

MASTER DEED
FOR
ISLAND GREEN RESORTS HORIZONTAL PROPERTY REGIME

ISLAND GREEN RESORTS, INC., having its principal office at 25 Shore Drive, Deerfield Plantation, Myrtle Beach, County of Horry, State of South Carolina, hereinafter referred to as GRANTOR, as 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 (sometimes termed "CONDOMINIUM" ownership to be known as ISLAND GREEN RESORTS, a Horizontal Property Regime) in the manner provided for by Sections 27-31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled "Horizontal Property Act" of the 1976 Code of Laws of South Carolina, as amended.

I.

PROPERTY DESCRIPTION

The lands which are hereby submitted to the Horizontal Property Regime are described as follows:

ALL AND SINGULAR, all that certain .435 acre parcel of land lying and being in Socastee Township, and being shown as Parcel A, Tract 1, on a plat for Island Green Resort, by Culler Land Surveying, Inc., dated April 18, 1983, and recorded in the Office of the Clerk of Court for Horry County in Plat Book 76 at Page 159.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof, as Exhibit "A" is a plot plan showing the location of the buildings and other improvements, a set of floor plans of the

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buildings which show graphically the dimensions, area and location of each dwelling therein and the dimensions, area and location of COMMON ELEMENTS affording access to each DWELLING. Each DWELLING is identified by specific number on said Exhibit "A" and no DWELLING bears the same designation as any other DWELLING. Exhibit "A" is also recorded as a separate condominium plat in the public records of Horry County maintained by the Clerk of Court.

III.

ADDITIONAL PHASES AND EASEMENTS THEREFOR

In addition to the lands with improvements thereon in Phase I-A, the grantor intends to acquire and complete construction of additional DWELLINGS on property contiguous or near to the property described in paragraph I herein. Additional property shall be referred to as Phase I-B, Phase I-C and Phase I-D. In the event the grantor exercises this right and option to add the above stated Phases or any or all of them, the property of said Phases shall become an intergral part of Island Green Resorts, a Horizontal Property Regime once appropriate amendments to this Master Deed have been filed as hereinafter provided. Phase I-B, if constructed, shall contain One (1) building containing an aggregate of five (5) DWELLINGS having similar design to those DWELLINGS located in Phase I-A. Phase I-C, if constructed, shall contain one (1) building containing four (4) DWELLINGS of similar design as those in Phases I-A and I-B. Phase I-D, if constructed, shall contain two (2) buildings having eight (8) DWELLINGS similar to design as those DWELLINGS already constructed. Further, there is reserved by the grantor, for itself, its successors or assigns, in, over, across, under and upon the property shown in all of the above stated Phases, all easements and right of ingress and egress necessary and convenient for the construction of all Phases after Phase I-A, which such easement shall remain in full force and effect for such time as the grantor retains the option of submitting the above stated Phases, enumerated after Phase I-A to the Regime.

The grantor hereby reserves unto itself, its successors and assigns, the right and option to, the exercise at its sole discretion, to submit all of the above enumerated Phases, after Phase I-A, any or all of them, to the provisions of this Master Deed, thereby causing the said Phases, enumerated after Phase I-A, or any or all of them, to become and be a part of the Island Green Resorts Horizontal

Property Regime. The grantor may elect to exercise this right or option as to Phase I-B, Phase I-C and Phase I-D, on or before August 5, 1985. The above stated Phases, after Phase I-A, any or all of them, shall be added only upon execution by the grantor, its successors or assigns, within the time specified herein, of an amendment or amendments to the Master Deed which shall be filed for record in the office of the Clerk of Court for Horry County, South Carolina. Any such amendment shall expressly submit the respective Phase or Phases, to all of the provisions of this Master Deed, and all By-Laws attached hereto, as either both may be amended. Upon the exercise of any or its right or option, the provisions of this Master Deed and all Exhibits hereto shall then be construed and understood as embracing Phase I-A (the basic property herein defined) and all other Phases above enumerated, any or all of them, as appropriate, together with all improvements then or thereafter constructed. Should the grantor fail to exercise this right or option within the time specified herein, then and in that event, said option shall expire and be of no further force and effect.

IV.

DWELLINGS AND COMMON ELEMENTS

The CONDOMINIUM consists of DWELLINGS and COMMON ELEMENTS as said terms are hereinafter defined:

DWELLINGS, as the term is used herein, shall mean and comprise the four (4) separate and numbered DWELLING units which are designated in Exhibit "A" 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 DWELLING unit, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior load-bearing walls 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 DWELLINGS and COMMON ELEMENTS.

COMMON ELEMENTS, as the term is used herein, shall mean and comprise all of the real property, improvements and facilities of the CONDOMINIUM other than the DWELLINGS, as same are hereinabove defined, and shall include easements through DWELLINGS for conduits, pipes, ducts, plumbing, wir-

ing and other facilities for the furnishing of utility service to DWELLINGS and COMMON ELEMENTS and easements of support in every portion of a DWELLING which contributes to the support of the improvements, and shall further include all personal property held and maintained for the joint use and enjoyment of all of the owners of all such DWELLINGS.

V.

OWNERSHIP OF DWELLINGS AND APPURTENANT
INTEREST IN COMMON ELEMENTS

Each DWELLING shall be conveyed and treated as an individual property capable of independent use and fee-simple ownership, and the owner or owners of each DWELLING shall own, as an appurtenance to the ownership of each said DWELLING, an undivided interest in the COMMON ELEMENTS, the undivided interest appurtenant to each said DWELLING being that which is hereinafter specifically assigned thereto. The percentage of undivided interest in the COMMON ELEMENTS assigned to each DWELLING shall not be changed except with the unanimous consent of all of the owners of all of the DWELLINGS.

VI.

RESTRICTION AGAINST FURTHER SUBDIVIDING
OF DWELLINGS AND SEPARATE CONVEYANCE
OF APPURTENANT COMMON ELEMENTS, ETC.

