

MASTER DEED

for  
COLONY SQUARE

A Horizontal Property Regime

Myrtle Beach, Horry County, South Carolina

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PHS CORPORATION, A South Carolina corporation, having its principal office at Myrtle Beach, County of Horry, State of South Carolina, hereinafter referred to as the 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 herein below 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 "Colony Square," a Horizontal Property Regime) in the manner provided for by Sections 57-494 through 57-523 (both inclusive) of Chapter 13 entitled "Horizontal Property Act of the 1962 Code of Laws of South Carolina" as amended. In conformity with Sections 57-496 and 57-503 of said Act, the Grantor sets forth the following particulars:

I.

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

ALL that certain piece, parcel or lot of land lying, being and situate in the Town of Myrtle Beach, County of Horry, State of South Carolina containing 2.52 acres, more or less, as shown on a plat made by Robert L. Bellamy & Associates, Registered Engineers dated March 25, 1960 and recorded in Plat Book 47 at page 38 in the office of the Clerk of Court for Horry County and resurveyed by the said Robert L. Bellamy & Associates, Registered Engineers by survey dated December 12, 1973 and being generally bounded and described as follows, to-wit: on the Northeast by 44th Avenue North on which it measures 270 feet; on the Southeast by property of Pink House Square on which it measures 400 feet; on the Southwest by the Coral Sands Motel property in which it measures 258 feet; and on the Northwest by Block A, Knox Acres on which it measures 402.89 feet, and having the following metes and bounds, to-wit:

Beginning at a point on 44th Avenue North at the corner of the within property and property of Pink House Square, thence S 45° 00' W 400 feet to a point; thence N 45° 00' W 258 feet to a point in the center of a ditch; thence N 33° 12' E 122.49 feet to a point; thence N 47° 40' E 280.40 feet to a point on 44th Avenue North; thence S 45° 00' E 270 feet along said 44th Avenue North to the point of Beginning, all as shown on above plat.

Said parcel, together with improvements thereon, also being shown upon a map by Robert L. Bellamy & Associates, Inc., dated November 15, 1976 and recorded in Condominium Plat Book 1 at page 019, records of Horry County.

The aforesaid property is subject to restrictions, reservations, covenants and easements of record, including those shown upon any of the aforementioned maps and such subsurface utility easements serving the improvements as may exist.

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 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. Also identified are COMMON ELEMENTS and LIMITED COMMON ELEMENTS. 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. A narrative portion of said Exhibit A is also attached hereto at page 26.

III.

DWELLINGS AND COMMON ELEMENTS  
AND LIMITED COMMON ELEMENTS

The CONDOMINIUM consists of DWELLINGS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS, as said terms are hereinafter defined.

DWELLINGS, as the term is used herein, shall mean and comprise the 50 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 loadbearing 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, COMMON ELEMENTS and LIMITED 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, wiring and other facilities for the furnishing of utility service to DWELLINGS, LIMITED COMMON ELEMENTS, 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.

LIMITED COMMON ELEMENTS, as the term is used herein shall mean and comprise the following: (A) The surface areas, railing and/or walls of all balconies accessible by normal means solely from the DWELLING, all grade-level patios or stoops or both immediately adjacent to the DWELLING, and all storage closets opening directly and only onto such patio or balcony; (B) All non-load bearing interior walls and material, including, but not limited to, studs, sheetrock, plywood or brick, attached to or on the inside surface of load-bearing walls and perimeter walls, floors and ceilings of the DWELLINGS; (C) All doors, windows, screens, ventilation fans and vents located entirely within the DWELLING or in the perimeter walls, floors or ceilings thereof; (D) All air handling units and all water, power, telephone, electricity, plumbing, gas and sewage lines located in the DWELLING; provided, however, that the portion of said lines located in a common compartment for, or installation of, such lines shall be COMMON ELEMENTS as described above.

*see p. 9*

IV.

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. There shall also be appurtenant to each DWELLING the exclusive right to the use of LIMITED COMMON ELEMENTS as same are more fully defined in Article III above.

