

THIS AGREEMENT CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO ARBITRATE
AND IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM
ARBITRATION ACT (SC CODE ANN. § 15-48-10 ET. SEQ., AS AMENDED)

MASTER DEED

OF

THE SANDMASTER

HORIZONTAL PROPERTY REGIME

**NOTE: THIS MASTER DEED CONTAINS A
RIGHT OF FIRST REFUSAL PROVISION**

**PREPARED BY:
LOUIS M. COOK AND ASSOCIATES
701 SEA MOUNTAIN HIGHWAY
NORTH MYRTLE BEACH, SC 29582**

MASTER DEED OF THE SANDMASTER HORIZONTAL PROPERTY REGIME

Leon LeMaster, Mary LeMaster, Norma LeMaster and John Bartholomew (hereinafter referred to as "Grantor"), as the sole owners in fee simple of the land and improvements hereinafter described, do hereby make, declare and publish their intention and desire to submit, and do hereby submit, the lands and buildings hereinafter described together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership) to be known as The Sandmaster Horizontal Property Regime, in the manner provided for by Sections 27-31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled "Horizontal Property Act" of the 1976 Code of Laws of South Carolina, as amended. In conformity with Sections 27-31-30 and 27-31-100 of said Act, the Declarant sets forth the following particulars:

ARTICLE I DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, as used herein:

"Unit" means a part of the property intended for any type of independent use (whether it be for residential, recreational, storage, or business) including one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building or if not in a building in a separately delineated place whether open or enclosed and whether for the storage of an automobile, moorage of a boat, or other lawful use, and with a direct exit to a public street or highway, or to a common area leading to such street or highway;

"Building" means an existing or proposed structure or structures, containing in the aggregate two or more units, comprising a part of the property;

"Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an unit within the building;

"Council of co-owners" means all the co-owners as defined above in this section;

"General common elements" means and includes:

- (1) The foundation (consisting of the concrete pad and round wooden pilings), support structure (which is the support pad under floors, floor joists, vinyl underlayment with particle board), siding, rafters, firewall, gutters, common

sanitary drain lines from kitchens and utility rooms on outside of structure, joint sanitary sewer line (tap), and outside center staircase landing;

- (2) In general, all devices or installations existing or to be constructed or installed for common use;
- (3) All other elements of the property, in existence or to be constructed or installed, rationally of common use or necessary to its existence, upkeep, and safety;

"Limited common elements" means and includes:

- (1) The land whether leased or in fee simple and whether or not submerged on which the unit stands; provided, however, that submerged land developed or used under this chapter is subject to any law enacted relating to the leasing of submerged lands by the State for the benefit of the public;
- (2) Those common elements which are agreed upon by all the co-owners to be reserved for the use of an individual unit to the exclusion of the other unit;

"Master deed" or "master lease" means the deed or lease establishing and recording the property of the horizontal property regime;

"Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof;

"Property" means and includes:

- (1) the land whether leasehold or in fee simple and whether or not submerged,
- (2) the building, all improvements, and structures on the land, in existence or to be constructed, and
- (3) all easements, rights, and appurtenances belonging thereto;

ARTICLE II IDENTIFICATION

- 2.1 **Name of Regime.** The name of the horizontal property regime created and established by this Master Deed pursuant to Section 27-31-10, et. seq. of the Code of Laws of South Carolina, as amended (Horizontal Property Act) is The Sandmaster Horizontal Property Regime (the "Regime"). The Regime consists of the Land described in Section 3.1, the Building described in Section 3.2, the Units or Units (the "Units") described in Section 3.3, the general common elements described in Section 3.5 and the limited common elements described

in Section 3.6.

- 2.2 **Identification of Owner.** Leon LeMaster, Mary LeMaster, Norma LeMaster and John Bartholomew (the "Declarant") are the fee simple owners of the land or real property herein described.
- 2.3 **Exhibits.** Attached to this Master Deed are various plot plans and floor plans, which are marked as exhibits and which are to be regarded as integral parts of this Master Deed.
- 2.4 **Council of Co-Owners.** The Council of Co-Owners (the "Council") consists of all persons or legal entities that own Units in the Regime. The Council is charged with maintaining and repairing the general and limited common elements in the Regime and with the administration and management of the Regime's affairs. The Council shall be governed by this Master Deed and the By-Laws marked Exhibit "A".

ARTICLE III DESCRIPTION

- 3.1 **Description of Land.** The land or real property being submitted to the Regime created and established by this Master Deed is described as follows:

ALL AND SINGULAR, that certain piece, parcel or lot of land, which for purposes of possible future development is identified as LOT FORTY ONE (41) of the HEDRICK SECTION of Windy Hill Beach in Little River Township, Horry County, South Carolina, the point of beginning of which is located as follows: Commencing at the northeast right-of-way line (15 feet from the center line) of a street along the property line of Mary A. Lewis (center line of said street being the original property line between Tracts 2 and 3 of W. R. Lewis lands) at its intersection with the northwest right-of-way line (15 feet from the center line) of Third Street (which is a 30 foot street abutting on the rear of Lots 25-36, inclusive, of the Hedrick Section Subdivision map recorded in Plat Book 3 at Page 86) and running from that said intersection of the streets North 60 degrees 50 minutes East 250 feet to a point, which is the southwestern most corner of the parcel of land herein conveyed, and which is the beginning point, from such point of beginning running North 29 degrees 10 minutes East 130 feet to corner at the southeastern right-of-way line (15 feet from center line) of street designated as "A" of "Fourth Street Location", thence

North 60 degrees 10 minutes East 130 feet to corner on the northwestern margin of Third Street; thence South 60 degrees 50 minutes West 50 feet to the point of beginning.

