

Return to:
Joye, Nappier, Risher & Hardin, LLC
3575 Hwy. 17 Business
Murrells Inlet, SC 29576

STATE OF SOUTH CAROLINA) MASTER DEED
)
) FOR
) LAKEVIEW VILLAS
COUNTY OF HORRY) HORIZONTAL PROPERTY REGIME

I.

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME

Section 1.1 Creation of Regime. Lakeview Villas LLC, a South Carolina limited liability company ("the Declarant"), which is the sole owner in fee simple 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 hereinbelow described, together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime to be known as **Lakeview Villas Horizontal Property Regime** ("the Regime"), in the manner provided for by the South Carolina Horizontal Property Act, as amended, S.C. Code Ann. Sections 27-31-10 et seq. (2004 Supp.) ("the Act"). By the execution and recording of this Master Deed, the Declarant further states that:

(a) The Declarant proposes to create and does hereby create, with respect to the property described above, the Regime containing not less than one (1) phase nor more than nine (9) phases, to be governed by and to be subject to the provisions of this Master Deed and of the Act;

(b) The Regime, and all property and/or interests in property contained therein, shall be owned, occupied, used, conveyed, encumbered, improved in phases, maintained and governed in accordance with the provisions of the Act and in accordance with the covenants, restrictions, encumbrances, and obligations set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants, restrictions, encumbrances and obligations running with the land.

Section 1.2 Legal Description of Submitted Property. The land ("the Property") which is hereby submitted to the Regime is described on Exhibit "A" attached hereto and made a part hereof by reference. The land comprising future phases shall be a part of the Property when and if submitted to the Regime. The Property as so described has an area set forth on said Exhibit "A".

In conformity with Sections 27-31-30 and 27-31-100 of the Act, the Declarant sets forth the following particulars with respect to the Regime:

II.

DEFINITIONS

Section 2.1 General. Unless the context requires otherwise, the terms used in this Master Deed and the Exhibits attached hereto shall have the meanings contained in S.C. Code Ann. Section 27-31-20 (2004 Supp.) and in the remainder of the Act.

Section 2.2 Definitions. The following terms used in this Master Deed and in the exhibits attached hereto shall have the meanings as follows, unless the context otherwise requires.

(a) "Act" means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as the same may be amended from time to time.

(b) "Apartment" 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, 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.

(c) "As-Built Survey" means and refers to the as-built survey of the Property, which survey is described in Exhibit B attached hereto and shall also refer to the As-Built Survey of additional property upon its annexation to the Regime in accordance with the provisions of Article V hereto.

(d) "Assessment" means an Owner's share of the Common Expenses assessed against such Owner and his Unit from time to time by the Association in the manner hereinafter provided.

(e) "Association" means and refers to Lakeview Villas Condominium Owners Association, Inc., an association of the Owners of the Units located in Lakeview Villas Horizontal Property Regime in the form of a non-profit, non-stock corporation organized under the laws of the State of South Carolina.

(f) "Board of Directors" or "Board" means the Board of Directors of Lakeview Villas Condominium Owners Association, Inc. and "Director" or "Directors" means a member or members of the Board.

(g) "Building" means a structure containing in the aggregate two or more Units located on the Property.

(h) "Bylaws" shall mean and refer to the Bylaws of the Association which governs

the administration and operation of the Association, the initial text of which is set forth in Exhibit "E" attached hereto and made a part hereof by reference and as may be amended from time to time.

(i) "Common Elements" means and refers to both the General Common Elements and Limited Common Elements, and shall include all portions of the Regime Property not included within the Units. "Common Elements" is more fully defined in Article VI hereof.

(j) "Common Expenses" means and refers to all expenditures lawfully made or incurred by or on behalf of the Association incident to the management, administration, maintenance, repair and replacement of the Common Elements and of the portions of the Units which are the responsibility of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, and for the maintenance, repair and management of other property, whether owned by the Association or not, and set forth in this Master Deed or incorporated herein by an amendment to this Master Deed for which the Association has responsibility.

(k) "Condominium" means the form of individual ownership of a particular Unit in a Building and the common right to share with other Owners in the General Common Elements.

(l) "Condo Plans" shall mean and include the architectural plans, floorplans and elevations of the Buildings/Units erected or to be erected on the Property which are described in Exhibit B attached hereto, as amended.

(m) "Declarant" shall mean and refer to Lakeview Villas LLC, a South Carolina limited liability company, its successors and/or assigns. A person or entity shall be deemed a "successor and/or assign" of Declarant only if specifically so designated in a duly recorded written instrument as a successor or assign of the Declarant under this Master Deed and shall be deemed a successor and assign of the Declarant only as to the particular rights or interests of the Declarant under this Declaration or under such amendment thereto which are specifically designated in the recorded written instrument.

(n) "Documents" means and includes this Master Deed, the Bylaws, the As-Built Survey and the Condo Plans, as the same may be amended or supplemented and recorded from time to time.

(o) "General Common Elements" or "General Common Area" shall mean and refer to all Regime Property exclusive of Units and Limited Common Elements and is more fully defined in Article VI.

(p) "Horizontal Property Act" or "Act" means and refers to the Horizontal Property Act for the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as amended and supplemented from time to time.

(q) "Limited Common Elements" means and includes those special Common

Elements designated as appurtenant to and which are reserved for the use of a certain Unit or Units to the exclusion of all other Units.

(r) "Majority" or "Majority of Owners" means and refers to the owners holding 51% or more of the total value of the Common Elements in accordance with the percentage assigned herein.

(s) "Master Deed" means this instrument and such amendments hereof as may be adopted and recorded from time to time.

(t) "Occupant" shall mean and refer to any person, including, without limitation, any Owner, occupying or otherwise using a Unit within the Regime, and their respective families, servants, agents, guests, tenants and invitees.

(u) "Of Record" shall mean recorded in the Register of Deeds Office for Horry County.

(v) "Owner" means a person, firm, corporation, partnership, association, trust, limited partnership, or other legal entity or any combination thereof who owns of record a Unit within a Building.

(w) "Percentage Interest" means the percentage of undivided interest each Unit Owner owns as a tenant in common in the Common Elements.

(x) "Property" or "Regime Property" means and includes the tract of land described in Exhibit A and the Buildings and all improvements thereon which have been or which are intended to be submitted to the provisions of the Act; all easements, rights and appurtenances belonging thereto; and all other real and personal property which are or may hereafter become part of the Regime.

(y) "Regime" means and refers to Lakeview Villas Horizontal Property Regime.

(z) "Regime Plans" mean and refer to the As-Built Survey and site plan, elevations and floor plans collectively.

(aa) "Unit" shall mean and be synonymous with the term Unit as used in the Act and includes one or more rooms occupying one or more floors or part or parts thereof, designed, or intended for independent use as a single family dwelling and which is more fully described in Article VI.

III

DESCRIPTION OF IMPROVEMENTS

Section 3.1 Survey and Description of Improvements. Attached hereto at the time this

Master Deed is filed for record and incorporated herein by reference as if set forth in full herein are an as-built survey (Phase 1 only) and a site plan showing the location of the building and other improvements, a set of floor plans of the building which shows graphically the dimensions, area and location of each Unit therein and the dimensions, area, and location of the General Common Elements and Limited Common Elements 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 surveys, site plan and set of floor plans (hereinafter collectively called "the Regime Plans") are recorded as a separate Horizontal Property Regime plat in the office of the Register of Deeds for Horry County in Plat Book 282 at page 272. The building containing the Units has the areas set forth on Exhibit "B" attached hereto.

IV.

WARRANTY AND DISCLAIMER OF WARRANTIES

Section 4.1 Express warranty: For a period of one year following the date of issuance by the Horry County of the occupancy permit for the Regime, Declarant will at no cost to the Association or any Owner, repair or replace at Declarant's option any portion of the common elements of the Regime, except furniture, fixtures and appliances covered by a warranty of the manufacturer or dealer, which is defective as to materials or workmanship; provided, however, this warranty shall not cover damage caused by the acts, omissions or negligence of the Association, any Owner, or their respective guests or lessees. The liability of Declarant hereunder is expressly limited to such repair or replacement of defects and Declarant shall not be responsible for any incidental or consequential damages arising from any such defects and DECLARANT MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 4.2 DISCLAIMER OF IMPLIED WARRANTY OF FITNESS AND DISCLAIMER OF IMPLIED WARRANTY OF HABITABILITY: DECLARANT HEREBY EXPRESSLY DISCLAIMS THE IMPLIED WARRANTY OF FITNESS AND THE IMPLIED WARRANTY OF HABITABILITY, AS SUCH IMPLIED WARRANTIES MAY EXIST PURSUANT TO SOUTH CAROLINA CASE LAW OR STATUTE OR OTHERWISE, BY ACCEPTANCE OF A DEED TO ANY UNIT OR INTEREST THEREIN BY GRANTEE HEREBY ACCEPTS AND ACKNOWLEDGES DECLARANT'S DISCLAIMERS OF THE SAID WARRANTIES AND RELEASES DECLARANT FROM ANY AND ALL LIABILITY ARISING OUT OF SUCH WARRANTIES IN CONSIDERATION OF DECLARANT'S PROVISION TO PURCHASER OF THE EXPRESS WARRANTY SET FORTH IN SECTION (A) ABOVE.

Section 4.3 DISCLAIMER OF IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DECLARANT MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED (INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) OTHER THAN THE EXPRESS WARRANTY AS SET FORTH IN SECTION 4.1 ABOVE.

V.

LATER PHASES OF THE REGIME

Section 5.1 Plan of Development.

(a) The Declarant intends to develop the property hereinafter described as a phased horizontal property regime containing not less than one (1) phase nor more than nine (9) phases. Each phase shall contain one building which shall contain no more than twenty (20) Units.

(b) Each Phase shall be depicted on a map or plat showing the boundaries of the Phase and the location thereon of all improvements, amenities, parking, etc. Phase 1 and each additional Phase, as constructed and submitted, shall constitute the entirety of the Regime, and the Regime, the Association (as hereinafter defined) and the Owners of Units shall not acquire any rights as to any properties not depicted thereon and specifically submitted to the provisions of this Master Deed. The "As-Built" and "site plan", "floor plans", and all other Exhibits attached hereto, incorporated herein and/or associated herewith which depict or refer to any Phase which has not been specifically made a part hereof by amendment as herein provided shall be of no force or effect until such Phase has been incorporated herein by amendment. No such "site plan", etc. shall constitute a warranty or representation that any additional Phase will be constructed or submitted or that any amenity is or will be constructed or submitted. Until such time as an additional Phase is added by amendment as herein required, all real estate upon which additional Phases may be added may be used for any lawful purposes by the owner thereof.

