

ELECTRONICALLY RECORDED Marion D. Foxworth III, Horry County, SC Registrar of Deeds

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Re-recorded to add derivations

**PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, § 15-48-10, S.C. CODE OF LAWS OF 1976, AS AMENDED.**

**MASTER DEED**

**VILLAS AT 24TH AVE  
HORIZONTAL PROPERTY REGIME**

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STATE OF SOUTH CAROLINA	)	
	)	MASTER DEED
	)	OF VILLAS AT 24TH AVE
COUNTY OF HORRY	)	HORIZONTAL PROPERTY REGIME

**TO ALL WHOM THESE PRESENT MAY COME:**

**WHEREAS**, TG22, LLC (the "Developer") is a South Carolina limited liability company having its principal place of business located in Horry County, South Carolina;

**WHEREAS**, the Developer is the owner of that certain real property in Horry County, South Carolina (the "Land") more fully described in Exhibit "A-1" attached hereto;

**WHEREAS**, the Developer intends to construct certain improvements on the Land; and

**WHEREAS**, the Developer now deems it appropriate to organize a horizontal property regime by duly executing and recording this Master Deed in the Office of the Register of Deeds (the "ROD") for Horry County, South Carolina.

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS**, that the Developer hereby submits the Land more fully described in Exhibit "A-1" attached hereto and all improvements located thereon, together with all easements, rights and appurtenances thereunto belonging, to the provisions of Sections 27-31-10 et seq. of the South Carolina Code of Laws (1976) and hereby creates thereon a horizontal property regime (sometimes referred to as "condominium ownership") to be known as VILLAS AT 24TH AVE HORIZONTAL PROPERTY REGIME, subject to the following covenants, easements, restrictions, reservations, rights and obligations, **INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO EXPAND THE REGIME BY ADDING LAND AND UNITS PURSUANT TO SECTION 13.2(a) AND THE RIGHT TO WITHDRAW UNIMPROVED PORTIONS OF THE LAND PURSUANT TO SECTION 13.2(b):**

1. **Definitions.** Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20, South Carolina Code of Laws (1976), when used in this Master Deed or any amendment hereto, will have the meaning therein provided.

"**Amenities**" means common outdoor areas, outdoor grills, if any, and other improvements located on the Property for recreational use, if any.

"**Annual Assessment Period**" means the fiscal year of the Association established by the Association's Board of Directors.

"**Assessment**" means the amount assessed against an Owner and such Owner's Unit from time to time by the Association in the manner provided herein.

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"**Assigned Value**" means the statutory value assigned to each Unit in accordance with **Exhibit "C"** attached hereto and utilized for purposes of computing the Percentage Interest appurtenant to such Unit, which Assigned Value will not constitute the sales price of the Unit or be relied upon as a representation of the actual value of the Unit.

"**Association**" means *Villas at 24th Ave Homeowners' Association, Inc.*, being an association of Owners of Units located in the Regime, in the form of a nonprofit, non-stock membership association, which will be incorporated in accordance with the Articles of Incorporation, attached hereto as **Exhibit "D"** and the Nonprofit Corporation Act.

"**Board of Directors**" or "**Board**" means the Board of Directors of the Association, and "director" or "directors" means a member or members of the Board.

"**Building**" means a residential structure constructed or to be constructed within a Unit; provided, however, it is specifically understood that a Building shall be treated as the personal property of, or a betterment to, the Unit, by an Owner, and for purposes of the Horizontal Property Regime Act, Sections 27-31-10 et seq. of the South Carolina Codes of Laws (1976), a Building shall not constitute a portion of the Property.

"**Bylaws**" means the Bylaws of the Association attached hereto as **Exhibit "E"** as amended from time to time in accordance with the terms of the Bylaws and this Master Deed.

"**Common Elements**" When used, "Common Elements" will be deemed to include any service provided by the Association in furtherance of the uses and purposes to which any of the aforesaid facilities are put. "Common Elements" includes Limited Common Elements and means all of the Property after excluding the space within the Units except as specifically set forth otherwise in this Master Deed together with the following:

- A. Easements through the Units for water and sewer mains, conduit, storm water management improvements, wiring, and other facilities for the furnishing of utility services to Units and the Common Element; provided, however, such easements through a Unit will be only according to the Site Plan, or as such site improvements are initially constructed unless otherwise approved by the Unit Owner.
- B. Easements through the Units up to the Building located on each Unit (or across the whole Unit if no Building is located thereon) to install, maintain, and replace landscaping within the areas outside the Building located within each Unit, if any.
- C. Easements through the Units up to the Building located on each Unit to install, maintain, and replace the Common Elements maintained by the Association.
- D. Landscaping, roadways, walkways, parking areas and parking pads located on the Common Element and within a portion of the Units within the above easement areas. Parking areas located between Units 2 and 3, and Units 8 and 9, together with the 'Bike Parking' area are Common Elements.
- E. Tangible personal property required for the maintenance and operation of the Amenities, if any, and other Regime improvements within the Common Elements.

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- F. The Amenities, perimeter fencing, and other improvements within the Property which are not the responsibility of an individual Owner as may be specifically set forth in this Master Deed.
- G. All other definitions and means of "General Common Elements" as set forth in the Condominium Act

"**Common Expense(s)**" means (a) all expenses incident to the administration of the Association, and maintenance, repair and replacement of the Common Elements, except certain Limited Common Elements where expressly provided to the contrary, including such expenses which are the responsibility of an Owner, but separately charged to the Units' Owners pursuant to Section 4.2 below; (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against Owners; (c) expenses declared to be Common Expenses by the Condominium Act or the Regime Documents; (d) assessments against the Units under the Master Declaration which are collected by the Association for remittance to the Master Association; and (e) reasonable reserves established for the payment of any of the foregoing.

"**Condominium Act**" means the Horizontal Property Act of South Carolina, South Carolina Code of Laws (1976), Chapter 31, Article 1, as may be amended from time to time.

"**Developer**" means TG22, LLC, a South Carolina limited liability company, its successors and assigns.

"**Institutional Mortgage**" will mean and refer to a first lien Mortgage (prior to all other mortgage liens) held by a bank, trust company, insurance company, or other recognized lending institution, or by an institutional or governmental insurer or purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. Such term will also mean and refer to the holder of any Mortgage or Mortgages securing a loan made to the Developer, its affiliates, successors, or assigns to develop the Project regardless of the lien position of any such Mortgage or Mortgages.

"**Land**" means the Land which is described in Exhibit "A-1" attached hereto.

"**Limited Common Elements**" means those Common Elements set aside and allocated for the use of some, but not all, Owners. Balconies and/or porches accessible through a unit shall be a Limited Common Area.

"**Master Deed**" means this document, as amended from time to time.

"**Member**" means a member of the Association, which includes each Owner.

"**Mortgage**" will mean and refer to a mortgage, security deed, deed of trust, installment land sales contract, or other similar security instrument granting, creating, or conveying a lien upon a security interest in, or a security title to a Unit or the Property.

"**Mortgagee**" will mean and refer to the holder of a Mortgage.

**"Nonprofit Corporation Act"** means and refers to the South Carolina Nonprofit Corporation Act of 1994, South Carolina Code Sections 33-31-101, et seq., as amended.

**"Owner"** means the record owner, whether one or more persons, of fee simple title in and to any Unit; excluding, however, those persons having such interest merely as security for the performance of an obligation.

**"Percentage Interest"** means each Owner's undivided percentage interest in the Common Elements equal to the percentage of the Owner's Assigned Value to such Owner's Unit to the Assigned Value of all Units within the Regime as a whole as further described in Section 3.4(a). "Total Percentage Interest" means the aggregate of all the Percentage Interests.

**"Phases"** shall have the meaning set forth in Section 13.2(a).

**"Project"** means the project known as Villas at 24th Ave consisting of initially twelve (12) planned single family home Buildings, with each Building located within the initial twelve (12) Units on the Land of the Regime. The Project may increase pursuant to the Expansion Amendments set forth under Section 13 of this Master Deed.

**"Project Lender"** means a bank, trust company, insurance company, or other recognized lending institution that has made or will make a loan or loans to the Developer to fund the development of the Project and the construction of a Building or Buildings on a Unit or the Property.

**"Property"** means, collectively, the Land and all Regime improvements and structures located thereon, and all easements, rights and appurtenances belonging thereto, submitted to the Condominium Act by this Master Deed, as amended from time to time in accordance with the provisions hereof, but excluding the Buildings located within a Unit, improvements appurtenant and integral to each Building such as HVAC condensers (but not the driveway and parking area up to each Building), Building encroachments allowed by easement pursuant to this Master Deed, and other personal property or betterments of each Unit Owner.

**"Regime"** means the horizontal property regime established by this Master Deed, including all appurtenances and incidents of ownership attendant therewith.

**"Regime Documents"** means and includes this Master Deed, all Exhibits hereto, the Articles of Incorporation of the Association, the Bylaws of the Association, and the Rules and Regulations, all as amended from time to time in accordance with the provisions thereof or in accordance with the laws of the State of South Carolina.

**"Rules and Regulations"** means the rules and regulations from time to time promulgated by the Board of Directors governing the use of the Common Elements and Units.

**"Site Plan"** means and includes the site plans of the Project which are filed as an attachment to this Master Deed, and all amendments hereto, as Exhibit "B" which incorporates the Survey certified by a registered land surveyor or licensed engineer in accordance with the provisions of the Condominium Act and shows the boundaries of the Land, the horizontal and vertical location of the Units and the dimensions or area thereof, and together with the descriptions contained in

this Master Deed, as amended, the Common Elements and Limited Common Elements of the Regime. The Site Plan shall be amended by amendments to this Master Deed as future Phases are added to the Regime.

"**Survey**" the survey of the Land and Unit areas referenced and defined in the Site Plan which is attached and incorporated herein as **Exhibit "B"**.

"**Transition Period**" means the time period commencing on the date of recording of this Master Deed and ending on the earlier of:

- A. September 1, 2044; or
- B. After the conveyance in the ordinary course of Developer's business of one hundred (100%) percent of the maximum number of Units to be contained in all Phases of the Project; or
- C. The date in which the Developer surrenders its authority as a Class "B" Member of the Association to appoint and remove directors and officers of the Association by an express amendment to this Master Deed executed and filed of record by Developer.