The area hereby conveyed consists of a 60 foot lot, fronting Third Street and extending back for a distance of 130 feet.

This being a portion of Tract No. 3 of W. R. Lewis lands according to the original subdivision map by S. D. Cox, Jr., dated November 1938, and reference is also craved to the HEDRICK SECTION map of November 1938, as revised April 5, 1939, and January 11, 1941, recorded in Plat Book 3 at Page 86, Register of Deeds Office, Conway, South Carolina.

- 3.2 **Description of Building.** The Building which forms a part of the Regime created and established by this Master Deed is a two-story wood frame structure built on raised pilings and has such size and location as is shown on the plot plan identified in Exhibit "B". The building is a duplex in that it contains two (2) identical Units. An elevation certificate for the building is attached as Exhibit "C".
- 3.3 **General Description of Units.** The Units are those portions of the Regime designated for separate ownership, and have such dimensions and area as are shown in the floor plans identified in Exhibit "D". The horizontal boundaries of the Units are the unfinished inner surface of the perimeter walls as shown on the floor plans and the vertical boundaries are the unfinished inner surfaces of the ceilings and floors. Any limited or general common elements located within the boundaries are not part of the Unit. Subject to the preceding sentence, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tile, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are part of the Unit. The building is a duplex and contains (2) identical Units: Units 1 and 2. The location of each unit is shown on the layout plans identified in Exhibit "D". The elevation is shown on the layout plans identified in Exhibit "D" and the Elevation Certificate is attached as Exhibit "C".
- 3.4 **Number, Designation and Location of Units.** The number, designation and location of each Unit within the Building is shown on the layout plans identified in Exhibit "D".
- 3.5 **Description of General Common Elements.** The general common elements consists of the foundation (consisting of the concrete pad and round wooden pilings), support structure (which is the support pad under floors, floor joists, vinyl

underlayment with particle board), siding, rafters, firewall, gutters, common sanitary drain lines from kitchens and utility rooms on outside of structure, joint sanitary sewer line (tap), and outside center staircase landing. Insofar as possible, the general common elements are shown graphically and described in detail in words and figures on the plot plan and floor plans.

- 3.6 **Description of Limited Common Elements.** The land whether leased or in fee simple and whether or not submerged on which the unit stands; provided, however, that submerged land developed or used under this chapter is subject to any law enacted relating to the leasing of submerged lands by the State for the benefit of the public, and those common elements which are agreed upon by all the co-owners to be reserved for the use of an individual unit to the exclusion of the other unit, are limited common elements allocated exclusively to such Unit or Units.

Insofar as possible, the limited common elements are shown graphically and described in detail in words and figures in the plat, elevations and floor plans.

ARTICLE IV BASIC VALUE

- 4.1 **Basic Value of Property.** The basic value of the property in the Regime is Two Hundred and No/100 (\$200.00) Dollars. This basic value is fixed for the sole purpose of the Horizontal Property Act and is irrespective of actual value.
- 4.2 **Basic Value of Units.** The basic values of the Units are as follows:

<u>Unit</u>	<u>Value</u>
Unit 1	\$100.00
Unit 2	\$100.00

ARTICLE V PERCENTAGE INTEREST

- 5.1 **Percentage Interest of Property.** The percentage interests appertaining to the Units are as follows:

Unit 1 - 50%	Unit 2 - 50%
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These percentage interests shall be applicable whenever this Master Deed, the By-Laws or any exhibit to this Master Deed refers to the percentage interests of

Unit owners.

ARTICLE VI UNIT OWNER'S RIGHTS AND OBLIGATIONS

- 6.1 **Use of Unit and Common Elements.** Subject to this Master Deed and By-Laws, the Unit owner shall have an undivided ownership interest according to his percentage interest in the limited and general common elements; the exclusive right to use his Unit; the exclusive right with that of other, but not all, Unit owners to use the limited common elements allocated to such Unit owners; and the non-exclusive right with that of other Unit owners to use all general common elements in accordance with the purposes for which they are intended.
- 6.2 **Compliance With Rules and Regulations: Enforcement.** Each Unit owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Unit. Each Unit owner shall have a right of action against other Unit owners or the Council as the case may be, to enforce compliance by either of them with the above By-Laws, rules, regulations, and restrictions.
- 6.3 **Common Expense Liability.** The Unit owners are bound to contribute pro rata according to their percentage interest toward the expenses of administration of the property constituted into the Regime and toward the expenses of maintenance and repair of the general common elements. Expenses for the maintenance and repair of limited common elements shall be assessed against those Units to which those elements have been allocated.
- 6.4 **Voting Rights.** In all matters on which the Council takes action pursuant to its By-Laws, each Unit owner shall have a vote equal to his percentage interest.
- 6.5 **Alteration of Units.** A Unit owner:
- (a) May make any improvements or alterations to his Unit that do not impair the structural integrity or mechanical system or lessen the support, of any portion of the Regime.
 - (b) May not change the appearance of the limited and general common elements or the exterior appearance of a Unit or any portion of the Regime and may not install any interior window dressing visible from the exterior unless such has a white or beige liner, without permission of the Council.
 - (c) After acquiring the adjoining Unit, only with written approval of Declarant,