No DWELLING may be divided or subdivided into a smaller Dwelling unit or smaller Dwelling units than as shown on Exhibit "A" attached hereto, nor shall any DWELLING, or portion thereof, be added to or incorporated into any other DWELLING. The undivided interest in the COMMON ELEMENTS declared to be an appurtenance to each DWELLING shall not be conveyed, devised, encumbered or otherwise dealt with separately from said DWELLING, and the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING shall be deemed conveyed, devised, encumbered or otherwise included with the DWELLING even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering or otherwise dealing with such DWELLING. 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 DWELLING, shall be null, void and of no effect insofar as the same purports to affect any interest in a DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, unless the

same purports to convey, devise, encumber or otherwise trade or deal with the entire DWELLING. Any instrument conveying, devising, encumbering or otherwise dealing with any DWELLING which describes said DWELLING by the DWELLING Unit Number assigned thereto in Exhibit "A" without limitation or exception, shall be deemed and construed to affect the entire DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS. Nothing herein contained shall be construed as limiting or preventing ownership of any DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

VII.

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC.

The DWELLINGS and 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 DWELLINGS and COMMON ELEMENTS, and setting forth the obligations and responsibilities incident to ownership of each DWELLING and its appurtenant undivided interest in the COMMON ELEMENTS, and said DWELLINGS and COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the CONDOMINIUM.

VIII.

PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS

The 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 DWELLINGS in the CONDOMINIUM for their use and for the use of their immediate families, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of DWELLINGS. Notwithstanding anything above provided in this Article, Island Green Resorts Homeowners Association, Inc., hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the owner or owners of any DWELLING may be entitled to the exclusive use of any parking space or spaces.

IX.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

If any portion of the COMMON ELEMENTS now encroaches upon any condominium DWELLING or if any condominium DWELLING now encroaches upon any other condominium DWELLING or upon any portion of the COMMON ELEMENTS as a result of the construction or repair of the building, or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building or otherwise, a valid easement for the encroachment and for the maintenance of the same, so long as the building stands, shall exist. In the event any building, any condominium DWELLING, any adjoining condominium DWELLING, or any adjoining COMMON ELEMENT shall be partially or totally destroyed as the result of fire or other casualty or as the result of condemnation or eminent domain proceedings and the reconstruction encroaches on parts of the COMMON ELEMENTS, upon any condominium DWELLING or over any condominium DWELLING, upon any other condominium DWELLING or upon any portion of the COMMON ELEMENTS, such reconstruction shall be permitted, and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.

X.

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a DWELLING by any owner or owners is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the owners of all other DWELLINGS, and that it is in the interest of all owners of DWELLINGS that the ownership of the COMMON ELEMENTS be retained in common by the owners of DWELLINGS in the CONDOMINIUM, it is declared that the percentage of the undivided interest in the COMMON ELEMENTS appurtenant to each DWELLING shall remain undivided and no owner of any DWELLING shall bring or have any right to bring any action for partition or division.

XI.

PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS APPURTENANT TO EACH DWELLING

The undivided interest in COMMON ELEMENTS appurtenant to each DWELLING is that percentage of undivided interest which is set forth and assigned to each DWELLING in that

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certain schedule which is annexed hereto and expressly made a part hereof as Exhibit "B".

XII.

EASEMENT FOR AIR SPACE

The owner of each DWELLING shall have an exclusive easement for the use of the air space occupied by said DWELLING as it exists at any particular time and as said DWELLING 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.

XIII.

ADMINISTRATION OF ISLAND GREEN RESORTS HOMEOWNERS ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the owners of DWELLINGS, a non-profit South Carolina corporation known and designated as Island Green Resorts Homeowners Association, Inc. has been organized, and said corporation shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Master Deed, and in accordance with the terms of the Articles of Incorporation of Island Green Resorts Homeowners Association, Inc. hereinafter referred to as the ASSOCIATION, and By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of said ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibits "C" and "D" respectively. The owner or owners of each DWELLING shall automatically become members of the ASSOCIATION upon his, their or its acquisition of an ownership interest in title to any DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, and the membership of such owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in the title to such DWELLING, 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 DWELLING 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. In the administration of the operation and management of the CONDOMINIUM, said ASSOCIATION shall have, and is hereby

granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the DWELLINGS and COMMON ELEMENTS, as the Board of Directors of the ASSOCIATION may deem to be in the best interests of the CONDOMINIUM.

XIV.

RESIDENTIAL USE RESTRICTION APPLICABLE TO DWELLINGS

Each DWELLING is hereby restricted to residential or rental use by the owner or owners thereof, their immediate families, guests, tenants and invitees; provided, however, that so long as Island Green Resorts, Inc. shall retain any interest in CONDOMINIUM, it may utilize a DWELLING or DWELLINGS of its choice from time to time, for sales office model or other usage for the purpose of selling DWELLINGS in said CONDOMINIUM. Further still, Island Green Resorts, Inc. may assign this commercial usage right to such other persons or entities as it may choose; provided, however, that when all DWELLINGS have been sold, this right of commercial usage shall immediately cease.

XV.

USE OF COMMON ELEMENTS SUBJECT TO RULES OF ASSOCIATION

The use of COMMON ELEMENTS by the owner or owners of all DWELLINGS, 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 ASSOCIATION.

XVI.

CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES,
RESTRICTION AGAINST NUISANCES, ETC.

No immoral, improper, offensive or unlawful use shall be made of any DWELLING or of the COMMON ELEMENTS, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed. No owner of any DWELLING shall permit or suffer anything to be done or kept in his DWELLING or on the COMMON ELEMENTS which will increase the

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rate of insurance on the CONDOMINIUM, 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 DWELLING, or which interferes with the peaceful possession and proper use of any other DWELLING or the COMMON ELEMENTS.

XVII.

RIGHT OF ENTRY INTO DWELLINGS IN EMERGENCIES

In case of any emergency originating in or threatening any DWELLING, regardless of whether the owner is present at the time of such emergency, the Board of Directors of ASSOCIATION or any other person authorized by it, or the building Superintendent or Managing Agent, shall have the right to enter such DWELLING 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 DWELLING, if required by the ASSOCIATION, shall deposit under the control of the ASSOCIATION a key to such DWELLING.

XVIII.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON ELEMENTS

Whenever it is necessary to enter any DWELLING for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the owner of each DWELLING shall permit other owners or their representatives, or the duly constituted and authorized Agent of the ASSOCIATION to enter such DWELLING, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XIX.

LIMITATION UPON RIGHT OF OWNERS TO ALTER AND MODIFY DWELLINGS

No owner of a DWELLING shall permit there to be made any structural modifications or alterations therein without first obtaining the written consent of ASSOCIATION, which consent may be withheld in the event that 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 DWELLING involves the removal of any permanent interior partition, 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 COMMON ELEMENTS located therein. No owner shall cause the balcony abutting his DWELLING 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 antenna, 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 DWELLING, nor shall storm panels or awnings be affixed without the written consent of ASSOCIATION being first obtained.