"**Trustee**" means the Board of Directors acting as a fiduciary for the benefit of the Association and the Owners in holding certain funds and providing services as provided herein, or such bank or trust company authorized to do trust business in the State of South Carolina and appointed thereof by the Board of Directors.

"**Unit**" means that part of the Property intended principally to house a residential Building within the Unit's boundaries described in **Exhibit "B"** attached hereto, as amended from time to time in accordance with the provisions of this Master Deed. Such Unit space constitutes an "apartment" as defined in the Condominium Act. Each Unit is identified on the Survey and further described on the Site Plan incorporated in and made a part hereof as **Exhibit "B"** by a specific number, which identification will be sufficient to identify the Unit for all purposes. "Unit" will also mean all the components of ownership held by an Owner, including not only the rights and interests of the Owner in and to the Unit, but also the rights of use of and the undivided interest in the Common Elements, and all rights and interests of the Owner in any Building constructed within a Unit.

## 2. **Administration**

2.1. **The Association**. The administration of the Regime will be the responsibility of the Association, which will be made up of all the Owners of Units in the Regime. The Regime Documents, as the same may be amended from time to time, will govern the Association and the Owners.

2.2. **Membership**. Each Owner of a Unit, including the Developer, will be a Member of the Association. Membership will be appurtenant to, and may not be separated from, ownership of a Unit. Ownership of a Unit will be the sole qualification for such membership. In the event that fee title to a Unit is transferred or otherwise conveyed,

the membership in the Association that is appurtenant thereto will automatically pass to such transferee, notwithstanding any failure or the transferor to endorse to his transferee any certificates or other evidences of such membership. The foregoing is not intended to include any Mortgagee or any other person who holds an interest merely as security for the performance of an obligation, and the giving of a security interest will not terminate or otherwise affect an Owner's membership in the Association.

2.3. **Agreements.**

2.3.1. **Association Authority:** The Association will be and hereby is authorized to enter into such contractual arrangements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Regime, subject, however, to the following limitations:

2.3.2. **Association Limitations:** Any management agreements entered into during the Transition Period will provide that any such contractual arrangement with the Developer, or any affiliate of the Developer, is subject to termination without cause at any time after the expiration of the Transition Period, without a penalty, upon not more than ninety (90) days prior written notice from the Association, and failing to contain such a provision, the Association will not be bound directly or indirectly by such contractual agreement.

2.3.3. **Ratification by Owner(s):** Each Owner by acquiring or holding an interest in a Unit thereby ratifies and agrees to be bound by the terms and conditions of all contractual arrangements entered into by the Board of Directors on behalf of the Association prior to the conveyance of the Unit to the Owner.

2.4. **Books and Records.** The Association will keep full and accurate books of account and financial records showing all receipts and disbursements. In particular, the books will be maintained with a detailed account, in chronological order, of the receipts and expenditures affecting the Property and its administration, and specifying maintenance and repair expenses of the Common Elements as well as other expenditures incurred. Vouchers accrediting the entries made thereupon will also be maintained in chronological order.

2.5. **Financial Statements.** No later than one hundred twenty (120) days after the close of any fiscal year of the Association, the Association will cause financial statements for such fiscal year to be prepared (but not necessarily certified) by a licensed public accountant. Copies of the financial statements will be available to any Owner or Mortgagee upon written request to the Association. The Association may charge a reasonable fee for copying such statements.

2.6. **Access to Information.** The Association will make available to Owners of any Unit, and to any Mortgagee, current copies of the Regime Documents and the books, records, vouchers, contractual arrangements and financial statements of the Association.

"Available" means available for reasonable inspection upon request during normal business hours or under other reasonable copying costs for any requested copies or extracts. Any party entitled to the benefits of this Section 2.6 will be permitted to designate one or more agents who will be permitted to represent said party in connection with any and all reviews of the Regime Documents and books, records, contractual arrangements and financial statements of the Association.

- 2.7. **Rules and Regulations.** The Board of Directors will be entitled to promulgate reasonable Rules and Regulations from time to time, which will be binding on the Association and all Owners and lessees of Owners, their families, invitees and guests, regarding the use and enjoyment of Units and Common Elements. Copies of the current Rules and Regulations will be furnished to Owners and lessees of Owners upon request.
- 2.8. **Professional Property Manager.** The Board of Directors may retain a professional property management company to manage the day-to-day affairs of the Association.
- 2.9. **Reserved**
3. **Property Rights:**
  - 3.1. **Units.** Each Unit will for all purposes constitute a separate parcel or real property which, subject to the provisions of this Master Deed, may be owned in fee simple and which may be conveyed, transferred, leased and encumbered in the same manner as any other real property. Each Owner, subject to the provisions of the Condominium Act and this Master Deed, will be entitled to the exclusive ownership and possession of such Owner's Unit.
  - 3.2. **Description of Units.** The dimensions, area and location of the Units are as set forth in **Exhibit "B"** attached hereto and are generally intended to include the following:
    - 3.2.1. **Horizontal (Upper and Lower) Boundaries**
      - 3.2.1.1. The bottom is an imaginary horizontal plane at a point fifty (50') feet below and parallel with an imaginary horizontal plane through a point at the highest elevation of ground within the Unit shown on the Site Plan and extending in every direction to the point where it closes with the vertical boundaries of the Unit.
      - 3.2.1.2. The top of the Unit is an imaginary horizontal plane intersecting the vertical boundaries of the Unit at a point one hundred twenty (120') feet above and parallel to the bottom plane of the Unit and extending in every direction to the point where it closes with the vertical boundaries of the Unit.
    - 3.2.2. **Vertical (Perimeter or Lateral) Boundaries.** The sides of the Unit consist of imaginary vertical planes perpendicular to the top and bottom of the Unit along and coincident with the perimeter of the Unit, which perimeter is measured and

described by courses and distances on the Survey referenced and incorporated into the Site Plan. Each side extends upwards and downwards so as to close the area in the Unit bounded by the bottom and top thereof.

- 3.2.3. **Units Deemed to Include.** Unit is intended to comprise the entire volume of space within the area bounded by the bottom, sides and top of a Unit, and includes the Building, the water, sewer and other utility distribution systems and other improvements located within the aforesaid boundaries (to the extent same does not serve any other Unit within the Property), including all portions of the plumbing, heating, conduits, ducts, and the like, serving only that Unit, even if partially outside the boundaries of the Unit; all of the residential Building's structural components, including windows, glass surfaces, doors, window screens, balconies and porches and any screens thereon; provided, however, a Unit shall not include any utility or service lines within the Unit but serving more than one Unit. The maintenance, repair and replacement of items that are so deemed to be included in the Unit are the responsibilities of the Owner of the Unit pursuant to Section 8.3 below.

The ownership of each Unit shall include and there shall pass with each Unit, as an appurtenance thereto, whether or not separated described in the conveyance thereof, that percentage of the right, title and interest in the Common Elements attributable to such Unit, together with membership in the Association and an undivided interest in the funds and assets held by the Association

- 3.2.3.1. **Easement of Support and Service.** Appurtenant to each Unit is an easement of support and service over and through the Common Elements for support and for the delivery of underground utilities to each Unit.
- 3.2.3.2. **Easement for Construction and Repair.** Appurtenant to each Unit is an easement over the Common Elements for construction access and staging to allow the Owner to construct, repair, and maintain the Building and other improvements located within each Owner's Unit subject to the limitation that all construction activity within a Unit and in the Common Elements around a Unit be conducted in a reasonable, professional and timely manner with a clean, orderly job site and subject to additional limitations which may be hereafter placed by the Association under its Rules and Regulations provided such limitations do not unreasonably prevent an Owner from exercising its rights granted hereunder.
- 3.2.3.3. **Easement for Encroachments.** Appurtenant to each Unit is a five foot wide easement over the Common Elements around the perimeter of each Unit for encroachments of exterior stairs, conditioner units, condensers, and other typical utility equipment along with platform overhangs to support such equipment and for roof overhangs. Each Unit shall also have an appurtenant easement for other types of Building encroachments into the Common Elements from a Unit provided the Owner of such Unit shall have received the approval of the Board of Directors of the Association for such encroachment. Such Board approval of a Building encroachment may not be later revoked

unless the encroaching improvements have been destroyed and substantially all of the Building has been rebuilt.

3.3. **Modification of Units.** The Developer on behalf of itself, its successors and assigns, hereby reserves the right to modify or reconstitute the dimensions, at any time, and from time to time, one or more Units owned by Developer or its affiliates without the consent of the Association or any Owner other than those who may be directly affected; provided, however, that the aggregate Percentage Interest assigned to the Units so affected will not change even though the same may be reallocated among such change Units. If Developer makes any changes in Units pursuant to this Section 3.3, such changes will be reflected by an amendment to the Survey and of this Master Deed by a Unit Modification Amendment as set forth in Section 13.3 which will be duly recorded in the ROD. Such amendment will not require the consent of Owners other than the Developer.

3.4. **Common Elements and Limited Common Elements**

3.4.1. **Percentage Interest.** The Owners will own an undivided interest in the Common Elements with each Unit having, appurtenant thereto, the Percentage Interest in the Common Elements set forth in Exhibit "C" attached hereto; provided, however, that the use of the Limited Common Elements will be restricted as set forth in Section 3.4(e). The Percentage Interest appurtenant to each Unit has been determined by dividing the Assigned Value of the respective Unit as shown on Exhibit "C" by the aggregate Assigned Value of all Units as shown on Exhibit "C". The value assigned to any Unit in Exhibit "C" does not represent the sales price or market value of the Unit and will only be divided for purposes of computing the Percentage Interest appurtenant to the respective Unit.

3.4.2. **Inseparability of Percentage Interests.** The Percentage Interest in the Common Elements cannot be separated from the Unit to which it appertains and will be automatically conveyed or encumbered with the Unit even though such Percentage Interest is not expressly mentioned or described in the deed or other instruments.

3.4.3. **No Partition.** The Common Element will remain undivided and no right to partition the same or any part thereof will exist except as provided in the Condominium Act, the Bylaws and this Master Deed.

3.4.4. **Use of Common Elements.** The Common Elements will be used in accordance with the intended purposes without hindering the exercise of or encroaching upon the rights of other Owners. The Board of Directors will, if any question arises, determine the purpose for which a part of the Common Elements is intended to be used. All Owners and lessees of Owners, their families, invitees and guests will

abide by all Rules and Regulations from time to time in effect governing the use of the Common Elements.