may remove or alter any intervening partition or create apertures therein and use the same for doorways which shall be a limited common element serving the joint units, even if the partition in whole or in part is a limited or general common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Regime. Creation of apertures under this paragraph is not an alteration of the Unit's boundaries.

- (d) May not engage in time sharing or other subdivision of the Unit in any manner.

All of the above are prohibited without the mutual consent, or permission, of the Council.

- 6.6 **Easement for Encroachments.** To the extent that any Unit or general and limited common element encroaches on any other Unit or general and limited common element, a valid easement for the encroachment exists. The easement does not relieve a Unit owner of liability in case of his willful misconduct, nor relieve any contractor, subcontractor or material man of liability for failure to adhere to the plots and plans.

- 6.7 **Easements Appurtenant to Unit Ownership.** The Council shall have easements in common with all Unit owners. Each Unit owner shall have an appurtenant easement in common with all other Unit owners to use all pipe, wires, ducts, cables, conduits, utility lines, columns, supporting and sheltering structural members and other like facilities located in any of the other Units or in the general common elements and serving his Unit. Each Unit and the general common elements shall be subject to an appurtenant easement in favor of other Unit owners to use the pipes, ducts, cables, wires, conduits, utility lines, sewer lines and other facilities serving other Units or the general common elements and located in each such Unit. In addition, each Unit shall be subject to and shall have such appurtenant easements of support and shelter from and over such other Units and the general common elements as may be necessary for the quiet enjoyment of such Unit.

ARTICLE VII COUNCIL'S RIGHTS AND OBLIGATIONS

- 7.1 **Access to Units.** The Council has the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of all general and limited common elements therein, or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the general and limited common elements or to another Unit or Units. This right to be exercised by the system of administration

as specified by the By-Laws.

- 7.2 **Easements for Maintenance and Operation.** The Council has the right to grant permits, licenses, and easements over the common and limited common areas for utilities, cable TV, roads, and other purposes reasonably necessary for the proper maintenance or operation of the Regime.
- 7.3 **Administration of Units.** The care, upkeep and surveillance of the general and limited common elements of the Regime shall be administered by the Council according to its By-Laws. The system of administration adopted by the By-Laws may be modified at any time by the vote of the Unit owners representing one hundred percent (100%) of all the percentage interests, but such modification shall not be operative until recorded in the same office as this Master Deed.
- 7.4 **Contracts.** The Council, prior to passage of control by the Declarant to the Board of Directors, shall not be bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause; which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party thereto.
- 7.5 **Enforcement of Agreements.** The Council shall have a right of action against any Unit owner to enforce compliance with the By-Laws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Unit.
- 7.6 **Assessments-Levy and Collection.** The Board or the Council shall have the authority and duty to levy and enforce the collection of general and special assessments for common and limited common expenses. The Board shall provide for adequate remedies for failure to pay such assessments. Assessments against any Unit, with interest, costs and reasonable attorney's fees shall become a lien upon such Unit if not paid when due. Each assessment against a Unit shall be the personal obligation of the owner at the time the assessment falls due. The purchaser of a Unit (other than as provided in Section 9.1) shall be jointly and severally liable with the seller for the amounts paid by him as such joint debtor. The Council shall provide and issue to any purchaser, upon his request, a statement of such amounts due by the seller and the purchaser's liability under this section shall be limited to the amount as set forth in the statement.

**ARTICLE VIII
NO ADDITIONAL UNITS ANNEXED**

- 8.1 The Declarant shall not annex additional property to this Horizontal Property Regime.

**ARTICLE IX
RIGHTS AND OBLIGATIONS OF MORTGAGEES**

- 9.1 **Assessments.** Unpaid assessments for the share of common expenses, limited common expenses, or special assessments to any Unit shall constitute a lien on such Unit prior to all other liens except only: (a) tax liens on the Unit in favor of any assessing unit; and, (b) mortgages and other liens duly recorded encumbering the Unit. Any such mortgagee obtaining title to an Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by Mortgagee. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all the Unit owners, including such acquirer, his successors and assigns. Any Mortgagee taking title by Deed in lieu of foreclosure or purchasing at any foreclosure shall be liable for the lien of all assessments made after the date of such sale or taking of Deed in lieu of foreclosure.
- 9.2 **Financial Statements.** The Council shall allow any mortgage holder to have an audited financial statement for the preceding fiscal year prepared the expense of such mortgage holder to have an audited financial statement for the preceding fiscal year prepared at the expense of such mortgage holder.