XX.

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE
COMMON ELEMENTS AND ASSESSMENT THEREFOR

ASSOCIATION shall have the right to make or cause to be made such alterations or improvements to the COMMON ELEMENTS which do not prejudice the rights of the owner of any DWELLING unless such owner's written consent has been obtained, provided the making of such alterations and improvements are approved by the Board of Directors of said ASSOCIATION, and the cost of such alterations or improvements shall be assessed as common expense to be assessed and collected from all of the owners of DWELLINGS according to the percentages set out in Exhibit "B" of the Master Deed. However, where any alterations and improvements are exclusively or substantially exclusively for the benefit of the owner or owners of a DWELLING or DWELLINGS requesting the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the owner or owners of the DWELLING or DWELLINGS exclusively or substantially exclusively benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of ASSOCIATION.

XXI.

MAINTENANCE AND REPAIR BY OWNERS OF DWELLINGS

Every owner must perform promptly all maintenance and repair work within his DWELLING which, if omitted, would affect the CONDOMINIUM in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each DWELLING shall be liable and responsible for, the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans or other appliances or equipment, including any fixtures and/or their connections required to provide, water, light, power, telephone, sewage and sanitary service to his DWELLING and which may now or hereafter be situated in his DWELLING. 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 his DWELLING. Wherever the maintenance, repair and replacement of any items for which the owner of a DWELLING is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by 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 or replacement, except that the owner of such DWELLING shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The balcony floor, walls facing the balcony and the balcony railings attached to his DWELLING shall be maintained by the owner at his expense. Provided, however, said owner shall take no action that will alter the exterior appearance of the building. Should the owner fail to provide the maintenance and/or repairs as required, the ASSOCIATION shall have the right to enter the DWELLING to accomplish same at the sole cost and expense of the owner, and said cost and expense shall be charged against the owner and shall become a lien on his DWELLING in like manner as a monthly assessment.

XXII.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS BY ASSOCIATION

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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 the building, and all conduits, ducts, plumbing, wiring and other facilities located in the COMMON ELEMENTS for the furnishing of utility services to the DWELLINGS and said COMMON ELEMENTS, and should any incidental damage be caused to any DWELLING 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.

XXIII.

PERSONAL LIABILITY AND RISK OF LOSS OF OWNER
OF DWELLING AND SEPARATE INSURANCE COVERAGE, ETC.

The owner of each DWELLING may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such owner and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such owner's DWELLING or upon the COMMON ELEMENTS. All such insurance obtained by the owner of each DWELLING shall, whenever such provision shall be available, provide that the insurer waives the right of subrogation as to any claims against other owners of DWELLINGS, ASSOCIATION, and the respective servants, agents and guests of said other owners and ASSOCIATION, and such other insurance coverage should be obtained from the insurance company from which ASSOCIATION obtains coverage against the same risk, liability or peril, if said ASSOCIATION has such coverage. 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 the owner of each DWELLING, or which may be stored in any DWELLING or in, to or upon COMMON ELEMENTS shall be borne by the owner of each such DWELLING. 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 DWELLINGS shall be covered by such insurance as shall be maintained in force and effect by ASSOCIATION as hereinafter provided. The owner of a DWELLING shall have no personal liability for any damages caused by the ASSOCIATION or in connection with the use of the COMMON ELEMENTS. The

owner of a DWELLING shall be liable for injuries or damage resulting from an accident in his own DWELLING to the same extent and degree that the owner of a house would be liable for an accident occurring within his house.

XXIV.

INSURANCE COVERAGE TO BE MAINTAINED BY ASSOCIATION;
INSURANCE TRUSTEE, APPOINTMENT AND DUTIES;
APPROVAL OF INSURORS BY INSTITUTIONAL LENDER;
USE AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by ASSOCIATION covering the operation and management of the CONDOMINIUM, and the said CONDOMINIUM, meaning the DWELLINGS and COMMON ELEMENTS, to-wit:

(a) Hazard insurance covering all of the DWELLINGS and COMMON ELEMENTS in an amount equal to the replacement costs of the DWELLINGS and COMMON ELEMENTS, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements; and (ii) 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, water damage and war risk insurance, if available.

(b) Public liability and property damage insurance of at least One Million and no/100 (\$1,000,000.00) Dollars to protect said ASSOCIATION and the owners of all DWELLINGS, including but not limited to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage.

(c) Workmen's Compensation insurance to meet the requirements of law, and Fidelity Bond coverage on all directors in an amount of at least Fifty Thousand and no/100 (\$50,000.00) Dollars.

(d) Such other insurance coverage, other than title insurance, as the Board of Directors of ASSOCIATION, in its sole discretion may determine from time to time to be in the best interests of ASSOCIATION and the owners of all the DWELLINGS or as an institutional type lender may reasonably

require so long as it is the owner of a mortgage on any DWELLING.

All liability insurance maintained by ASSOCIATION shall contain cross liability endorsements to cover liability of all owners of DWELLINGS as a group to each DWELLING owner.

All insurance coverage authorized to be purchased shall be purchased by ASSOCIATION for itself and for the benefit of all of the owners of all DWELLINGS. The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are any 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, and the insurance proceeds from any casualty loss shall be held for the use and benefit of ASSOCIATION and all of the owners of all DWELLINGS and their respective Mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. ASSOCIATION is hereby declared to be and appointed as Authorized Agent for all of the owners of all DWELLINGS 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 designate the Insurance Trustee and all parties beneficially interested in such insurance coverage shall be bound thereby.