- 3.4.5. **Use of Limited Common Elements.** Anything to the contrary contained herein notwithstanding, ownership of each Unit will entitle the Owner or Owners thereof to the use of the Limited Common Elements attached, assigned or appurtenant hereto, which use may be delegated by such Owner to persons who reside in his Unit. All Owners and lessees of Owners, their families, invitees and guests will abide by all Rules and Regulations from time to time in effect governing the use of the Common Elements including the Limited Common Elements. Each individual Owner shall be responsible for maintenance and repair of the Limited Common Elements to which it has exclusive possession of as set forth in Section 8.3 below.
- 3.4.6. **Reservation of Easements and Use and Expansion Rights.** The Common Elements will be subject to all easements and use rights, if any, reserved by the Developer hereunder and the right of the Developer to expand the Regime by construction of additional Units and the creation of additional Common Elements pursuant to Section 13.2(a).
- 3.4.7. **Landscaping Maintenance Easement.** The Association shall have an easement over the Units to construct, repair, and maintain landscaping over the portion of each Unit comprising the area between the perimeter boundaries of the Unit and the perimeter of the Building located within said Unit, if any. In the event there is no Building located within a Unit, the Association may construct, repair and maintain landscaping within the Unit until the Owner elects to build and/or reconstruct within such Unit. Such easement premises shall be considered part of the Common Elements.
- 3.4.8. **Driveway Maintenance Easement.** The Association shall have an easement to construct, repair, and maintain the driveways and parking areas, excluding garage areas located within a Unit. Such easement shall be over that portion of the Common Elements immediately in front of such Owner's Unit and subject to any Rules and Regulations implemented by the Board governing such rights and use, if any.
- 3.5. **Status of Title of Property.** The Developer represents to the Association and all the Owners that, as of the effective date hereof, the Developer has marketable, fee simple title to the Land and that the rights and interest of all Owners in and to the Property are subject only to (i) liens for real estate taxes for the current year and subsequent years; (ii) existing and/or recorded easements, conditions, covenants, declarations, reservations and restrictions; (iii) easements and use rights, if any, reserved by the Developer hereunder; (iv) applicable governmental regulations, including zoning laws, which may be imposed

upon the Property from time to time; and (v) the existing Mortgages of the Project Lender encumbering portions of the Property.

- 3.6. **Limited Warranty From Developer.** FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF COMPLETION OF CONSTRUCTION (BEING THE LATER OF SUBSTANTIAL COMPLETION UNDER THE CONSTRUCTION CONTRACT, OR THE DATE A CERTIFICATE OF OCCUPANCY IS ISSUED THEREFOR), THE DEVELOPER SHALL AT NO COST TO THE ASSOCIATION REPAIR OR REPLACE (IN THE DEVELOPER'S DISCRETION) ANY PORTIONS OF THE COMMON ELEMENTS (EXCEPT FIXTURES, ACCESSORIES AND APPLIANCES COVERED BY SEPARATE WARRANTIES OF THEIR RESPECTIVE MANUFACTURERS) WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND THE DEVELOPER DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DEVELOPER SHALL BE LIMITED TO SUCH REPAIR OR REPLACEMENT AND THE DEVELOPER SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATIONS. Each Owner, in accepting a deed from the Developer or any other party to a Unit, expressly acknowledges and agrees that this Section 3.6 establishes the sole liability of the Developer to the Association and the Owners related to defects in the Common Elements and the remedies available with regard thereto. At the end of the one (1) year warranty period referred to hereinabove in this Section 3.6, the Developer will assign to the Association in writing all of its rights, claims, causes of action and demands which it has or which may thereafter accrue against all other people who may be responsible for the design and/or construction of the Common Elements. THIS LIMITED WARRANTY RELATES SOLELY TO THE COMMON ELEMENTS, THE BUILDING CONSTRUCTED WITHIN EACH UNIT IS SUBJECT TO A SEPARATE LIMITED WARRANTY PURSUANT TO THE REAL ESTATE PURCHASE AGREEMENT THEREFOR BETWEEN THE OWNER AND THE DEVELOPER

#### 4. **Assessments**

- 4.1. **Creation of Lien and Personal Obligation for Assessments.** Each Unit is and will be subject to a lien and permanent charge in favor of the Association for the Assessments set forth herein. Each Assessment, together with interest thereon and cost of collection thereof as hereinafter provided, will be a permanent charge and continuing lien upon the Unit against which it relates, and will also be the joint and several personal obligation of

each Owner of such Unit at the time the Assessment comes due and upon such Owner's successor in title if unpaid on the date of the conveyance of such Unit, and each and every Owner by acquiring or holding an interest in any Unit thereby covenants to pay such amounts to the Association when the same will become due; provided, however, that no Owner acquiring title to any Unit at a foreclosure sale of any Institutional Mortgage or the Project Lender acquiring title to any Unit by deed-in-lieu of foreclosure, or their respective, successors and assigns, will have any personal obligation with respect to the portion of any Assessments (together with late charges, interest, fees and costs of collection) related to such Unit, the lien for which is subordinate to the lien of the Institutional Mortgage being foreclosed as provided in Section 4.9. A Unit, and the Owner thereof, may be assessed as herein provided for Annual Assessments, Special Assessments and Specific Assessments.

- 4.2. **Annual Assessments.** At least thirty (30) days prior to the Association's next succeeding Annual Assessment Period the Board will adopt a budget for the next succeeding Annual Assessment Period by estimating the Common Expenses to be incurred during such Annual Assessment Period, including a reasonable allowance for contingencies and operating and replacement reserves, such budget to take into account the projected anticipated income which is to be applied in reduction of the amount to be collected as an assessment. Upon adoption of the budget, a copy thereof will be delivered to each Owner.

Generally, each Owner shall be responsible for such Owner's share of the Common Expenses, which, except as specifically provided in this Master Deed, shall be assessed, uniformly, regardless of the size of Owner's Building, number of bedrooms, occupancy, use and adjacent land area, in proportion to the respective Percentage Interests of each Unit subject to Assessment. Any Common Expense associated with any optional charge or master utilities' fees of a specific Unit under Section 2.9 shall be assessed solely against such Unit. The maintenance, repair, or replacement of the Limited Common Elements by the Association under Section 8.1 shall be a Common Expense of the Association. Any Common Expenses or portion thereof related to the Limited Common Elements or otherwise benefiting fewer than all of the Units shall be assessed exclusively against the Units attached to such Limited Common Elements or against those Units which are otherwise exclusively benefited.

The Annual Assessment will not be used to pay the following:

- 4.2.1. Casualty insurance coverage on a Building and its components located within a Unit and liability insurance of Owners insuring themselves and their families, lessees, invitees and guests individually, which will be the sole responsibility of such Owners;
- 4.2.2. The costs and expenses of maintaining, repairing, and replacing a Building and its components located within a Unit;

4.2.3. Ad valorem taxes assessed against Units; or

4.2.4. Other charges or expenses related solely to individual use or occupancy of a Unit and the Building located therein.

It is anticipated that ad valorem taxes and other governmental assessments, if any, upon the Property will be assessed by the taxing authority upon the Unit, and that such assessment will include the assessed value of the Unit and of the undivided interest of the Owner in the Common Elements; provided, however, that for the current year in which this Master Deed is recorded, the ad valorem taxes will be based upon the condition of the Land as of January 1, and the Developer will be liable for that portion of the taxes applicable to the period prior to the recordation of this Master Deed. When current ad valorem taxes are due and payable, the remainder of the ad valorem taxes for the current calendar year will be prorated between the Developer and each Owner based upon the Owner's Percentage Interest and based upon the number of days each owned the Unit as evidenced by the date of the Unit deed. Any such taxes and governmental assessments upon the Property, which are not so assessed, will be included in the Association's budget as a recurring expense and will be paid by the Association as a Common Expense. Except as otherwise provided herein, each Owner is responsible for making his own return of taxes and such return will include such Owner's undivided interest in the Common Elements as such undivided interest is determined by law for purposes of returning taxes.

Each Owner, in accepting a deed to a Unit from the Developer or any other person, hereby acknowledges that the Regime budget and annual Assessment thereunder initially established by the Developer, and as may be modified or amended by the Board of Directors of the Association, may be inadequate to fund, as may be needed, the costs and expenses of preparing the Property for an impending hurricane or storm, including, but not limited to, securing the Common Elements or any personal property located within the Common Elements. In the event the costs and expenses preparing, repairing, or restoring the Common Elements from a hurricane or storm exceeds the amount budgeted for a particular year, the Association may levy a Special Assessment under section 4.4 below to raise the required funds to pay such excess costs and expenses.

**EACH OWNER FURTHER ACKNOWLEDGES THAT THE ASSOCIATION SHALL HAVE NO RESPONSIBILITY TO PREPARE ANY BUILDING FOR AN IMPENDING HURRICANE OR STORM, INCLUDING, BUT NOT LIMITED TO, INSTALLING AND REMOVING STORM SHUTTERS. THE RESPONSIBILITY FOR AND COSTS AND EXPENSES OF WHICH ARE SOLELY THOSE OF THE BUILDING'S OWNER.**

4.3. **Rounding**. Annual Assessments charged by the Association will be rounded off to the nearest dollar.

4.4. **Special Assessments**. In addition to the Annual Assessments, the Board of Directors may levy in any calendar year "Special Assessments" for the purpose (i) of

supplementing the Annual Assessments if the same are inadequate to pay the Common Expenses and (ii) of defraying, in whole or in part, the cost of any reconstruction, repair, or replacement of the Common Elements; provided, however, that any such Special Assessment which in the aggregate exceeds fifty percent (50%) of the total Annual Assessments for such year will have the approval of the Association's Members by a majority of the votes cast by written ballot or in person or by proxy at a meeting at which a quorum is present, duly called for the express purpose of approving such Special Assessment.