**ARTICLE X
EMINENT DOMAIN**

- 10.1 **Units Acquired.** If a Unit is acquired by eminent domain, or if part of a Unit 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, that Unit's entire general and limited common element interest, votes in the Council and common expense liability are automatically reallocated to the remaining Units in proportion of the respective interests, votes and liabilities of those Units before the taking, and the Council 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.

- 10.2 **Part of Unit Acquired.** Except as provided in Section 10.1, 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: (a) that Unit's limited and general common element percentage interest, votes in the Council, and common expense liability are reduced in proportion to the reduction in size of the Unit; and, (b) the portion of limited and general common element interest, voter, and common expense liability divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective interest, votes, and liabilities of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced interests, votes and liabilities.
- 10.3 **Part of Common Elements Acquired.** If part of the common elements is acquired by eminent domain, the award must be paid to the Council. The Council shall divide any portion of the award not used for any restoration or repair of the remaining limited and general common elements among the Unit owners in proportion to their respective limited and general common element percentage interests before the taking, but the portion of the award must be equally divided among the owners of the Units to which that limited common element was allocated at the time of acquisition, or in any manner the Master Deed provides. Notwithstanding the foregoing, nothing in this Article IX shall be construed to affect in any way the rights of any mortgagee holding a valid and subsisting security interest in all or any part of the subject Horizontal Property Regime to any awards generated by a condemnation or taking, pursuant to the power of eminent domain, as established by its respective mortgage or other agreement with the owner of the property encumbered by the security interest.

ARTICLE XI AMENDMENTS TO MASTER DEED

- 11.1 **General Amendments.** Except as limited by Section 11.2, the Master Deed including the plats and plans may be amended only by vote in agreement of Unit owners of Units with one-hundred (100%) percent of the percentage interests. No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.
- 11.2 **Limitations.** Except to the extent expressly permitted by this Master Deed, no amendment may alter special Declarant rights, increase the number of Units or change the boundaries of any Unit, or alter general or limited common elements, or change the percentage interest allocated to a Unit or the use to which a Unit is restricted, in the absence of the unanimous consent of the Unit owners, including the Declarant, if affected by the amendment, but not a Unit owner at the time an amendment is adopted.

ARTICLE XII
ATTORNEY'S FEES/ARBITRATION

- 12.1 If it becomes necessary for either party to enforce the provisions of this Master Deed or to obtain redress for the violation of any provisions hereof, whether by litigation, arbitration, or otherwise, the prevailing party, in addition to any recovery obtained in such action, shall be entitled to reasonable attorney's fees, court costs, and other legal fees incurred herein. Any controversy or claim arising out of or relating to this Master Deed, or the breach thereof, shall be settled by arbitration pursuant to South Carolina law and in accordance with the Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. Either party may initiate arbitration.

ARTICLE XIII
RIGHT OF FIRST REFUSAL

- 13.1 In the event the owner of a Unit wishes to transfer the title thereto, and shall have received a bona fide offer to purchase same, such owner shall notify the Council, in writing, by mailing such writing by registered or certified mail, return receipt requested, to the Council, with an executed copy of such offer and the terms thereof, including the name of the prospective purchaser and such other information as it, in the exercise of discretion, may request. For a period of ten (10) days following such delivery or mailing of the aforesaid notice to the Council, the Council shall have the right to purchase the subject Unit upon the same terms and conditions as set forth in the offer therefor, provided that the Council shall have a minimum of thirty (30) days to purchase the Unit. Such right may be exercised by the Council by notice in writing delivered personally to the Owner, or mailed to the Owner by registered or certified mail, return receipt requested, to the address of the Owner as it appears in the books of the Association prior to the expiration of the ten (10) day period. The failure or refusal by the Council to exercise the Right of First Refusal shall not constitute or be deemed as a waiver of such right in the event the Owner of any Unit receives any subsequent bona fide offer from the same or a different party.

The Right of First Refusal provided for in this Article shall not apply to any transfers made by Grantor nor shall it apply to transfers made solely for the purpose of securing the performance of any obligation, transfers involving a foreclosure sale or other judicial sale or any transfer to a mortgagee in lieu of foreclosure, any transfer to a mortgagee following foreclosure sale or any proceedings to enforce or foreclose any lien, debt, or obligation, or deeds in lieu thereof, the transfer of one joint owner's or other co-owner's interest to another, by operation of law or otherwise, or to transfers to a trust by will or intestate distribution.

The Council shall, upon demand, at any time furnish to any member, or other party legitimately interested in the same, a certificate in writing signed by the Council, or execute an appropriate certificate on any deed for any Unit, stating that the requirements of this Article have been complied with, or duly waived by the Council. Such certificate shall be conclusive evidence of compliance with the requirements of this Article for all persons who rely thereon in good faith.