Section 5.2 Future Phases. The Declarant hereby reserves unto itself, its successors or assigns, the right and option, but not the obligation, to be exercised in its sole discretion, to submit the Phases 2 through 9 property, or any one or more of such Phases, to the provisions of this Master Deed, thereby causing such Phase(s) to become and be a part of Lakeview Villas Horizontal Property Regime. The Declarant may elect to exercise this right or option as to Phases 2 through 9, no later than fifteen (15) years from the filing of this Master Deed. Each additional Phase shall be added only upon execution by the Declarant, its successors or assigns, within the time specified herein, of an amendment or amendments to this Master Deed which shall be filed of record in the Office of the Register of Deeds for Horry County, South Carolina. Any such amendment shall expressly submit such Phase to all of the provisions of this Master Deed and the Bylaws of Lakeview Villas Condominium Owners Association, Inc. made a part hereof, as either or both may be amended. Upon the exercise, if any, of this right or option, the provisions of this Master Deed and all Exhibits hereto shall then be construed and understood as embracing Phase 1 (the basic "Property" herein defined) and any future Phase(s) so submitted, as appropriate, together with all improvements then or thereafter constructed. Should the Declarant fail to exercise its right or option within the time specified herein, then in that event, said option shall expire and be of no further force or effect. Should Phase 2 or any subsequent Phase be constructed and submitted, Declarant shall be under no obligation to submit any future Phase(s). The construction and submission of each Phase shall be at the sole option of the Declarant and the type of Units in such Phases may or may not be exactly the same as the Units in Phase 1. Further, Declarant may submit any Phase(s) of the provisions of this Master Deed in any order

notwithstanding the numerical sequence thereof or the numerical sequence of any building.

Section 5.3 Reservation of Easements to Develop Future Phases. Declarant reserves unto itself, its successors and assigns, in, over, across, under and upon the properties shown as Phase 1 (and each additional phase which is submitted to the terms and provisions of this Master Deed) all easements and rights of ingress and egress necessary and convenient for the construction of the said Phases 2 through 9, or any one or more of them, as the case may be, which such easements shall remain in full force and effect for such time as the Declarant, its successors and/or assigns, retains the option of submitting the said Phases 2 through 9, or any one or more of them, to the Regime. The easements reserved by the Declarant shall include, but not be limited to, the easements expressly reserved by the Declarant pursuant to the terms of this Master Deed and the Exhibits and Amendments hereto, as well as perpetual, non-exclusive easements over the roads, driveways, parking areas for ingress and egress (pedestrian and vehicular) and for the installation and maintenance of stormwater drainage and utilities. To the extent the proportionate amount of Common Expenses is deemed to be substantially increased by the submission of additional common elements in Phase 2 or any subsequent Phase, it is hereby disclosed that expenses normally associated with the use of such facilities may be expected if the same are constructed and submitted.

Section 5.4 Assignment of Right to Submit Additional Phases. The right to submit the additional Phases to the Horizontal Property Regime is assignable by the Declarant. If Declarant elects to assign such right, the assignee shall be solely responsible therefore including, but not limited to, the quality of construction and compliance with this Master Deed.

VI.

UNITS, GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Section 6.1 The Regime. The Regime consists of Units, General Common Elements and Limited Common Elements, as said terms are hereinafter defined.

Section 6.2 Units. Units, as the term is used herein, shall mean and comprise the separate and numbered Units which are designated in Exhibit "B" to this Master Deed, 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 of each Unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished bearing partitions, 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 Units and the Common Elements (as hereinafter defined). The general description and number of each Unit, expressing its area, general location and any other data necessary for its identification, also appear in Exhibit "B". Each Unit has a direct access, through one or more of the General Common Elements and Limited Common Elements as shown on the Regime Plans and described herein, to a public street, alley or highway.

Section 6.3 General Common Elements. General Common Elements means and includes:

- (a) The Property (excluding the Limited Common Elements and the Units), including but not limited to the land on which the buildings containing the Units are constructed;
- (b) The foundations, main walls, roofs, halls, stairways, elevators and entrance and exit or communication ways;
- (c) The roofs, courtyard, yards and gardens, if any, except as otherwise provided or stipulated;
- (d) The compartments or installations of central services serving multiple units and common areas, such as power, light, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like, except as otherwise provided or stipulated;
- (f) Any trash dumpsters, and, in general, all devices and installations existing for common use;
- (g) All other elements of the property rationally of common use or necessary to its existence, upkeep and safety, including but not necessarily limited to the following:
- (h) The additional improvements designated as General Common Elements on Exhibit "B" attached hereto; and
- (i) Handicap parking area(s), roads, walkways, paths, trees, shrubs, yards, gardens, bodies of water, gazebos, and Regime entrance signs and lighting on the Property (outside of the Units).

Section 6.4 Limited Common Elements. Limited Common Elements means and includes:

- (a) Those common elements which are agreed upon by all the Unit owners to be reserved for the use of a certain Unit or number of Units to the exclusion of the other Units, such as HVAC systems, special corridors, decks, balconies, stairways, parking spaces and sanitary services common to a Unit or the Units of a particular floor, and the like;
- (b) The additional improvements designated as Limited Common Elements on Exhibit "B" attached hereto.

The General Common Elements and the Limited Common Elements are hereinafter occasionally collectively referred to as "the Common Elements".

Section 6.5 Owner's Perpetual Non-Exclusive Easement in Common Elements. The General Common Elements shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the Owners of Units in the Regime for their use and the use of their immediate families, tenants, lessees, licensees, guests, and invitees, for all proper and

normal purposes, for the furnishing of services and facilities for which the same are reasonably intended, or for the enjoyment of said Owners of Units. Notwithstanding anything above provided in this article, Lakeview Villas Condominium Owners Association, Inc. (a South Carolina eleemosynary corporation, hereinafter called "the Association"), shall have the right to establish the rules and regulations pursuant to which the Owner or Owners of any Unit may be entitled to the exclusive use of any parking space or spaces as well as any other Common Elements (whether General or Limited).

Section 6.6 Owner's Perpetual Exclusive Easement to Use Limited Common Elements. Each Owner shall have the exclusive right to use the Limited Common Elements allocated to such Owner's Unit for such Owner's use and the use of such Owner's 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.

Section 6.7 Restraint Upon Separation and Partition of Common Elements.

(a) The Common Elements, both General and Limited, 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. Provided, however, the Owner's interest in the Common Elements may be diminished by the addition of Phase 2 or any additional Phase(s), as set forth in Article V herein.

(b) All 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.

(c) Subject to Article XXI and the other provisions of this Article VI, unless all of the first mortgagees (based upon one vote for each first mortgage owned), and Owners (other than the Declarant) 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;
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 Common Elements;
3. partition or subdivide any Unit;
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 shall not be

deemed a transfer within the meaning of this subparagraph (4).

(d) These provisions shall not apply to amendments to the constituent documents or termination of the Regime made as a result of destruction, damage or condemnation pursuant to the provisions of this Master Deed or the other constituent documents.

Section 6.8 Restriction Against Further Subdividing Of Units And Separate Conveyance Of Appurtenant Common Elements, Etc. No Unit may be divided or subdivided into a smaller Unit or smaller Units than as described in Exhibit "B" attached hereto, nor shall any Unit, or portion thereof, be added to or incorporated into any other Unit. The undivided interest in the 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 the 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 affect 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 affect any interest in a Unit and its appurtenant undivided interest in the 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 "B" without limitation or exception, shall be deemed and construed to affect the entire Unit and its appurtenant undivided interest in the Common Elements. Nothing contained in this paragraph shall be construed as limiting or preventing ownership of any Unit and its appurtenant undivided interest in the Common Elements by more than one person or entity as tenants in common, joint tenants, or any other recognized form of real property ownership.

Section 6.9 Use Of Common Elements Subject To Rules Of Association The use of the Common Elements by the Owner or Owners of the 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 use, or which may hereafter be prescribed and established by the Board of Directors of the Association.

VII.

OWNERSHIP OF UNITS AND APPURTENANT INTEREST IN COMMON ELEMENTS

Section 7.1 Ownership of Units. Once the Real Property and Common Elements are submitted to the Regime, a 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 shall be recordable. Any Unit may be held and owned by more than one person as tenants in common or in any other

recognized form of real property ownership, subject to the provisions of Article IX hereof.

Section 7.2 Percentage of Undivided Interest in Common Elements Appurtenant to Each Unit. A Unit Owner shall have the exclusive ownership of such Owner's Unit and shall have a common right to share equally, with the other Owners, in the Common Elements of the Regime, with relation to the value of the whole Regime. The undivided interest in the Common Elements appurtenant to each Unit is that percentage of undivided interest which is set forth and assigned to each Unit in Exhibit "C" attached hereto and made a part hereof by reference, or, following submission of additional Phase(s), calculated in accordance with the schedule set forth in Exhibit "C".

Section 7.3 Statutory Value. The basic value (identified as the "Value for Statutory Purposes" on said Exhibit "C"), which shall be fixed for the sole purpose of this Master Deed and irrespective of the actual value, shall not prevent each Owner from fixing a different circumstantial value to such Owner's Unit in all types of acts and contracts.

VIII.

LAKEVIEW VILLAS CONDOMINIUM OWNERS ASSOCIATION, INC.

Section 8.1 Formation. To provide for the efficient and effective administration of the Regime, the Declarant has caused to be organized a non-profit South Carolina corporation known as Lakeview Villas Condominium Owners Association, Inc.

Section 8.2 Membership. Each Owner shall be a member of Lakeview Villas Condominium Owners Association, Inc. (hereinafter referred to as the "Association."), a South Carolina non-profit corporation existing under the laws of the State of South Carolina. The Owner or Owners of each Unit shall automatically become members of the Association upon his or her, their or its acquisition of an ownership interest in any Unit and its appurtenant undivided interest in Common Elements, and the membership of such Owner or Owners shall terminate automatically upon each Owner or Owners being divested of such ownership interest in such Unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any lien, mortgage or other encumbrance upon any Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association, or to any of the rights or privileges of such membership.

Section 8.2 Board of Directors. The Association shall be managed by a Board of Directors selected by the Owners subject, however, to those rights reserved by the Declarant as set forth in Article XIX hereto.

Section 8.3 Scope of Authority. Subject to the rights and obligations of Declarant and Owners as set forth in this Master Deed and the Act, the Association shall be responsible for the administration and operation of the Regime property and for the exclusive management, control, maintenance, repair, replacement and improvement of the General Common Elements (including facilities, furnishings, and equipment related thereto) and the Limited Common Elements, and

shall keep the same in good, clean, attractive and sanitary condition, order and repair. The expenses, costs and fees of such management operation, maintenance and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees. The Board of Directors will exercise for the Association all powers, duties and authority vested in or obligated to be taken by the Association and not reserved to the Declarant or the Owners by this Master Deed, the Bylaws, the Act or other applicable law.

Section 8.4 Bylaws. The affairs of the Association and the administration of the Regime Property shall be governed by the provisions of this Master Deed and the Bylaws, a copy of which is attached hereto as Exhibit "E".