V.

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 and right as to LIMITED 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 and right to LIMITED COMMON ELEMENTS appurtenant to each DWELLING shall be deemed conveyed, devised, encumbered, or otherwise included with the DWELLING even though such undivided interest or right 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 or right as to LIMITED 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 and right as to LIMITED 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 and right as to LIMITED COMMON ELEMENTS by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

VI.

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC.

The DWELLINGS, COMMON ELEMENTS and LIMITED 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, COMMON ELEMENTS and LIMITED 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/or its right as to LIMITED COMMON ELEMENTS, and said DWELLINGS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the CONDOMINIUM.

VII.

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 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, Colony Square 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.

VIII.

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 reconstructed encroachments of 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 due to such reconstruction shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand. The within easements shall apply equally with respect to the relationship of LIMITED COMMON ELEMENTS to COMMON ELEMENTS and/or DWELLINGS and/or other LIMITED COMMON ELEMENTS.

IX.

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. Said restraint shall apply equally to LIMITED COMMON ELEMENTS.

X.

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 certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit "B". Likewise each DWELLING shall have appurtenant thereto an undivided interest in the LIMITED COMMON ELEMENTS in the same percentage as there is appurtenant thereto, an undivided interest in the COMMON ELEMENTS, subject, however, to the exclusive right of use in LIMITED COMMON ELEMENTS, which shall be appurtenant to each DWELLING.

XI.

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.

XII.

ADMINISTRATION OF COLONY SQUARE,  
A HORIZONTAL PROPERTY REGIME, (A  
CONDOMINIUM) BY COLONY SQUARE  
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 Colony Square 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 Colony Square 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 LIMITED 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 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 of 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, COMMON ELEMENTS and LIMITED COMMON ELEMENTS, as the Board of Directors of the ASSOCIATION may deem to be in the best interests of the CONDOMINIUM.

XIII.

RESIDENTIAL USE RESTRICTION APPLICABLE  
TO DWELLINGS

Each DWELLING is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests, and invitees; provided, however, that so long as Grantor, 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, Grantor 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.

XIV.

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, and the use of LIMITED COMMON ELEMENTS by the owner or owners entitled to use 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.

XV.

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 or LIMITED 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 this DWELLING, or on the COMMON ELEMENTS or LIMITED COMMON ELEMENTS, which will increase the 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 or the LIMITED COMMON ELEMENTS.

In addition to the above no co-owner shall or shall permit:

- (A) Use his DWELLING for purposes other than residential;

- (B) Post any advertisements, posters or signs of any kind in or on the Property, except as authorized by the Board of Directors;
- (C) Hang garments, towels, rugs or similar objects from windows, balconies or from any of the facades of the Property or on any general or LIMITED COMMON ELEMENT or elements of the Property;
- (D) Place garbage or trash outside the areas provided for such purposes;
- (E) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other DWELLINGS in the Property;
- (F) Maintain any pets which cause distress to residents through barking, biting, scratching or damaging of Property. An owner shall be responsible for all damage caused by his pet or pets. No pet or pets shall be left unattended in the COMMON ELEMENTS or LIMITED COMMON ELEMENTS of the property. No pet or pets shall be allowed outside any dwelling unless accompanied by owner and restricted by a leash;
- (G) Erect or alter any building, wall, fence or other structure; cut any plants or trees; or do any landscaping on the general COMMON ELEMENTS until the plans and specifications therefor shall have been submitted and approved in writing by the Board and any entity which has a prior right of approval;
- (H) Use musical instruments, radios, televisions or amplifiers in such a way as to disturb other residents;
- (I) Install wiring for electrical or telephone installments, televisions and radio antennae, machines or air conditions units or similar objects outside his apartment or which protrude through the walls or the roof of his apartment, except as authorized by the Board;
- (J) Paint or otherwise change the exterior of any building, dwelling, COMMON ELEMENT or LIMITED COMMON ELEMENT;
- (K) Park any boat, camper or trailer upon the property except for furniture moving purposes.

XVI.