Any other provision of this Article to the contrary notwithstanding, the requirements of this Article shall be deemed to have been fully complied with, and the Right of First Refusal herein provided for shall be deemed to have been duly waived by the Council in the event that either (a) a certificate to that effect has been executed by the Council in accordance with the provisions of this Article or (b) a period of ninety (90) days has passed following the record transfer of title to any unit in violation of the requirements of this Article without the filing of any suit or other judicial proceeding by the Council to set aside such transfer or to otherwise enforce the rights of the Council under this Article. The presumptions created by this section D shall not be rebuttable.

ARTICLE XIV MISCELLANEOUS

- 14.1 **Captions.** The captions contained in this Master Deed and By-Laws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Master Deed and By-Laws nor the intent of any provision thereof.
- 14.2 **Gender.** The use of the masculine gender shall be deemed to refer to the feminine and neuter gender and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context of the Master Deed and By-Laws so require.
- 14.3 **Waiver.** No provision contained in the Master Deed and By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 14.4 **Invalidity.** The invalidity of any provision of the Master Deed and By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Master Deed and By-Laws shall continue in full force and effect.
- 14.5 **Conflict.** The Master Deed and By-Laws are intended to comply with the requirements of all applicable laws. In the event of any conflict between the Master Deed and By-Laws and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Master Deed

and the By-Laws, this Master Deed shall control.

- 14.6 **Management Agreement.** Any agreement for the professional management of the condominium project, or any other contract providing for services of the developer, sponsor, Declarant or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without a payment of a termination by either party without cause and without a payment of a termination fee on ninety (90) days or less written notice.
- 14.7 **Books and Records.** The Council shall make available to Unit owners and lenders and to holders, insurers or guarantors of any first mortgage, current copies of the Master Deed, By-Laws, other rules concerning the Project, and the books, records and financial statements of the Council. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- 14.8 **Storage and Parking.** The owners agree to abide by any rules or regulations issued by the Board for the equal access and use of the common, ground floor storage area and the common driveway, if any.
- 14.9 **Partition of Grounds.** The owners agree to respect the privacy of each other and restrict their use of yard space to that which is directly associated with their own Unit. The owners also agree to properly maintain their own lots including, but not limited to, keeping underbrush, grass and other plants cut and neat in appearance.
- 14.10 **Special Utility Assessment for Outside Lighting.** The Council shall have the authority to install any outside lighting deemed necessary for the illumination and safety of the Regime and to assess each Unit owner his share of the monthly costs of said outside lighting.

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IN WITNESS WHEREOF, the parties hereto have set their Hands and Seals this
15th day of June, 2008.
December

WITNESSES:

Wendi Williams
1st Witness

Margaret R. Conway
Notary Public as 2nd Witness

DECLARANT:

Leon LeMaster
Leon LeMaster

Mary LeMaster
Mary LeMaster

STATE OF OHIO)
COUNTY OF FRANKLIN)

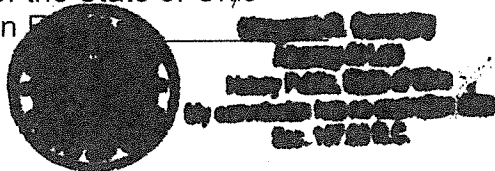
PROBATE

PERSONALLY appeared before me the undersigned witness, who, being duly sworn, says that s/he saw the within named Declarant, Leon LeMaster and Mary LeMaster, sign, seal and deliver the within written MASTER DEED and that s/he with the other witness whose signature appears above witnessed the execution thereof.

Wendi Williams
1st Witness

SWORN to before me this 15th day
of June, 2008.
December

Margaret R. Conway
Notary Public of the State of Ohio
My Commission Expires



(SEAL)



Margaret R. Conway
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.63 R.C.

IN WITNESS WHEREOF, the parties hereto have set their Hands and Seals this
15th day of June, 2008.
December

WITNESSES:

Wendi Williams
1st Witness

Margaret R. C.
Notary Public as 2nd Witness

DECLARANT:

Norma LeMaster
Norma LeMaster

John Bartholomew
John Bartholomew

STATE OF OHIO)
)
COUNTY OF FRANKLIN) PROBATE

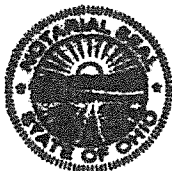
PERSONALLY appeared before me the undersigned witness, who, being duly sworn, says that s/he saw the within named Declarant, Norma LeMaster and John Bartholomew, sign, seal and deliver the within written MASTER DEED and that s/he with the other witness whose signature appears above witnessed the execution thereof.

SWORN to before me this 15th day
of June, 2008.
December

Wendi Williams
1st Witness

Margaret R. C.
Notary Public of the State of Ohio
My Commission Expires: _____

(SEAL)



Margaret R. Connery
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

EXHIBIT "A"

BY-LAWS OF THE SANDMASTER HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS

ARTICLE I Form of Administration

The care, upkeep and surveillance of the property which constitutes The Sandmaster Horizontal Property Regime (the "Regime") including its general or limited common elements and services, shall be administered by an unincorporated association of owners of the Units, to be known as The Sandmaster Council of Co-owners ("Council"). The Council may incorporate if the Council deems it necessary.