Section 8.5 Voting. On all matters relating to the Association or to the Regime Property upon which a vote of the Owners is taken, the Owners shall vote in proportion to their respective Percentage Interest in the Common Elements as set forth in Exhibit "C". The affirmative vote of a Majority of the Owners shall be required to adopt decisions, except where this Master Deed, the Bylaws or the Act require a greater percentage. When any Unit is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, one person or entity shall be designated the voting member to bind all the others. Written notice of such designation shall be delivered to the secretary of the Association prior to the exercise of a vote by joint owners.

Section 8.6 Management Firm The Association, acting through the Board, may employ or contract for the services of a Manager to act for the Association and the Board and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

IX.

RESTRICTIONS AND COVENANTS

Section 9.1 Regime Subject To Restrictions Each and every Unit and the Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein, governing the use of said Unit and the Common Elements, and setting forth the obligations and responsibilities incident to ownership of each Unit and its appurtenant undivided interest in the Common Elements and said Units and the Common Elements are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the Real Property and/or the improvements thereon. In addition to this Master Deed, the Regime is also subject to all other rights-of-way, easements, restrictions, zoning ordinances, and limitations now of record, including those shown on any recorded plats or maps.

Section 9.2 Residential Use Restrictions. Each Unit is hereby restricted to residential use by the Owner or Owners thereof, and their immediate families, guests, tenants, lessees, licensees and invitees; provided, however, that so long as the Declarant shall retain any interest in the Regime, it may utilize a Unit or Units of its choice owned by Declarant from time to time, for a sales office, model, or other usage for the purpose of selling Units in said Regime. Declarant may assign this commercial usage right to such other persons or entities as it may choose, including but not limited to Carolina Winds Realty, LLC or other realtor of Declarant's choice; provided, however, that when all Units have been sold, this right of commercial usage shall immediately cease.

Section 9.3 Prohibition Against Time-Shares. No Unit shall be "time-shared", nor shall any Unit be owned, used or operated in violation of the statutory provisions regulating Vacation Time Sharing Plans, S.C. Code Ann. Sections 27-32-10 et seq. (1988 Supp.), as the same may be amended from time to time, nor shall any Unit be owned, used or operated so as to constitute such Unit as a "time-sharing unit" within the meaning of such statutory provisions.

Section 9.4 Rentals Leases or rentals shall comply with applicable zoning laws. No leasing or rental of any Unit shall be permitted having a shorter duration than allowed under applicable zoning laws nor shall less than the entirety of any Unit be leased. Upon request, the Owner of any rental Unit, will provide the Declarant and Board of Directors with copies of such lease or rental agreement. Any Occupant will in all respects be subject to the terms and conditions of this Master Deed, the Bylaws and the rules and regulations adopted thereunder.

Section 9.5 Signs. No sign of any character shall be erected, placed, permitted or maintained on any Unit or be visible from the window of any structure or other improvement thereon except as herein expressly permitted. "For Sale", "For Rent" or similar signs shall not be permitted on a Unit without the express written consent of the Declarant, or upon termination of Declarant control of the Board of Directors, the Board of Directors of the Association. It shall, however, be permissible for the Association to have a sign located in the Common Area, if the design, size and location of such sign is of a uniform design approved by Declarant prior to its erection. Declarant, as developer, reserves the right for itself and its assigns to erect temporary or permanent signs on Units and Common Areas identifying and/or advertising the Regime, model Units, and/or preferred builders, provided the signs are of a uniform design and meet the Declarant's approved specifications.

Section 9.6 Draperies. All draperies or other window coverings on a window facing the exterior of any Unit and visible from any Common Element or public or private street or area shall be lined with a white lining with the white lining exposed to the exterior of the Unit.

Section 9.7 Animals and Pets. The maintenance, keeping, boarding, or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Unit or upon the Common Areas, except in accordance with this Section, provided however, this shall not prohibit the keeping of a reasonable number of dogs, cats, caged birds or other domestic animals as pets provided (i) they are not kept, bred or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the neighborhood

or other Owners; (iii) such pets are maintained in strict conformance to all laws and ordinances. The Board of Directors shall have authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance and such determination shall be conclusive. The Association reserves the right to prohibit pets from certain portions of the Common Areas when it's determined by the Board in its sole discretion to be in the best interests of the community. Pets shall be attended at all times and shall be registered, licensed, and inoculated as may from time to time be required by law. Pets shall not be permitted upon the Common Areas unless accompanied by a responsible person and unless they are carried, leashed, or otherwise contained. The person accompanying any pet is responsible for the removal and disposal of any solid waste deposited by the pet upon any portion of the Common Areas. Any member who keeps or maintains any pet upon any portion of the Association shall indemnify and hold the Board of Directors and each of its members free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Property. Pets that are permitted to roam free or which are determined by the Board in its sole discretion to endanger the health and safety of any other Owner(s), make objectionable noise, or constitute a nuisance or inconvenience to any other Owner(s), shall be promptly removed upon request by the Board of Directors. The Board of Directors shall have the right to adopt such additional rules regarding pets as it may from time to time consider necessary or appropriate. Non-owners (e.g., renters, lessees or guests) may not keep any pets on any part of the Unit or Common Elements without prior written approval of the Board of Directors of the Association.

Section 9.8 Parking. No parking shall be permitted on any Common Elements except in designated improved parking areas. No stripped, partially wrecked, disabled or junk motor vehicle, boat, jet ski, trailer or similar items or part thereof, shall be permitted to be parked or kept on any Regime property. No mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than personal-use pick-up trucks and sport utility vehicles), commercial vehicle, camper, motorized camper or trailer, boat or other water craft, boat trailer, motorcycle, motorized go-cart, or other related forms of transportation devices may be parked either temporarily or permanently on any Regime property, except those belonging to or used by contractors for the Association, while on Association business or on the property temporarily (less than 24 hours) to provide services to the Association or a resident. For purposes of this Master Deed, "Commercial Vehicle" shall be deemed to include cars, pick-up trucks and vans in styles normally used for private purposes but painted with or carrying commercial advertising, logos, or business names or containing visible commercial materials, cargo, tools or equipment on the exterior of the vehicle or that extend beyond the length or width of the vehicle. No oversized/commercial vehicle (a vehicle wider than and/or longer than a standard parking space, 19 feet maximum, any vehicle that has more than two (2) axles, or those vehicles greater than 7,000 pounds) may park on the premises.

Section 9.9 Regime to be Used for Lawful Purposes, Restriction Against Nuisances. No immoral, improper, offensive or unlawful use shall be made of any Unit or of the Common Elements, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Regime shall be observed. No Owner of any Unit shall permit or suffer any thing to be done or kept in his Unit, or on the 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 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 Common Elements.

Section 9.10 Limitation Upon Right Of Owners To Alter And Modify Units. No Owner of a Unit shall permit any structural modifications 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 Directors 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 any balcony or deck abutting such Owner's Unit to be enclosed, or cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, or the installation of electrical wiring, television 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 not within the walls of such Unit, nor shall storm panels or awnings be affixed without the written consent of the Association being first obtained. Only the Association, its agents and contractors, may conduct these activities. Without limiting the foregoing, but except as hereinafter provided, no Owner shall install any receiving or transmitting device which requires any exterior protrusion whatsoever, nor shall any antennae, satellite dish or other receiving or transmitting device be located on any balcony, screened porch, patio or deck.

Section 9.11 Right Of Association To Alter And Improve Common Elements And Assessment Therefor. Only the Association shall have the right to make or cause to be made such alterations, modifications and improvements to the Common Elements, provided such alterations, modifications or improvements are first approved in writing by the Board of Directors of the Association and by the Owners of fifty-one per cent (51%) or more of the Units of the entire Regime; provided further, that such alterations, modifications or improvements do not adversely affect the value of the Common Elements or Units in the Regime; and 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 Common Elements.

X.

MAINTENANCE AND REPAIR OF UNITS

Section 10.1 Maintenance And Repair By Owners Of Units. Every Owner must perform promptly all maintenance and repair work within such Owner's Unit which, if omitted, would adversely affect the Regime in its entirety or in a part belonging to other Owners, such Owner

being expressly responsible for the damages and liability which such Owner's 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, hot water heaters, stoves, refrigerators, garbage disposals, dishwashers, dryer vents and hoses, fans or other equipment, including any fixtures and/or their connections or receptacles required to provide water, light, power, telephone, sewage and sanitary service to such Owner's Unit and which may now or hereafter be situated in such Owner's Unit. Such Owner shall further be responsible and liable for maintenance, repair and replacement of any and all window glass, wall, ceiling and floor exterior surfaces, painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in such Owner's Unit and of all Limited Common Elements to which such Unit has exclusive use. Further, and notwithstanding whether same is a part of the Unit, a Common Element or a Limited Common Element, the Owner of each Unit shall be responsible for the maintenance, repair and replacement of all doors, door frames, windows, window frames and all screens (including those in any screened porches) associated with or used in conjunction with that Unit. The Association, at its expense, shall be responsible for the painting of all exterior portions of the buildings, including the exteriors of all doors, doorframes and window frames (including the doors on any exterior storage closets) on a regular schedule. In between the times set for such regular painting, each Owner shall be responsible for painting the exteriors of all doors, doorframes and window frames associated with that Owner's Unit, and doors on storage closets maintained by the Association, at such time as same is needed, using a paint of the color, brand and type as is approved by the Association. Whenever the maintenance, repair and replacement of any items for which the Owner of a Unit is obligated to maintain, repair or replace at such Owner's own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by Association, the proceeds of the insurance received by Association, or the insurance trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of any insurance maintained by the Owner of such Unit, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement received by such Owner on account of any insurance maintained by the Owner of such Unit. 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. The floor and interior walls of any balcony or deck attached to such Owner's Unit shall be maintained by the Owner at such Owner's expense; provided however, said Owner shall take no action which will alter the exterior appearance of the building. Reference is made to S.C. Code Ann. Section 27-31-250 (2004 Supp.), which code section is controlling of insurance proceeds when said code section is applicable by its terms.

Section 10.2 Maintenance And Repair Of Common Elements By The Association. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Elements, including those portions thereof which contribute to the support of any building, and all conduits, ducts, plumbing, wiring and other facilities located in the Common Elements (which are not the responsibility of another entity such as a utility or public service district) for the furnishing of utility services to the Units and the Common Elements, and should any incidental damage be caused to any Unit by virtue of any work which may be done or

caused to be done by Association in the maintenance, repair, or replacement of any Common Elements, the Association shall, at its expense, repair such incidental damage.

No later than three (3) years from the date of the filing of this Master Deed and every three (3) years thereafter, the Board of Directors shall cause the Common Elements to be inspected and evaluated by a professional engineer, architect, qualified property inspector, or other Qualified Professional (as defined below), who shall then render a maintenance recommendation report to the Board of Directors as to the condition of the Common Elements, as well as any recommendations for repairs and maintenance of the Common Elements. Such report shall be used by the Association to assist in the performance of maintenance of the Common Elements. The cost of such inspection and report shall be a Common Expense. The term "Qualified Professional" as used herein shall mean a person whose education, training and work experience, as well as licenses and/or other professional qualifications, qualifies such person to perform the services provided for herein, in the reasonable discretion of the Board of Directors, after review of such qualifications.

