaces are specifically marked and are, of course, reserved for vehicles identified as transporting handicapped individuals.

(iii) All parking is restricted to paved parking areas. All vehicles MUST be parked between the painted lines.

(iv) Vehicles which by virtue of their size cannot be accommodated entirely within the painted parking lines for a single spot are prohibited.

(v) Only Owners may have motorcycles on premises unless otherwise authorized by the Board. Motorcycles must display Owner's permits as with automobiles. All guests with motorcycles must be registered with the Association Manager and display appropriate permit supplied by the Association Manager. Any motorcycle trailers or storage trailers owned by owners or guests must be approved and permitted by the Board to be parked in designated areas. No excessive noise from exhaust systems or revving of engines will be permitted. Motorcycles will attempt to coast on property and make as little noise as possible. Strict adherence to the quiet enjoyment rules must be followed at all times. Enforcement of these rules must be at the discretion of the Association Manager.

(vi) Any cleaning of Owner's vehicles is permitted only in areas designated by the Association. Any cleaning of Owner's vehicle by an outside company must be

performed in the designated area and with the outside company providing its own electricity and water. The Owner or vendor providing service must notify the Association Manager of the vendor's presence on property.

(vii) Long term parking or storage of vehicles is prohibited.

(viii) Junk vehicles or inoperable vehicles may not be driven, towed, parked or stored anywhere on the property.

Note: Any violation of parking rules will subject the violator to possible fines and/or towing and removal of the vehicle from the property at the Owner's expense. The Association assumes no responsibility for any damages to the vehicle generated by its removal.

17. ONLY Owners are allowed pets, subject to the limitations set forth in the Master Deed. Guests are specifically prohibited from bringing pets onto Association grounds.

(i) All pets must be registered with the Association Manager. All pets must be carried inside the building, elevator or parking garage (all covered public areas) unless leashed. Further, the Board reserve the right to require Owners, for any reason, to muzzle dogs in public areas; provided, that when on property outside the building, an Owner may remove a muzzle while walking his or her leashed pet. Owner must always clean up and encourage pet to use designated pet walk/area for its intended use. Any abuse of pet guidelines may result in Owner's loss of pet ownership privilege.

(ii) Pets must be licensed and maintain current inoculations for rabies and any such other diseases for which inoculation is customary for the particular breed of any such pet.

Please note that Horry County may have restrictions on pets being on the beach. We suggest you familiarize yourself with same before taking your pet onto the beach.

18. Proper attire must be worn in the lobby at all times by Owners, their guests, employees, invitees and family.

19. No sign, nameplate, signal, advertisement or illumination shall be inscribed or exposed on or at any window, door, balcony or terrace of any Unit without the express prior written consent of the Board.

20. The Association shall maintain a key to each Unit in the Condominium. No member shall change existing locks or install additional locks unless duplicate keys therefor are provided to the Association.

21. Elevators should be used for the purposes intended and not as a playground for children. Please instruct your children and all guests to keep the elevators free of trash.

22. It is not the intention of the Association to authorize entry into an Owner's Unit for the mere sake of access. Entry will be restricted to maintenance (i.e., changing air

conditioning filters) and to addressing emergency situations or conditions within the Unit which appear to or actually do threaten or damage other Units or the building itself. At such times, only personnel employed by the Management Company will be authorized entry.

(i) Owners contracting with local vendors for Unit alterations and/or maintenance, other than that provided by the Association, are solely responsible for providing vendor with keys.

(ii) Guests or Owners locked out of their unit, the lobby or the front gate should be instructed to go to the call box located at front gate or the directory at the lobby door to gain access through the emergency numbers provided.

23. The use, storage or discharging of fireworks on Association property is prohibited.

24. All luggage carriers must be returned promptly to the designated lobby areas. They are not to be retained in Units or left in hallways, elevators or parking areas.

25. Roller skates, skate boards and roller blades, which are rendered inherently dangerous by the design, grading, curving and use of our property, and by the numbers of people and vehicles using same, are not permitted anywhere on the property.

26. Bicycles are permitted on the premises. Bicycle owners will be solely liable for their conduct, and for any personal injuries or property damages sustained as a result of their operation. Due to local fire department regulations, bicycles cannot be left unattended in the corridors and walkways or chained to outdoor railing.

27. Solicitation, whether verbal or by the distribution of forms or other papers or documents, is not permitted on the property.

B. Enforcement and Fines.

The Board of Directors may impose fines in such reasonable sums as they deem appropriate, not to exceed: (i) Fifty Dollars (\$50.00) per first offense violation; (ii) One Hundred Dollars (\$100.00) per second offense violation; and (iii) One Hundred Dollars (\$100.00) per week thereafter, until the violation is remedied, against Owners for violations of the Condominium documents, including the Rules and Regulations, by Owners or their guests or lessees. Each day of continuing violation shall be a separate violation. No fine shall be levied until the Owner(s) has been given an opportunity for a hearing. The hearing must be held before a committee of other Owners. If the committee does not agree with the fine, the fine may not be levied. The procedure of the hearing shall be, at a minimum, as follows:

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

(i) A statement of the date, time and place of the hearing;

(ii) A statement of the provisions of the Master Deed, Bylaws, or Rules which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association, including the amount of any proposed fine or damage charge; and

(iv) A statement that it allows the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

C. Opportunity to Respond.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

D. Compliance with Documents. All Owners and every lessee, guest or visitor of a Owner shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Master Deed, the Articles and the Bylaws.

E. Rule Changes. The Board reserves the right to change or revoke existing rules and regulations and to make such additional rules and regulations from time to time as, in its opinion, shall be necessary or desirable for the safety and protection of the buildings and their occupants, to promote cleanliness and good order of the Condominium Property and to assure the comfort and convenience of Owners; provided, the same shall be subject to the restrictions on such changes, amendments or modifications set forth in the Master Deed and Bylaws.

F. Location for Posting Notices. All notices of Owner meetings and meetings of the Board shall be posted in an area of the Condominium Property designated by the Board from time to time as the location for posting of such notices.

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

**FIRST AMENDMENT TO THE MASTER
DEED OF THE POINTE HORIZONTAL
PROPERTY REGIME**

[This instrument is recordable and references the Master Deed of The Pointe Horizontal Property Regime recorded in Book 3312 at page 662]

THIS FIRST AMENDMENT TO THE MASTER DEED OF THE POINTE HORIZONTAL PROPERTY REGIME (the "Amendment") is executed as of this 28th day of May, 2008, by **THE POINTE LLC** (the "Grantor").

STATEMENT OF PURPOSE

WHEREAS, pursuant to that certain Master Deed of The Pointe Horizontal Property Regime recorded in the Office of the Register of Deeds for Horry County in Deed Book 3312 at page 662 (the "Master Deed"), the Grantor submitted certain real property and improvements thereon to a horizontal property regime in accordance with the South Carolina Horizontal Property Act, as amended (the "Act"); and

WHEREAS, the Grantor desires to amend Article XXXI of the Master Deed in order to correct a scrivener's error in such provision, thereby making the provision consistent with other terms set forth in the Master Deed and the bylaws attached thereto as Exhibit G; and

WHEREAS, pursuant to Article XXVIII, Section B, of the Master Deed, the Grantor may, acting alone, amend the Master Deed in order to correct any such scrivener's error; and

WHEREAS, the Grantor desires to enter into this Amendment in order to correct such scrivener's error and to evidence such correction by recording this Amendment in the Office of the Register of Deeds for Horry County in accordance with the terms of the Master Deed and the Act.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees as follows:

1. **Capitalized Terms**. All capitalized, undefined terms used in this Amendment shall have the meanings assigned thereto in the Master Deed.
2. **Amendment**. The first sentence in Article XXXI of the Master Deed is hereby amended as follows:

"Subject to the remainder of this paragraph, the Grantor may appoint and remove members of the Board of Directors of the Association ("Board") for a period not exceeding five (5) years from the date on which this Master Deed is recorded."

**Instrument#: 2008000070268, DEED BK:
3338 PG: 2784 DOCTYPE: 069 06/02/2008
at 03:08:51 PM, 1 OF 3 BALLERY V.
SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS**

3. Limited Amendment and Waiver: Full Force and Effect. Except as expressly agreed to herein, the Master Deed shall continue to be and shall remain in full force and effect. This Amendment shall not be deemed (a) to be a waiver, modification or amendment of any other term or condition of the Master Deed other than as expressly provided herein, or (b) to prejudice any other right or rights which either party may now have or may have in the future under or in connection with the Master Deed, as the same may be amended or modified from time to time.
4. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina without regard to the conflicts of law principles thereof.
5. Counterparts. This Amendment may be executed in separate counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

[Signature Page Follows.]