ARTICLE II Members of Council

All owners of Units in the Regime shall be members of the Council. All members must make an evidentiary showing to the Council secretary that they are owners of a Unit and that all assessments are current before being permitted to participate in and vote at Council meetings. Upon making such a proper showing, the member's right to participate in and vote at Council meetings shall continue until that member's ownership interest in the Regime has terminated.

ARTICLE III Fiscal Year

The fiscal year of the Council shall be on a calendar year basis unless otherwise changed by the Board of Directors.

ARTICLE IV Meeting of Council Members

- 4.1 **Place.** Meetings of the members of the Council shall be held at The Sandmaster Horizontal Property Regime in North Myrtle Beach, South Carolina.
- 4.2 **Date and Time.** The members shall meet at least once a year. This annual meeting shall be held on a day and time to be designated in the notice of the meeting in August of each year or such other month as determined by the Board.
- 4.3 **Special Meetings.** Special meetings of the members may be called by the

Board or the owners of not less than fifty (50%) percent of the percentage interests in the limited and general common elements of the Regime.

- 4.4 **Notice.** Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the chairman to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the secretary's books.
- 4.5 **Quorum.** One-hundred (100%) percent of the percentage interests entitled to vote represented in person or by proxy shall constitute a quorum of a meeting of members.
- 4.6 **Decisions.** All decisions adopted by the Council must be made upon a vote of one-hundred (100%) percent of the percentage interests eligible to vote, unless a greater percentage is specifically required in the Master Deed or By-Laws.
- 4.7 **Proxy.** A member may vote either in person or by proxy to another member on the Council whose assessments are current, executed in writing by the member.
- 4.8 **One Representative Per Unit.** If one Unit is owned by more than one person, the Owners must decide among themselves and then designate, in writing filed with the secretary, one of the owners or a proxy as their representative to participate in and vote at meetings. The other members may attend the meetings, but may not participate in or vote their pro rata percentage interest.

ARTICLE V

Officers

- 5.1 **Number and Name.** The officers of the Council shall consist of a president and secretary/treasurer, each of whom shall be elected by the Board. The officers shall serve at the pleasure of the Board for such compensation as may be fixed by the Board. The Board may require that one or more officers be bonded.
- 5.2 **President.** The president shall have active executive management of the Council, subject however to the control of the Board. He shall preside at all Council meetings, discharge all the duties that devolve upon a presiding officer, and perform other duties as the Board may prescribe. The president shall have full authority to execute on behalf of the Council both certificates to amendments to these By-Laws and the Master Deed, when the Council is authorized to make amendments, and deeds of conveyance when authorized by the Council and by applicable law.

- 5.3 **Secretary/Treasurer.** The secretary shall attend Council meetings and Board meetings, and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of these meetings. He shall be custodian of the records and of the Council. He shall make available to all Council members and to holders, insurers or guarantors of any first mortgage current copies of the Master Deed, By-Laws, and other rules and regulations concerning the Regime and the books and records of the Regime. He shall attend to the giving of all notices and shall perform such other duties as the Board may prescribe.

The treasurer shall keep a book or record containing a detailed account of each Unit's working capital and common expense assessment and, in chronological order, of the receipts and expenditures affecting the Regime and its administration, and specifying the maintenance and repair expenses of the limited and general common elements and any other expenses incurred. Both the book or record and the vouchers accrediting the entries made thereupon shall be available for examination by all the Council members and holders, insurers or guarantors of any first mortgages, at convenient hours on working days that shall be set and announced for general knowledge. The treasurer shall be authorized to cash checks and sign notes and checks on behalf of the Council.

ARTICLE VI

Board of Directors

- 6.1 **Manage Affairs of Council: Power to Contract.** The affairs of the Council including the designation and dismissal of the personnel necessary for the works and the general or limited common services of the property shall be managed by a Board of Directors ("Board"). The initial Board shall consist of two (2) persons. The Board shall have the power to contract for the management of the Council and to delegate to the Contractor all powers and duties of the Council except those required under the Master Deed and those By-Laws to have the approval of the Board of Directors or the Council or particular Unit owners.
- 6.2 **Term.** Those members of the Board appointed by the Declarant shall hold office until their successors have been appointed by the Declarant or until their successors have been elected and qualified. The Council shall elect Board members for terms of three (3) years.
- 6.3 **Vacancy.** Any vacancy occurring in the Board may be filled by the affirmative vote of the remaining Board member. A Board member shall be elected for the unexpired term of his predecessor in office.
- 6.4 **Meetings.** The Board shall meet upon the call of the chairman or secretary of

the Council. The meetings may be held upon written or oral notice received not later than the second day immediately preceding the day for the meeting.