Declarant may assign, and the Association shall assume, any agreements for the providing of services to the Project, including, without limitation, telephone, electric, cable, and other utility and quasi-utility services, and further including, without limitation, data equipment, and special service agreements. The Board of Directors shall cause to be maintained a termite bond covering the Building(s) which will provide coverage for the repair, replacement, and/or retreatment of any portion of the Building(s) which is damaged or destroyed by infestation of termites or other wood-boring organisms. Such bond shall be maintained in full force and effect at all times and the cost thereof shall be a Common Expense of the Association.

It shall be the obligation of the Association to perform the major repairs and replacements for which reserves shall be established, at successive intervals not longer than in accordance with the anticipated useful life of each such portion of the Common Elements as reasonably determined by the Board of Directors. The Board of Directors may, however, cause such repairs and replacements to be undertaken at shorter intervals.

In the event that the need for maintenance, repair or replacement of all or any portion of the Common Elements is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests, invitees, licensees or tenants, then the expenses incurred by the Association for such maintenance, repair or replacement shall be a personal obligation of such Owner. If the Owner fails to repay the expenses incurred by the Association within 30 days after notice to the Owner of the amount owed, then the failure to so repay shall be a default by the Owner under the provisions of this Master Deed, and such expenses shall automatically become a Default Assessment enforceable in accordance with Article XVI below.

Section 10.3 Right Of Entry For Maintenance Of 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 the duly constituted and authorized agent of the Association, to enter such Unit and its Limited Common Elements,

provided that such entry shall be made only at reasonable times and with reasonable advance notice.

The provisions of this Article X may not be amended without the express written consent of Declarant as long as Declarant owns any unsold Units.

XI.

EASEMENTS

Section 11.1 Easement for Encroachments. In the event that any portion of the Common Elements encroaches upon any Unit or in the event that any portion of a Unit encroaches upon any other Unit or upon any portion of the Common Elements or in the event any encroachment shall occur as a result of: (i) settling of a Building; or (ii) alteration or repair to the Common Elements; or (iii) repair or restoration of the Buildings or a Unit after damaged by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the Building stands. In the event that any one or more of the Units or the Building or other improvements comprising part of the Common Elements is partially or totally destroyed and is then rebuilt or reconstructed in substantially the same location, and as a result of such rebuilding any portion thereof shall encroach as provided in the preceding sentence, a valid easement for such encroachment and for the maintenance thereof so long as it stands shall and does exist.

Section 11.2 Utility Easements. Each Owner shall have a non-exclusive easement appurtenant to his Unit for the use in common with other Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines and other utilities located in any other Unit or within the Common Elements and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of the other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, cable television lines, and other utilities serving such other Units which are located in each such Unit.

Section 11.3 Easement for Declarant. See Article XIX Declarant's Rights.

Section 11.4 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 Directors 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 and the Limited Common Elements for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and 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.

Section 11.5 Construction and Sales Easement. The Regime Property shall be subject to a non-exclusive easement in favor of the Declarant and its employees, agents, independent contractors and invitees for entry upon and passage over the Regime Property for purposes of constructing the Units

and of exhibiting and selling the Units, including the use of a Unit owned or leased by the Declarant as a sales model. See also Article 5, Section 5.3.

Section 11.6 Public Utility Easements. The Regime Property is subject to easements for access, ingress and egress to adjacent utility owned property and to utility easements for installation, operation and maintenance of electric and telephone distribution lines, and for installation, operation and maintenance of water and sewer lines. The Board may grant easements and relocated existing easements for installation of utilities if such easements are beneficial to the operation of the Regime Property.

Section 11.7 Future Easements. Provided that the Board determines it to be in the best interest of all the Owners, the Board may hereafter grant easements for the benefit of the Regime Property and the Owners. Each Owner, by acceptance of the deed to his or her Unit, does hereby grant to the Board of Directors an irrevocable power of attorney to execute, deliver, and record, for and in the name of each Owner, such instruments as may be necessary and proper to the granting of such easements.

Section 11.8 Easement for Air Space. The Owner of each Unit shall have an exclusive easement for the use of the air space occupied by said Unit as it exists at any particular time and as said Unit may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

XII

CONDEMNATION

Section 12.1 Rights of Unit Owners. If any portion of the Regime Property is condemned by an authority having the power of eminent domain, each Unit Owner shall be entitled to receive notice of such condemnation and to participate in the proceedings incident thereto, but in any proceeding for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his Percentage Interest in the Common Elements.

Section 12.2 Duties of the Association. In the event any award is received by the Association on account of condemnation of any portion or portions of the Common Elements, the Board shall promptly call of special meeting of the Association to determine whether any condemned portion of the Common Elements shall be replaced. If the Association determines to replace any condemned portion of the Common Elements, the Board shall provide for the replacement of such portions in the same manner as if such portions had been destroyed by casualty.

XIII.

INSURANCE

Section 13.1 Hazard Insurance. The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the Condominium and the said Condominium, meaning the Units and Common Elements, to-wit:

(a) Casualty insurance covering all of the Units, and Common Elements, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements, and such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the Condominium, including but not limited to vandalism, malicious mischief, windstorm, wind driven rain damage, and water damage, if available.

(b) Public liability and property damage insurance in such amounts and in such form as shall be required by the Association to protect the Association and the Owners of all Units, including but not limited to, water damage and legal liability.

(c) Director's and Officer's liability coverage providing coverage for the Directors and Officers of the Association.

(d) Fidelity bond coverage shall be maintained for any agents of the Association, and in the event a Management Agent is retained by the Association, the Association shall be added to the Management Agent's fidelity bond and crime insurance.

(e) Such other insurance coverage, other than title insurance, as the Board of Directors, in its sole discretion may determine from time to time to be in the best interest of the Association and the Owners of all of the Units.

All liability insurance maintained by the Association shall contain cross liability endorsements to cover liability of all Owners of Units as a group as to each Unit Owner.

It shall be the duty of the Board of Directors to conduct a review of the insurance coverages maintained by the Association to determine the adequacy thereof not less than once every three (3) years and to increase the amount of any such insurance deemed inadequate. Upon such review, a report shall be presented to the Association at the annual meeting next following the completion of such review summarizing the findings of the Board of the Directors.

All insurance coverage authorized to be purchased shall be purchased by the Association for itself and for the benefit of all of the Owners of all Units. The cost of obtaining the insurance coverage authorized above is declared to be a Common Expense, as are all other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

All policies of casualty insurance covering the Condominium shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successor. The insurance proceeds from any casualty loss shall be held for the use and benefit of the Association and all of the Owners of all Units and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The Association is hereby declared to be the "Insurance Trustee" acting by and through the Board of Directors, and is appointed as authorized agent for all of the Owners of all Units for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

The Association shall have the right to delegate the duties of the Insurance Trustee to the management agent or some other party and all parties beneficially interested in such insurance coverage shall be bound by said delegation.

The Insurance Trustee shall not be liable for the payment of premiums, for the renewal of any policy or policies of casualty insurance, for the sufficiency of coverage, for the form or content of the policies or for the failure to collect any insurance proceeds.

The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold same in trust for the purposes herein stated, and for the benefit of the Association and the Owners of all Units and their respective mortgagees, such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. The Association, as a Common Expense, may pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of said Insurance Trustee. Wherever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of Units and their mortgagees, as their respective interests may appear, the Insurance Trustee may rely upon a Certificate of the President and Secretary of the Association, executed under oath, which Certificates will be provided to said Insurance Trustee upon request of said Insurance Trustee made to the Association. Such Certificate of the Association shall certify unto said Insurance Trustee the name or names of the Owners of each Unit, the name or names of the mortgagee or mortgagees who may hold a mortgage or mortgages encumbering each Unit, and the respective percentages of any distribution which may be required to be made to the Owner or Owners of any Unit or Units, and his or their respective mortgagee or mortgagees, as their respective interests may appear. Where any insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder or holders of any mortgage or mortgages encumbering a Unit shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution

to the Owner or Owners of any Unit or Units, and their respective mortgagees, after such insurance proceeds have been first applied to repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Owner or Owners of any Unit or Units, and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of Common Elements and as to which a determination is made not to repair, replace or restore such personal property. So long as any lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed, such lender shall also have the right to approve the amount of such insurance coverage to be maintained.

In the event of the loss of or damage to Common Elements and/or Units, real or personal, which loss damage is covered by casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage, unless one hundred percent (100%) of the Owners vote not to repair or rebuild, or unless the repair or replacement is illegal under a state statute or local health ordinance. In the event of the unanimous vote of the Owners not to repair, reconstruct or rebuild the entirety of the Property, the portion of the proceeds paid to the Insurance Trustee which are: i) attributable to the damaged COMMON ELEMENTS must be used to restore the damaged area to a condition comparable with the remainder of the property; ii) attributable to the UNITS and LIMITED COMMON ELEMENTS which are not repaired, reconstructed or rebuilt must be distributed to the Owners of the UNITS and the Owners of the UNITS to which the LIMITED COMMON ELEMENTS are appurtenant, and their respective mortgagee(s), as their respective interests may appear; iii) remaining must be distributed to the Owners of all UNITS and their respective mortgagees, if any, and shall bear the same ratio to the total excess insurance proceeds as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interests in COMMON ELEMENTS appurtenant to all UNITS. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such Common Elements, then such excess insurance proceeds shall be paid by the Insurance Trustee to the reserve fund of the Association. If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the Association shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received, will enable said Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss damage, as the case may be. The monies to be deposited by the Association with the Insurance Trustee, in said latter event, may be paid by the Association out of its Reserve for Replacement Fund, and if the amount in such Reserve for Replacement Fund is not sufficient, then the Association shall levy and collect assessment against all Owners and their Units in an amount which shall provide the funds required to pay said repair, replacement or reconstruction.

Subject to the provisions of Article II, Section 2.2 of the Bylaws of the Association and applicable law, in the event of loss of or damage to property covered by such casualty insurance, the Association shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and

premiums for such bonds as the Board of Directors may deem to be in the best interest of the membership of the Association. Wherever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of the repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, shall be deposited with said Insurance Trustee not later than thirty (30) days from the date on which said Insurance Trustee shall receive the monies payable under the policy or policies of casualty insurance.

In the event of loss of or damage to personal property belonging to the Association, the insurance received by the Insurance Trustee, shall be paid to the Association. Notwithstanding the foregoing, in the event of the loss of or damage to personal property constituting a portion of the Common Elements, should the Board of Directors determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the Insurance Trustee shall be paid to the Association.