RIGHT OF ENTRY INTO DWELLINGS  
- IN EMERGENCIES

In case of any emergency originating in or threatening any DWELLING or LIMITED COMMON ELEMENT, 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 or LIMITED COMMON ELEMENT 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 and LIMITED COMMON ELEMENTS.

XVII.

RIGHT OF ENTRY FOR MAINTENANCE  
OF COMMON ELEMENTS AND LIMITED  
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 or enter in or upon any LIMITED COMMON ELEMENTS for such purpose, the owner of each DWELLING shall permit other owners or their representatives, or the duly constituted and authorized Agent of ASSOCIATION, to enter such DWELLING or enter or go upon such LIMITED COMMON ELEMENTS, provided that such entry shall be made only at reasonable time and with reasonable advance notice.



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 or upon any appurtenant LIMITED COMMON ELEMENTS 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, patio or stoop abutting his DWELLING and being a LIMITED COMMON ELEMENT to be enclosed, or cause any improvements or changes to be made on the exterior of the Building or LIMITED COMMON ELEMENTS, 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.

XIX.

RIGHT OF ASSOCIATION TO ALTER AND  
IMPROVE COMMON ELEMENTS AND LIMITED  
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 and LIMITED 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 or exclusively or substantially exclusively pertain to a particular type or group of LIMITED COMMON ELEMENTS, 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.

XX.

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 within paragraph shall be read in conjunction with Paragraph XXII below.

XXI.

MAINTENANCE AND REPAIR OF COMMON ELEMENTS  
BY ASSOCIATION

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 said ASSOCIATION shall, at its expense, repair such incidental damage.

XXII.

MAINTENANCE OF LIMITED COMMON ELEMENTS

The Owner of a DWELLING shall be solely responsible for the prompt maintenance, repair and replacement with comparable material of equal quality all LIMITED COMMON ELEMENTS appurtenant to his DWELLING. Any failure of an Owner to repair, maintain or replace as may be required pursuant to the Master Deed, By-Laws or a determination by the Board or its designated agent that such failure will endanger or impair the value of the COMMON ELEMENTS and facilities or any DWELLING belonging to another member or its COMMON ELEMENTS or LIMITED COMMON ELEMENTS may be repaired or replaced by the ASSOCIATION at the expense of the DWELLING Owner to be collected by special assessments as herein provided. Such assessments may include all costs, including attorneys' fees, the ASSOCIATION incurred in the abatement of any nuisance maintained by the DWELLING Owner therein. The OWNER of a DWELLING may insure those LIMITED COMMON ELEMENTS for his own interest. Each DWELLING and its appurtenant LIMITED COMMON ELEMENTS shall be subject to an easement in favor of the ASSOCIATION to accomplish the purposes set out in this paragraph.

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 or LIMITED COMMON ELEMENTS. All such insurance obtained by the owner of each DWELLING shall, wherever such provision shall be available, provide that the insurer waives its 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 or LIMITED 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 herein-after 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 or LIMITED COMMON ELEMENTS appurtenant to other DWELLINGS. The owner of a DWELLING shall be liable for injuries or damage resulting from an accident in his own DWELLING, including the LIMITED COMMON ELEMENTS appurtenant to same, to the same extent and degree that the owner of a house would be liable for an accident occurring within the 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, COMMON ELEMENTS and LIMITED COMMON ELEMENTS, to-wit:

(a) Casualty insurance covering all of the DWELLINGS, 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 (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 in such amounts and in such form as shall be required by ASSOCIATION 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.

(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 of 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.

So long as Peoples Savings and Loan Association, Conway, South Carolina, or the assignee of its rights in this Master Deed (which assignment shall be evidenced by a recordable document, a certified copy of which shall be furnished the ASSOCIATION), hereinafter referred to as Lender, is the holder of a mortgage on any DWELLING in the CONDOMINIUM, said Lender shall have the right to approve the company or companies with whom ASSOCIATION shall place its casualty insurance coverage, and such casualty insurance coverage shall only be placed by ASSOCIATION with such company or companies as are approved by such Lender. At such time as Lender shall not hold a mortgage on any DWELLINGS, then the company or companies with whom such casualty insurance may be placed shall be selected by ASSOCIATION, and all parties beneficially interested in such insurance coverage shall be bound by such selection of insurance company or companies made by ASSOCIATION.