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

ATTORNEYS AT LAW

1000 29TH AVENUE NORTH

P.O. Box 357

MYRTLE BEACH, SOUTH CAROLINA 29578

TELEPHONE: (843) 448-2400

FACSIMILE: (843) 448-3022

HOWELL V. BELLAMY, JR.
JOHN K. RUTENBERG
JOHN E. COPELAND
CLAUDE M. EPPS, JR.
DAVID R. GRAVELY **
EDWARD B. BOWERS, JR.*
BRADLEY D. KING
M. EDWIN HINDS, JR.
JILL F. GRIFFITH
DAVID B. MILLER ****
C. WINFIELD JOHNSON, III

DOUGLAS M. ZAVICEK
JEFFREY W. KING ***
MARTIN C. DAWSEY
ROBERT S. SHELTON ****
HOWELL V. BELLAMY, III
ASHLEY P. MORRISON
GEORGE W. REDMAN, III
W. JOSEPH CUNNINGHAM ***
BENJAMIN A. BARGODY

* CERTIFIED SPECIALIST IN TAXATION LAW
** FELLOW OF THE AMERICAN ACADEMY OF MATRIMONIAL LAWYERS
*** ALSO MEMBER OF NORTH CAROLINA BAR
**** CIRCUIT COURT MEDIATOR

July 30, 2008

V. Nicole Comer, Esquire
Haynsworth Sinkler Boyd, P.A.
P.O. Box 11889
Columbia, SC 29211-1889

via email to:
ncomer@hsblawfirm.com
and via regular mail

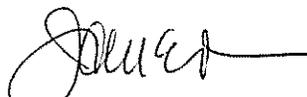
Re: The Pointe LLC
Second Amendment to the Master Deed of the Pointe HPR

Dear Nici:

Enclosed for your file, please find the original recorded Second Amendment to the Master Deed of The Pointe HPR recorded on July 29, 2008 in Deed Book 3353 at Page 573, records of the Office of the Register of Deeds for Horry County, South Carolina.

Yours truly,

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



John E. Copeland

JEC:kkm
Enclosure

2. **Amendments.**

- (a) Clause 2 of Article XIII, Section D, of the Master Deed is hereby amended as follows:

“increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), which such percentage calculation shall exclude any increase in the costs of obtaining the insurance required by this Master Deed, assessment liens or the priority of assessment liens;”

- (b) Article XXVI, Section B of the Master Deed is hereby modified by amending the first sentence thereof as follows:

“Each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments; and (iii) specific assessments, all as herein provided; provided, however, that to the extent permitted by law, Grantor shall not be required to pay such annual, special, or specific assessments for Units owned by Grantor but will, to the extent of any shortfall or deficit in the annual budget, pay to the Association the lesser of (a) an amount equal to any such shortfall or deficit or (b) an amount equal to the current annual assessments for the Units that have not been conveyed to a Person other than the Grantor; provided, further, that, to the extent permitted by law, Grantor’s obligation to pay the amounts set forth in clause (a) or (b) above shall become effective only after the Association has depleted any and all amounts held in the working capital account established pursuant to Section XXVI.J below.”

- (c) Article XXVI, Section B of the Master Deed is further amended by inserting the following sentence immediately after the first sentence:

“For purposes of determining whether the Association has a shortfall or deficit in the annual budget during the first year of the Association, beginning on the date on which this Master Deed is recorded and for a period of twelve (12) months following such date, the following items shall not be included in such calculations: (i) full funding of any and all reserve accounts (including, without limitation, the working capital account) established by the Master Deed or any other Condominium Instrument; and (ii) any service or item constituting a Common Expense of the Condominium that is subject to a twelve (12) month or one (1) year warranty, including, without limitation, any structural element or mechanical

equipment constituting a part of the Common Elements and the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all the Owners of the Units.”

- (d) Article XXVI, Section D of the Master Deed is hereby modified by amending the sixth sentence of such section as follows:

“If the annual assessment amount established by the Board pursuant to the budget exceeds the annual assessment amount levied in the prior fiscal year by more than six percent (6%), which such percentage calculation shall exclude any increase in the costs of obtaining the insurance required by this Master Deed, the Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than 14 nor more than 30 days after the mailing of the budget or summary to the Unit Owners.”

- (e) Article XXVI, Section H of the Master Deed is hereby modified by amending the first sentence of such section as follows:

“Subject to the proviso set forth in Section XXVI.B above, the obligation to pay assessments shall commence as to a Unit on the date on which such Unit is conveyed to a Person other than Grantor.”

- (f) Article XXVI, Section J of the Master Deed is hereby modified by deleting the fourth sentence of such provision so that it reads as follows:

“Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than Grantor (or Grantor’s Mortgagee), and upon each subsequent transfer of record title to a Unit, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to two (2) months of the general assessments. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. The working capital fund shall be maintained by the Association as a segregated fund. All monies paid into the working capital fund shall be held and administered by the Association in accordance with the terms of this Master Deed and the Bylaws.”

- (g) Article XXXI of the Master Deed is hereby amended by inserting the following language at the end of such Article:

“Notwithstanding anything contained herein to the contrary, the rights, duties and obligations of the Grantor herein (including, without limitation, those set forth in Sections VII.A, XIV.A.

XXVI.B, XXVI.H and Articles IX and XXXVIII) shall, without any further action by or on the part of the Grantor and to the extent that such rights, duties and obligations have not already expired or been terminated, be assumed and performed by the Association as of the date on which the Grantor is no longer entitled to designate and select any Person or Persons to serve on the Board.”

3. Limited Amendment and Waiver; Full Force and Effect. Except as expressly agreed to herein, the Master Deed shall continue to be and shall remain in full force and effect. This Agreement shall not be deemed (a) to be a waiver, modification or amendment of any other term or condition of the Master Deed other than as expressly provided herein, or (b) to prejudice any other right or rights which either party may now have or may have in the future under or in connection with the Master Deed, as the same may be amended or modified from time to time.
4. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina without regard to the conflicts of law principles thereof.
5. Counterparts. This Agreement may be executed in separate counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

[Signature Page Follows.]

July 29, 2008

_____ *Update, Record, Fill in All Blanks, Clock ___ Copies*

 x *No Update, Just Record and Clock ___ Copies*

_____ *Please Cancel and Return Clocked Copies to Me*

_____ *Call 282-5302 When Recorded - Disbursement to be made*

 x *Record in Order Given*

_____ *We are aware of Judgment # _____ and you are authorized to record in regard to this judgment*

_____ *Hold* _____ *Do Not Hold*
NO TITLE EXAM REQUESTED PLEASE RECORD FIRST AMENDMENT TO MASTER DEED

Clients: The Pointe HPR

Documents: 2nd Amendment to Master Deed

Thank you,

Kim K. Moore
843 282-5302



Print Date:
7/29/2008 2:36:59 PM

Horry County, SC Transaction #: 252008

Receipt #: 240836

Cashier Date: 7/29/2008 2:36:55 PM
(SCAPWELL)

Ballery V. Skipper
Registrar of Deeds
1301 Second Ave. - 29526
Post Office Box 470
Conway, SC. 29528
(843) 915-5430

Customer Information	Transaction Information	Payment Summary
(00005) BELLAMY LAW FIRM PO BOX 357 MYRTLE BEACH, SC 295770000 Escrow Balance: \$199.52	DateReceived: 07/29/2008 Source Code: Walk-In Return Code: Walk-In Trans Type: Recording Agent Ref Num: KEITH	Total Fees \$11.00 Total Payments \$11.00

1 Payments

CHECK 740	\$11.00
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1 Recorded Items

(069) AMENDMENT DEED BOOK	<i>BK/PG: 3353/573 Instrument#: 2008000099240</i> <i>Date: 7/29/2008 2:36:49 PM</i> <i>From: To:</i>
Recording @ \$10 for the first 4 pages and \$1 for every page after	5
	\$11.00

0 Search Items

0 Miscellaneous Items

2. **Amendments.**

(a) **Use of Proxies in Electing Directors.** The following provisions in the Bylaws are hereby amended in order to permit the use of proxies in electing directors.

(i) The second sentence of Article II, Section F, is hereby deleted in its entirety.

(ii) The second sentence of Article II, Section G, is hereby deleted in its entirety.

(iii) The second sentence of Article IV, Section B, Subsection 7, is hereby deleted in its entirety.

(b) **Board of Directors.** The Bylaws are hereby amended to authorize a range in the number of directors (as opposed to a fixed number), such that the first sentence of Article IV, Section A, is hereby deleted in its entirety and the following is inserted in lieu thereof:

“The Board of Directors shall consist of no less than three (3) but not more than (5) persons for so long as The Pointe LLC (the “Grantor”) is entitled to appoint any Members of the Board of Directors and shall remain at no less than three (3) but not more than five (5) Directors commencing at the Turnover Meeting (as defined below).”