The Board of Directors shall insure the Regime Property against loss or damage due to fire and lightning, with extended all risk hazard coverage, including flood (if any part of the Regime Property is located in a special flood hazard area as defined by the Federal Emergency Management Agency), windstorm, hail, earthquake and wind driven water in an amount equal to the full replacement cost of the said Regime Property. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Regime Property. All hazard insurance shall cover the entire Regime Property, including each Unit as delivered to a Unit Owner by the Declarant regardless of whether or not such portion of the Regime Property is a General Common Element, a Limited Common Element or a Unit, exclusive only of the contents, decorations and furnishings of an individual Unit supplied by a Unit Owner and any additions or improvements made by the Owner of the Unit. The Board may establish reasonable deductibles for each category of insurance and shall establish reasonable reserves for such deductibles.

All hazard insurance policies obtained by the Board of Directors shall designate the Board of Directors as the named insured as Insurance Trustee for the benefit of all Unit Owners and their mortgagees collectively as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board of Directors as Insurance Trustee under the provisions of this Master Deed.

All hazard insurance policies obtained by the Board shall provide for the issuance of certificates of insurance to each Unit Owner. Each certificate shall evidence the insurance of the master policy and shall indicate the amount of insurance covering the Building within which the respective Unit is located. If a Unit is mortgaged, a certificate of insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.

If obtainable, all hazard insurance policies upon the Regime Property shall include provisions waiving: (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Unit Owners and their servants, agents and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owners

upon the contents and furnishings of their Units.

Section 13.2 Public Liability Insurance. The Board of Directors shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association, to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner. In addition, the Management Agent shall be named as an additional insured on the Association's public liability insurance policy.

Section 13.3 Workmen's Compensation Insurance. The Board of Directors, if required and/or if necessary, shall obtain workmen's compensation insurance to meet the requirements of law.

Section 13.4 Premiums. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as Common Expenses and paid by the Board.

Section 13.5 Insurance by Unit Owner. Each Unit Owner shall be responsible for obtaining, and shall obtain an HO-6 policy or other suitable policy, as his or her sole expense, insurance covering the personal property, fixtures, decorations, and furnishings within his or her own Unit, and the additions and improvements made by him or her to the Unit. Each Owner shall be responsible for obtaining, and shall obtain, at his or her own expense, insurance covering his or her liability for the safety of the premises within his or her Unit. If obtainable, all such insurance policies shall include a provision or endorsement waiving: (i) any right of the insurer to subrogation to claims against the Association and against individual Owners, as well as their agents, servants, employees, and guests and (ii) any right of the insurer to contribution or proration because of the master hazard policy. A current copy of all insurance required by this provision shall be filed with the Association or its manager, upon request.

The Owner of each Unit shall bear the risk of loss of 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 Common Elements) belonging to or carried on the person of such Owner which may be stored in any Unit or in, to or upon Common Elements. All furniture, furnishings and personal property constituting a portion of the 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 the Association. The Owner of a Unit shall have no personal liability for any damages caused by the Association or any other Owner in connection with the use of the Common Elements. The Owner of a Unit shall be liable for injuries or damage resulting from an event or condition in his own Unit or the related Limited Common Elements, to the same extent and degree that the Owner of a house would be liable for an accident occurring within the house.

Section 13.6 Substitution of Insurance Trustee. The Board, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as trustee and which has offices in Georgetown or Horry County, South Carolina. Any substitute insurance trustee appointed by the Board shall succeed to all the powers and responsibilities vested in the Board as insurance trustee under the terms of this

Master Deed.

Section 13.7 Association as Agent. The Association is irrevocably appointed as the agent for each Owner, for each mortgagee, for the holder of any lien upon the Unit and for the owner of any other interest in the Regime Property, to adjust all claims arising under the insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

XIV.

RECONSTRUCTION AND REPAIR

Section 14.1 Reconstruction and Repair. In the event of casualty loss, condemnation or damage to the Regime Property, the Board shall be responsible for applying the proceeds of all casualty insurance or condemnation to the repair or reconstruction of the Regime Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory for any casualty, condemnation, loss or damage to the Regime Property occurring before January 1, 2025 (the "Mandatory Reconstruction Period") and thereafter reconstruction or repair shall be mandatory unless two-thirds or more of the Regime Property is destroyed, condemned or substantially damaged. After the Mandatory Reconstruction Period, if two-thirds (2/3rds) or more of the Regime Property is destroyed, condemned or substantially damaged, the insurance indemnity or condemnation proceeds received by the Board of Directors shall be distributed prorata to the Owners and their mortgagees jointly in proportion to their respective interest in the Common Elements, unless otherwise unanimously agreed by the Unit Owners. The remaining portion of the Regime Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of a suit of partition, the net proceeds of sale, together with the net proceeds of condemnation or insurance policies, shall be considered one fund and distributed prorata among all Unit Owners and their mortgagees jointly in proportion to their respective interest in the Common Elements. If any casualty, loss, condemnation or damage occurs to the Regime Property prior to the expiration of the Mandatory Reconstruction Period, or after the Mandatory Reconstruction Period if less than two-thirds (2/3rds) of the Regime Property is destroyed, condemned or substantially damaged, the Regime Property shall be reconstructed or repaired in the following manner:

(a) Plans and specifications. Any reconstruction or repair must follow substantially the original plans and specifications of the Regime Property unless the Owners holding 80% or more of the total interest in the Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

(b) Cost Estimates. The Board of Directors shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board deems necessary.

(c) Insurance or Condemnation Proceeds. If the damage to the Regime Property is not insured, or if the amount of the loss is within the deductible provisions of the insurance policy, or if

the proceeds of insurance or condemnation are insufficient to cover the cost of reconstruction or repair, the deficiency shall be a Common Expense and paid by all Unit Owners in accordance with their respective Percentage Interest in the Common Elements, provided, however, any such deficiency resulting from damage to the Regime Property as a result of the neglect, willful act or abuse of the Regime Property by any Unit Owner or his guests shall be charged to such Unit Owner as a Default Assessment as heretofore set forth in Section 16.8.

(d) Application of Insurance or Condemnation Proceeds. The insurance or condemnation proceeds received by the Board and any Special Assessments collected to cover a deficiency in proceeds shall constitute a construction fund from which the Board shall disburse payment of the cost of reconstruction and repair. The first disbursements from the construction fund shall be insurance or condemnation proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owners who paid Special Assessments in proportion to their payments.

Section 14.2 Insurance Trust. In the event of a casualty loss to the Regime Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board of Directors as Insurance Trustee. The Board acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Unit Co-Owners and their respective mortgagees in the following shares:

(a) Damage to Common Elements Only. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interest in the Common Elements which are appurtenant to each of the Units.

(b) Damage to Less than All Units. Insurance proceeds paid on account of loss or damage to less than all of the Units when the damage is to be restored, shall be held for the benefit of the Owners of the damaged Units and their respective mortgagees in proportion to the costs of repairing each damaged Unit.

(c) When Property Not to be Restored. Insurance proceeds paid when the Regime Property is not to be restored shall be held for the benefit of all the Owners and their respective mortgagees, the share of each Owner being equal to the undivided share or interest in Common Elements appurtenant to his Unit.

(d) Rights of Mortgagees. In the event a certificate of insurance has been issued to an Owner bearing a mortgagee endorsement, the share of the Owner in the insurance proceeds shall be held in trust for the mortgagee and the Owner as their interest may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Owners and their respective mortgagees pursuant to the provisions of this Master Deed, and then only if the decision is made not to rebuild.

XV

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED
AND ASSESSED AGAINST THE REGIME AS A WHOLE

Section 15.1 Tax or Special Assessment Levied Against Regime. 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 the 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 the 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 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 the 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 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 the Common Elements appurtenant to each Unit bears to the total undivided interest in the 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 to the Units and appurtenant undivided interests in the Common Elements, then the assessment by Association, which shall include the proportionate share of such tax or special assessment attributable to each Unit and its appurtenant undivided interest in the 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 and constitute a lien prior to all mortgages and encumbrances upon any Unit and its appurtenant undivided interest in the 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 the Common Elements.

XVI.

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

Section 16.1 General. The Association, by and through the Board of Directors for the Association, as and for the Owners, is given the authority to administer the operation and management of the Regime, it being recognized that the delegation of such duties to one entity is in the best interests of the Owners of all Units. To properly administer the operation and management of the project, the Association will incur, for the mutual benefit of all of the Owners of Units, costs and expenses which will be continuing or non-recurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "common expense". To provide

the funds necessary for such proper operation and management, the said Association has heretofore been granted and is granted the right to make, levy and collect assessments against the Owners of all Units and said Units.

Section 16.2 Uniformity of Assessment. All assessments levied against the Owners of Units and said Units shall be uniform and, unless specifically otherwise provided for in this Master Deed, be in the same proportion to the total assessment made against all Owners of Units and their Units as the undivided interest in the Common Elements appurtenant to each Unit bears to the total undivided interest in the Regime. Should the Association be the Owner of any Unit or Units, the assessment which would otherwise be payable to Association by the Owner of such Unit or Units, reduced by the Unit or Units by the Association, shall be apportioned and assessment therefore levied ratably among the Owners of all Units which are not owned by the Association, based upon their proportionate interests in the Common Elements exclusive of interests therein appurtenant to any Unit or Units owned by Association.

Section 16.3 Annual Assessment. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Regime, including a reasonable allowance for contingencies and reserves, and including but not limited to estimated amounts necessary for maintenance and operation of Common Elements, landscaping, street and walkways, office expense, amenity area, utility services, real estate taxes, casualty insurance, liability insurance, appropriate contents and liability insurance, and administration, such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected. Copies of said budget shall be delivered to each Owner of a Unit and the regular assessment for said year shall be established based upon such budget, although the delivery of a copy of said budget to each Owner shall not affect the liability of any Owner for such assessment. The assessment levied against the Owner of each Unit and such Owner's Unit shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the Association. Such assessments, together with such interest thereon and costs of collection thereof shall be a charge on the land and shall be a continuing lien upon the Unit(s) of Lakeview Villas Horizontal Property Regime and shall be collected as part of the Association's annual assessment. Such assessments shall also be the personal obligation of the Owner of such Unit(s) at the time when the assessment fell due.

Section 16.4 Replacement Reserve. The Board of Directors of Association, in establishing said annual budget for operation, management and maintenance of the project shall include therein a sum to be collected and maintained as reserve fund for replacement of Common Elements, which reserve fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Elements as well as the replacement of personal property which may constitute a portion of the Common Elements held for the joint use and benefit of all of the Owners of all Units. The amount to be allocated to such reserve fund for replacements shall be established by said Board of Directors so as to accrue and maintain at all times a sum reasonably necessary to anticipate the need for replacements of said

Common Elements. The amount collected and allocated to the reserve fund for replacements from time to time shall be maintained in a separate account by Association, although nothing herein contained shall limit Association from applying any monies in such reserve fund for replacements to meet other needs or requirements of Association in operating or managing the project in the event of emergencies, or in the event the sums collected from the Owners of Units are insufficient to meet the then fiscal financial requirements of 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 of the Association in the sole discretion of said Board of Directors.