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 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 Mortgagees, 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 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 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 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.

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 interest 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 and 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, 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 said 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 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

society 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 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 fee and premium for such Bond as the Board of Directors of ASSOCIATION may deem to be in the best interests 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 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. The term COMMON ELEMENTS as used in this Article shall be deemed to include and shall include LIMITED COMMON ELEMENTS.

#### XXV.

#### APPORTIONMENT OF TAX OR 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 encumbrance, 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 the ASSOCIATION. Any apportionment made pursuant to this Article shall be made without regard to the existence of any exclusive rights to the use of LIMITED COMMON ELEMENTS which may be appurtenant to any DWELLING.

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. Further, upon the written request of any first mortgagee, the ASSOCIATION shall notify, such mortgagee of any default by said mortgagee's mortgagor in the performance by such mortgagor under any obligation created under the terms of this Master Deed and/or the By-Laws of the ASSOCIATION which such default has not been cured within 60 days.

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 owners of all



DWELLINGS and said DWELLINGS. In 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 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 deprived from the leasing 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 and LIMITED 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 and LIMITED 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 and LIMITED 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 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 commingled with the monies paid to the said ASSOCIATION by the other owner 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 this 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, 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 DWELLING 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 the rate of 8% 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 owner or owners of a DWELLING in the CONDOMINIUM. In the event that any owner or owners are in default in 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 cost 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 and/or LIMITED 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 and LIMITED 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 and LIMITED 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 of Dwelling 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 of 8% per annum on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any DWELLING, or who may be given or acquire a mortgage, lien or other encumbrance thereon, is hereby placed on notice of the lien granted to ASSOCIATION, and shall acquire such interest in any DWELLING expressly subject to such lien.

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, 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 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 and LIMITED COMMON ELEMENTS by virtue of any foreclosure of 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 and LIMITED 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.

L. Whenever any DWELLING may be sold or mortgaged by the owner thereof, which sale shall be concluded only upon compliance with other provisions of this Master Deed, ASSOCIATION, upon written request of the owner of such DWELLING, shall furnish to the proposed purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to ASSOCIATION by the owner of such DWELLING. Such statement shall be executed by any Officer of the ASSOCIATION and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and ASSOCIATION shall be bound by such statement.

In the event that a DWELLING is to be sold or mortgaged at the time when payment of any assessment against the owner of said DWELLING and such DWELLING 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 payment of any then delinquent assessment or installment thereof due to ASSOCIATION before the payment of any proceeds of purchase or 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 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.

Notwithstanding anything in this Master Deed to the contrary, it is declared that until December 31, 1977, each DWELLING (condominium unit) shall be exempt from the assessment created herein until such time as the DWELLING is conveyed by the grantor to a grantee (owner). Except as expressly provided herein, no DWELLING and

its appurtenant percentage interest shall be exempt from said assessment. Moreover, until such time as a DWELLING is conveyed by the grantor, to a grantee, the shall be assessed and pay to the ASSOCIATION in lieu of an assessment thereof a sum equal to the actual amount of actual 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 actual operating expenditures for this purpose shall also include any reserve for replacements or operating reserves. Commencing January 1, 1979, Grantor 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 as the same are paid by DWELLING owners.

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 in the exclusive rights to use of LIMITED COMMON ELEMENTS, 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 reasonable detailed form, which notice shall be mailed not less than ten (10) days nor more

...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 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 75% 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 of 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 XXVI 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 any 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 Grantor without the consent or all such Mortgagees or Grantor, as the case may be.