Further, to facilitate the staggered terms of the directors, the first sentence of Article IV, Section B, Subsection 5 of the Bylaws is hereby deleted in its entirety and the following is inserted in lieu thereof:

“At the Turnover Meeting or, if at the time of the first annual meeting of Members, Owners, other than the Grantor, are entitled to elect all of the Directors: (A) if the number of Directors is set at five (5) Directors, then the terms of office of two (2) Directors shall be three (3) years, the terms of office of two (2) Directors shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year; and (B) if the number of Directors is set at less than five (5) Directors, then the terms of office of one (1) Director shall be three (3) years, the terms of office of one (1) Director shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year.”

(c) **Board of Directors Election Procedures.** To clarify the election procedures set forth in the Bylaws, Article IV, Section B, Subsection 3 of the Bylaws is hereby amended by adding the following language at the end of such section:

“Notwithstanding the foregoing, nothing contained in this provision shall (a) prohibit the Association from combining any ballot required to be

delivered hereby with a form of proxy, if delivered; or (b) prevent or prohibit Members present at the noticed meeting from nominating additional candidates for director(s) from the floor of such meeting.”

- (d) Use of Reserve Funds. To facilitate the orderly operation, maintenance and repair of the Condominium, the third and fourth sentences of Article VIII, Section B are hereby amended to read as follows:

“Funds deposited into such reserve accounts shall be used to pay for, without limitation, roof replacement, the replacement of other structural elements and mechanical equipment constituting a portion of the Common Elements, building painting, pavement resurfacing, and the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all the Owners of all Units; provided, that nothing herein contained shall prohibit the Association from applying any monies in such reserve funds for other replacements or to meet other reasonable needs or requirements of the Association in operating, maintaining, repairing or managing the Condominium in the event of emergencies or in the event the sums collected from the Owners of Units are insufficient to meet the then current approved budget of the Association, but it shall not be a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors in its sole discretion. Subject to the foregoing, the use of the reserve funds and interest thereon for all expenditures (other than those permitted above) exceeding (a) \$1,000 per instance or (b) \$10,000 in the aggregate during any budget year must be approved in advance by sixty-seven percent (67%) of the Members, and the funds must remain in the established reserve accounts until such approval is granted.”

3. Conformed Bylaws. A conformed copy of the Bylaws, as amended hereby and with such amendments being highlighted for ease of reference, is attached hereto as Exhibit A.
4. Limited Amendment and Waiver; Full Force and Effect. Except as expressly agreed to herein, the Bylaws shall continue to be and shall remain in full force and effect. This Amendment shall not be deemed (a) to be a waiver, modification or amendment of any other term or condition of the Bylaws other than as expressly provided herein, or (b) to prejudice any other right or rights which either party may now have or may have in the future under or in connection with the Bylaws, as the same may be amended or modified from time to time.
5. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina without regard to the conflicts of law principles thereof.

6. Counterparts. This Amendment may be executed in separate counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned have executed this Amendment under seal as of the date first written above.

[CORPORATE SEAL]

THE POINTE CONDOMINIUM
ASSOCIATION, INC.

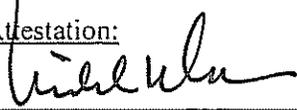
By: _____
Rob Bell, President

Signed, sealed and delivered
in the presence of:

Witness 1

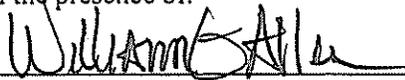
Witness 2

[CORPORATE SEAL]

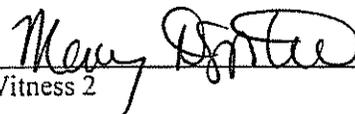
Attestation:


Mike Ward, Secretary

Signed, sealed and delivered
in the presence of:



Witness 1



Witness 2

STATE OF NC)

COUNTY OF Catawba)

I, Frances N. Bolton, Notary Public for the State of NC, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Rob Bell, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 5 day of May, 2008.

Frances N. Bolton
Notary Public for the State of North Carolina
My Commission Expires: 10-29-2012

[NOTARIAL SEAL]

STATE OF _____)

COUNTY OF _____)

I, _____, Notary Public for the State of _____, do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Mike Ward, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this _____ day of _____, 2008.

Notary Public for the State of _____
My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF _____)

COUNTY OF _____)

I, _____, Notary Public for the State of _____ do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Rob Bell, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this _____ day of _____, 2008.

Notary Public for the State of _____
My Commission Expires: _____

[NOTARIAL SEAL]

STATE OF North Carolina

COUNTY OF New Hanover

Julia G. Medlin, Notary Public for the State of North Carolina do hereby certify that THE POINTE CONDOMINIUM ASSOCIATION, INC., by Mike Ward, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Subscribed to and sworn before me this 25th day of April, 2008.

Julia G. Medlin
Notary Public for the State of North Carolina
My Commission Expires: 1-28-2012

[NOTARIAL SEAL]

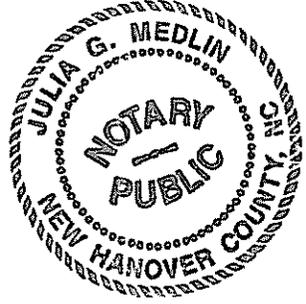


EXHIBIT A
Conformed Bylaws

BYLAWS
OF
THE POINTE CONDOMINIUM ASSOCIATION, INC.,
a South Carolina nonprofit corporation

I. IDENTITY

A. These are the Bylaws of The Pointe Condominium Association, Inc. (“Association”), a South Carolina nonprofit corporation. The purpose of the Association is the administration, operation and management of The Pointe Horizontal Property Regime (the “Condominium”), as the same may now or hereafter be constituted in accordance with the South Carolina Horizontal Property Act § 27-31-10 et seq., Code of Laws of South Carolina 1976, as amended (the “Act”). The Association shall undertake the performance of and shall carry out the acts and duties incident to the administration, operation and management of the Condominium in accordance with the terms, provisions and authorizations contained herein, in the Articles of Incorporation of the Association (the “Articles”) and in the Master Deed of the Condominium which will be recorded in the Office of the Register of Deeds for Horry County, South Carolina (the “Master Deed”). In addition, the Association may own, operate, lease, sell, trade or otherwise deal with any property, real or personal, as may become part of the Condominium (the “Condominium Property”) and as may be necessary or convenient for the administration of the Condominium.

B. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these Bylaws will be annexed as Exhibits to the Master Deed. The terms and provisions of the Articles and Master Deed shall control wherever the same may conflict herewith. The defined terms used in these Bylaws shall be as defined in the Master Deed and the Articles, unless specifically defined in these Bylaws or unless otherwise required by the context.

C. All members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Rules and Regulations of the Association, the Articles and the Master Deed.

D. The office of the Association shall be at 9547 Edgerton Drive, Myrtle Beach, South Carolina 29572, or at such other place as may be established by resolution of the Board of Directors.

E. The fiscal year of the Association shall be the calendar year.

F. The seal of the Association shall bear the name of the Association, the word “South Carolina”, the words “Nonprofit Corporation” and the year of incorporation.

II. MEMBERSHIP, VOTING, QUORUM, PROXIES

A. Membership. The qualification of members of the Association ("Members"), the manner of their admission to the membership and termination of such membership and voting rights of Members ("Voting Interests") are as follows:

1. The operation of the Condominium shall be by the Association. The Association shall operate pursuant to the provisions of the Master Deed, the Articles, these Bylaws and the Act. The powers and duties of the Association are those as set forth in the Articles and these Bylaws.

2. Subject to the provisions and restrictions set forth herein the Bylaws, each Owner of a Unit shall be a member of the Association and shall be entitled to one (1) vote for each Unit owned by him, to be exercised as provided in the Articles, the Bylaws and the Master Deed, which such vote shall be weighted in accordance with such Owner's allocated interest in the Common Elements as set forth on Exhibit D to the Master Deed. The provisions addressing the right of the Owners to elect members of the Board are contained in Article IV below.

3. The Association shall administer and manage the Condominium (other than the rental management of the Units) and maintain and repair the Common Elements and the Limited Common Elements, except as otherwise provided in the Master Deed.

4. The Association may enter into a management contract with a third party (the "Management Company") for the management and maintenance of the Units and the Association, including, without limitation, the Common Elements and the Limited Common Elements. The Management Company shall be paid a reasonable fee for its management services, the amount of such fees being consistent with industry standard. The terms and conditions of the management agreement shall conform to the requirements of South Carolina law, which may restrict the term thereof.

B. Quorum. A quorum at meetings of Members shall consist of fifty percent (50%) of the Voting Interests that may be cast for election of the Board, represented either in person or by proxy at the beginning of a meeting, and such quorum shall be necessary at all meetings of the Members for the transaction of business, except as otherwise provided by statute, the Articles or these Bylaws.