Section 16.5 General Operating Reserve. The Board of Directors of the Association, in establishing said annual budget for operation, management and maintenance of the project, shall include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Owners of Units, as a result of emergencies or for other reason placing financial stress upon the Association.

Section 16.6 Working Capital Fund. The Board of Directors of the Association shall establish at the time of activation of the Association a working capital fund which shall collect \$1500.00 from the purchaser of a 2 or 3 Bedroom Unit or \$1200.00 from the purchaser of a 1 Bedroom Unit and transferred to the Association at the time of closing of the initial sale of each Unit from the Declarant or other initial Grantor. The working capital fund shall be maintained in an account for the use and benefit of the Association. The purpose of this fund is to insure that the Association will have cash available to meet unforeseen expenditures, to pay or subsidize insurance premiums or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of Annual Assessments or Special Assessments.

Section 16.7 Special or Additional Assessment. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Regime, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional or special assessment or assessments as it shall deem to be necessary.

Section 16.8 Default Assessment. Monetary fines, penalties, interest or other charges or fees levied against an Owner pursuant to this Master Deed and Bylaws (the "Project Documents"), or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Project Documents, and any expense (including without limitation attorneys' fees) incurred by the Association as a result of the failure of an Owner to abide by the Project Documents, constitutes a Default Assessment, enforceable as provided in this Master Deed and in accordance with the Act.

Section 16.9 Handling of Association Funds. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the said Association to the payment of any expense of operating and managing the regime, or to the

proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the Bylaws and, as the monies for any assessment are paid unto the Association by any Owner of a Unit the same may be commingled with the monies paid to the Association by the other Owners of Units. Although all funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or use of General Common Elements, shall be held for the benefit of the members of the Association, who shall own any common surplus in the proportions of their percentage of undivided interest in the Regime, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer this membership interest therein, except as an appurtenance to such Owner's Unit.

Section 16.10 Effect of Non-Payment of Assessment; the Lien, Remedies of the Declarant. The payment of any assessment or installment thereof due to the Association shall be in default if such assessment, or any installment thereof, is not paid unto Association, on or before the due dates for such payment. When in default, the Board of Directors may accelerate the remaining installments of any annual assessment upon notice thereof to the Unit Owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice, which shall not be less than ten (10) days after the date of the notice. In the event any assessment, installment, or accelerated assessments are not paid within twenty (20) days after their due date, the Association, through its Board of Directors, may proceed to enforce and collect the said assessments against the Unit Owner owing the same in any manner provided for by the Act, including the right of foreclosures and sale. When in default, the delinquent assessment or delinquent installment thereof due to Association shall bear interest at a rate equal to the lesser of (a) eighteen (18%) per cent per annum, or (b) the maximum rate permitted by applicable law, until such delinquent assessment or installment thereof, and all interest due thereon, has been paid to Association. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be election by the Association preventing it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing to it.

Section 16.11 Personal Liability of Owners for Payment of Assessments. The Owner or Owners of each Unit shall be personally liable to Association for the payment of all assessments, regular, special, or default which may be levied by Association while such party or parties are Owner or Owners of a Unit in the Regime. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the Association, such Owner or Owners of any Unit shall be personally liable for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not. No Owner of a Unit shall be exempt from liability for any assessment levied against such Owner and such Owner's Unit by waiver of the use or enjoyment of any of the General Common Elements, or by abandonment of the Unit, or in any other manner.

Section 16.12 Creation of Lien. Recognizing that the necessity for providing proper operation and management of the project entails the continuing payment of costs and expenses therefor,

which results in benefit to all of the Owners of Units, and that the payment of such common expense represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of the Owner of each Unit, Association is hereby granted a lien upon such Unit and its appurtenant undivided interest in the Common Elements, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each Unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said Unit and its appurtenant undivided interest in the Common Elements. The lien granted to Association may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina, and in any suit for the foreclosure of said lien, the Association shall be entitled to rental from the Owner of any Unit from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a receiver for said Unit. The rental required to be paid shall be equal to the rental charged on comparable type of Units in Myrtle Beach, South Carolina. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate provided in subparagraph (g) above on any such advances made for such purpose.

Section 16.13 Lien Procedures for Non-Payment of Assessments. The lien herein granted unto Association shall be effective from and after the time of recording in the public records of Horry County, South Carolina, a claim of lien stating the description of the Unit encumbered thereby, the name of the record Owner, the amount due and the date when due, and the lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed, and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the Association shall be subordinate to the lien of any mortgage encumbering the Unit.

Section 16.14 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a Decree of Foreclosure, or any other proceeding or deed in lieu of foreclosure, and provided, further, that any delinquent assessments which are extinguished pursuant to the foregoing provision may be reallocated and assessed to all members as an expense of the Association. Such sale or transfer shall not relieve such property from any liability for assessment accruing after conveyance by the creditor to a subsequent Unit Owner.

Section 16.15 Records. The Board of Directors or a management firm which it employs, shall keep accurate and detailed records in chronological order of receipts and disbursements connected with the operation, administration, maintenance, repair and replacement of Regime Property. Such

records, together with the vouchers authorizing payment, shall be available for examination by the Unit Owners at convenient hours on working days, with the appropriate hours being set and announced for general knowledge. The Board of Directors of the Association may establish a transfer fee to reimburse the Association any costs related to setting up new Owner accounts where ownership of a Unit is being transferred.

The Association shall at all times maintain a register setting forth the names of the Owners of all the Units, and in the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee acquired his/her interest in the Unit. Further, the Unit Owner shall at all times notify the Association of the names of the parties holding any Mortgage or Mortgages of any Unit, the amount of such Mortgage or Mortgages, and the recording information which shall be pertinent to identify the Mortgage or Mortgages. The holder of any mortgage or mortgages upon any Unit may, if they so desire, notify the Association of the existence of any mortgage or mortgages held by such party on any Unit, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

Section 16.16 Obligation to Pay Assessments Upon Transfer of Unit. In the event that any person, firm or corporation shall acquire title to any Unit and its appurtenant undivided interest in the Common Elements by virtue of any foreclosure, judicial sale or deed in lieu of foreclosure, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said Unit and its appurtenant undivided interest in the Common Elements subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title subject to the lien of any assessment by Association representing an apportionment of taxes or special assessment levied by taxing authorities against the Regime in its entirety. In the event of the acquisition of title to a Unit by foreclosure, judicial sale or deed in lieu of foreclosure, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all Units as part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or as preventing the enforcement of collection of such payment by means other than foreclosure. In any voluntary conveyance of a Unit (other than a deed in lieu of foreclosure as set forth above), the "Grantee" shall be jointly and severally liable with the "Grantor" for all unpaid assessments against "Grantor" made prior to the time of such voluntary conveyance, without prejudice to the rights of the "Grantee" to recover from the "Grantor" the amounts paid by the "Grantee" therefor.

Section 16.17 Statement of Account. Whenever any Unit may be sold by the Owner thereof, which sale shall be concluded only upon compliance with other provisions of the Master Deed and Bylaws, the Association upon written request of the Owner of such Unit shall furnish or cause to be furnished to the proposed purchaser a statement verifying the status of payment of any assessment which shall be due and payable to Association by the Owner of such Unit. Such statement shall be executed by an officer of the Association or its representative and any purchaser may rely upon such statement in concluding the proposed purchase transaction, and

Association shall be bound by such statement. Any holder of any mortgage on any Unit or guarantor of any mortgage on any Unit shall have the right at all reasonable times and frequency to inquire as to the past due status of any assessment payments, and the Association shall, upon request, promptly notify any such mortgagee or guarantor when any assessment payment becomes more than sixty (60) days past due, or when any default in the performance of any obligation required by the Master Deed or the Bylaws as to such Unit is not cured within sixty (60) days. In the event that a Unit is to be sold at the time when payment of any assessment against the Unit or Owner of said Unit shall be in default (whether or not a claim of lien has been recorded by the Association) then the proceeds of such purchase shall, after payment of those sums given priority by S.C. Code Ann. Section 27-31-200 (2004 Supp.) be applied by the purchaser first to payment of any then delinquent assessment or installment thereof due to Association before the payment of any proceeds of purchase to the Owner of any Unit who is responsible for payment of such delinquent assessment. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of such statement of accounts.

Section 16.18 Property Exempt from Assessment. The following portions of the Property shall be exempt from Assessments, charges and liens created under this Master Deed:

- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by Horry County, South Carolina and devoted to public use;
- (b) All utility lines and easements; and
- (c) The Common Elements.

Section 16.19 Declarant's Exemption, Declarant's Right to Deficit Fund. Notwithstanding anything in this Master Deed to the contrary, it is declared that until the expiration of twelve (12) months after the date of recordation of this Master Deed, each Unit shall be exempt from the assessment created herein unless and until such time as the Unit is conveyed by the Declarant to a non-affiliated purchaser, and that the Declarant shall be assessed and pay to the Association in lieu of such assessment a sum equal to the amount of actual operating expenses for the period of such assessment less an amount equal to the amount of actual operating expenses for the period of such assessment less an amount equal to the total assessments made by the Association against Owners of Units other than those owned by Declarant for such period. Commencing upon the expiration of twelve (12) months after the recordation of this Master Deed, the Declarant shall be subject to assessments as provided for in this Master Deed so that it will pay assessments on the same basis provided for under this Master Deed for other Unit Owners. Declarant reserves the right in future Phases for a period not to exceed twelve (12) months after recordation of the amendment adding each such Phase, to contribute in lieu of normal assessments the actual operation expenses attributable to the Units in each Phase less the amount of total assessments made by the Association against Owners of Units other than those owned by Declarant. Notwithstanding the foregoing, Declarant may elect to pay assessments on unsold Units in the same manner as other Owners in lieu of paying the operating deficit as provided above.

XVII

AMENDMENT OF MASTER DEED

Section 17.1 Amendments. This Master Deed may be amended from time to time at a duly held meeting of the Association by the affirmative vote of the Unit Owners holding two-thirds (2/3rds) or more of the total interest in Common Elements; provided, however, that no amendment shall alter the dimensions of the Unit or its appurtenant interest in Common Elements without the unanimous consent of all of the Unit Owners and their mortgagees, if any. So long as the Declarant owns any Unit or has any Unit under construction, no such amendment to this Master Deed shall be effective until approved in writing by the Declarant.

Section 17.2 Declarant's Reservation of Right to Amend. The Declarant reserves the right to make the following amendments to the Master Deed and Bylaws without the consent of the Unit Owners, their mortgagees or the Association:

(a) Declarant reserves the right to amend this Master Deed and the Bylaws without the consent of the Unit Owners at any time prior to the sale and conveyance by Declarant of 90% of the Units authorized by this Master Deed to be constructed in all phases of the Regime Property or January 1, 2034, whichever first occurs and provided that no amendment by Declarant shall divest a Unit Owner of any portion of his Unit or the Percentage Interest in the Common Elements appurtenant thereto without the consent of such Unit Owner (but reapportionment of the ownership of the Common Elements upon the incorporation of additional phases as provided herein or amendments affecting Common Elements shall not be deemed to divest any Unit Owner of a portion of his Unit or to require his consent).