- 6.5 **Quorum.** A majority of the number of Board members fixed by the By-Laws shall constitute a quorum for the transaction of business. Board members must be present in person, not by proxy. The act of the majority of Board members present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE VII

Liability and Indemnification of the Board Members and Officers

- 7.1 **Liability of Directors and Officers.** No Board member or officer of the Council shall be liable to any Co-owner for any decision, action or omission made or performed by such Board member or officer in the course of his duties unless such Board member or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Master Deed or these By-Laws.
- 7.2 **Indemnification of Board Members and Officers.** The Council shall indemnify and defend each Board member and officer of the Council from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Board Member or any officer of the Council if all of the following conditions are satisfied:
- (a) Such Board member or officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Master Deed or these By-Laws;
 - (b) Such Board member or officer gives the Council adequate notice of the claim or imposition of liability to permit the Council reasonable opportunity to defend against the same; and,
 - (c) Such Board member or officer cooperates with the Council in defending against the liability.

The expense of indemnifying a Board member or an officer shall be a Common Expense and shall be borne by all the Co-owners, including such Board member or officer.

ARTICLE VIII

Rules and Regulations

- 8.1 **Authority.** The Board may issue such rules and regulations governing the use of the property as it deems necessary, which when ratified at a Council meeting by members owning at least one-hundred (100%) percent of the percentage

interest in the property, shall become effective. Such rules and regulations shall be enforceable by fine according to the schedule contained in the rules and regulations which shall be assessed against the Unit of the violator.

- 8.2 **Storage and Parking.** The Board may issue such rules and regulations for the use of the common, ground floor storage area and common driveway area, if any, as it deems necessary so that each Unit will have equal use of such space.

ARTICLE IX

Common Expense Liability

- 9.1 **Working Capital.** After the Master Deed is recorded, and upon the conveyance of any Unit, the Board shall assess each Unit and Unit Owner in the Regime, One Hundred Fifty and No/100 Dollars (\$150.00) for working capital. Such sums are separate and distinct from annual Assessments and shall not be considered advance payments of such Assessments, and shall be due and payable upon each sale and conveyance of each such Unit. Each Unit's share of the working capital fund must be collected from the Purchaser and transferred to the Council at the time of closing of the sale of the Unit.
- 9.2 **Owners' Liability.** The Unit owners are bound to contribute pro rata according to their percentage interest as amended toward both the expenses of administration of the Regime and the expenses of maintenance and repair of the limited and general common elements. The Board shall assess each Unit owner for the expenses chargeable to it. The amounts shall be the personal obligation of the Owner at the time of assessments and the assessments together with the costs of collection and reasonable attorney's fees may be enforced by suit against the Unit owner personally. Such assessments and costs may also be collected as provided in Section 9.5 below. Expenses for the maintenance and repair of limited common elements shall be assessed against those Units to which those elements have been allocated.
- 9.3 **Initial and Subsequent Budgets.** After the filing of the Master Deed and before the conveyance of any Units, the Board shall adopt an initial budget and shall assess each Unit its pro rata share of common expenses. After the initial assessment has been made by the Board, assessments shall be based on a budget adopted at least annually by the Board. Assessments shall be payable in monthly installments, and upon default in the payment of any installments and after ten (10) days written notice, the Board at its option, may accelerate and demand payment for the entire annual assessment for the delinquent Unit, plus such late charges as may be assessed by the Board.
- 9.4. **Maintenance Reserve Fund.** The Council shall establish and maintain a reserve fund from assessments to be held in reserve for the periodic

maintenance, repair, and replacement of improvements to the limited and general common areas that the Council is responsible for maintaining.

- 9.5 **Enforcement by Lien.** The Council has a lien on a Unit for any assessment levied against that Unit or its owner or fines imposed against its owner from the time the assessment or fine becomes due. Said lien shall be junior and subordinate to any mortgage encumbering the Unit that was duly recorded before the assessment was due. The lien on the Unit may be foreclosed in like manner as a lien upon real estate and such lien shall be deemed to include the costs of collection, including reasonable attorney's fees.

ARTICLE X

Insurance

Commencing not later than the time of the first conveyance of an Unit to a person other than Declarant, the Board shall maintain, to the extent reasonably available, insurance in the following forms and amounts, without prejudice to the right of each Co-Owner to insure his Unit on his own account and for his own benefit.

- 10.1 **Hazard Insurance.** The Board shall obtain property insurance on the limited and general common elements and Units insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than full replacement cost and as to personal property to the extent such insurance is available, actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies. The Board shall also obtain whenever reasonably available an inflation guard endorsement, reasonable construction code endorsements, and an agreed amount endorsement each year to the master policy and the amount of coverage shall in no event be less than the agreed value. Any hazard insurance policy should also meet the following requirements:
- (a) The named insured shall be the Council, as trustee for the use and benefit of all Unit owners and lien holders. All insurance proceeds shall be payable to the Council as such trustee, for the Unit owners and lien holders;
 - (b) Each policy shall include waivers by the insurer of any rights of subrogation against the Council, its agents and employees, and the Unit owners;
 - (c) Each policy shall provide that the insurance shall not be affected or diminished by any acts or omissions of any Unit owner when such act or omission is not within the control of the Council.
 - (d) The insurance shall not be affected or diminished by reason of any other

insurance carried by any Unit owner or mortgagee covering the same loss;

- (e) Adjustment of loss shall be made with the Board;
- (f) Each policy shall contain the standard mortgagee clause, except that any loss otherwise payable to the named mortgagee shall be payable as provided in "(a)" above. If FNMA should be the holder of a mortgage on an Unit, each policy must name FNMA or the servicer that services such mortgages and its successors and assigns as mortgagee;
- (g) Each policy shall contain provisions designating the interests of various mortgages to specific Units and other property of the Regime covered by the master policy;
- (h) Each policy shall contain a provision that the policy may not be canceled or modified (except for the addition of property or increases in the amount of coverage) without at least thirty (30) days prior written notice to the named insured, and to all mortgagees; and
- (i) Each policy shall contain any other provisions necessary to comply with applicable FNMA requirements.