C. Voting. The vote of the owner(s) of a Unit owned by more than one natural person, as tenants in common or as joint tenants (except a husband and wife as tenants by the entirety), a partnership, limited liability company or any other association of natural persons, or by a corporation, a trust, or any other entity shall be cast or otherwise exercised, at all meetings at which Members of the Association are entitled to vote or otherwise act, by one natural person designated by the owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, limited liability company or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Association (the

“Voting Certificate”), designate one natural person as the Primary Occupant. The Voting Certificate shall be filed with the Association and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy, the vote of the owner(s) of such Unit at any meeting of Members or in connection with any action concerning which Members of the Association shall be required or allowed to vote or otherwise act.

D. Approval. Evidence of the approval or disapproval of the owner(s) of a Unit upon any matter, whether or not the subject of an Association meeting, shall be given to the Association by the same person who would cast the vote of such owner if in an Association meeting.

E. Votes Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Master Deed, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, which is duly called and at which time a quorum is present, the affirmative vote of sixty-seven percent (67%) of the Voting Interests present in person or by proxy shall be binding upon the Members.

F. Proxies. Except as otherwise required under the provisions of these Bylaws, at any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by general or limited proxy. ~~Proxies may not be used in electing Directors.~~ Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. Each proxy must be dated and state the date of termination. In no event shall any proxy be valid for a period longer than eleven (11) months after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Member executing it by such Member giving actual notice of revocation to the person presiding over the meeting pursuant to Section 33-31-724 of the Act.

G. Limited or General Proxies. Limited or general proxies may be used to establish a quorum. Limited proxies shall be used for (a) votes taken to waive or reduce reserves; (b) votes taken to waive financial statement requirements; (c) votes taken to amend the Master Deed; and (d) votes taken to amend the Articles or the Bylaws. ~~No proxy, limited or general, may be used in connection with the election of Directors.~~ General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given.

H. Consent to Action. Unless a duly called meeting of the Association shall be specifically required for action to be taken by the Members in these Bylaws, the Articles, the Master Deed, the Act or other South Carolina statute, any action to be taken by the Association may be taken, to the extent permitted by law, by written consent setting forth the action so taken, approved by Members holding not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voting.

III. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

A. Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Horry County, South Carolina, and at such time as may be specified in the notice of the meeting, for the purposes of electing Directors and of transacting any other business authorized to be transacted by the Members.

B. Special Meetings. Except as elsewhere provided in these Bylaws to the contrary, special meetings of the entire membership of the Association shall be held whenever called by the President or by a majority of the Board of Directors. A special meeting must be called by the officers upon receipt of a written request from Members of the Association owning five percent (5%) of the Voting Interests in the Condominium.

C. Notice of Meetings. Notice of all meetings of Members, if any, shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each Member, if any (unless waived in writing). Each notice shall be written or printed and shall incorporate an identification of agenda items and shall state the date, time, place of and purpose for which the meeting is called. Notice of each meeting shall be given to each Member not less than ten (10) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed to each Member by first class or registered mail. Such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his post office address as it appears on the records of the Association, with postage thereon prepaid. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed in accordance with this provision, to each Owner at the address last furnished to the Association. Each notice shall in addition be posted at a conspicuous place in the Condominium at least ten (10) continuous days prior to said meeting. Upon notice to all Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property, upon which all notices of Owner meetings shall be posted. If any meeting of the Members cannot be held because a quorum is not present, or because a greater percentage of the Voting Interests required to constitute a quorum for a particular purpose is not present, wherever the latter percentage may be required as set forth in the Articles, the Bylaws or the Master Deed, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

D. Presiding Officer and Minutes. At meetings of Members, the President shall preside, or in his absence, the Vice President, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a businesslike manner and available for inspection by Directors, Members and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Members' Participation at Meetings. Owners have the right to speak at meetings of the Board of Directors and meetings of Members with reference to all designated agenda items.

F. Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

1. Calling of the roll and certifying of proxies;
2. Proof of notice of meeting or waiver of notice;
3. Reading or waiver of reading of minutes of previous meeting of Members;
4. Reports of officers;
5. Reports of committees;
6. Appointment by Chairman of inspectors of election;
7. Election of directors;
8. Unfinished business;
9. New business; and
10. Adjournment.

IV. BOARD OF DIRECTORS

A. Members of the Board. The Board of Directors shall consist of ~~five~~ no less than three (3) but not more than (5) persons for so long as The Pointe LLC (the "Grantor") is entitled to appoint any Members of the Board of Directors and shall remain at no less than three (3) but not more than five (5) Directors commencing at the Turnover Meeting (as defined below). (i) Sixty (60) days following the date on which Owners, other than Grantor, own seventy-five percent (75%) of the Units of the Condominium that will ultimately be operated by the Association, (ii) five (5) years after recordation of the Master Deed or (iii) the date on which Grantor voluntarily relinquishes such right by executing and recording an amendment to this Master Deed which shall become effective as specified therein, whichever shall first occur (the "Turnover Date"), the Owners, other than the Grantor, shall be entitled to elect, in the manner provided in Paragraph B, Article IV of these Bylaws, all of the Members of the Board of Directors. No later than five (5) business days following the Turnover Date and subject to Article IV, Section B(5), the Association shall call and notice to the Members a Special Meeting to be held no later than thirty-one (31) days following the Turnover Date (the "Turnover Meeting"), at which such Turnover Meeting the Members shall elect, in the manner provided in Paragraph B, Article IV of these Bylaws, five (5) Directors to serve on the Board, which such Directors need not be Members and will take office effective upon election. The Grantor shall have the right to elect in the same manner provided in Paragraph B, Article IV of these Bylaws the Members of the Board of Directors which other Owners are not entitled to elect. Notwithstanding the foregoing, the Grantor shall be entitled at any time to waive its rights hereunder, by execution and delivery to the Association of written waivers, and thereafter to vote in elections for Members of the Board of Directors in the same manner as any other Owner.

B. Election of Directors. Directors shall be elected in the following manner:

1. Commencing with the election of the first Board to succeed the Board comprised of the persons (a) named in the Articles or (b) appointed by the incorporator following the filing of the Articles, Grantor shall designate that number and the identity of the Members of the Board which it shall be entitled to designate in accordance with the Articles and these Bylaws, and upon such designation by Grantor, by written instrument presented to the meeting at which such election is held, the persons so designated by Grantor shall be deemed and considered for all purposes Directors of the Association and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these Bylaws.

2. For so long as the Grantor shall retain the right to appoint at least one (1) member of the Board of Directors, the members of the Board of Directors whom Grantor shall not be entitled to designate under these Bylaws shall be elected at large by a plurality of the Owners' votes cast at the annual meeting of the general membership immediately following designation of the members of the Board whom Grantor shall be entitled to designate. Beginning with the Turnover Meeting, the Directors shall be elected at large by a plurality of the Voting Interests of the Owners at the annual membership meeting.

3. Not less than sixty (60) days before scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newspaper, to each Owner entitled to a vote, the first notice of the date of the election. Any Owner or other eligible person desiring to be a candidate for the Board must give written notice to the Association not less than forty (40) days before scheduled election. Together with the written notice and agenda, the Association shall mail or deliver a second notice of the election, in accordance with Article III, Section (c) above, to all Owners entitled to vote therein, together with a ballot which shall list all candidates. Upon request of the candidate, the Association shall include an information sheet, no larger than "8½ x 11", which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. The Association has no liability for the contents of the information sheets prepared by the candidate. No Owner shall permit any other person to vote his ballot, and any such ballot improperly cast shall be invalid. The regular election shall occur on the date of the annual meeting. Notwithstanding the foregoing, nothing contained in this provision shall (a) prohibit the Association from combining any ballot required to be delivered hereby with a form of proxy, if delivered; or (b) prevent or prohibit Members present at the noticed meeting from nominating additional candidates for director(s) from the floor of such meeting.

4. Vacancies on the Board may be filled by the remaining Directors for the unexpired term of such Director or, if no such Directors exist, by a vote of the Owners at a special meeting of the membership called for such purpose and conducted in the manner called for in Section B(2) above; provided, that any vacancy in the Board created in a directorship previously filled by any person designated by Grantor, such vacancy should be filled by Grantor designating by written instrument delivered to any office of the Association, the successor Director, who shall fill the vacated directorship for the unexpired term thereof.

5. At the Turnover Meeting or, if at the time of the first annual meeting of Members, Owners, other than the Grantor, are entitled to elect all of the Directors;: (A) if the number of Directors is set at five (5) Directors, then the terms of office of two (2) Directors shall be three (3) years, the terms of office of two (2) Directors shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year; and (B) if the number of Directors is set at less than five (5) Directors, then the terms of office of one (1) Director shall be three (3) years, the terms of office of one (1) Director shall be two (2) years and the terms of office of the remaining Director or Directors shall be one (1) year. If, at the time of the first annual meeting of Members, Grantor is entitled to designate some or all of the Directors, Grantor shall have the right to designate for up to three (3) year terms that number of Directors which the Director is entitled to designate. The remaining Director or Directors designated by the Grantor or elected by the Owners, as applicable, if any, shall have terms of office of one (1) year; the intention being that terms of office of Directors be staggered. Thereafter, as many Directors shall be elected, or designated by Grantor or the Owners, as applicable, for three (3) year terms, as there are regular terms of office for Directors expiring at such times. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by the Grantor, and qualified, or until removed in the manner elsewhere herein provided or provided by law.