(b) Declarant reserves the right to make other changes in the Master Deed, whether to correct typographical or scrivener's errors, provided that any such corrections do not adversely affect the interest of any Owner, by recording an appropriate document in the Register of Deed's Office for Horry County.

Section 17.3 Recording. No amendments to this Master Deed shall be effective unless and until recorded in compliance with the Act.

XVIII.

REMEDIES IN EVENT OF DEFAULT

Section 18.1 Events of Default; Remedies. The Owner or Owners of each Unit shall be governed by and shall comply with the provisions of this Master Deed, and the Certificate of Incorporation and/or 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. The following described defaults 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) Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Certificate of Incorporation, or Bylaws of the Association, or its rules and regulations, shall be grounds for relief which may include, but not be limited to, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof and which relief may be sought by the Association, or, if appropriate, by an aggrieved Owner of a Unit, or both.

(b) The Owner or Owners of each Unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by such Owner's act, neglect or carelessness, or by that of any member of such Owner's family, or such Owner's 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 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) In any proceeding arising because of any such alleged default by the Owner of any Unit, the Association, if successful, shall be entitled to recover against the Unit and have a lien for the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court, but in no event shall the Owner of any Unit be entitled to such attorney's fees.

(d) 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) All rights, remedies and privileges granted to the 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.

(f) The failure of the Declarant or of any mortgagee 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 documents shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provision, covenant or condition in the future.

XIX.

DECLARANT'S RIGHTS

Section 19.1. Reservation of Rights.

(a) Declarant reserves the right to amend this Master Deed and the Bylaws without the consent of the Unit Owners at any time prior to the sale by the Declarant of 90% of the Units authorized by this Master Deed to be constructed in all phases of the Regime Property or January 1, 2034, whichever first occurs, provided that no amendment by Declarant shall divest a Unit Owner of any portion of his Unit or the Percentage Interest in the Common Elements appurtenant thereto without the consent of such Unit Owner, (but re-apportionment of the ownership of the Common Elements upon the incorporation of additional phases as provided herein or amendments affecting Common Elements shall not be deemed to divest any Unit Owner of a portion of his/her Unit or to require his/her consent).

(b) Declarant may use the amenities in conjunction with sales and marketing of the Property and may use or one or more of the Units or Buildings as a model or sales office or construction office in connection with the sale or construction of the Units and may erect advertising signs upon the Property in connection with such sale. Declarant reserves the right to assign such right to Carolina Winds Realty, LLC or other realtor of Declarant's choice.

(c) Declarant reserves for itself, and its successors and assigns as Declarant, easements over, under and across all Common Area for ingress and egress and for construction and completion of construction and development of future phases, including, without limitation, easements for the installation, construction, reconstruction, repair, maintenance and operation of all utility services and the right to store materials thereon and to make such other use thereof as may reasonably be necessary or incident to the construction, development and sales of the Property; said easements to be in addition to and not in lieu of any other rights or easements reserved by Declarant herein or in any supplement hereto or any other conveyance by or to Declarant or its predecessors in title.

(d) Declarant reserves the right to appoint all members of the Board of Directors of the Association until such time as 90% of the Units authorized by this Master Deed in all phases of the Regime Property are sold or January 1, 2034, whichever first occurs.

(e) Declarant, its successors and assigns shall have the right to enter into, on behalf of and as agent for the Association and its members, contracts for the management of the common areas and facilities in the regime project and to designate to such contractor all of the powers and duties of the Association, except those required by the Master Deed to have approval of the Board of Directors or membership of the Association. The undertakings and contracts authorized by Declarant, its successors or assigns shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board of Directors duly elected by the membership of the Association. Any representative of the Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself or herself upon any vote upon any management contract or other matter between Declarant and Association where the Declarant may have a pecuniary or other interest. Similarly, Declarant as a member of 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 the Declarant and the Association where the Declarant may have a pecuniary or other interest.

(f) The provisions of this Article XIX shall not be amended without the express

written consent of Declarant.

Section 19.2. Successors. The term "Declarant" as used in this Master Deed and in the Bylaws shall be deemed to include any person who succeeds to the title of the Declarant to the Property as defined in Article II, Section 2.2, or by exercise of a right of foreclosure or power of sale granted in or conveyed by any mortgage, deed of trust, or deed to secure debt given by the Declarant and duly recorded prior to the recording of this Master Deed. Any such person shall be entitled to exercise all rights and powers conferred upon the Declarant by the Act, this Master Deed or the Bylaws.

XX

Mortgagee Provisions

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in Lakeview Villas Horizontal Property Regime. The provisions of this Article apply in both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 20.1. Rights of Mortgagees or Third Parties. Should a mortgagee or third party acquire the rights of Declarant, by way of foreclosure or otherwise in adjoining or neighboring property contained within the property contiguous to the property subject to this declaration, as same may exist from time to time, it shall be allowed full use of all rights, easements, rights-of-way and utilities contained within the Property for the purpose of serving such adjoining or neighboring areas. These rights shall also inure to the benefit of Declarant should it retain or be the Owner of any portion of said property. Any of such parties may elect to bring additional phases under this Declaration.

Section 20.2. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Lakeview Villas Horizontal Property Regime or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, which such delinquency has continued for a period of 60 days, or any other violation of the Project Documents relating to such Unit or the Owner or occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 20.3. Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Article XII and Article XIV Section 14.1 and Section 14.2, or to the addition of land in accordance with Article V.

(a) The unanimous consent of the Unit Owners and of Declarant, so long as it owns any land subject to this Declaration, and the approval of all of the parties holding Mortgages, liens or other encumbrances against any of said Units, shall be required to terminate the Association.

(b) The consent of the Unit Owners holding two-thirds ($2/3^{\text{rds}}$) or more of the total interest in Common Elements and of Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain, shall be required to amend any provisions of the Declaration, Bylaws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of Lakeview Villas Horizontal Property Regime;
- (vii) expansion or contraction of Lakeview Villas Horizontal Property Regime or the addition, annexation, or withdrawal of the property to or from the Association;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder;
- (xii) any provisions included in the Project Documents which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units; or
- (xiii) any amendment of a material adverse nature to Mortgagees.

Section 20.4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Unit Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 20.5. Notice to Association. Upon request, each Unit Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Unit Owner's Unit.

Section 20.6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 60 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Section 20.7. Liability of Mortgagee for Unpaid Dues. Any first Mortgagee who obtains title to a Unit pursuant to the remedies in a mortgage or through foreclosure shall not be liable for more than six months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the Unit by the mortgagee. Mortgagee shall, however be liable for any fees or costs related to the collection of the said unpaid dues.

XXI

TERMINATION

Section 21.1 Casualty or Condemnation. If two-thirds or more of the Regime Property is substantially destroyed or taken by condemnation, the Regime Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article XIV, provided however such action shall require the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain.

Section 21.2 Voluntary Termination. This horizontal property regime may also be terminated, removing the Regime Property from the provisions of this Master Deed and the Act, if the record owners of title to the Units and the record owners of mortgages upon the Units unanimously agree in a written instrument to termination. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Unit Owners and mortgagees.

Section 21.3 Ownership After Termination. After termination of this horizontal property regime, the Unit Owner shall own the Regime Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Unit shall have mortgages and liens upon the respective undivided common interests of the Unit Owners. The undivided share of each tenant in common shall be the same as his undivided interest in the Common Elements prior to termination. Any asset of the Association, any funds held by the Board of Directors, and any insurance proceeds shall also be the property of the former Unit Owners and tenants in common in the same undivided shares as their interest in Common Elements prior to termination. The cost incurred by the Board in connection with termination shall be considered a Common Expense.

Section 21.4 Partition. After termination, the Regime Property shall be subject to an action for partition by any Unit Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Unit Owners in proportion to their respective interest in Common Elements and paid to each Unit Owner and mortgagee.

XXII

MISCELLANEOUS

Section 22.1 Applicability. All present or future Unit Owners, guests, tenants, employees 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 hereto and incorporated herewith, and the mere acquisition or rental of any Unit, or the mere act of occupancy of any Unit, shall signify that the provisions of this Master Deed are accepted and ratified in all respects.

Section 22.2 Conflicts. This Master Deed is executed to comply with the requirements of the Act, and in the event that any of the provisions hereof conflict with the provisions of the Act, the Act shall control.

Section 22.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Master Deed or the intent of any provision hereof.

Section 22.4 Annual Reports To Be Provided To Lender

(a) So long as any lender is the owner or holder of mortgages encumbering Two (2) or more Units in the Regime, the Association shall furnish said lender with at least one copy of the annual financial statement and report of the Association audited satisfactorily to such lender and setting other such details as the said lender may reasonably require, including a detailed statement of annual carrying charges or income collected, and operating expenses, such financial statement and report to be furnished upon written request of such lender(s) within ninety (90) days following the end of each fiscal year.

(b) 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.

Section 22.5 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.

Section 22.6 Binding Effect. Master Deed Binding Upon Declarant, Its Successors 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 the Common Elements and this Master Deed shall be binding upon the Declarant, its successors and assigns, and upon all parties who may subsequently become Owners of Units in the Regime, and their respective heirs, legal representatives, successors and assigns.

Section 22.7 Engineer's Certificate. Attached hereto as Exhibit "D" and made a part hereof by reference is the Engineer's Certificate required by S.C. Code Ann. Section 27-31-110 (2004 Supp.).

Section 22.8 Bylaws. Attached hereto as Exhibit "E" and made a part hereof by reference is a copy of the Bylaws of the Association, as required by S.C. Code Ann. Section 27-31-150 (2004).

JOINDER AND CONSENT OF MORTGAGEE

THIS CONSENT made and entered into this 30th day of August 2018 by Charles F. Edge, whose address is 802 15th Avenue, Conway, South Carolina 29526 ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagee is the owner and holder of that certain Mortgage dated June 21, 2016, and recorded June 22, 2016 in the office of the Register of Deeds for Horry County, South Carolina in Mortgage Book 5785 at Page 874 as modified by Note and Mortgage Modification Agreement dated February 8, 2017 and recorded February 9, 2017 in Mortgage Book 5852 at Page 3251 and as further modified by Note and Mortgage Modification Agreement dated October 10, 2017 and recorded October 12, 2017 in Mortgage Book 5927 at Page 1407 (the "Mortgage"); and

WHEREAS, the Mortgagee is also the owner and holder of that certain Assignment of Leases, Rents and Profits dated June 21, 2016, and recorded June 22, 2016 in the office of the Register of Deeds for Horry County, South Carolina in Deed Book 3926 at Page 1760 as modified by Note and Mortgage Modification Agreement dated February 8, 2017 and recorded February 9, 2017 in Deed Book 3986 at Page 1810 and as further modified by Note and Mortgage Modification Agreement dated October 10, 2017 and recorded October 12, 2017 in Deed Book 4049 at Page 3042 (the "ALRP"); and

WHEREAS, the Mortgage and ALRP encumber the land and the improvements located thereon, on that certain real property described on Exhibit "A"; and

WHEREAS, Mortgagor desires to submit that certain real property described on Exhibit "A" to the Master Deed for Lakeview Villas Horizontal Property Regime, to be recorded in the Office of the Register of Deeds for Horry County, and all amendments thereto (the "Master Deed"); and

WHEREAS, Mortgagee has agreed to consent to the Master Deed for Lakeview Villas Horizontal Property Regime to which this Consent is attached.