**4.5. Date of Commencement of Annual Assessments:**

- 4.5.1. **Due Date.** Although the Annual Assessment is calculated on a yearly basis for the Annual Assessment Period, each Owner of a Unit will be obligated to pay to the Association or its designated agent such Assessment in advance in quarterly or monthly installments unless otherwise provided by the Board. An installment shall be due and payable on the due date established by the Board, but in the absence of any such specific due date, the installment shall be due and payable in full on or before the last day of the month in which the Assessment is billed. Certain large Annual Common Expenses such as insurance and assessments due under the Master Declaration may be broken out and separately stated and assessed against the Owners and Units.
- 4.5.2. **Assessment Begin Date.** The obligations of Owners regarding the payment of monthly portions of the Annual Assessment provided for in this Section 4 will, as to each Unit, commence upon the recording of this Master Deed. The first monthly payment of the Annual Assessment for each such Unit will be an amount equal to the monthly payment for the Annual Assessment Period in progress on such commencement date, divided by the number of days in the month of conveyance, and multiplied by the number of days then remaining in such month.
- 4.5.3. **Certificate of Assessment.** The Association will, upon demand at any time, furnish any Owner liable for any such Assessment a certificate in writing signed by an Officer of the Association or the property manager of the Association, setting forth whether the same has been paid. A reasonable charge, as determined by the Board, may be made for the issuance of such certificate. Such certificate will be conclusive evidence of payment of any Assessment stated to have been paid as to any person that has relied on the certificate to his or its detriment.
- 4.6. **Specific Assessment.** The Board shall have the power to specifically assess costs, expenses, fees, and other charges that are separately assessable against a Unit hereunder, including but not limited to master utility fees under Section 2.9, costs of maintenance, demolition and repair that is the responsibility of an Owner and are incurred by the Association upon the Owner's failure to do so pursuant to Section 8.3, and any other expense, charge or fee specially assessable against a Unit under the terms and conditions of this Master Deed or the Bylaws of the Association. Unless otherwise separately

itemized as a line item of the Annual Assessment under Section 4.5, a Specific Assessment shall be paid within thirty (30) days following the Specific Assessment date

4.7. **Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association.**

4.7.1. If an Assessment is not paid on the date when due, as hereinabove provided in Section 4.5, then such Assessment together with such late charges and interest thereon and any costs of collection thereof as hereafter provided, will be a charge and continuing lien on the Unit to which it relates, and will bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, will remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner will nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities will be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

4.7.2. Any Assessment shall be due in full no later than the last day of the month in which the Assessment is billed or for which payment coupon have been delivered to the Owner, and any Assessment or portions thereof which is not paid when so due will be delinquent. Any delinquent Assessment will incur a late charge in such amount as the Board may from time to time establish, and will also commence to accrue interest at the rate set therefor by the Board of Directors from time to time. A lien and equitable charge as herein provided for each Assessment installment shall attach simultaneously as the same will become due and payable, and if an Assessment installment has not been paid as aforesaid, the entire unpaid balance of the Assessment installments for the Annual Assessment Period then in effect remaining to be paid during the fiscal year may be accelerated by the option of the Board and be declared due and payable in full.

4.7.3. The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the Unit to which it relates or pursue both such courses at the same time or successively. In any event, the Association will be entitled also to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of a Unit, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing

appraisal rights which may reduce any delinquency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any Unit or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the Unit after the commencement of the action and at its option the Association will be entitled to the appointment of a receiver to collect such rents. The Association will have the power to bid on the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may be relieved from liability from the Assessment provided for herein by abandonment of his Unit or otherwise.

4.7.4. During any period in which an Owner will be in default in the payment of any Annual or Special Assessment levied by the Association, the voting rights of the Owner and the rights of the Owner and lessees of the Owner, their families, invitees and guests, to use and enjoy the recreational areas of the Common Elements, may be suspended by the Board of Directors until such time as the Assessment has been paid.

4.8. **Developer's Unsold Units.** Anything contained in this Section 4 to the contrary notwithstanding, so long as the Developer owns any Unit for sale, the Developer may annually elect either to pay the regular Assessment for each such Unit or to pay the difference between the amount of Assessments collected on all other Units not owned by the Developer and the sum of (a) the amount of actual operating expenditures by the Association during the fiscal year, and (b) the amount of reserves budgeted to be funded during the year, but not in a sum greater than its regular Assessment. Unless the Developer otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, the Developer will be deemed to have elected to continue paying on the same basis as during the immediately preceding year. Furthermore, so long as the Developer owns any Unit for sale, the Developer may, but will not be obligated to, reduce the regular Assessment for any year to be paid by Owners of Units, which may be a contribution to the Association, an advance against future regular Assessments due from said Owners, or a loan to the Association, in the Developer's sole discretion. The amount and character (contribution, advance or loan) of such subsidy will be conspicuously disclosed as a line item in the budget and will be known to the Owners. The payment of such a subsidy in any year will under no circumstances obligate the Developer to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Developer.

4.9. **Subordination of the Charges and Liens to Institutional Mortgages.**

4.9.1. The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any Unit is

hereby made subordinate to the lien of any holder of an Institutional Mortgage or his assigns placed on such Unit, and all Assessments with respect to such Unit having a due date on or prior to the date such Institutional Mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as they relate to Assessments authorized hereunder having a due date subsequent to the date such Institutional Mortgage is filed for record and prior to the satisfaction, cancellation or foreclosure of such Institutional Mortgage.

- 4.9.2. Such subordination is merely a subordination and will not relieve the Owner of the mortgaged Unit of his personal obligation to pay all Assessments coming due at a time when he is the Owner, nor will it relieve such Unit from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished against a Mortgagee or such Mortgagee's assignee or transferee by foreclosure or by deed-in-lieu of foreclosure to the Project Lender). No sale or transfer of such Unit to the Mortgagee or to any other person pursuant to a foreclosure sale will relieve any previous Owner from liability for any Assessment coming due before such sale or transfer.
- 4.9.3. To the extent any subordinated lien and permanent charge for any Assessment is extinguished by foreclosure of any Mortgage or in connection with the conveyance of a mortgaged Unit to the Project lender by virtue of a deed-in-lieu of foreclosure, then the amount or amounts otherwise secured thereby which cannot otherwise be collected will be deemed a Common Expense collectible from all Owners, including the person who acquires title through the foreclosure sale.
- 4.10. **Reserves.** The Board of Directors will establish and maintain an adequate reserve fund for the periodic repair and replacement of the Common Elements. The Board of Directors will include amounts needed to maintain an adequate reserve fund in its estimation of the Common Expenses for each fiscal year and will cause deposits to the reserve fund to be made in connection with the collection of the Annual Assessment.
- 4.11. **Working Capital Collected at Initial Closing.** Notwithstanding anything to the contrary in this Master Deed, a working capital fund will be established for the Association by collecting from each Owner who acquires title to his Unit from the Developer a working capital amount equal to One Thousand and No/100 (\$1,000.00) Dollars which Assessment will be due and payable at the time of transfer of each Unit by the Developer to any other Owner (the "Working Capital Assessment"). The Working Capital Assessment shall not be assessed against the Project Lender should it take title to a Unit by foreclosure or by deed-in-lieu of foreclosure. Each such Owner's share of working capital, as aforesaid, will be transferred to the Association at the time of closing the conveyance from the Developer to the Owner. Such sum is and will remain separate and distinct from the Annual Assessment and will not be considered advance payment of the Annual Assessment. The working capital receipts may be used by the Association in

covering operating expenses as well as any other expense incurred by the Association pursuant to this Master Deed and the Bylaws.

**5. Insurance and Casualty Losses.**

5.1. **Owner's Property Insurance.** Each Owner shall procure and maintain in full force and effect property insurance covering the Building constructed within the Owner's Unit, as well as all other improvement, fixtures and equipment thereon or exclusively serving such Building which may be located just outside the perimeter of a Unit, such as heating and air conditioning condensers and other Building components, in an amount equal to one hundred (100%) percent of the then current replacement cost thereof. Each Owner shall at the original issuance thereof and at each renewal provide to the Association a certificate of insurance for such Owner's Building. The exclusive authority to negotiate, settle and otherwise deal in all respects with a Building's insurer and to adjust losses under the Building's insurance policy provided for herein shall be that of the Owner and the Owner's Mortgagee, if said Mortgagee is so entitled. The cost of the insurance premium for the property insurance under this Section 5.1 shall be the sole and exclusive obligation of the Owner. Each Owner, at his own expense, may obtain on his Unit or the contents thereof, title insurance, homeowner's liability insurance, theft and other insurance covering improvements, betterment and personal property damaged and lost. In addition, risk of loss with respect to any improvements made by an Owner within his Unit shall be that of the Owner. Betterments coverage or "improvements insurance" shall be secured solely by an Owner wishing such coverage of his risk of loss, and the Association shall have no liability therefor.

**5.2. The Association's Property Insurance**

5.2.1. If the Common Elements include any insurable property, the Association will obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy of policies of property insurance covering the Common Elements, except (i) land, foundation, excavation, or other items normally excluded from coverage; (ii) all Buildings constructed within Units and all other improvements and betterments made to Units by Owners at their expense; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. Such coverage will also insure supplies, equipment and other personal property of the Association. All policies of Association property insurance will be single entity condominium insurance coverage. The master insurance policy will afford, at a minimum, protection against loss or damage by fire and other perils normally covered by standard extended coverage endorsements; and all other perils which are customarily covered with respect to the improvements comprising the Common Elements similar in construction, location and use, including all perils normally covered by a standard "special coverage" endorsement. The policy will be in an amount equal to one hundred (100%) percent of the current replacement cost of the Common Elements outside of the Units, exclusive of land, foundations,

excavation, and other items normally excluded from coverage. A reasonable "deductible amount" not to exceed four percent (4%) of the policy face amount may be included at the discretion of the Board of Directors if available and if a material savings, as determined by the Board in its sole discretion, in premium cost results therefrom, but the deductible amount will be considered a Common Expense and borne by the Association as a whole, without regard to the number of Owners directly affected by a loss that is later incurred, and reserves will be established for the deductible

5.2.2. The name of the insured under the master Association policy will be substantially as follows: "Villas at 24th Ave Homeowners' Association." Loss payable provisions will be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's Mortgagee as the interests of such parties may appear. Each Owner and his respective Mortgagee, if any, will be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Unit owned by such Owner. All Association policies will contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by Institutional Mortgage investors in the area in which the Property is located, and which appropriately names all Institutional Mortgage holders or their servicers in such form as requested by such Institutional Mortgage holders of their servicers.