6. In the election of Directors, there shall be, appurtenant to each Unit, one (1) vote for each Director, which is to be filled at that meeting; provided, however, that no Member or owner of any Voting Interest may cast more than one (1) vote per Unit or Voting Interest owned for any person nominated as a Director, it being the intent hereof that the voting of Directors shall be non-cumulative. Each such vote shall be weighted in accordance with such Owner's allocated interest in the Common Elements of the Condominium as described in Article IV and Exhibit D of the Master Deed.

7. The election of Directors shall be by written ballot. ~~Proxies shall not be used in electing Directors.~~

8. In the event that Grantor selects any person or persons to serve on any Board, Grantor shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on the Board. Replacement of any person or persons designated by Grantor to serve on any Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from the Board. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Grantor to any officer of the Association.

C. Organizational Meetings. The organizational meeting of a newly elected or designated Board shall be held within thirty (30) days of their election or designation, and shall be noticed as required by this Article IV.

D. Regular Board Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of

regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least one (1) day prior to the day named for such meeting, unless notice is waived.

E. Special Board Meetings. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of (20%) of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Notices and Open Meetings. Adequate notice to the Members of all meetings (regular and special) of the Board, or any committee thereof at which a quorum of the Members of that committee are present, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours in advance of the meeting, except in an emergency. The notice shall specifically incorporate an identification of agenda items. Upon prior notice to all Owners, the Board shall by duly adopted rule designate a specific location on the Condominium Property upon which notices of all Board meetings shall be posted. All meetings of the Board shall be open to all Owners. Notice of any meeting of the Board or any committee thereof where the Association's budget or where regular assessments against Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Written notice of any meeting of the Board or any committee thereof at which non-emergency special assessments, or at which amendment to rules regarding Unit use will be proposed, discussed, or approved, shall be mailed or delivered to the Members and posted conspicuously on the Condominium Property not less than fourteen (14) continuous days prior to the meeting. The Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision, to each Owner.

G. Board Meetings. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by Members and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven (7) years.

H. Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting by signing a waiver of notice and placing it in the minute book, and such waiver shall be deemed equivalent to the giving of notice.

I. Quorum, Voting and Approval. A quorum at meetings of the Board shall consist of the Directors entitled to cast at least a majority of the votes of the currently composed Board immediately before the start of the meeting. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Master Deed. A Director of the Association who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the Action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required

as set forth in the Articles, these Bylaws or the Master Deed, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice to the Directors, however notice of the adjourned meeting must be given in accordance with Paragraph F, Article IV hereof. All meetings of the Board of Directors shall be open to all Owners, unless otherwise provided by law.

J. Presiding Officer. The presiding officer of meetings of the Board shall be the President of the Association. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

K. Action without a Meeting. To the extent now or from time to time hereafter permitted by the laws of the State of South Carolina, the Board may take any action without a meeting by unanimous written consent if (i) the Board action does not involve voting on a fine, damage, assessment, appeal from a denial of architectural approval or suspension of a right of a particular Association Member before such Member has an opportunity to attend a Board meeting to present the Member's position, including any defense, on the issue and (ii) a record of all such actions so taken, signed by each Director, is filed and retained in the minutes book of the Association.

L. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the laws of the State of South Carolina, the Articles, these Bylaws and the Master Deed. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Master Deed, and shall include, without limitation, the right, power and authority to:

1. Make, levy and collect assessments, including without limitation, assessments for reserves and for improvements to Condominium Property assessments imposed against the Units pursuant to the Master Deed and these Bylaws.

2. Maintain, repair, replace, operate and manage the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of Members;

3. Repair and reconstruct improvements after casualty;

4. Make and amend regulations governing the use of the property, real and personal, in the Condominium, provided that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Master Deed;

5. Acquire, own, hold, operate, lease, encumber, convey, exchange, manage and otherwise trade and deal with property, real and personal, including Units of and in the Condominium as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Master Deed;

6. Contract for the management and maintenance of the Condominium Property and to authorize a management agent to assist the Association in carrying out its powers

and duties including, but not limited to, the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Common Elements and Limited Common Elements with funds as shall be made available by the Association for such purposes. All management agreements entered into on behalf of the Association shall (a) be for a term not in excess of one (1) year, (b) provide that either party may terminate the agreement, without cause, upon ninety (90) days written notice, without a termination fee (except that management agreements entered into while Grantor has the right to appoint at least one (1) person to the Board shall be terminable without cause on thirty (30) days written notice), (c) provide that the Board may, for cause, terminate such agreement upon thirty (30) days written notice (without a termination fee) and (d) provide for renewal upon agreement by the parties for successive one (1)-year periods. The Grantor, or an affiliate of the Grantor, may be employed as managing agent. The managing agent shall at all times be a professional management company, with expertise and experience in the operation of condominiums. Notwithstanding the foregoing, the Association and its officers shall retain at all times the powers and duties granted by the Condominium Documents and the Act, including, but not limited to, the making of assessments, promulgation of rules and execution of contracts on behalf of the Association;

7. Enforce by legal means the provisions of the Articles, these Bylaws, the Master Deed and all regulations governing use or property of and in the Condominium hereafter adopted;

8. Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens;

9. Carry insurance for the protection of Members and the Association against casualty and liability;

10. Pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the owners of the separate Units; and

11. Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

M. First Board of Directors. The first Board of Directors of the Association (the "First Board") shall be comprised of those Members of the Board as described in the Articles or as appointed by the incorporator after filing the Articles, in each case who shall serve until their successors are designated by Grantor or elected at the first annual meeting of the Members as described in Article IV, Section B. Should any member of the First Board be unable to serve for any reason, the Grantor shall have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

N. Removal and Recall. Any Director of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Voting Interests. A special meeting of the Members to recall a member or Members of the Board may be called by twenty percent (20%) of the Voting Interests giving notice of the meeting in the

same manner as notice of the call of a special meeting of the Members is required as set forth in Article III, Paragraph C, and the notice shall state the purpose of the meeting. Such special meeting to recall a member or Members of the Board is subject, however, to the right of Grantor to elect Directors as provided herein.

1. If the recall is approved by a majority of all Voting Interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within five (5) full business days of the adjournment of the Owner meeting to recall one or more Board Members. At the meeting, the Board shall either certify the recall, in which case such member or Members shall be recalled effective immediately and shall turn over to the Board, within five (5) full business days, any and all records and property of the Association in their possession or shall proceed as set forth below.

2. If the proposed recall is, to the extent permitted by law, by an agreement in writing by a majority of all Voting Interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized the laws of the State of South Carolina and the South Carolina Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the board, within five (5) full business days, any and all records and property of the Association in their possession or proceed as described below.

3. If the Board determines not to certify the written agreement to recall a member or members of the Board or does not certify the recall by a vote at a meeting, then the Board shall, within five (5) full business days after the meeting, file a petition for arbitration in accordance with the applicable arbitration provisions set forth in the Master Deed. For the purposes of this provision, the Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or Members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. Any member or Members so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall.

4. If the Board fails to duly notice and hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Owner recall meeting, the recall shall be deemed effective and the Board Members so recalled shall immediately turn over to the Board any and all records and property of the Association.

5. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, a vacancy in the Directors may be filled by the affirmative vote of a majority of the remaining Directors. If vacancies occur on the Board as a result of a recall and a majority or more of the Board Members are removed, the vacancies shall be filled for the unexpired terms of such directorships in accordance with Article IV, Section B

above. Until such time as a vacancy is filled, the Board shall continue to operate with the remaining Directors.

O. Place of Board Meetings. Notwithstanding anything contained in these Bylaws to the contrary, any meeting of Members of the Board may be held at any place within the State of South Carolina, as designated in the notice of any such meeting, or notice of which is waived.

V. OFFICERS

A. Generally. The Board shall elect, for terms consisting of one (1) year, a President, Secretary, Treasurer and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall deem advisable from time to time. The President shall be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two (2) offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to properly manage the affairs of the Association. Officers may be removed from office by the Board, and the unexpired term of any vacancies resulting therefrom or from Officer resignations may be filled, from time to time, by the Board in accordance herewith.

B. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a non-profit corporation including, but not limited to, preparing, executing and recording, or directing the preparation and recordation of, amendments to the Master Deed on behalf of the Association and the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

C. Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

D. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. He shall attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of a non-profit corporation and as may be required by the Board and the President, including, without limitation, certifying amendments to the Master Deed on behalf of the Association. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. Treasurer. The Treasurer shall have custody of all of the Property of the Association including funds, securities and evidences of indebtedness. He shall keep the assessment roll and accounts of the Members; he shall keep the books of the Association in

accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

F. Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the Voting Interests of the Members of the Association, reflected by a vote taken at a duly constituted membership meeting. No officer who is appointed by the Grantor shall receive any compensation for his services as an officer. Nothing herein shall be construed so as to prohibit or prevent the Board of Directors from employing any Director or officer as an employee of the Association at such compensation as the Board shall determine, nor shall anything herein be construed so as to preclude the Board from contracting with a Director or officer or with any corporation in which a Director or officer or with any corporation in which a Director or officer of the Association may be a stockholder, officer, Director or employee, for the management of the Condominium for such compensation as shall be mutually agreed between the Board and such officer, Director or corporation, or from contracting with a Director or officer or corporation in which a director or officer of the Association may be a stockholder, officer, director or employee for the purpose of making available to the Owners of Condominium Units such services as are contemplated by these Bylaws, the Articles and the Master Deed. An officer, Director or manager may not solicit, offer to accept or accept anything of service or value for which consideration has not been provided for his or her own benefit or that his or her immediate family, from any person providing or proposing to provide goods or services to the Association.

VI. FIDELITY BONDING OF OFFICERS AND DIRECTORS

The Association shall obtain and maintain adequate insurance or fidelity bonds for all persons who control or disburse funds for the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at anyone time. The Association shall bear the cost of bonding.

VII. OFFICIAL RECORDS

A. From the inception of the Association, the Association shall maintain a copy of each of the following where applicable, which shall constitute the official records of the Association:

1. The Plans, permits, warranties (including, without limitation, the Association Limited Warranty and the Unit Limited Warranties) and other items provided by the Grantor applicable to the Condominium;
2. A photocopy of the recorded Master Deed and all amendments thereto;
3. A photocopy of these Bylaws as recorded and all amendments thereto;
4. A certified copy of the Articles and amendments thereto;
5. A copy of the current rules and regulations, if any, of the Association;

6. The Association minute book containing the minutes of all meetings of the Association, of the Board, and of Owners, which minutes shall be retained for a period of not less than seven (7) years;

7. Voting records, proxies and correspondence relating to amendments to the Master Deed, which documents shall be retained for a period of not less than seven (7) years;

8. A current roster of all Owners, their mailing addresses, Unit identifications, Voting Certificates, and if known, telephone numbers;

9. All current insurance policies of the Association and the Condominium;

10. A current copy of any management agreement, lease or other contract to which the Association is a party or under which the Association or the Owners have an obligation or responsibility;

11. Bills of sale or transfer for all property owned by the Association;

12. Detailed financial records of the Association that comply with generally accepted accounting principles. All accounting records shall be maintained for a period of not less than seven (7) years. The accounting records shall include, but are not limited to:

(a) Accurate, itemized, and detailed records of all receipts and expenditures.

(b) A current account and a monthly, bimonthly or quarterly statement of the account for each Unit designating the name of the Owner, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(c) All audits, reviews, accounting statements and financial reports of the Association or Condominium.

(d) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

13. All rental records where the Association is acting as agent for the rental of Condominium Units.

B. The official records of the Association shall be maintained in Horry County, South Carolina.

C. A Member or an authorized representative of such Member may inspect the official records of the Association required to be maintained by this Section during ordinary business hours upon three (3) days' advance written notice to the Secretary of the Association.

D. No later than thirty (30) days after acquiring an interest in a Unit, an Owner shall provide the Association with:

1. The Owner's mailing address, telephone number and driver's license number, if any;
2. The name and address of the holder of any lien against the Unit and the corresponding loan number;
3. The name and telephone number of any person occupying the Unit other than the Owner; and
4. The name, address and telephone number of any person managing the Unit as agent of the Owner.

In addition, an Owner shall notify the Association no later than thirty (30) days following the date the Owner has notice of any change in the information required by this Section and shall provide and update such information from time to time as reasonably requested by the Association.

VIII. FISCAL MANAGEMENT

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

A. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the Owner(s) of each Unit, the amount of each assessment against the Owner(s) of each Unit, the amount paid, and the balance due upon each assessment.

B. Annual Budget. The Board shall adopt for, and in advance of, each fiscal year a budget for the Condominium showing the estimated costs of performing all of the functions of the Association as such Condominium for the year. The budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the Common Expenses, which shall include, without limitation, the costs of operating and maintaining the Common Elements and Limited Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and reserve accounts for capital expenditures and deferred maintenance and any other reserves and/or funds which may be established from time to time by the Board. Such Funds deposited into such reserve accounts shall include, ~~but not be limited to be used to pay for, without limitation,~~ roof replacement, the replacement of other structural elements and mechanical equipment constituting a portion of the Common Elements, building painting and pavement resurfacing. All such, pavement resurfacing, and the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all the Owners of all Units; provided, that nothing herein contained shall prohibit the Association from applying any monies in such reserve funds for other replacements or to meet other reasonable needs or requirements of the Association in operating, maintaining, repairing or managing the Condominium in the event of emergencies or in the event the sums collected from the Owners of Units are insufficient to meet the then current approved budget of the Association, but it shall not be

a requirement that these monies be used for such latter purposes, as a separate assessment may be levied therefor if deemed to be preferable by the Board of Directors in its sole discretion. Subject to the foregoing, the use of the reserve funds and interest thereon shall remain in such accounts for authorized reserve expenditures, unless their use for other purposes is⁸ for all expenditures (other than those permitted above) exceeding (a) \$1,000 per instance or (b) \$10,000 in the aggregate during any budget year must be approved in advance by sixty-seven percent (67%) of the Members, and the funds must remain in the established reserve accounts until such approval is granted.

Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Owner(s) of each Unit and due date(s) and amount of installments thereof. Copies of the proposed budget and proposed assessments for the fiscal year for which the budget is made shall be mailed or hand delivered to each Member at the address last furnished to the Association on or before December 1st of the current year and not less than fourteen (14) days prior to the meeting of a Board at which the budget will be considered, if a meeting is required by Section XXVI.D of the Master Deed whichever is earlier, together with a notice of the time and place of that meeting. The Secretary of the Association shall provide an Affidavit, to be included in the official records of the Association, confirming that notice of such meeting was provided in accordance with this provision to each Owner. Such meeting of the Board shall be open to Members. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management or in the event of emergencies.

C. Notice of Adopted Budget. Upon adoption of budgets, if such adoption is not automatic pursuant to Section XXVI.D of the Master Deed, the Board shall cause written copy thereof to be delivered to all Members. Assessments shall be made against the Units pursuant to procedures established by the Board, and in accordance with terms of the Master Deed and Articles. Subject to Section E below, Members shall be liable to pay assessments not less often than quarterly, provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

D. Assessments. To provide funds necessary for proper operation and management of the Condominium, the Association shall have the right to make, levy and collect assessments against the Members and their respective Units to pay their share of Common Expenses. Assessments by the Association against each Member and his Unit shall be the fractional share of the total assessments to be made against all Members and their Units as set forth in the Master Deed. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each month, but in no event shall amounts be payable less often than quarterly. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and installments on such assessment shall be due upon each installment payment date until changed by an amended Assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be

amended at any time by the Board of Directors subject to the limitations of Article VIII, Section C. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in case of any immediate need or emergency. Terms and provisions relating to assessments, and the creation of liens upon the failure to pay assessments, are more specifically discussed in Article XXVI of the Master Deed.

E. Special Assessments. Special assessments shall be levied and paid as determined by the Board and shall be those chargeable to all Members of a Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements or Association property (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the Board. The specific purpose or purposes of any special assessment imposed by the Board shall be set forth in a written notice of such assessment sent or delivered to each Owner in the manner prescribed for giving notice of meetings to the Owners as described in these Bylaws. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Owners. However, upon completion of such specific purpose or purposes, any excess funds shall be considered Common Surplus.

F. The Depository and Commingling of Funds. All sums collected by the Association from all assessments against all Units in the Condominium may be commingled in a single fund, or divided into more than one fund, as determined from time to time by the Board of Directors; provided, however, that reserve and operating funds of the Association shall not be commingled but shall be maintained in separate accounts at all times. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized. Any contract for the management and maintenance of the Condominium Property entered into by the Board with a management agent may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

G. Audit. The Association shall, as a Common Expense, annually obtain an audit of the Association's records. Any such audit shall be performed by a certified public account upon the affirmative vote of either a majority of the Board of Directors or a majority of the Voting Interests of the Members of the Association. Copies of the audits shall be made available to the Owners in accordance with Article VII, Section C above.

IX. PARLIAMENTARY RULES AND ARBITRATION

A. Roberts' Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles, these Bylaw, the Master Deed or the laws of the State of South Carolina.

B. Internal disputes arising from the operation of the Condominium among Owners, the Association, their agents and assigns shall be subject to the arbitration provisions set forth in the Master Deed.