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 shall entitle ASSOCIATION or the owner or owners of other DWELLING or DWELLINGS 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 Articles of Incorporation, By-Laws of ASSOCIATION, or its rules and regulations, shall be grounds for relief which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof 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 attorney's fees as may be determined by the Court, but in no event shall the owner of any DWELLING be entitled to such attorney's 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 right, 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 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 as it shall deem to be in its own best interests. Further, so long as Grantor is the owner of five (5) or more



DWELLINGS in the CONDOMINIUM, the said Grantors shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of ASSOCIATION; and so long as the said Grantor is the owner of at least one (1) but not more than four (4) DWELLINGS, the said Grantor shall have the right to designate and select one of the persons who shall serve as a member of each Board of Directors of ASSOCIATION. Whenever Grantor shall be entitled to designate and select any person or persons to serve on any Board of Directors of ASSOCIATION the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of ASSOCIATION, and Grantor shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Grantor need not be a resident in the CONDOMINIUM. The power of the owner to designate directors as above referred to shall terminate on December 31, 1977.

Any representative of 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 Grantor and ASSOCIATION where the said Grantor may have a pecuniary or other interest. Similarly, 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 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 of 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. Further, all first mortgagees shall have the same rights to examine the books of account of ASSOCIATION as are granted owners by the Horizontal Property Act.

#### 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, 1962 Code of Laws, as the same may be amended from time to time thereafter is hereby adopted and expressly made a part hereof. In the event

between the provisions of this Master Deed and the said South Carolina Horizontal Property Act of South Carolina, as the same may be amended, shall take the place of the provisions in conflict with the 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/or LIMITED COMMON ELEMENTS and this Master Deed shall be binding upon 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.

DEFINITIONS

A. The term "Dwelling" or "Dwellings" shall be synonymous with the term "Apartment" "Apartments" as those terms are used under the Horizontal Property Act of the 1962 Code of Laws of South Carolina, as amended.

B. "Building" means a structure or structures containing in the aggregate two 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 prorata 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 Colony Square Home-owners Association, Inc., the corporate form by which the council of co-owners shall operate Colony Square.

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 limited 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;

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 of 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 Dwellings and Limited Common Elements and Common Elements for maintenance, repair and replacement of the Dwellings, Limited Common Elements and Common Elements.

4. Installations for the furnishing of utility services to more than one Dwelling or to the common elements or limited common elements or to a Dwelling other than the one containing the installation, which installation shall include 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 the Association.

J. "Limited Common Elements" means those common elements which are reserved for the use of a single Dwelling to the exclusion of other Dwellings and which are more fully described in Article III herein.

K. "Grantor" means PHS Corporation, a South Carolina corporation.

IN WITNESS WHEREOF, PHS CORPORATION, A South Carolina corporation, has caused these presents to be executed this 23rd day of March, 1977.

Signed, Sealed and Delivered in the Presence of:

Linda Palmieri  
Notary Public

PHS CORPORATION, A South Carolina Corporation

BY: Joseph M. Jackovic (LS)  
Joseph M. Jackovic-President

BY: Albert Z. Hodge (LS)  
Albert Z. Hodge-Secretary

STATE OF PENNSYLVANIA )  
COUNTY OF ALLEGHENY )

PROBATE

BEFORE me Linda Palmieri who, after first being duly sworn, deposes and states that she saw PHS Corporation, A South Carolina Corporation by Joseph M. Jackovic its President and Albert Z. Hodge its Secretary, sign, seal and deliver the within Master Deed and that s he with Rosann Mercer witnessed the execution thereof.

SWORN to before me this 23 day of March, 1977.