10.2 **Liability Insurance.** The Board shall maintain comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board but not less than \$1,000,000 for any single occurrence, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the limited and general common elements. Each policy shall contain a provision that requires at least ten (10) days notice to the Board before the policy may be canceled or substantially modified.

10.3 **Wind and Hail and Flood Insurance.** Wind and Hail and Flood Insurance is required. The Board shall maintain this insurance in an amount determined by the Board covering the limited and general common elements.

10.4 **Fidelity Bonds.** The Board may require fidelity bonds covering all officers and employees who handle or are responsible for funds held or administered by the Council, naming the Council as obligee, in an amount equal to the maximum funds that will be in the custody of the Council, but in no case less than an amount equal to the sum of three (3) months assessment on all Units plus the amount of the Council's reserve funds. Any such bond shall contain a provision that requires at least ten (10) days written notice to the Board and to each servicer that services a FNMA owned mortgage in the Regime before the bond may be canceled or substantially modified. Personnel of any management agent must be covered by a fidelity bond of such agent of comparable coverage.

10.5 **Council as Trustee.** The Council shall hold any insurance proceeds in trust for Unit owners and lien holders as their interests may appear. Subject to the provisions of subsection 10.1, the proceeds shall be disbursed first for the repair or restoration of the damaged limited and general common elements, and Unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the limited and general common elements have been completely repaired or restored, or the Regime is terminated.

10.6 **Repair.** Any portion of the Regime insured under Sections 10.1 and 10.3 and damage or destroyed shall be repaired or replaced promptly by the Council unless (a) the Regime is terminated, (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (c) more than two-thirds (2/3) of the property constituting the Regime has been destroyed or substantially damaged, unless otherwise agreed by the Unit owners, the property shall not be repaired or replaced and the insurance proceeds received shall be distributed jointly to the Unit owners and their mortgagees jointly in proportion to their respective interests in the Regime, except that proceeds, if any, relating to furnishings, improvements, betterments, and personal property placed or installed in a Unit by a Unit owner shall be distributed to such Unit owner and his mortgagee, as their interests may appear.

The cost of repair or replacement in excess of insurance proceeds and reserves in a general common expense. If the entire Regime is not repaired or replaced, (a) the insurance proceeds attributable to the damaged limited and general common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Regime, (b) the insurance proceeds attributable to Units and limited common elements which are not rebuilt shall be distributed to the owners of those Units, to which those limited common elements were assigned, and to any bona fide mortgagees holding valid and subsisting security interests encumbering any such Units and limited common elements, as their interests may appear, and (c) the remainder of the proceeds shall be distributed to all the Unit owners in proportion to their percentage interest and to any bona fide mortgagees holding a valid and subsisting security interests in all or any part of the subject, The Sandmaster Horizontal Property Regime, as their interest may appear. If the Unit owners vote not to rebuild any Unit, that Unit's entire percentage interest is automatically reallocated upon the vote as if the Unit had been condemned, and the Council promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations.

ARTICLE XI
Waiver and Partition of Regime

11.1 **Council.** The Council may only by the unanimous vote of all its members:

- (a) Waive the Regime and regroup or merge the records of the individual Units with the principal 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.
- (b) Partition or subdivide any Unit in the Regime.
- (c) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the limited and general common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the limited and general common elements by the Council shall not be deemed to transfer within the meaning of this clause).

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STATE OF OHIO

COUNTY OF FRANKLIN

CERTIFICATION

We, Leon LeMaster, Mary LeMaster, Norma LeMaster and John Bartholomew, The Sandmaster Horizontal Property Regime Council of Co-Owners, do hereby certify that the within By-Laws are the legal By-Laws of The Sandmaster Horizontal Property Regime Council of Co-Owners, an unincorporated association.

IN WITNESS WHEREOF, our Hands and Seals this 15th December day of ~~June~~, 2008.

WITNESSES:

Wendi Williams
1st Witness as to Leon/Mary LeMaster

Michael Alexander
2nd Witness as to Leon/Mary LeMaster

Wendi Williams
1st Witness as to LeMaster/Bartholomew

Michael Alexander
2nd Witness as to LeMaster/Bartholomew

Leon LeMaster
Leon LeMaster

Mary LeMaster
Mary LeMaster

Norma LeMaster
Norma LeMaster

John Bartholomew
John Bartholomew