X. RULES AND REGULATIONS

A. The Board may, from time to time, adopt rules and regulations applicable to the Condominium Property, the Common Elements, the Limited Common Elements and the Condominium Units (the "Rules"). Any such Rules shall be deemed in effect until amended by the Board of Directors of the Association, subject to Section D below, and shall apply to and be binding upon all Owners. The Owners shall, at all times, obey said Rules and shall use their best efforts to see that they are faithfully observed by their families, Guests, invitees, servants, lessees, customers, patrons, employees, and persons over whom they exercise control and supervision.

B. The initial Rules for the Association are attached hereto as Exhibit A. The Board of Directors shall have the power as set forth in the Bylaws to promulgate additional rules and regulations as they see fit for the operation and management of the Condominium, subject to the restrictions set forth in Paragraph D below. In the event of any conflict between the Rules, on the one hand, and these Bylaws or the Master Deed, on the other hand, the terms of the Bylaws and the Master Deed, as applicable, shall control

C. The Board of Directors may impose fines in such reasonable sums as they deem appropriate, not to exceed: (i) Fifty Dollars (\$50.00) per first offense violation; (ii) One Hundred Dollars (\$100.00) per second offense violation; and (iii) One Hundred Dollars (\$100.00) per week thereafter, until the violation is remedied, against Owners for violations of the Condominium Documents, including the Rules, by Owners or their guests or lessees. Each day of continuing violation shall be a separate violation. No fine shall be levied until the Owner(s) has been given an opportunity for a hearing. The hearing must be held before a committee of other Owners. If the committee does not agree with the fine, the fine may not be levied. The procedure of the hearing shall be, at a minimum, as follows:

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

- (i) A statement of the date, time and place of the hearing;
- (ii) A statement of the provisions of the Master Deed, Bylaws, or Rules which have allegedly been violated; and
- (iii) A short and plain statement of the matters asserted by the Association, including the amount of any proposed fine or damage charge; and
- (iv) A statement allowing the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

D. The Board of Directors may not promulgate rules or regulations pertaining to restrictions on (i) the term of leases for Units or (ii) the Rules. The Board may also not narrow the definition of Guests or customer, patron or employee in order to restrict the use of any Unit. Restrictions on these areas are permissible only by complying with the amendment procedures of these Bylaws or the Master Deed, whichever is applicable. The Rules of the Association may not be amended unless the Board has complied with the provisions applicable to proposed amendments to Bylaws set forth in Article XI below.

XI. AMENDMENTS TO BYLAWS

Amendments to these Bylaws may be proposed and amended only in the following manner:

A. Proposal. Amendments to these Bylaws may be proposed by the Board, action upon vote of a majority of the Directors, or by Members owning five percent (5%) of the Voting Interests in the Condominium, whether meeting as Members or, to the extent permitted by law, by instrument in writing signed by them.

B. Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than ten (10) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

C. Content of Amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicator of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of bylaw. See bylaw for present text." Nonmaterial errors or omissions in the bylaw process shall not invalidate an otherwise properly promulgated amendment. The content of the proposed amendment must be delivered to each Owner after the twentieth (20th) day but before the tenth (10th) day preceding date of the meeting to consider the proposed amendment.

D. Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Members owning not less than sixty-seven percent (67%) of the Voting Interests in the Condominium that Members present in person or by proxy are entitled to cast at the meeting. Thereupon, such amendment or amendments to these Bylaws shall be transcribed and shall include on the first page thereof a reference to the book and page of the public records where the Master Deed is recorded, and shall be certified by the

President and Secretary of the Association. A copy thereof shall be recorded in the public records of Horry County, South Carolina, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

E. Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized, to the extent permitted by law, if such Member is not present at such meeting in person or by limited proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

F. Grantor's Reservations. Notwithstanding the foregoing provisions of this Article XI, no amendment to these Bylaws which shall abridge, amend or alter the rights of Grantor may be adopted to become effective without the prior written consent of Grantor. Notwithstanding the provisions contained herein for amendment to the Bylaws, no amendment to these Bylaws shall:

1. Change or alter any Unit and the Common Elements appurtenant thereto unless the record owner thereof and all record owners of liens thereon shall join in the execution and acknowledgment of the amendment unless otherwise permitted by the Master Deed;

2. Conflict with the Master Deed, the Articles or the Act;

3. Discriminate against any Owner or against any Unit or building or class of buildings comprising part of the Condominium Property, unless the record owners of all affected Units and record owners of all liens thereon shall join in the execution and acknowledgment of the amendment;

4. Change the share of Common Elements appurtenant to any Unit or Units or the share of any Owner in the Common Surplus, or increase the share of any Owner(s) in the Common Expenses, unless the record owner of all Units and record owners of all liens thereon shall join in the execution and acknowledgment of such amendments;

5. Adversely affect the lien or priority or materially and adversely affect the rights and remedies of any first mortgagee of any Unit or of a Mortgagee (as defined in the Master Deed) holding by a previously recorded mortgage on a Unit, unless the record owner of all liens on the Units affected shall join in the execution and acknowledgment of the amendment; and

6. Anything herein to the contrary notwithstanding and to the extent permitted by the Condominium Act, until the first regular election of the Directors by the membership, and so long as the Grantor shall have the right to fill vacancies on the Board, an amendment shall require only the unanimous consent of the Board, and no meeting of the Members nor any approval thereof need be had.

XII. AMENDMENTS TO THE MASTER DEED

The President or the Vice President, acting alone, or any other officer expressly authorized by the Board of the Association, may prepare, execute, certify and record amendments to the Master Deed; provided, that such amendments are made and approved in

accordance with the applicable provisions of the Master Deed, including, without limitation, Article XXVIII therein.

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EXHIBIT A
TO THE BYLAWS OF
THE POINTE CONDOMINIUM ASSOCIATION

**RULES AND REGULATIONS
OF
THE POINTE HORIZONTAL PROPERTY REGIME**

Pursuant to the authority vested in the Board of Directors of **THE POINTE CONDOMINIUM ASSOCIATION, INC.** ("Association"), the following rules and regulations of **THE POINTE HORIZONTAL PROPERTY REGIME** ("Condominium") have been adopted by the Board of Directors of the Association ("Board") to govern the use of the Real Property, as defined in the Master Deed recorded in the Office of the Register of Deeds for Horry County in Book 3312 at page 662 (the "Master Deed"), together with any improvements built thereon (the "Condominium Property"). All terms used but not defined herein shall have the meanings assigned to such terms in the Master Deed.

A. Unit, Common Element and Limited Common Elements Rules and Regulations.

1. The rules and regulations hereinafter enumerated as to the Condominium Property, the Common Elements, the Limited Common Elements and the Units shall be deemed in effect until amended by the Board of the Association and shall apply to and be binding upon all Owners. The rules and regulations shall be consistent for all Condominiums operated by the Association. The Owners shall, at all times, obey said rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.

2. The use of the Units shall be consistent with existing laws, and the restrictions set forth in the Master Deed, the Articles and the Bylaws and shall not constitute a nuisance. Each of the Units shall be occupied only as a residence by an Owner, its guests, tenants and lessees and for no other purpose.

3. Common Elements and Limited Common Elements shall not be obstructed, littered, defaced or misused in any manner and shall be kept free and clear of all rubbish, debris and unsightly materials. Destruction or damage caused to a Common Element or a Limited Common Element shall be the responsibility and at the expense of the responsible Owner.

4. Owners and occupants of Units shall exercise extreme care to minimize noises in the use of musical instruments, radios, television sets, amplifiers, etc., so as not to disturb other persons or parties occupying Residential Units.

5. No garments, rugs, etc., may be hung from the windows or other portions of Units. No rugs, etc., may be dusted from the windows of the Units. Rugs may be cleaned within the Units and not in any other portion of the Condominium Property.

6. All garbage and trash shall be deposited in the disposal installations provided for such purposes.

7. No Owner or occupant of a Unit shall install wiring for electrical or telephone installations, nor install machines or air conditioning units, etc., that may affect the

exterior of a Unit in any shape or manner except as authorized in writing by a majority of the Board.

8. Owners shall not cause or permit anything to be placed on the outside walls of any of the buildings or placed on windows which are visible from the outside of the building, and no sign (for rent, for sale or otherwise), canopy, shutter, radio, or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof of any Unit, without the prior written consent of the Board and the Grantor.

9. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements or Limited Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or may become an annoyance or nuisance to the other Owners or occupants, or which may be injurious to the reputation of the property.

10. Nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which will impair the structural integrity of the buildings or which would structurally change the buildings except with the approval of the Board.

11. Nothing shall be done or kept in any Unit or in the Common Elements or Limited Common Elements which will increase the rate of insurance on the buildings or contents thereof without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the building or contents thereof, or which would be in violation of any law.