The Insurance Trustee shall be a banking institution having trust powers and doing business in the State of South Carolina. The Insurance Trustee shall not be liable for the payment of premiums nor for the renewal of any policy or policies of casualty insurance, nor for the sufficiency of coverage, nor for the form or content of the policies, nor 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 the same in trust for the purposes herein stated, and for the benefit of ASSOCIATION and the owners of all DWELLINGS and their respective

mortgagees, such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. ASSOCIATION, as a common expense, shall 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 DWELLINGS and their Mortgages, as their respective interests may appear, the Insurance Trustee may rely upon a Certificate of the President and Secretary of ASSOCIATION, executed under oath, and which Certificate will be provided to said Insurance Trustee upon request of said Insurance Trustee made to ASSOCIATION, such Certificate to certify unto said Insurance Trustee the name or names of the owners of each DWELLING, the name or names of the Mortgagee or Mortgagees who may hold a mortgage or mortgages encumbering each DWELLING, and the respective percentages of any distribution which may be required to be made to the owner or owners of any DWELLING or DWELLINGS, and his or their respective Mortgagee or Mortgagees, as their respective interest 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 DWELLING 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 DWELLING or DWELLINGS, 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 DWELLING or DWELLINGS, and their respective mortgagee or mortgagees by reason of loss of or damage to personal property constituting a part of the COMMON ELEMENTS and as to which a determination is made not to repair, replace or restore such personal property. So long as Lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed, Lender shall also have the right to approve the amount of such insurance coverage to be maintained.

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In the event of the loss of or damage only to COMMON ELEMENTS, real or personal, which loss or damage is covered by the 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. 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 owners of all of the DWELLINGS and their respective Mortgagees, the distribution to be separately made to the owner of each DWELLING and his respective mortgagee or mortgagees, as their interests may appear, in such proportion that the share of such excess insurance proceeds paid to the owner of each dwelling and his said mortgagee or mortgagees, if any, shall bear the same ratio to the total excess insurance proceeds as does the undivided interests in COMMON ELEMENTS appurtenant to each dwelling bear to the total undivided interests in common elements appurtenant to all DWELLINGS. 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 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 or damage, as the case may be. The monies to be deposited by ASSOCIATION with the Insurance Trustee, in said latter event, may be paid by ASSOCIATION out of its Reserve for Replacements Fund, and if the amount in such Reserve for Replacements Fund is not sufficient, then ASSOCIATION shall levy and collect an assessment against the owners of all DWELLINGS and said DWELLINGS in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of the loss of or damage to COMMON ELEMENTS and any DWELLING or DWELLINGS, which loss or damage is covered by the casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be first applied to the repair, replacement or reconstruction, as the case may be, of COMMON ELEMENTS, real or personal, and then any remaining insurance proceeds shall be applied to the repair, replacement or reconstruction of any DWELLING or DWELLINGS which may have sustained any loss or damage so covered. If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of the COMMON ELEMENTS,

then the insurance proceeds shall be paid and distributed by the Insurance Trustee to the owners of all DWELLINGS, and to their mortgagee or mortgagees, as their respective interests may appear, such distribution to be made in the manner and in the proportions as are provided hereinbefore. 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 of COMMON ELEMENTS and DWELLINGS or that the insurance proceeds when collected will not be so sufficient, then the Board of Directors of ASSOCIATION shall, based upon reliable and detailed estimates obtained by it from competent and qualified parties, determine and allocate the cost of repair, replacement or reconstruction between the COMMON ELEMENTS and the DWELLING or DWELLINGS sustaining any loss or damage. If the proceeds of said casualty insurance are sufficient to pay for the repair, replacement or reconstruction of any loss of or damage to COMMON ELEMENTS, but should the same not be sufficient to repair, replace or reconstruct any loss of or damage to any DWELLING or DWELLINGS, then ASSOCIATION shall levy and collect an assessment from the owner or owners of the DWELLING or DWELLINGS sustaining any loss or damage, and the assessment so collected from said owner or owners shall be deposited with said Insurance Trustee so that the sum on deposit with said Insurance Trustee shall be sufficient to completely pay for the repair, replacement or reconstruction of all COMMON ELEMENTS and DWELLING or DWELLINGS. In said latter event, the assessment to be levied and collected from the owner or owners of each DWELLING or DWELLINGS sustaining loss or damage shall be apportioned between such owner or owners in such manner that the assessment levied against each owner of a DWELLING and his DWELLING shall bear the same proportion to the total assessment levied against all of said owners of DWELLINGS sustaining loss or damage as does the cost of repair, replacement or reconstruction of each owner's DWELLING bear to the cost applicable to all of said DWELLINGS sustaining loss or damage. If the casualty insurance proceeds payable to the Insurance Trustee in the event of the loss of or damage to COMMON ELEMENTS and DWELLING or DWELLINGS is not in an amount which will pay for the complete repair, replacement or reconstruction of the COMMON ELEMENTS, it being recognized that such insurance proceeds are to be first applied to payment for repair, replacement or reconstruction of the COMMON ELEMENTS before being applied to the repair, replacement or reconstruction of a DWELLING or DWELLINGS, then the cost to repair, replace or reconstruct said COMMON ELEMENTS in excess of available casualty insurance proceeds shall be levied and collected as

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an assessment from all of the owners of all DWELLINGS in the same manner as would such assessment be levied and collected had the loss or damage sustained been solely to COMMON ELEMENTS and the casualty insurance proceeds been not sufficient to cover the cost of repair, replacement or reconstruction, and the cost of repair, replacement or reconstruction of each DWELLING or DWELLINGS sustaining the loss or damage shall then be levied and collected by assessment of the owner or owners of DWELLING or DWELLINGS sustaining the loss or damage in the same manner as is above provided for the apportionment of such assessment between the owner or owners of DWELLING or DWELLINGS sustaining such loss or damage.

In the event of loss of or damage to property covered by such casualty insurance, ASSOCIATION shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and premium for such Bond as the Board of Directors of ASSOCIATION may deem to be in the best interest of the membership of said 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, whether to be paid by all of the owners of DWELLINGS or only by the owner or owners of any DWELLING or DWELLINGS sustaining loss or damage, or both, 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 the loss of or damage to personal property belonging to the ASSOCIATION, the insurance proceeds, when received by the Insurance Trustee, shall be paid to ASSOCIATION. In the event of the loss of or damage to personal property constituting a portion of the COMMON ELEMENTS, and should the Board of Directors of ASSOCIATION 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 all of the owners of all DWELLINGS and their respective mortgagee or mortgagees, as their interests may appear, in the manner and in the proportions hereinbefore provided for the distribution of excess insurance proceeds.