5.2.3. All Association policies will be written with a company holding a general policyholder rating of "A" or better by Best's Insurance Reports and in a financial category of Class VI or better in Best's Key Rating Guide. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, Bylaws or policy, contributions or assessments may be made against the Association, Owner's Mortgagee or the designees of Mortgagees; or (ii) by the terms of the carrier's charter, Bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members. Association policies may not be cancelable or substantially modified by any party without at least ten (10) days prior written notice to the Association. Association policies should also contain a "special condominium endorsement" or its equivalent which provides for the following: recognition of any insurance trust agreement; a waiver of the rights of subrogation against Owners individually, if available; the insurance is not prejudiced by any act or negligence of individual Owners which is not under the control of the Association or such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

5.2.4. The Association will provide to Owners and/or Mortgagees requesting the same in writing a certificate of insurance, or a copy of the certificate of insurance, for the Regime, for which the Association may charge reasonable copying costs.

- 5.3. **Association's Liability Insurance.** The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a policy of comprehensive general liability coverage covering at a minimum all of the Common Elements. Coverage limits will be in amounts generally required by private Institutional Mortgage holders for projects similar in construction, location and use to the Property; provided, however, that such coverage will be for at least One Millions and 00/100 (\$1,000,000.00) Dollars for bodily injury, including death of persons, and property damage arising out of a single occurrence. Coverage under this policy will include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Common Elements and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. If the policy does not include "severability of interest" in its terms, an endorsement will be included which precludes the insurer's denial of the claims of an Owner because of the negligent acts of the Association or another Owner. Such policy must provide that it cannot be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association and each holder of an Institutional Mortgage listed as a scheduled holder of an Institutional Mortgage in the insurance policy.
- 5.4. **Association's Fidelity Bonds and Other Insurance.** The Association may, but shall not be required to, obtain, maintain and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees of the Association and other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Regime. The total amount of the fidelity bond coverage required will be based upon the best business judgment of the Board of Directors. Any fidelity bond that the Association shall, in its sole judgment, determine to secure will meet the following requirements: the Association will be named as an obligee; the bonds will contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and the bond will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of a premium) without at least ten (10) days prior written notice to the Association and each holder of an Institutional Mortgage listed as a scheduled holder of an Institutional Mortgage in the fidelity bond.

The Association will obtain, maintain and pay the premiums, as a Common Expense, on a policy of directors and officers liability insurance in such amounts as determined by the Board of Directors.

The Board of Directors will be authorized on behalf of the Association to obtain and maintain such other and further insurance as the Board of Directors may determine from time to time

5.5. **Authority to Adjust Association Loss.** The exclusive authority to negotiate, settle and otherwise deal in all respects with insurers and adjust all losses under policies provided for the Association will be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and Mortgagees; provided, however, that all Owners and Mortgagees having an interest in such loss will be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each Owner, in accepting a deed to a Unit, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person on all matters related to the authority granted in this Section 5.5, including executing all documents required in connection therewith on behalf of the Owner.

5.6. **Association Insurance Trustee**

5.6.1. The Board of Directors may, from time to time, designate a third party Trustee hereunder. The Trustee, whether the Board of Directors acting in said capacity, or a third-party designated by the Board, will serve the Association and the Owners and their Mortgagees (as their interests may appear) as provided herein. Any third-party Trustee, but not the Board of Directors acting in such capacity, will be entitled to receive reasonable compensation for services rendered which will be a Common Expense of the Association.

5.6.2. All insurance policies obtained by the Association will name the Association and the Trustee as loss payees. Immediately upon the receipt by the Association of any insurance proceeds, the Association will endorse the instrument by means of which such proceeds are paid and deliver the instrument to the Trustee. The Trustee will not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor will the Trustee have any obligation to inspect the Property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

5.6.3. Among other things, the duties of the Trustee will be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their Mortgagees, and disburse the proceeds as hereinafter provided.

5.6.4. Proceeds of insurance policies received by the Trustee will be disbursed as follows:

5.6.4.1. If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, will be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after

defraying such costs will be paid to the Association for the benefit of all Owners and their Mortgagees, if any;

5.6.4.2. If it is determined, as provided in Section 5.8, that the damage or destruction for which the proceeds are paid will not be repaired or reconstructed, such proceeds will be disbursed to such persons as therein provided; and

5.6.4.3. Any and all disbursements of funds by the Trustee for any purpose whatsoever will be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements.

5.6.5. The Trustee will not incur liability to any Owner, Mortgagee or other person for any disbursements made by it in good faith to and in accordance with the foregoing requirements.

5.7. **Damage or Destruction to a Unit's Building.** Each Owner covenants and agrees that in the event of damage in or destruction of the Building or other structures on or within his or her Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved by the Developer during the Transition Period, and thereafter are approved by the Board of Directors. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition approved by the Developer during the Transition Period, and thereafter approved by the Board of Directors. Should the Owner fail to clear the Unit of all debris and ruins and restore the Unit area with attractive landscaping in keeping with the Common Element, the Association shall have the right to have such work performed and to specially assess such Owner for the cost thereof. Such amount owed shall be lien against the Unit. The Owner shall pay any costs which are not covered by insurance proceeds.

5.8. **Damage and Destruction to Association Common Elements.**

5.8.1. Immediately after all or any part of the Property covered by Association insurance is damaged or destroyed by fire or other casualty, the Board of Directors or its duly authorized agent will proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 5.8, means repairing or restoring the damaged Common Elements to substantially the same conditions in which it existed prior to the fire or other casualty.

5.8.2. Any such damage or destruction will be repaired; provided, however, that should more than seventy-five percent (75%) of the Common Elements consisting of the

Amenities, roads and other improvements be destroyed and the Members holding one hundred percent (100%) of the Total Percentage Interest vote to disapprove the rebuilding of the Common Elements voting in person or by proxy at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of disapproving such repair or reconstruction, then such reconstruction of the Common Elements shall not occur. If Common Elements are not reconstructed, all insurance proceeds will be delivered in accordance with the provisions of Section 5.8(c) below. Except as otherwise provided, any such damage or destruction in the Common Elements, will be repaired and reconstructed as promptly as practicable. No Mortgagee will have any right to restrict the use of insurance proceeds otherwise available for repair, reconstruction or rebuilding.

5.8.3. In the event that it is determined by the Association in the manner prescribed above that the damage or destruction will not be repaired, reconstructed or rebuilt, then the Regime will terminate, the Regime Property will be liquidated, and the proceeds distributed pursuant to the procedure set forth in Section 16.3 of this Master Deed.

#### 5.9. Insufficient Proceeds to Repair Damage to Association Property

5.9.1. If the damage or destruction for which Association insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, or if no insurance proceeds exist with respect to such damage or destruction, the Board of Directors will levy an Assessment against the Owners in sufficient amounts to provide funds to pay costs in excess of insurance proceeds for repair or reconstruction. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction.

5.9.2. Any and all sums paid to the Association under and by virtue of those Assessments provided for in subsection (a) of this Section 5.9 will be deposited by the Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee will be disbursed as provided in Section 5.6.

### 6. Condemnation

6.1. General. Whenever all or any part of the Property will be taken by any authority having the power of condemnation or eminent domain, each Owner will be entitled to notice thereof and shall have the right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of such Owner's Unit and the improvements thereon; provided, however, that the exclusive right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of the Common Elements will be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a deed to a Unit, expressly

appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Section 6.1, including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking will be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award made therefor will be disbursed by the Trustee, as hereinafter provided in this Section 6.

6.2. **Complete Taking**. In the event the entire Property is taken by power of eminent domain, the Regime and condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed by the Trustee to the Owners in proportion to their respective Percentage Interests appurtenant to each Unit and their respective Mortgagees and other lienholders as their interests may appear. Notwithstanding, each Owner shall have the right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of such Owner's Unit and the Building and other improvements which may be located therein.

6.3. **Partial Taking of Non-Essential Areas**. In the event less than the entire Property is taken by power of eminent domain and if the taking does not include any portion of any Unit or any portion of the Common Elements essential to the continued occupancy of any Unit, then the Board of Directors will be permitted to replace any nonessential improvements to the extent deemed appropriate and the Trustee will disburse the proceeds of such awards in the same manner as hereinabove provided for and in connection with the repair, reconstruction or rebuilding of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

6.4. **Partial Taking of Essential Areas**. In the event less than the entire Property is taken by power of eminent domain and the taking includes any portion of a Unit or the Common Elements essential to the use of any Unit, then the following shall occur:

6.4.1. **Allocation of Award**. As soon as practicable, the Board of Directors shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages or other proceeds and shall allocate such apportioned amounts and pay the same to the Owners as follows:

6.4.1.1. The respective amounts apportioned to the taking of, or injury to, such portion of the Common Elements affecting primarily the use or enjoyment of one or more particular Units and the improvements thereon (e.g. the taking of, or injury to, Common Elements immediately around one or more Units which prevents such Unit Owners from rebuilding their improvements or causes them to have to modify their improvements within their Units because of changes in setbacks or otherwise), then the proceeds from such taking of, or injury to, as it affects such particular Units shall be allocated and distributed to the Owners of such affected Units;

- 6.4.1.2. The total amount apportioned to the taking of or injury to the Common Elements which equally affects the Owners of all Units (such as the taking of, or injury to, the Amenities) shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective Percentage Interests;
- 6.4.1.3. The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Units that have not been taken, in proportion to their respective Percentage Interests as adjusted for the removal of those Owners whose Units have been taken;
- 6.4.1.4. The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances;
- 6.4.1.5. If apportionment or allocation is already established by negotiation, judicial decree, statute or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable; and
- 6.4.1.6. Distribution of allocated proceeds shall be made by the Association or the designated Trustee to the Owners and their respective Mortgagees as appropriate and as their interests may appear.

6.4.2. **Continuation and Reorganization.** If less than the entire Property is taken by power of eminent domain, Regime ownership pursuant hereto shall not terminate, but shall continue. If any partial taking results in the taking of an entire Unit, the Owner thereof shall cease to be a Member of the Association and an Owner under this Master Deed. The Association shall reallocate the voting rights and the undivided interest in the Common Elements appurtenant to such Unit in accordance with the Condominium Act.