Linda Palmieri (LS)  
Notary Public for  
My commission expires: \_\_\_\_\_

Linda Palmieri

EXHIBIT A

TO

MASTER DEED

NOTE: Exhibit A is a survey showing the location of the buildings 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 each dwelling therein and the dimensions, area, and location of Common Elements affording access to each Dwelling, both plat and plans being recorded in Condominium Plat Book 1 at page 19, records of Horry County, and said Exhibit further includes the following: There are 50 separate condominium units. Units E-1 and E-5 contain approximately 608 square feet each. Units E-2 and E-6 contain approximately 630 square feet each. Units B-1, B-2, B-9, B-10, D-1, D-2, D-9 and D-10 contain approximately 644 square feet each. Units A-1, A-2, A-11, A-12, B-5, B-6, C-1, C-2, C-11, C-12, D-5 and D-6 contain approximately 1210 square feet. Units A-5, A-8, C-5, C-8, E-3 and E-4 contain approximately 1188 square feet, and Units A-3, A-4, A-6, A-7, A-9, A-10, B-3, B-4, B-7, B-8, C-3, C-4, C-6, C-7, C-9, C-10, D-3, D-4, D-7, and D-8 contain approximately 1614 square feet.

Access to units D-10, D-2, B-10, B-2, E-6 and E-2, all of which are on the second floor, is provided by walkways leading to stairs on the outsides of the buildings. Access to all other units is by walkways at ground level.

The actual ground location of the building, identifying the location of individual units, the common areas, limited common areas and means of access to units are all shown upon the map prepared by Robert L. Bellamy & Associates, Inc., dated November 15, 1976, and recorded in Condominium Plat Book 1 at page 19, records of Horry County. Floor plans of the units as well as elevations thereof are as shown upon the plans and drawings certified by Timbes & Clarke, Registered Architects, and recorded in said Condominium Plat Book and page.

## EXHIBIT B

TO

## MASTER DEED

Schedule of Percentage (%) of Undivided Interest in Common Elements Appurtenant to Dwellings in Colony Square, a Condominium.

<u>Dwelling Number</u>	<u>Value for Statutory Purposes</u>	<u>% of undivided Interest in Common Elements</u>
A-1	19,312.00	1.9312%
A-2	19,312.00	1.9312%
A-3	23,606.00	2.3606%
A-4	23,606.00	2.3606%
A-5	19,312.00	1.9312%
A-6	23,606.00	2.3606%
A-7	23,606.00	2.3606%
A-8	19,312.00	1.9312%
A-9	23,606.00	2.3606%
A-10	23,606.00	2.3606%
A-11	19,312.00	1.9312%
A-12	19,312.00	1.9312%
B-1	15,022.00	1.5022%
B-2	15,022.00	1.5022%
B-3	23,606.00	2.3606%
B-4	23,606.00	2.3606%
B-5	19,312.00	1.9312%
B-6	19,312.00	1.9312%
B-7	23,606.00	2.3606%
B-8	23,606.00	2.3606%
B-9	15,022.00	1.5022%
B-10	15,022.00	1.5022%
C-1	19,312.00	1.9312%
C-2	19,312.00	1.9312%
C-3	23,606.00	2.3606%
C-4	23,606.00	2.3606%
C-5	19,312.00	1.9312%
C-6	23,606.00	2.3606%
C-7	23,606.00	2.3606%
C-8	19,312.00	1.9312%
C-9	23,606.00	2.3606%
C-10	23,606.00	2.3606%
C-11	19,312.00	1.9312%
C-12	19,312.00	1.9312%
D-1	15,022.00	1.5022%
D-2	15,022.00	1.5022%
D-3	23,606.00	2.3606%
D-4	23,606.00	2.3606%
D-5	19,312.00	1.9312%
D-6	19,312.00	1.9312%
D-7	23,606.00	2.3606%
D-8	23,606.00	2.3606%
D-9	15,022.00	1.5022%
D-10	15,022.00	1.5022%
E-1	15,022.00	1.5022%
E-2	15,022.00	1.5022%
E-3	19,312.00	1.9312%
E-4	19,312.00	1.9312%
E-5	15,022.00	1.5022%
E-6	15,022.00	1.5022%
	<u>\$1,000,000.00</u>	<u>100%</u>

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Pg 511

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CERTIFICATE OF AMENDMENT TO THE MASTER DEED  
OF COLONY SQUARE HORIZONTAL PROPERTY REGIME