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

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any tax or special assessment against the CONDOMINIUM as a whole, as opposed to levying and assessing such tax or special assessment against each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS as now provided by law, then such tax or special assessment so levied shall be paid as a common expense by ASSOCIATION, and any taxes or special assessments which are to be so levied shall be included, wherever possible, in the estimated Annual Budget of ASSOCIATION, or shall be separately levied and collected as an assessment by ASSOCIATION against all of the owners of all DWELLINGS and said DWELLINGS, 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 CONDOMINIUM as a whole instead of against each separate DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, shall be apportioned among the owners of all DWELLINGS 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 DWELLING, 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 COMMON ELEMENTS appurtenant to each DWELLING bears to the total undivided interest in COMMON ELEMENTS appurtenant to all DWELLINGS. In the event that any tax or special assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the taxing authority to the DWELLINGS and appurtenant undivided interests in COMMON ELEMENTS, then the assessment by ASSOCIATION, which shall include the proportionate share of such tax or special assessment attributable to each DWELLING and its appurtenant undivided interest in 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 DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, regardless of the date of the attachment and/or recording of such mortgage or encumbrances, to the same extent as though such tax or special assessment had been separately levied by the taxing

authority upon each DWELLING and its appurtenant undivided interest in COMMON ELEMENTS.

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

XXVI.

ASSOCIATION TO MAINTAIN REGISTRY OF OWNERS AND MORTGAGEES

ASSOCIATION shall at all times maintain a Register setting forth the names of the owners of all of the DWELLINGS, and in the event of the sale or transfer of any DWELLING to a third party, the purchaser or transferee shall notify ASSOCIATION in writing of his interest in such DWELLING, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any DWELLING. Further, the owner of each DWELLING shall at all times notify ASSOCIATION of the names of the parties holding any mortgage or mortgages on any DWELLING, 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 DWELLING may, if he so desires, notify ASSOCIATION of the existence of any mortgage or mortgages held by such party on any DWELLING, and upon receipt of such notice, ASSOCIATION shall register in its records all pertinent information pertaining to the same.

XXVII.

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

ASSOCIATION, as and for the Council of Co-Owners, is given the authority to administer the operation and management of the CONDOMINIUM, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all DWELLINGS. To properly administer the operation and management of the project, ASSOCIATION will incur, for the mutual benefit of all of the owners of DWELLINGS, 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 the right to make, levy and collect assessments against the

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owners of all DWELLINGS and said DWELLINGS. In the furtherance of said grant of authority to ASSOCIATION to make, levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM, the following provisions shall be operative and binding upon the owners of all DWELLINGS, to-wit:

(a) All assessments levied against the owners of DWELLINGS and said DWELLINGS shall be uniform and, unless specifically otherwise provided for in this Master Deed, the assessments made by ASSOCIATION shall be in such proportion that the amount of the assessment levied against each owner of a DWELLING and his DWELLING shall bear the same ratio to the total assessment made against all owners of DWELLINGS and their DWELLINGS as does the undivided interest in COMMON ELEMENTS appurtenant to each DWELLING bear to the total undivided interest in COMMON ELEMENTS appurtenant to all DWELLINGS. Should ASSOCIATION be the owner of any DWELLING or DWELLINGS, the assessment which would otherwise be due and payable to ASSOCIATION by the owner of such DWELLING or DWELLINGS, reduced by an amount of income which may be derived from the leasing of such DWELLING or DWELLINGS by ASSOCIATION, shall be apportioned and assessment therefor levied ratably among the owners of all DWELLINGS which are not owned by ASSOCIATION, based upon their proportionate interests in the COMMON ELEMENTS, exclusive of the interests therein appurtenant to any DWELLING or DWELLINGS owned by ASSOCIATION.

(b) The assessment levied against the owner of each DWELLING and his DWELLING 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 ASSOCIATION.

(c) The Board of Directors of 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 CONDOMINIUM, including a reasonable allowance for contingencies and reserves, such Budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year. Upon adoption of such Annual Budget by the Board of Directors of ASSOCIATION, copies of said Budget shall be delivered to each owner of a DWELLING and the 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. 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 CONDOMINIUM, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

(d) 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 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 DWELLINGS. 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 that the sums collected from the owners of DWELLINGS 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 ASSOCIATION in the sole discretion of said Board of Directors.

(e) The Board of Directors of ASSOCIATION, in establishing the 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 DWELLINGS, as a result of emergencies or for other reason placing financial stress upon the ASSOCIATION.

(f) All monies collected by ASSOCIATION shall be treated as the separate property of the said ASSOCIATION, and such monies may be applied by the said ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the Articles of Incorporation and By-Laws of said ASSOCIATION and, as the monies for any assessment are paid unto ASSOCIATION by any owner of a DWELLING, the same may be comingled with the monies paid to the said ASSOCIATION by the other owners of DWELLINGS. Although all funds and other assets of ASSOCIATION, and any increments thereto or profits derived therefrom, or from the leasing or use of COMMON ELEMENTS, shall be held for the benefit of the members of ASSOCIATION, who shall own any common surplus in the proportions of their percentage of undivided interest in the CONDOMINIUM, no member of said ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his DWELLING.

(g) The payment of any assessment or installment thereof due to ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid unto ASSOCIATION on or before the due date for such payment. When in default, the Board of Directors may accelerate the remaining installments of the annual assessment upon notice thereof to the DWELLING owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in 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 DWELLING owner owing the same in any manner provided for by the Act, including the right of foreclosure and sale. When in default, the delinquent assessment or delinquent installment thereof due to ASSOCIATION shall bear interest at the rate of eight (8%) percent per annum until such delinquent assessment or installment thereof, and all interest due thereon, has been paid to ASSOCIATION.

(h) The owner or owners of each DWELLING shall be personally liable to ASSOCIATION for the payment of all assessments, regular or special, which may be levied by ASSOCIATION while such party or parties are the owner or owners of a DWELLING in the CONDOMINIUM. In the event that any owner or owners are in default in the payment of any assessment or installment thereof owed to ASSOCIATION, such owner or owners of any DWELLING 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.

(i) No owner of a DWELLING may exempt himself from liability for any assessment levied against such owner and his DWELLING by waiver of the use or enjoyment of any of the COMMON ELEMENTS, or by abandonment of the DWELLING, or in any other manner.

(j) 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 DWELLINGS, 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 DWELLING, ASSOCIATION is hereby granted a lien upon such DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each DWELLING, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by ASSOCIATION in enforcing this lien upon said DWELLING 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 DWELLING 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 DWELLING. The rental required to be paid shall be equal to the rental charged on comparable type dwelling units in 16~~0~~, 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 of eight (8%) percent per annum on any such advances made for such purpose.