7. **Architectural Control: Approval Required for Unit Changes and Interior Features.**

To preserve the original architectural appearance of the Project, the Property, and the Buildings' designs within the Units, including architectural and engineering aspects, no construction, reconstruction or Unit or Building modification of any nature whatsoever, except as specified in the Regime Documents, will be commenced or maintained upon the Unit and to the Building located, or to be located thereon, nor will there be any change, modification or alteration of any nature whatsoever of the design and appearance of any surfaces or facades, nor will any Owner change the paint color on the exterior of any Building or change the roof, nor will any Owner change the design or color of the exterior lights, nor will any Owner construct, erect or attach to any part of the exterior any addition or change until after the plans and specifications showing the nature, kind, shape, height,

materials, color and location of the same will have been submitted to and approved in writing as to harmony of design, color and location in relation to the surrounding features by the Board of Directors and pursuant to original plans and specifications or design guidelines adopted therefore. Furthermore, such required approval by the Board of Directors shall extend to any landscaping installed by Owner within the Unit (it being understood that the Association shall have primary responsibility for landscaping in the Common Element and up to the Building within each Unit), as well as any interior features or aesthetic elements that are in plain view from outside a Building. The failure of an Owner to secure the required approval of the Board of Directors as aforesaid, or to take such action, remedial or otherwise, as the Board of Directors shall at any time determine to be required hereunder shall be subject to the authority and enforcement powers of the Board of Directors as set forth in Section 16.5(a) below. The Board of Directors may delegate the architectural review functions to a committee, but enforcement of all violations shall remain with the Board of Directors.

## 8. Maintenance

- 8.1. Responsibility of Association. Except as specifically provided to the contrary herein, the Association will maintain the Common Elements in first class condition in accordance with proper maintenance procedures applicable thereto and will enforce all warranties with respect to the Common Elements. In addition, the Association will repair or replace all parts of the Common Elements as necessary except for those certain Limited Common Elements which include certain exterior balconies subject to the exclusive use of the Unit's owner(s) which shall be the responsibility of each such Unit Owner. Except as otherwise provided herein, the cost of such will be charged to the Owners as a Common Expense.
- 8.2. Access to Units. The Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, which term includes the Association manager, to have reasonable access to each Unit from time to time, to undertake such action as it may determine, but for which it has no obligation, or for which it may be requested, to prepare and secure a Building in anticipation of storm or hurricane, provided the Association shall be under no obligation to an Owner to do so; and for the inspection, maintenance, repair or replacement of any of the Common Elements accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to other Units.
- 8.3. Responsibility of Owner. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Section 8 is caused through the willful or negligent act of an Owner or the lessee of an Owner, their families, invitees or guests, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the Assessment to which such Owner and

his Unit are subject. Each Owner will maintain, repair or replace at his own expense all the Building and other improvements within the Unit therein which may become in need thereof (excepting landscaping improvements within the Unit which shall be the responsibility of the Association). Further, each Owner will, at his/her/its own expense, maintain, repair and replace, when necessary, that heating and air-conditioning condensers and other such exterior appurtenances to such Owner's Building whether or not located within such Owner's Unit. Each Owner will, at his/her/its own expense, keep the Limited Common Elements to which his Unit has exclusive access and to which he has exclusive use, as further described in Section 3.4(e) above, clean and neat, and maintain and repair those such Limited Common Elements which include the driveways and parking areas in front of such Owner's Unit. Each Owner shall keep the exterior of his/her/its Building and other improvements in a neat well maintained "first class" condition. If the Owner does not make those repairs to his/her/its Building and/or other improvements required to be made by him within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and Unit owned by such Owner as a Specific Assessment. In the event an Owner's Building is severely damaged by catastrophic event, such Owner shall commence to either repair and/or rebuild such Building or tear down the Building and grade and landscape the Building site within three (3) months of such catastrophic event. Should Owner fail to tear down its Building and grade and landscape the Building site or fail to commence reconstruction and repair of the Building within such three (3) month period, the Association shall have the right to tear down the Owner's Building and to grade and landscape the Building site and the cost thereof will be assessed against the Owner and Unit owned by such Owner as a Specific Assessment.

9. **Access, Ingress and Egress.** All Owners, by accepting title to a Unit, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such property and acknowledge and agree that such access, ingress, and egress will be limited to roadways, sidewalks and walkways located within the Property from time to time, provided that pedestrian and vehicular access to and from all such property will be provided at all times. There is reserved unto Developer, the Association, and their respective successors and assigns the right and privilege, but not the obligation, to install and maintain electronic gates controlling vehicular access to and from the Property, provided that reasonable steps are taken to facilitate the access of all Owners, guests, and other invitees. Neither the Developer nor the Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Property in accordance with the foregoing.

- 9.1. **Security Disclaimer:** NEITHER THE DEVELOPER NOR THE ASSOCIATION SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF ANY GATE OR CONTROLLED ACCESS TO THE PROPERTY OR SAFETY MEASURES UNDERTAKEN WITH RESPECT THERETO BY EITHER OR BOTH OF THEM AND WHETHER OR NOT SUCH ACTIVITIES OR UNDERTAKING ARE

REFERRED TO AS "SECURITY" MEASURES, NOR SHALL EITHER OR BOTH BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE CONTROLLED ACCESS TO SAFETY MEASURES OR FROM HAVING ANY GATE OPEN, AS PERMITTED UNDER SECTION 9.1 BELOW, OR FROM A FAILURE OR INEFFECTIVENESS OF ANY SUCH CONTROLLED ACCESS OR SAFETY MEASURES UNDERTAKEN BY EITHER OR BOTH OF THEM. NO REPRESENTATION, WARRANTY OR COVENANT IS GIVEN TO ANY OWNER OR OCCUPANT BY EITHER OR BOTH OF THE DEVELOPERS AND THE ASSOCIATION THAT ANY CONTROLLED ACCESS OR SAFETY MEASURES INSTALLED OR UNDERTAKEN CANNOT BE BYPASSED OR COMPROMISED, OR THAT THEY WOULD, IN FACT, AVERT DAMAGE OR LOSS RESULTING FROM THAT WHICH THEY ARE DESIGNED TO PREVENT, AND EACH OWNER BY ACCEPTANCE OF A DEED TO A UNIT AND EACH OCCUPANT THEREOF SHALL INDEMNIFY AND HOLD THE DEVELOPER AND ASSOCIATION HARMLESS FROM ANY DAMAGE AND COSTS AND EXPENSES, INCLUDING ATTORNEY FEES, INCURRED BY EITHER OR BOTH OF THEM AS A RESULT OF ANY SUCH ASSERTION OR DETERMINATION.

9.2. **Developer's Right to Develop.** Notwithstanding anything herein contained to the contrary, the Developer hereby reserves unto itself, its successors and assigns, the right and option to control any gate to the Property and to leave the gate in an open position for the unobstructed and uncontrolled passage of construction vehicles for persons engaged in both infrastructure and building construction activities. The within right, if exercised, will be limited to the hours of 6 a.m. to 6 p.m. and will terminate upon expiration of the Transition Period.

## 10. **Unit Restrictions.**

10.1. **Units.** All Units will be, and the same are hereby restricted exclusively, for residential use, provided, however, a Unit's Building may be used as a combined residence and executive or professional office by the Owner hereof so long as no rental management activities are conducted from the Unit, Building within the Unit, or Limited Common Elements (including, without limitation, key drop off or pickup) and so long as such use does not interfere with the quiet enjoyment by other Owners and does not include visitation by clients, or unreasonable levels of mail, shipping, storage or trash requirements. No immoral, improper, offensive or unlawful use will be made of any Unit and no use or condition will be permitted which is a source of unreasonable noise or interference with the peaceful possession and quiet enjoyment of any other portion of the Property by other Owners or lessees of Owners, their families, invitees and guests. All Units and the Buildings therein will be kept in a clean and sanitary condition and no rubbish, refuse or garbage will be allowed to accumulate. No fire hazard will be allowed to exist and no use or condition will be permitted which will increase any rate of insurance related to the Property. In addition, all Owners, guests of Owners, lessees of

Owners, renters, their families, invitees and guests will abide by all Rules and Regulations in effect from time to time governing the use of Units and Buildings.

- 10.2. **Animals and Pets.** No animals, livestock or poultry of any kind will be raised, bred or kept on any part of the Property, except that dogs, cats or other normal household pets may be kept by the respective Owners inside their respective Buildings provided that (i) the Board of Directors may, in its sole discretion, establish by rule that dogs of a certain breed are potential hazards to the Regime and its occupants and are deemed not to be normal household pets: (ii) the Board of Directors may establish reasonable rules and regulations to insure that all permitted pets are properly licensed and inoculated for rabies and such other disease for which inoculation is necessary for that breed of pet: (iii) an Owner execute a written indemnification and hold harmless agreement in favor of the Regime and the Regime's management company, in form and content satisfactory to counsel for the Board, prior to bringing the Owner's pet upon the Property; (iv) permitted pets are not kept, bred or maintained for any commercial purpose and do not create any health hazard or, in the sole discretion of the Board of Directors, unreasonably disturb the peaceful possession and quiet enjoyment of any other portion of the Property by other Owners and lessees of Owners, their families, invitees and guests and (v) the Board may establish reasonable rules to limit the number of such allowed pets. Pets shall be kept on a leash at all times when outside a Unit, and the Owner shall clean up after his or her pet. Any occupant of a Unit or Building other than the Owner shall be prohibited from keeping animals, including household pets in the Unit or Building.
- 10.3. **Antennas.** No television antenna, radio receiver, or other similar device will be attached to or installed on any portion of the Regime Property, or the Building and other improvements within the Unit, by an Owner, except as required by the Telecommunications Act of 1996 and implementing rules therefore issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, the Developer and the Association, and their successors and assigns, will not be prohibited from installing equipment necessary for master antenna, security, cable television, mobile radio, or other similar systems within the Regime.
- 10.4. **Leasing of Units.** An Owner of a Unit will have the right to lease or rent his Unit and the Building within such Unit on a daily, weekly, monthly, and/or yearly basis subject to applicable local ordinances, provided, however, that no rental management activities may be conducted from the Unit, the Building within the Unit, or the Limited Common Elements (including, without limitation, key drop off or pick up) and provided that all leases and rental contracts will require the lessee to abide by all conditions and restrictions placed on the use and occupancy of the Unit and the Common Elements by the Regime Documents. The Board of Directors will have the right to approve the form of all such leases and rental contracts at any time if it elects to do so. Occupancy by a

tenant or renter under any such approved form of lease or rental contract is subject to continuing approval of the Board thereunder, which may be removed at any time by the Board for any violation by any such tenant or renter of the Rules and Regulations of the Association. IN ORDER TO PROMOTE THE HEALTH, SAFETY AND WELFARE OF THE REGIME, THE OWNERS, AND THEIR RENTAL GUESTS AND INVITEES, EACH UNIT, THE BUILDING WITHIN THE UNIT, AND THE COMMON ELEMENTS ARE HEREBY RESTRICTED SUCH THAT THE USE AND/OR RENTAL OF ANY AND ALL UNITS, THE BUILDINGS WITHIN THE UNITS, AND THE LIMITED COMMON ELEMENTS SHALL BE SUBJECT TO THE FOLLOWING RESTRICTIONS: Prior to occupying any Building within any Unit, or making use of any part of the Common Elements, including, without limitation, the roads, pools, recreational amenities and parking premises, all rental guests and other invitees who are not accompanied by the Owner during the stay shall first register (hereinafter, the "Registration Requirement") their names, addresses, automobile license plate numbers, if any, length of stay, and rental occupancy with the access management entity (the "Company") that has been designated by the Developer or Homeowners Association Board. No Units may be rented or occupied or accessed by a tenant, paying guest, or invitee until the Registration Requirement of this section has been met.