12. Each person using any Common Element, as defined in the Master Deed, including, without limitation, the pool, the fitness room, the clubhouse or the roof top sun deck, does so at his or her own risk. Neither the Board nor the Association assumes any responsibility for any accident or injury resulting in personal injury, death or property loss or damage in connection with the use of any Common Element.

13. Children shall, at all times while on the premises, act in an orderly manner without creating disturbing noises or being a nuisance to Owners. Parents are at all times responsible for the general conduct of their children. The cost of repair and/or replacement for damage to Common Elements or personal property will be strictly enforced against the parents of the child responsible for same. Parents are urged to pay special attention to their children's conduct while in elevators and in and around the parking areas, the pool, the fitness room and the beach. The Board reserves the right to promulgate additional rules and regulations specifying minimum age requirements for unsupervised minors' use of or entry into any Common Element, including, without limitation, the pool, the fitness room, the clubhouse or the roof top sun deck.

14. Swim diapers are required for infants and toddlers in the pool.

15. No clotheslines or similar devices shall be allowed on any portion of the Condominium Property by any person, firm or corporation without the written consent of the Board. No grilling or barbecuing is permitted on the balconies or porches of Units. Balconies may be used only in the usual manner, except as hereinafter restricted, but in no event as an area for storage. Articles of clothing, linens, towels, etc., may not be hung or draped from rails,

window sills or outdoor furniture. Articles such as, but not limited to, bikes, hanging flower pots, planters, seasonal decorations, etc. shall not be kept, placed or maintained on Unit balconies. FEEDING SEAGULLS FROM BALCONIES IS PROHIBITED. No material of any nature (water, sand, dirt, etc.) may be pushed off the edge of any balcony. These materials must be swept into some type of container and removed. Only a damp mop, sponge or similar tool may be used to clean a balcony floor of a Unit. No object may ever be thrown or otherwise allowed to fall from any balcony.

16. Parking shall be as provided in the Master Deed. All motor vehicles shall be currently licensed. No repair or maintenance of vehicles is to be done in parking spaces or within the Common Elements or Limited Common Elements. No boats, boat trailers, motorcycles (except as expressly permitted below), all terrain vehicles, school buses, recreational vehicles or commercial trucks or vehicles shall be parked on the Condominium Property without prior written approval of the Association. This restriction does not apply to commercial trucks or vehicles parked temporarily on the Common Elements or Limited Common Elements by workmen or subcontractors. Parking spaces become premium during peak vacation periods. Parking spaces are not reserved for Owners. Motorists shall at all times drive carefully and in conformity with conditions and circumstances on the ramps and in the parking areas and shall in no event exceed the five (5) miles per hour speed limit.

(i) To insure parking of only authorized vehicles, decals or other identification will be issued to each Owner for his/her vehicle(s), or for the vehicle(s) of his or her guests or business invitees. Such decals (or hanging passes) MUST be prominently displayed in order to avoid towing and/or fines.

(ii) The use of parking areas are on a first come, first serve basis. Handicap spaces are specifically marked and are, of course, reserved for vehicles identified as transporting handicapped individuals.

(iii) All parking is restricted to paved parking areas. All vehicles MUST be parked between the painted lines.

(iv) Vehicles which by virtue of their size cannot be accommodated entirely within the painted parking lines for a single spot are prohibited.

(v) Only Owners may have motorcycles on premises unless otherwise authorized by the Board. Motorcycles must display Owner's permits as with automobiles. All guests with motorcycles must be registered with the Association Manager and display appropriate permit supplied by the Association Manager. Any motorcycle trailers or storage trailers owned by owners or guests must be approved and permitted by the Board to be parked in designated areas. No excessive noise from exhaust systems or revving of engines will be permitted. Motorcycles will attempt to coast on property and make as little noise as possible. Strict adherence to the quiet enjoyment rules must be followed at all times. Enforcement of these rules must be at the discretion of the Association Manager.

(vi) Any cleaning of Owner's vehicles is permitted only in areas designated by the Association. Any cleaning of Owner's vehicle by an outside company must be

performed in the designated area and with the outside company providing its own electricity and water. The Owner or vendor providing service must notify the Association Manager of the vendor's presence on property.

(vii) Long term parking or storage of vehicles is prohibited.

(viii) Junk vehicles or inoperable vehicles may not be driven, towed, parked or stored anywhere on the property.

Note: Any violation of parking rules will subject the violator to possible fines and/or towing and removal of the vehicle from the property at the Owner's expense. The Association assumes no responsibility for any damages to the vehicle generated by its removal.

17. ONLY Owners are allowed pets, subject to the limitations set forth in the Master Deed. Guests are specifically prohibited from bringing pets onto Association grounds.

(i) All pets must be registered with the Association Manager. All pets must be carried if inside the building, elevator or parking garage (all covered public areas) unless leashed. Further, the Board reserve the right to require Owners, for any reason, to muzzle dogs in public areas; provided, that when on property outside the building, an Owner may remove a muzzle while walking his or her leashed pet. Owner must always clean up and encourage pet to use designated pet walk/area for its intended use. Any abuse of pet guidelines may result in Owner's loss of pet ownership privilege.

(ii) Pets must be licensed and maintain current inoculations for rabies and any such other diseases for which inoculation is customary for the particular breed of any such pet.

Please note that Horry County may have restrictions on pets being on the beach. We suggest you familiarize yourself with same before taking your pet onto the beach.

18. Proper attire must be worn in the lobby at all times by Owners, their guests, employees, invitees and family.

19. No sign, nameplate, signal, advertisement or illumination shall be inscribed or exposed on or at any window, door, balcony or terrace of any Unit without the express prior written consent of the Board.

20. The Association shall maintain a key to each Unit in the Condominium. No member shall change existing locks or install additional locks unless duplicate keys therefor are provided to the Association.

21. Elevators should be used for the purposes intended and not as a playground for children. Please instruct your children and all guests to keep the elevators free of trash.

22. It is not the intention of the Association to authorize entry into an Owner's Unit for the mere sake of access. Entry will be restricted to maintenance (i.e., changing air

conditioning filters) and to addressing emergency situations or conditions within the Unit which appear to or actually do threaten or damage other Units or the building itself. At such times, only personnel employed by the Management Company will be authorized entry.

(i) Owners contracting with local vendors for Unit alterations and/or maintenance, other than that provided by the Association, are solely responsible for providing vendor with keys.

(ii) Guests or Owners locked out of their unit, the lobby or the front gate should be instructed to go to the call box located at front gate or the directory at the lobby door to gain access through the emergency numbers provided.

23. The use, storage or discharging of fireworks on Association property is prohibited.

24. All luggage carriers must be returned promptly to the designated lobby areas. They are not to be retained in Units or left in hallways, elevators or parking areas.

25. Roller skates, skate boards and roller blades, which are rendered inherently dangerous by the design, grading, curving and use of our property, and by the numbers of people and vehicles using same, are not permitted anywhere on the property.

26. Bicycles are permitted on the premises. Bicycle owners will be solely liable for their conduct, and for any personal injuries or property damages sustained as a result of their operation. Due to local fire department regulations, bicycles cannot be left unattended in the corridors and walkways or chained to outdoor railing.

27. Solicitation, whether verbal or by the distribution of forms or other papers or documents, is not permitted on the property.

B. Enforcement and Fines.

The Board of Directors may impose fines in such reasonable sums as they deem appropriate, not to exceed: (i) Fifty Dollars (\$50.00) per first offense violation; (ii) One Hundred Dollars (\$100.00) per second offense violation; and (iii) One Hundred Dollars (\$100.00) per week thereafter, until the violation is remedied, against Owners for violations of the Condominium documents, including the Rules and Regulations, by Owners or their guests or lessees. Each day of continuing violation shall be a separate violation. No fine shall be levied until the Owner(s) has been given an opportunity for a hearing. The hearing must be held before a committee of other Owners. If the committee does not agree with the fine, the fine may not be levied. The procedure of the hearing shall be, at a minimum, as follows:

The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

(i) A statement of the date, time and place of the hearing;

(ii) A statement of the provisions of the Master Deed, Bylaws, or Rules which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Association, including the amount of any proposed fine or damage charge; and

(iv) A statement that it allows the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

C. Opportunity to Respond.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

D. Compliance with Documents. All Owners and every lessee, guest or visitor of a Owner shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Master Deed, the Articles and the Bylaws.

E. Rule Changes. The Board reserves the right to change or revoke existing rules and regulations and to make such additional rules and regulations from time to time as, in its opinion, shall be necessary or desirable for the safety and protection of the buildings and their occupants, to promote cleanliness and good order of the Condominium Property and to assure the comfort and convenience of Owners; provided, the same shall be subject to the restrictions on such changes, amendments or modifications set forth in the Master Deed and Bylaws.

F. Location for Posting Notices. All notices of Owner meetings and meetings of the Board shall be posted in an area of the Condominium Property designated by the Board from time to time as the location for posting of such notices.