(k) 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 DWELLING encumbered thereby, the name of the record owner, the amount due and the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' 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 or any other lien recorded prior to the time of recording of the ASSOCIATION'S claim of lien.

In the event that any person, firm or corporation shall acquire title to any DWELLING and its appurtenant undivided interest in COMMON ELEMENTS by virtue of any foreclosure or judicial sale, 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 DWELLING and its appurtenant undivided interest in 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 CONDOMINIUM in its entirety. In the event of the acquisition of title to a DWELLING by foreclosure or judicial sale, 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 DWELLINGS as a 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 the enforcement of collection of such payment by means other than foreclosure. In the event that a DWELLING is to be sold or mortgaged at the time when payment of any assessment due to ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION), then the proceeds of such purchase or mortgage proceeds shall be applied by the purchaser or mortgagee first to the payment of any then delinquent assessment or installment thereof due to ASSOCIATION before the payment of any proceeds of purchase or

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mortgage proceeds to the owner of any DWELLING who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a DWELLING, 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.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceedings by a 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.

Notwithstanding anything in this Master Deed to the contrary, Grantor shall be exempt from the assessment created herein until such time as three (3) DWELLINGS (75% of the total number of DWELLINGS) have been conveyed by Grantor to Grantees (owners). Grantor, after conveyance of the third (3rd) DWELLING, shall be liable for the assessment provided for hereunder, and shall be deemed a "Grantee" hereunder. Except as expressly provided herein, no DWELLING and its appurtenant percentage interest shall be exempt from said assessment. Moreover, until such time as three (3) DWELLINGS are conveyed by the Grantor to Grantees, the Grantor shall be assessed and pay to the ASSOCIATION, in lieu of an assessment thereof, a sum equal to the amount of operating expenditures for the calendar year less an amount equal to the total assessments made by the ASSOCIATION against owners of DWELLINGS other than those owned by Grantor. The operating expenditures for this purpose shall also include any reserve for replacements or operating reserves.

XXVIII.

TERMINATION

This Master Deed and said Plan of Condominium Ownership may only be terminated by the unanimous consent of all of the owners of all DWELLINGS and all of the parties holding mortgages, liens or other encumbrances against any of said DWELLINGS, in which event the termination of the CONDOMINIUM

shall be by such plan as may be then adopted by said owners and parties holding any mortgages, liens or other encumbrances. Such election to terminate this Master Deed and the Plan of Condominium Ownership established herein shall be executed in writing by all of the aforementioned parties, and such instrument or instruments shall be recorded in the Public Records of Horry County, South Carolina.

XXIX.

AMENDMENT OF MASTER DEED

Except for any alteration in the percentage of ownership in COMMON ELEMENTS appurtenant to each DWELLING, or alteration of the basis for apportionment of assessments which may be levied by ASSOCIATION in accordance with the provisions hereof, in which said instances consent of all of the owners of all DWELLINGS and their respective mortgagees shall be required, and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of Grantor and the lender, which said rights and privileges granted and reserved unto the said Grantor and the lender shall only be altered, amended or modified with the respective express written consent of the said Grantor or lender, as the case may be, this Master Deed may be amended in the following manner:

An amendment or amendments to this Master Deed may be proposed by the Board of Directors of ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of ASSOCIATION owning a majority of the DWELLINGS in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to the Master Deed being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of ASSOCIATION or other Officer of ASSOCIATION in the absence of the President, who shall thereupon call a Special Meeting of the members of ASSOCIATION for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United

States Mail addressed to the member at his post office address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of members owning at least seventy-five (75%) percent of the basic value of the CONDOMINIUM property as a whole, based upon the values set out in Exhibit B, in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments to this Master Deed shall be transcribed and certified by the President and Secretary of ASSOCIATION as having been duly adopted and the original or an executed copy of such amendment or amendments so certified and executed, with the same formalities as a deed, shall be recorded in the Public Records of Horry County, South Carolina within ten (10) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Master Deed. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the Officers of ASSOCIATION shall be delivered to all of the owners of all DWELLINGS and mailed to the mortgagees listed in the Registry required to be maintained by Article XXVII hereof, but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of a member of ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of Association at or prior to such meeting. Furthermore, no amendment to this Master Deed shall be adopted which would operate to affect the validity or priority of any mortgage held by a mortgagee or which would alter, amend or modify in any manner whatsoever the rights, powers and privileges granted and reserved herein in favor of any mortgagee or in favor of the Grantor, without the consent of all such mortgagees or the Grantor, as the case may be.

Notwithstanding anything contained herein, the Grantor, its successors and assigns, may, without the consent of DWELLING owners or mortgagees, at any time prior to August 5, 1985, as to Phase I-B, Phase I-C and Phase I-D amend this Master Deed in the manner set forth in paragraph III so as to subject the above-stated Phases, any or all of

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them, to the provisions of the Master Deed, and the Horizontal Property Act of South Carolina, so as to make the above-stated Phases, or any or all of them, an integral part of Island Green Resorts, a Horizontal Property Regime. Any such amendment shall, together with this Master Deed, contain all of the particulars required by the said Horizontal Property Act of South Carolina, and from and after the recording of such amendment include all of the above-stated phases, any or all of them, as appropriate. All DWELLINGS and any additional or added Phases are to be of similar design as those DWELLINGS in Phase I-A. Designation of each apartment number and its appropriate interest in COMMON ELEMENTS is set forth in Exhibit "B", which is attached hereto and made a part and parcel hereof, It is not contemplated that the COMMON ELEMENTS which may be submitted in the above enumerated Phases, after Phase I-A, will substantially increase a proportionate amount of the common expenses payable by existing DWELLING owners.

XXX.

REMEDIES IN EVENT OF DEFAULT

The owner or owners of each DWELLING shall be governed by and shall comply with the provisions of this Master Deed, and the Articles of Incorporation and the By-Laws of ASSOCIATION and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the owner or owners of any DWELLING is hereby defined as a failure to comply with any of the terms of this Master Deed or the restrictions and regulations contained in the Articles of Incorporation, By-Laws of ASSOCIATION, or its rules and regulations:

(a) Default by the owner or owners of any DWELLING shall entitle ASSOCIATION or the owner or owners of other DWELLING or DWELLINGS to relief; such relief may include, but shall 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 ASSOCIATION or, if appropriate, by an aggrieved owner of a DWELLING.