10.5. **Motor Homes, Trailers, Boats, etc.** All vehicles will be parked either under an Owner's Building within the Unit, within the Unit's garage, or in parking spaces within the Limited Common Elements and any other Common Elements designated therefore. The Association shall have the power to impose Rules and Regulations prohibiting or otherwise controlling the storage or parking upon any portion of the Property of any mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices, provided, however, the Association rules regarding storage or other parking must not allow such mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices to be visible from the adjoining street.

10.6. **Unit Repurchase Option.** During the Transition Period, the Developer will have the right and option to purchase any Unit within the Property which is offered for sale by the Owner thereof, such option to be at the price and on the terms and conditions of any bona fide offer therefor which is acceptable to such Owner and which is made in writing to such Owner. The Owner will promptly submit a copy of the same to the Developer, and the Developer will have a period of ten (10) business days (exclusive of Saturday, Sunday and federal holidays) from and after the presentation of such offer to the Developer in which to exercise its purchase option by giving such Owner written notice of such exercise. If the Developer fails to respond or to exercise such purchase

option within said ten (10) day period, the Developer will be deemed to have waived such purchase option. If the Developer responds by declining to exercise such option, and such sale to a third party is not consummated on such terms and conditions set forth in the bona fide offer within six (6) months of the date in which the offer is transmitted to the Developer, or within the period of time set forth in such bona fide offer, whichever is later, the terms and limitations of this Section 10.6 will again be imposed upon sale by such Owner. If the Developer elects to purchase, the transaction will be consummated within the period of time set for closing in said bona fide offer, or within thirty (30) days following delivery of written notice by the Developer to such Owner of the Developer's decision to so purchase such Unit, whichever is later.

- 10.7. **Signs.** Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind, including, but not limited to, "For Rent," "For Sale," and other similar signs, shall be erected by a Unit Owner, the Association, or any agent, broker, contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any Building window, or within a Building and viewable through any window, or on the exterior of any improvements or on any unimproved portion of property located within the Property, without the express written permission of the Developer during the Transition Period, and thereafter without the written permission of the Board of Directors. The approval of any signs and posters, including, without limitation, name and address signs, shall be upon such conditions as may be from time to time determined by the party entitled to approve the same and may be arbitrarily withheld. Notwithstanding the foregoing, the restrictions of this Section 10.7 shall not apply to the Developer or to any person having the prior written approval of the Developer. In addition, the Developer and/or Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Elements in accordance with architectural design standards adopted therefor and approved by governmental authority with jurisdiction thereof. Notwithstanding any other provision herein, under no circumstance shall a Unit Owner, the Association, or any agent, broker, contractor or subcontractor post any sign or other indication on a Unit, Building within a Unit, or Limited Common Elements that such Unit or Building is "For Rent," "For Let," or other similar message.

## 11. Easements

- 11.1. **Encroachments.** If any portion of the Common Elements encroaches upon any Unit as a result of variances from the Site Plan and/or Survey, an easement will exist for the encroachment and for the maintenance of the same so long as the improvements comprising a portion of the Common Elements continue to encroach upon such Unit(s). If the improvements comprising a portion of the Common Elements will be partially or totally destroyed as a result of fire or other casualty or a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Elements upon any Unit(s) due to such rebuilding, will be permitted, and valid easements for such

encroachments and the maintenance thereof will exist so long as the improvements remain.

- 11.2. **Easement for Air Space.** The Owner of each Unit will have an exclusive easement for the use of the air space occupied by said Unit as it exists at any particular time and as said Unit may be altered or reconstructed from time to time pursuant to this Master Deed.
- 11.3. **Utilities, etc.** There is hereby granted a blanket easement upon, across, over and under all the Property for ingress, egress, installation, replacing, repairing and maintaining a master television antenna or CATV system and all utilities, including, but not limited to water, gas, sewers, telephones and electricity, and other forms of telecommunication and technology cabling, now existing or developed in the future. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Property and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. In addition, the Board of Directors will be entitled to grant additional permits, licenses, and easements over the Common Elements for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Property.
- 11.4. **Easement for Construction.** Notwithstanding anything herein to the contrary, Developer and persons designated by the Developer will have an easement to enter upon and cross over the Common Elements for purposes of ingress and egress to all portions of the Property; to use portions of the Common Elements and any Units owned by the Developer for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Property; and to maintain and correct drainage of surface, roof or storm water.
- 11.5. **Easement for Inspection by Developer.** Notwithstanding anything herein to the contrary, Developer and persons designated by the Developer will have an easement to enter upon and cross over the Common Elements for purposes of ingress and egress to all portions of the Property; as well as an easement for reasonable access to each Unit as the Developer may find desirable, for the inspection of the whole or any portion of the Property, its Units, the Buildings therein and the Common Elements, the components and structural parts thereof, as well as their maintenance requirements and the maintenance performed thereon to the date of any such inspection. Nothing herein shall require the Developer to perform any such inspection, but if the Developer does undertake any such inspection, Developer shall provide to the Board of Directors a copy of its findings or the inspection report produced therefrom. Nothing herein shall relieve the Board from engaging a professional inspector to perform an annual maintenance audit as part of the Board's annual budgeting process under Section 4.2 above.

11.6. **RESERVED**

11.7. **No View Easements.** No view easements, express or implied, will be granted to any Owner in connection with the conveyance of a Unit to such Owner.

11.8. **Other.** There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Property in any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Section 11.8 will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

12. **Assigned Value and Voting Rights**

12.1. **Units, Assigned Values, and Percentage Interests.** The Schedule of Percentage Interests contained in Exhibit "C" attached hereto shows the Assigned Value of each Unit as of the date of this Master Deed and the Percentage Interest appurtenant to such Unit for all purposes.

12.2. **Voting Rights.** Members and the Developer will be entitled to a vote in the Association and for all other purposes herein in accordance with the provisions of the Association's Articles of Incorporation attached hereto as Exhibit "D" and the By-Laws of the Association attached as Exhibit "E", and as the same may be hereinafter amended.

12.2.1. **Voting by Multiple Owners.** When any Unit is owned in the name of two or more persons, or entities, whether fiduciaries, or in any manner of joint or common ownership, the vote for such Unit will be exercised as such Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting or the vote will be exercised by such Owner, or such Owner's duly appointed proxy, as will be designated in writing by all Owners recorded in the ROD Office for Horry County, a copy of which will be delivered to the Secretary of the Association and will remain effective for all meetings until revoked by the Owners in a similar writing or until such designation terminates pursuant to the terms of such writing. Until such time as multiple Owners of a Unit provide such written notice to the Secretary to the contrary, any Owner attending the meeting, or such Owner's duly appointed proxy, shall be entitled to vote on behalf of such Owner's Unit.

13. **The Development Plan For The Project.**

- 13.1. **Phase I.** The Regime is initially composed (sometimes referred to herein as "Phase I") of twelve (12) Units, known as Unit 1, Unit 2, Unit 3, Unit 4, Unit 5, Unit 6, Unit 7, Unit 8, Unit 9, Unit 10, Unit 11, and Unit 12, as well as the Common Elements and Limited Common Elements, and is more fully described in the Regime Documents and on **Exhibit "B"** attached hereto, as well as in the Site Plan. Each of the Units shall have one (1) Building constructed therein and thereon.
- 13.2. **Reservation of Right to Expand and Contract.** Anything to the contrary contained in the Master Deed notwithstanding, at any time on or before September 1, 2042, the Developer will be entitled, but not required, to expand the Regime and to contract the Regime in accordance with these expansion and contraction rights as provided in this **Section 13**.
- 13.2.1. **Expansion, Conversion of Common Elements to Create New Units.** The Developer is entitled, but not obligated, to expand the Regime during the Transition Period up to a total of twenty (20) Units through a maximum of eight (8) additional phases ("Phases") by: (i) constructing additional Units on all or any portion of the Common Elements, and by (ii) adding additional nearby land to the Regime described in the attached **Exhibit "A-2"** ("Regime Expansion Area") for the development of additional Units and Common Elements (such additional Common Elements being primarily access roads, a possible pool, and additional common land and landscaping surrounding the additional Units which may substantially increase the proportionate amount of common expenses payable by existing Unit Owners prior to such expansion) and to submit said additional real property (or any portion thereof) and all Building improvements constructed thereon, to the Regime, from time to time, by filing one or more amendments to this Master Deed ("Expansion Amendments") which shall set forth amendments to the Exhibits where necessary, including an amended **Exhibit "A-1"** legal description of the Land, an amended Site Plan consisting of amendments and/or supplements to **Exhibit "B"** showing the exaction legal location of the additional Units and Common Elements, and an amended **Exhibit "C"** Schedule of Assigned Values and Percentage Interests to reflect any required change in the Percentage Interests pursuant thereto and **Section 12.1**. Such **Exhibit "C"**, and any amendments thereto, shall show how existing Percentage Interests shall be affected as additional Units are submitted to the Regime. All additional Units, and Phases of additional Units, shall be submitted prior to the expiration of the Transition Period. Multiple Phases, and thereby multiple Units, may be submitted to the Regime within one or more Expansion Amendments to this Master Deed at any one time. The Building improvements, as shall be so constructed by the Developer, shall be consistent with the quality and structure type of construction existing within the Regime at the time this Master Deed is filed of record in the ROD, although the dimensions of additional Units, and Buildings constructed within the Units, may be laid out in different configurations than those shown on the Site Plan for Phase I. Expansion Amendments will be

executed solely by the Developer for itself and as attorney in fact for all Owners. Each Expansion Amendment will be effective upon the recording of such an Expansion Amendment in the ROD.