NOW THEREFORE, Mortgagee agrees as follows:

1. Mortgagee does hereby consent to the recordation of this Master Deed and the submittal of Phase 1, Building 1 to the provisions of Lakeview Villas Horizontal Property Regime.
2. This Consent shall apply and be effective solely to the matters described in the Master Deed and nothing herein contained shall otherwise affect, alter or modify in any manner whatsoever the terms and conditions, lien, operation, effect and priority of the Mortgage as to the land and improvements encumbered thereby.

EXHIBIT "A"

TO MASTER DEED OF
LAKEVIEW VILLAS
HORIZONTAL PROPERTY REGIME

DESCRIPTION OF REAL PROPERTY

ALL AND SINGULAR, that certain piece, parcel or tract of land situate, lying and being in County of Horry, State of South Carolina, containing 1.51 acres, more or less and being more particularly shown and designated as "Parcel B" on that certain plat entitled "SUBDIVISION & COMBINATION PLAT, TMS 181-10-19-042 TMS 181-10-19-016, Horry County, South Carolina" prepared for AAA Construction Services, Inc. by Robert A. Warner and Associates, Inc. dated September 1, 2016, and recorded November 21, 2016 in Plat Book 272 at page 333 in the Office of the Register of Deeds for Horry County, South Carolina.

ALSO SUBJECT TO all restrictions and easements of record and/or easements upon the ground.

The above parcel being the identical property conveyed to Lakeview Villas LLC by deed of AAA Construction Services, LLC dated February 9, 2017 and recorded February 9, 2017 in Deed Book 3986 at Page 1806 in the Office of the Register of Deeds for Horry County, South Carolina.

PIN#: 44306030058

EXHIBIT "B"
(As-Built Survey/Condo Plans)

NOTE: Exhibit "B" is: 1) a survey prepared by Robert A. Warner and Associates, Inc. dated July 25, 2018 (the "Survey"), which shows the location of Building 1 and other improvements of Phase 1 on that certain plat entitled "FINAL ASBUILT BUILDING 1 PHASE 1 LAKEVIEW VILLAS HPR, CITY OF MYRTLE BEACH, HORRY COUNTY, SOUTH CAROLINA", by Robert A. Warner and Associates, Inc. dated July 25, 2018 recorded on August 8, 2018 in Plat Book 282 at Page 271 in the Office of the Register of Deeds for Horry County, South Carolina; and 2) a set of floor plans for Building 1 Phase 1 dated April 12, 2018, prepared by MILLER DESIGN SERVICES, P.A. ("Condo Plans"), and recorded on August 8, 2018 in Plat Book 282 at Page 272 in the Office of the Register of Deeds for Horry County, South Carolina. The Plans and Survey show graphically the dimensions, area and location of each UNIT therein and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT. Both the Survey ("As-Built Plat") and Condo Plans are incorporated herein by this reference. Said Exhibits further include the following:

Phase 1 consists of one (1) building ("Building 1") containing fifteen (15) residential UNITS, and COMMON ELEMENTS and LIMITED COMMON ELEMENTS. Building 1 is four stories in height. The floor of Building 1 is reserved for parking. The location of each residential UNIT, its UNIT number designation, and its area and dimensions are as shown on the Condo Plans. All UNITS have the statutory value as shown on Exhibit "C" attached hereto.

Each UNIT is individually number using the Building and Unit number shown on Exhibit "C" to this Master Deed and shown on the Plans. The street address for Phase 1 (Building 1) is 624 Bonaventure Dr., Myrtle Beach, SC, 29577.

As shown on the Condo Plans, each UNIT has an entrance door at the front of the UNIT opening onto a common hallway which is a COMMON ELEMENT providing access to the UNITS. Access to the UNITS on the second, third and fourth floor is provided by elevator and two exterior stairs. Further, the interior of any interior storage rooms and the interior of any screened porches are part of the UNIT to which it is adjacent or identified for. All of this is more particularly shown on the Condo Plans and/or survey making up the balance of this Exhibit "B".

As to each Unit: All built-in kitchen appliances, the refrigerator, heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are part of the UNIT in which they are located and are not COMMON ELEMENTS. The air handling units which serve each UNIT are a

part of the UNIT which it serves and are not COMMON ELEMENTS notwithstanding that it is located outside of the UNIT. Screened porches, parking spaces and the HVAC/hot water heater closets are LIMITED COMMON ELEMENTS.

References to areas as COMMON ELEMENTS or COMMON AREAS in this Exhibit shall be in addition to and read in conjunction with the further designation of COMMON ELEMENTS in other portions of this Master Deed and the Survey and Condo Plans making up the balance of this Exhibit "B".

Exhibit "B" shall be further amended if any further Additional Phases shall become part of the Horizontal Property Regime in accordance with the terms of the Master Deed.

EXHIBIT "C"
 (Unit / Condo Plans & Percentage Interest)

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in LAKEVIEW VILLAS Horizontal Property Regime, a condominium, including Phase 1, equivalent to the percentage representing the value of the individual UNIT with relation to the value of the whole. Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT.

BUILDING, UNIT NUMBER & PLAN	STATUTORY VALUE	PERCENTAGE INTEREST
Building 1, Unit 101, Plan A	\$80,000.00	6.9264%
Building 1, Unit 102, Plan B	\$75,000.00	6.4935%
Building 1, Unit 103, Plan C	\$75,000.00	6.4935%
Building 1, Unit 104, Plan D	\$75,000.00	6.4935%
Building 1, Unit 105, Plan E	\$80,000.00	6.9264%
Building 1, Unit 201, Plan A	\$80,000.00	6.9264%
Building 1, Unit 202, Plan B	\$75,000.00	6.4935%
Building 1, Unit 203, Plan C	\$75,000.00	6.4935%
Building 1, Unit 204, Plan D	\$75,000.00	6.4935%
Building 1, Unit 205, Plan A	\$80,000.00	6.9264%
Building 1, Unit 301, Plan A	\$80,000.00	6.9264%
Building 1, Unit 302, Plan B	\$75,000.00	6.4935%
Building 1, Unit 303, Plan C	\$75,000.00	6.4935%
Building 1, Unit 304, Plan D	\$75,000.00	6.4935%
Building 1, Unit 305, Plan E	\$80,000.00	6.9264%
TOTAL	\$1,155,000.00	100%

In addition up to 8 more Phases may be added as Phases 2 through 9 or any of them. As each Phase is added, the total statutory value of all Phases submitted and constituting LAKEVIEW VILLAS Horizontal Property Regime at that time and the percentage interest of each UNIT therein may be determined using the formula hereinafter set forth. To determine the percentage interest of each UNIT, utilize a formula with the statutory value of each UNIT set forth in the chart below as the numerator with the total statutory value of LAKEVIEW VILLAS Horizontal Property Regime at that time (including the Phase being submitted and any Phases previously submitted) as the denominator. The resulting fraction shall then be expressed as a percentage rounded to the nearest .0001. The statutory value of each building to be contained within Phases 2 through 9, or any of them, if constructed and submitted, shall be in accordance with the chart contained herein. The building number as referred to herein has no relationship to the Phase in which it will be contained, but is merely for identification.

In the event the GRANTOR elects, in accordance with the provisions of the Master Deed to which this Exhibit is attached, to proceed with the development of Phase 2 through Phase 9 or so many of said phases as it might elect, within the time provided in the Master Deed, the percentage of undivided interest appurtenant to each UNIT in Phase 2 through Phase 9, as of the

date of recording the amendment incorporating each Additional Phase, will automatically be the percentage to be set forth in a chart which GRANTOR must record as part of its election to construct and submit Phase 2 through Phase 9, or so many of them as GRANTOR might elect. Such percentage interest shall be determined by the ratio of the statutory values of all UNITS within the Condominium. Provided, however, the assigned values to be reflected in the chart for UNITS in Additional Phases must be the values provided in the following schedule depending on the type of unit involved as follows:

TYPE ¹	STATUTORY VALUE
Three Bedroom (Layouts A or E)	\$80,000.00
Three Bedroom (Layout B, C or D)	\$75,000.00

The GRANTOR may construct and/or submit in Phase 1 and any subsequent phases through Phase 9, One, Two or Three Bedroom UNITS (as previously described), provided that GRANTOR at the time of recording its election specifies in the chart amending this Exhibit "C" the percentage of interest of each UNIT in Phase 1, and so many Additional Phases as might have at that time been incorporated hereunder, using the values of the UNITS assigned above. Each Additional Phase shall consist of no less than one (1) building or no more than eight (8) additional buildings and related improvements.

Each Additional Phase shall have a minimum total statutory value based on the sum of all statutory values of all UNITS within that phase of One Million One Hundred FIFTY FIVE Thousand and no/100s (U.S. \$1,155,000.00) Dollars per Building and a maximum total statutory value of all UNITS within that phase of One Million Three Hundred Fifty Thousand and no/100s (U.S. \$ 1,200,000.00) Dollars per Building. Therefore, the minimum and maximum percentage interest of each UNIT within Phase 1 at any time during the development and submission of Additional Phase(s) to LAKEVIEW VILLAS Horizontal Property Regime may be determined by use of the formula hereinafter provided.

The actual percentage interest of each UNIT may be computed in accordance with the following formula with the result obtained from such formula being then expressed as a percentage:

$$\frac{\text{Statutory Value of the Unit}}{\text{Total Statutory Value of all UNITS submitted to the Horizontal Property Regime}} = \text{Percentage Interest of the UNIT (Expressed as a Percentage).}$$

¹ Declarant reserves the right to add additional layout types to future phases.

Exhibit "D"



Eldon D. Risher III
Joye, Nappier, Risher, & Hardin, LLC
3575 Highway 17 Business
Murrells Inlet, SC 29576

Re: Lakeview Villas, Bldg. #1
624 Bonaventure Dr.
Units 101 thru Units 305
Myrtle Beach, SC 29588

This letter is to serve as the Architect's Certification for the above referenced project as requested by you for attachment to the Master Deed.

The undersigned Architect, registered to practice in the State of South Carolina, certifies that these documents reflect, to the best of the Architect's knowledge, information and belief, the observable and accessible configuration of the structures. They show floor plans and elevations of the building, and graphically show the dimensions, area and location of the common elements affording access to each apartment.

Thomas E. Miller, AIA
Miller Design Services, P.A.
South Carolina Architect
License No. 04135

Myrtle Beach, SC
April 12, 2018