(b) The owner or owners of each DWELLING shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness,

or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a DWELLING 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 an alleged default by the owner of any DWELLING, the ASSOCIATION, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorneys' fees as may be determined by the Court, but in no event shall the owner of any DWELLING be entitled to such attorneys' fees.

(d) The failure of ASSOCIATION or of the owner of a DWELLING 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 ASSOCIATION or of the owner of a DWELLING to enforce such right, provision, covenant or condition in the future.

(e) All rights, remedies and privileges granted to ASSOCIATION or the owner or owners of a DWELLING 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 rights, remedies or privileges as may be available to such party at law or in equity.

(f) The failure of the Grantor or the lender to enforce any right, privilege, covenant or condition which may be granted to them, or either of them, by this Master Deed or other above mentioned document shall not constitute a waiver of the right of either of said parties to thereafter enforce such right, provision, covenant or condition in the future.

XXXI.

USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM
TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS
OF MASTER DEED, RULES AND REGULATIONS

All present or future owners, tenants or any other person who might use the facilities of the CONDOMINIUM 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 DWELLING or the mere act of occupancy of any DWELLING shall signify that the provisions of this Master Deed are accepted and ratified in all respects.

XXXII.

RIGHT OF GRANTOR TO SELL OR LEASE DWELLING OWNED
BY IT; AND RIGHT OF GRANTOR TO REPRESENTATION
ON BOARD OF DIRECTORS OF ASSOCIATION

So long as the Grantor herein shall own any DWELLING, the said Grantor shall have the absolute right to lease or sell any such DWELLING to any person, firm or corporation, upon any terms and conditions that it may deem to be in its own best interests. Further, as long as the Grantor is the owner of at least one (1) DWELLING, any officer or director of GRANTOR shall have the right, if duly elected, to serve on the Board of Directors of ASSOCIATION. Any officer or director of GRANTOR, duly elected to serve on the Board of Directors of ASSOCIATION, need not be a resident of the CONDOMINIUM.

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

XXXIII.

ANNUAL REPORTS TO BE PROVIDED TO LENDER

So long as the Lender to be selected by Grantor is the owner or holder or a mortgage encumbering a DWELLING in the CONDOMINIUM, ASSOCIATION shall furnish said lender with at least one (1) copy of the Annual Financial Statement and Report of ASSOCIATION, audited satisfactory to Lender, and setting forth 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 within ninety (90) days following the end of each fiscal year.

XXXIV.

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.

XXXV.

LIBERAL CONSTRUCTION AND ADOPTION
OF PROVISIONS OF CONDOMINIUM ACT

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform Plan of Condominium Ownership. The South Carolina Horizontal Property Act, 1976 Code of Laws of South Carolina, as the same may be amended from time to time thereafter is hereby adopted and expressly made a part hereof. In the event of any conflict between the provisions of this Master Deed and the said South Carolina Horizontal Property Act, as the same may be amended, the said Act shall take the place of the provisions in conflict with this Master Deed.

XXXVI.

MASTER DEED BINDING UPON GRANTOR, 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 DWELLING and its appurtenant undivided interest in COMMON ELEMENTS, and this Master Deed shall be binding upon the Grantor, its successors and assigns, and upon all parties who may subsequently become owners of DWELLINGS in the CONDOMINIUM, and their respective heirs, legal representatives, successors and assigns.

XXXVII.

EMINENT DOMAIN

(1) Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the COMMON ELEMENTS of one or more Apartments or portions thereof by the exercise of the power in the nature of eminent domain by an action or deed in lieu of condemnation, the Board of Directors of the ASSOCIATION and each Apartment owner shall be entitled to notice thereof, and the Board of Directors shall and the Apartment owners at their respective expense may participate in the proceedings incident thereto.

(2) With respect to COMMON ELEMENTS, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Apartment owner's interests therein. After such determination, each Apartment owner shall be entitled to a share in the damages in the same proportion as his percentage of undivided interest in the COMMON ELEMENTS and facilities. This provision does not prohibit a majority of Apartment owners from authorizing the Board of Directors to use such damages or awards for replacing or restoring the common areas and facilities so taken on the remaining land, or on other acquired land, provided that this Master Deed and Regime Plans are duly amended.

(3) With respect to one or more Apartments or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction and pursuant to the Master Deed, and shall be deposited with the Insurance Trustee as defined herein. Even though the damage or awards may be payable to one or more Apartment owners, the Apartment owners shall deposit the damages or awards with the Insurance Trustee, and in the event of failure to do so, at the option of the Board of Directors, either a special assessment shall be made against a defaulting Apartment owner and his unit in the amount of this award or the amount of such award shall be set off against the sums hereafter made payable to such Apartment owner. The proceeds of the damages or awards shall be distributed or used in the manner provided in the Master Deed and the owners of affected Apartments shall have the rights provided in the Master Deed for insurance proceeds, provided the property is removed from the Regime and from the provisions of the Act as may be allowed by applicable law. If the property is not removed from the Regime and from the provi-

sions of the act, and one or more Apartments are taken, in whole or in part, the taking shall have the following effects:

(a) If the taking reduces the size of an Apartment and the remaining portion of the unit may be tenantable, the Apartment shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the owner of the Apartment. The balance of the award, if any, shall be distributed to the mortgagee (if any) of the Apartment to; the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Apartment owner. If there is a balance of the award distributed to the Apartment owner or a mortgagee, the Apartment owner's percentage of undivided interest in the COMMON ELEMENTS and facilities shall be equitably reduced to the extent allowed by law. The reduction shall be done by reducing such interest in the proportion by which the floor area of the Apartment is reduced by the taking, and then re-computing the percentages of undivided interests of all Apartment owners in the COMMON ELEMENTS.

(b) If the taking destroys or so reduces the size of an Apartment that it cannot be made tenantable, the award shall be paid to the mortgagee (if any) of the Apartment to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Apartment owner, and the remainder of the Apartment shall become a part of the COMMON ELEMENTS and shall be placed in condition for use by all Apartment owners in the manner approved by the Board of Directors. If the cost of such work shall exceed the balance of the fund from the award for the taking, such work, shall be done only if approved by a majority of the Apartment owners. The percentages of undivided interests in the common areas and facilities appurtenant to the Apartment that continue as a part of the property shall, to the extent allowed by law, be equitably adjusted to distribute the ownership of the COMMON ELEMENTS among the reduced number of Apartment owners.