WE, Rita Collins and Susan Means, President and Secretary respectively of Colony Square Homeowners' Association, hereby certify that on October 9, 1984, in a meeting of the members of Colony Square Homeowners' Association called for the purpose of adopting the following Amendments to the Master Deed of Colony Square, a Horizontal Property Regime, not less than 75% of the entire membership, in percentage of ownership, adopted two amendments to the aforesaid Master Deed; and

11-584  
11-34

WHEREAS, the Homeowners' Association of Colony Square now desires to place on the public record the adoption of the aforesaid described amendments as required by the Master Deed;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Master Deed of Colony Square Horizontal Property Regime is hereby amended by adding thereto the two provisions entitled "Prohibition Against Time-Sharing" and "Prohibition Against Multiple Ownership" attached hereto and made a part hereof by reference.

Witness the execution of this Amendment this 9th day of October, 1984.

WITNESSES:

COLONY SQUARE HORIZONTAL PROPERTY  
REGIME HOMEOWNERS' ASSOCIATION

By: Rita Collins  
Rita Collins, President

By: Susan Means  
Susan Means, Secretary

HORRY COUNTY ASSESSOR

174-09-10-023 thm 072

Map

Bk

Parcel

11/84

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511

STATE OF SOUTH CAROLINA )  
 ) PROBATE  
COUNTY OF HORRY )

PERSONALLY APPEARED before me the undersigned witness and made oath that (s)he saw the within named Colony Square Horizontal Property Regime Homeowners' Association, by its duly authorized officers, sign, seal and as its act and deed deliver the within instrument, and that deponent, with the other witness whose name is subscribed above, witnessed the execution thereof.

Bobbie J. Corbett  
(Witness)

SWORN TO and subscribed before me  
this 10th day of October, 1984.

Debra H. Bishop (Seal)  
Notary Public for South Carolina

My Commission Expires: 8/13/90

STATE OF SOUTH CAROLINA )  
 ) CERTIFICATE  
COUNTY OF HORRY )

I HEREBY CERTIFY that on the 10th day of October, 1984, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared Rita Collins, President and Susan Means, Secretary of Colony Square Horizontal Property Regime Homeowners' Association and acknowledged that the foregoing Master Deed was duly amended by an affirmative vote of the members representing not less than 75% of the total interest in the Common Elements at a special meeting of the members duly called and held on October 9, 1984.

WITNESS my Hand and Notarial Seal the day and year first above written.

Debra H. Bishop (Seal)  
Notary Public for South Carolina  
My Commission Expires: 8/13/90

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## PROHIBITION AGAINST TIME-SHARING

No Dwelling shall be "time-shared" nor shall any be owned, used or operated in violation of the Statutory Provisions regulating Vacation Time-Sharing Plans, S.C. Code Ann. # 27-32-10 et seq. (1982 Supp.), as the same may be amended from time to time, nor shall any Dwelling be owned, used or operated so as to constitute such as a "Time-Sharing Unit" within the meaning of such Statutory Provisions."

The purposes of the prohibitions against time-sharing are as follows:

- (1) To help protect the value of the Dwellings and Property at Colony Square.
- (2) To help prevent possible damage to and misuse of said Units and Property resulting from time-sharing.
- (3) To help prevent possible overcrowding or high intensity use of all improvements and other amenities used in connection with the same.
- (4) To help insure and maintain the primary residential character of Colony Square by prohibiting time-share ownership.

PROHIBITION AGAINST MULTIPLE OWNERSHIP

Legal or equitable title to a Dwelling shall not be sold or conveyed by an owner to more than four (4) persons, firms, corporations, partnerships, associations, trusts or legal entities of whatever kind or description, nor shall any said title to a dwelling be sold or conveyed by any owner to any combination of any four (4) of the foregoing described entities."

The purpose of the prohibition against multiple ownership are as follows:

- (1) To help protect the value of the Dwellings and Property at Colony Square.
- (2) To help prevent possible damage to and misuse of said Units and Property resulting from multiple ownership.
- (3) To help prevent possible overcrowding or high intensity use of all improvements and other amenities used in connection with the same.
- (4) To help insure and maintain the primary residential character of Colony Square by limiting or reducing said multiple ownership.

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