(c) Changes in Apartments, in the COMMON ELEMENTS, and in the ownership of the COMMON ELEMENTS that are affected by the taking referred to in this Article XXXVII shall be evidenced by an appropriate amendment to this Master Deed and Regime Plans, which must be approved by a majority of the owners of the Apartments.

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XXXVIII

DEFINITIONS

(a) The term "Dwelling" or "Dwellings" shall be synonymous with the term "Apartment" or "Apartments" as those terms are used under the Horizontal Property Act of the 1976 Code of Laws of South Carolina, as amended.

(b) "Building" means a structure or structures containing in the aggregate two (2) or more apartments comprising a part of the property.

(c) "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who owns a dwelling within the building.

(d) "Assessment" means a dwelling owner's pro-rata share of the common expenses which, from time to time, is assessed against a dwelling owner by the Association.

(e) "Association" means council of co-owners as defined by the Horizontal Property Act and also means Island Green Resorts Homeowners Association, Inc. the corporate form by which the council of co-owners shall operate Island Green Resorts, a Horizontal Property Regime.

(f) "Common Expense" means the expenses for which the dwelling owners are liable to the Association and include:

1. Expenses of Administration, expenses of maintenance, insurance, operation, repair or replacement of the common elements and of the portions of dwellings which are the responsibility of the Association.
2. Expenses declared common expenses by provisions of this Master Deed; and
3. Any valid charges against the Regime as a whole.

(g) "Common Surplus" means the excess of or receipts of the Association, including but not limited to assessments over the amount of common expenses.

(h) "Condominium" means the form of individual ownership of a particular dwelling (apartment) in a building and the common right to a share with other co-owners in the general common elements.

(i) "Common Elements" means and includes the elements described in the Horizontal Property Act, and in this Master Deed (including Exhibits), as "general common elements" and also the following:

1. Easements through apartments for conduits, ducts, plumbing, chimneys, wiring and other facilities for the furnishing or utility services to apartments and the general common elements; provided, however, such easements through an apartment shall be only according to the plans and specifications for the apartment building, or as the building is constructed unless approved in writing by the apartment owner.

2. An easement of support in every portion of an apartment which contributes to the support of a building.

3. Easements through the apartments and general common elements for maintenance, repair and replacement of the apartments, and general common elements.

4. Installations for the furnishing of utility services to more than one (1) apartment or to the general common elements or to an apartment other than the one containing the installation, which installation shall include the ducts, plumbing, wiring and other facilities for the rendering of such services.

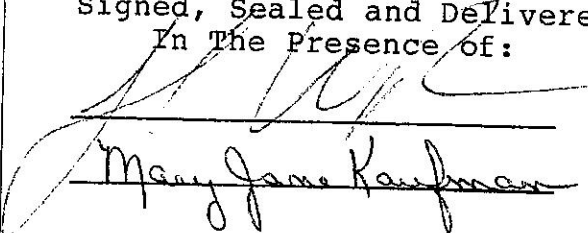
5. The tangible personal property required for the maintenance and operation of the Regime, even though owned by Association.

(j) "Lender" means any person, corporation or other entity which has loaned funds to the Grantor or other Co-Owner of the Apartments, and has an interest in the said Apartment(s) or building conveyed to it.


(k) "Apartment" shall be synonymous with the term "Dwelling" as defined herein.

IN WITNESS WHEREOF, ISLAND GREEN RESORTS, INC., a South Carolina corporation, has caused these presents to be executed this 15th day of August, 1984.

Signed, Sealed and Delivered
In The Presence of:


Mary Jane Kaufman

ISLAND GREEN RESORTS, INC.
a South Carolina Corporation

By: 
Alfred M. Olivetti
President and Secretary

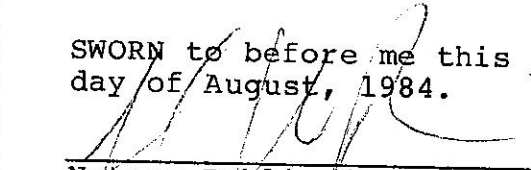
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STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

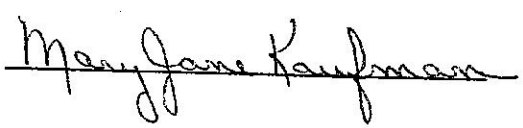
PROBATE

PERSONALLY appeared before me the below signed witness who after being first duly sworn, deposes and states that (s)he saw the above signed, ISLAND GREEN RESORTS, INC., a South Carolina corporation, by Alfred M. Olivetti, its President and Secretary, sign, seal and as its corporate act and deed deliver the within Master Deed, and that (s)he with the undersigned notary public witnessed the execution thereof.

SWORN to before me this 15th
day of August, 1984.



Notary Public for S. C.



Mary Jane Kaufman

My Commission Expires: 1-28-87

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EXHIBIT "A"

NOTE: Exhibit "A" is a plot plan showing the location of the building and other improvements, a set of floor plans of the buildings which show graphically the dimensions, area and location of each dwelling therein and the dimensions, area and location of the common elements. Both plot plans and floor plans being recorded in Condominium Book 6 at Page 6, records of Horry County, South Carolina.

Said plot plan was prepared by Culler Land Surveying, Inc., dated July 18, 1984.

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EXHIBIT "B"

DWELLING NUMBER	STATUTORY VALUE	% for Phase I-A	% for Phase I-A & I-B	% for Phase I-A, I-B & I-C	% for Phase I-A, I-B I-C & I-D
<u>Phase I - A</u>					
1	65,000	25	11.111	7.692	
2	65,000	25	11.111	7.692	4.761
3	65,000	25	11.111	7.692	4.761
4	65,000	25	11.111	7.692	4.761
<u>Phase I - B</u>					
13	65,000		11.111	7.692	
14	65,000		11.111	7.692	4.761
15	65,000		11.111	7.692	4.761
16	65,000		11.111	7.692	4.761
17	65,000		11.111	7.692	4.761
<u>Phase I - C</u>					
18	65,000			7.692	
19	65,000			7.692	4.761
20	65,000			7.692	4.761
21	65,000			7.692	4.761
<u>Phase I - D</u>					
5	65,000				
6	65,000				4.761
7	65,000				4.761
8	65,000				4.761
9	65,000				4.761
10	65,000				4.761
11	65,000				4.761
12	65,000				4.761

4 - A

4 - C

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