- 13.2.2. **Contraction; Withdraw of Unimproved Common Elements.** During the Transition Period, the Developer is entitled to subdivide portions of the Common Elements from the Project, upon which no Units have been created, and to remove the subdivided portion from the application of this Master Deed by filing one or more amendments to this Master Deed including amendments to the Exhibits where necessary (a "Contraction Amendment"). A Contraction Amendment will be executed solely by the Developer for itself and as attorney in fact for all Owners and shall be effective upon recording in the ROD.
- 13.3. **Developers Reservation of Right to Modify Owned Units.** As provided in Section 3.3 above, the Developer shall have the right, so long as it owns any Unit, to modify each such Unit and the Building within, provided, however, the aggregate Percentage Interest assigned to the Units so affected will not change. The Developer shall effect such modification by an amendment executed solely by the Developer for itself and as attorney in fact for all Owners (a "Unit Modification Amendment"). A Unit Modification Amendment will be effective upon recording such amendment in the ROD.
- 13.4. **Amenities; Required Expansion.** Amenities may be constructed as part of the expansion of the Regime pursuant to this Section 13, but the Developer shall not be required to do so. Any Amenities shall be constructed at the option of the Developer in its sole and absolute discretion and no covenant, representation or warranty is made herein that any Amenities will be constructed. No Owner will have the right to require construction or addition to the Regime of any land, Amenities, Units, Buildings, or other improvements or property under any circumstances.
- 13.5. **Assignability of Rights.** The Developer may assign the rights reserved in this Section 13 to any person or entity by an instrument recorded in the ROD.
- 13.6. **Application of Master Deed.** Any Expansion Amendment, Contraction Amendment, or Unit Modification Amendment (collectively, "Developer Amendments") may be filed separately or in concert as one amendment. Upon the filing of a Developer Amendment prescribed by Section 13.2 or Section 13.3 hereof, all definitions contained in the Master Deed will be deemed amended to the extension necessary to cause the addition of real property and the improvements described in such amendment to be treated as fully an integral part of the Regime as if said real property and improvements constituted a portion of the Project.

13.7. **Annual Assessments for Additional Units and Working Capital Reserve.** The Annual Assessment with respect to the Units added to the Regime pursuant to this Section 13.7 will be equal to the then current Annual Assessment applicable to the existing Units with equivalent Percentage Interests, prorated on a per diem basis; provided, however that as to any type of Unit being added to the Regime for which there is currently no Annual Assessment, the Annual Assessment will be proportionately increased or decreased based upon the Percentage Interest of such Units. Assessments regarding all of the additional Units will commence upon the recording of the Amendment prescribed by Section 13.2 hereof.

13.8. **No Consent Required.** Subject to the time limit set forth in Section 13.2 hereinabove, the Developer, its successors and assigns, will have the absolute right to effect an expansion or contraction of the Regime or a modification of a Unit in accordance with this Section 13 and to file Developer Amendments to this Master Deed without any action or consent on the part of any Owner or Mortgage holder; provided, however, that to the extent any action on the part of any Owner is required by any third party to assure the expansion of the regime as provided in this Section 13, each Owner, in accepting a deed to a Unit, agrees to undertake such actions and/or provide such consents as are reasonably requested, and expressly appoints the Developer his due and lawful attorney in fact with full power of substitution, to execute all documents reasonably required to evidence the requisite action or consent.

13.9. **Multiple Ownership.** No Unit or Building located within the Regime will be: (a) used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership by a Unit Owner (including fractional ownership plans); (b) used for, in conjunction with and/or as an advertised part of any time share exchange program which makes available as accommodations the Unit and which is not otherwise registered as a Vacation Time Sharing Plan or Vacation Multiple Ownership Plan, without the prior written consent of the Developer during the Developer's Transition Period and thereafter by the Board of Directors of the Association; or (c) used as accommodations for time share or fractional sale prospects of any person, without the prior written consent of the Developer during the Developer's Transition Period and thereafter by the Board of Directors of the Association.

14. **Transition Provision.**

14.1. **Appointment of Directors and Officers.**

14.1.1. The Developer shall have the right to appoint or remove any or all members of the Board of Directors and any or all officers of the Association until such time as the first of the following dates: (i) January 1, 2032; (ii) after the conveyance by the

Developer, in the ordinary course of business to persons other than a successor Developer, of one hundred percent (100%) of the maximum number of Units to be contained in all Phases of the Project; or (iii) the date the Developer surrenders its authority to appoint directors of the Association by an express amendment to any Master Deed executed and filed of record by the Developer.

14.1.2. After the expiration of the Developer's right to appoint under both subparagraph (a) above, and notwithstanding anything contained herein to the contrary, the Developer shall, nevertheless and so long as it holds one or more Units included in the Regime have the right to appoint one (1) member of the Board of Directors.

14.2. **Special Meeting to Elect Board.** Within sixty (60) days after the date on which Owners other than the Developer become entitled pursuant to Section 14.1 to elect members of the Board of Directors of the Association, the Association will call, and give not less than thirty (30) days and not more than sixty (60) days notice of, a special meeting of the Members to elect the Board of Directors. The existing board members appointed by the Developer shall remain on the Board of Directors with full authority and control until their elected successors take office. In the event such an appointed board member is no longer able or willing to serve prior to his or her elected successor takes office, the Developer may appoint an interim board member until such elected successor takes office.

14.3. **Cooperation.** The Association will cooperate with the Developer to the extent reasonably requested by the Developer during and after the Transition Period and promote the completion of construction of all improvement comprising a portion of the Common Elements and Buildings within the Units as well as the sale and marketing of unsold Units and Buildings of the Project.

14.4. **Controlling Provisions.** In the event of my inconsistency between this Section 14 and the other provisions of the Regime Documents, this Section 14 will be controlling and binding on all parties having an interest in the Regime.

## 15. **Alternative Dispute Resolution**

15.1. **Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes.** The Developer, Association, Owners, and any person not otherwise subject to the Regime Documents who agrees to submit to this Section 15 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving the Regime Documents, the Property or the Project, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Regime Documents, Property, Units, Buildings or the Project, including without limitation,

claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "exempt Claims" under Section 15.2 are subject to the procedures set forth in Section 15.3.

15.2. **Exempt Claims.** Any Bound Party having an Exempt Claim may submit to the alternative dispute resolution procedures set forth in Section 15.3, but there is no obligation to do so. The following Claims ("Exempt Claims") are exempt from the provisions of Section 15.3:

15.2.1. any suit by the Association against any Bound Party to enforce any Assessments or other charges hereunder; and

15.2.2. any suit by the Association or under the Master Declaration to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association or under the Master Declaration until the matter may be resolved on the merits pursuant to Section 15.3 below; and

15.2.3. any suit between Owners which does not include the Developer or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Regime and the Property; and

15.2.4. any alternative dispute resolution mediation or arbitration between an Owner and the Developer pursuant to the Real Estate Purchase Agreement between them or with respect to the Building constructed and sold as part of the Unit thereunder; and

15.2.5. any suit in which an indispensable party is not a Bound Party; and

15.2.6. any suit which otherwise would be barred by any applicable statute of limitation; and

15.2.7. any suit involving a matter which is not an Exempt Claim under (a) or (b) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 15.3 below.

15.3. **Mandatory Procedures for Non-Exempt Claims.** Any Bound Party having a Claim ("Claimant") against a Bound Party involving the Regime Documents or the Regime, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 15.2, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the procedures set forth in Exhibit "F", and then only to enforce the results thereof.

15.4. **Litigation.** No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless approved by seventy-five percent (75%) or more votes of the entire Association, by referendum or at a duly held meeting of Members called for the purpose of approving the proceeding, which percentage will also constitute the quorum required for any such meeting. This Section will not apply, however, to (a) actions brought by the Association to enforce the collection of assessments, including the foreclosure of liens, as well as the enforcement of other provisions of the Regime Documents, except where it is asserted that the Developer is in violation of any provision of the Regime Documents other than a violation of its requirement to pay Assessments or to fund operating shortfalls in accordance with Section 4.8; (b) proceedings involving challenges to ad valorem taxation; (c) counterclaims brought by the Association in proceedings instituted against it; or (d) actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section will not be amended unless the amendment is approved by both the Developer and the requisite percentage of votes of Members of the Association, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the negotiation and arbitration provisions of this Section 15 and the procedures therefore set forth in Exhibit "F", if applicable.

15.5. **Miscellaneous Alternative Dispute Resolution Provisions.**

15.5.1. **Conflicting Provisions.** Any conflict of discrepancy between the terms and conditions set forth in this Section 15 and the procedures set forth in Exhibit "F" and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, and procedures and remedies set forth herein and Exhibit "F" will control.

15.5.2. **TIME IS OF ESSENCE.** All periods of time set forth herein or calculated pursuant to provisions of this Section 15 will be strictly adhered to. TIME BEING OF THE ESSENCE hereof.

16. **General Provisions.**

16.1. **Adherence to Provisions of Master Deed, Bylaws and Rules and Regulations.**

Every Owner who rents his Unit must post inside his Unit a list of the Rules and Regulations of the Association applicable thereto. Any rental agency handling an Owner's rental must further agree to abide by the Rules and Regulations and will be responsible for informing persons renting through its agency of any breaches of the Rules and Regulations by said persons and for taking any and all necessary corrective action. Should a particular agency or person continue not to take corrective action against the renters it has contracted with, or refuse to cooperate with the Association in the enforcement of its Rules and Regulations or other provisions of the Regime Documents, the Association may require the Owner to cease using the services of that

particular rental agency. Refusal to do so may result in fines against the Owner in an amount to be determined by the Board of Directors. Any fines will be added to and become part of the Assessment against the Unit and Owner.

16.2. **Amendment.** Amendments to this Master Deed, except Developer Amendments set forth in Section 13 and as herein expressly provided to the contrary, will be proposed by the Board of Directors in accordance with the following procedure:

16.2.1. **Notice.** Notice of the subject matter of the proposed amendment or amendments will be included in the notice of the meeting of the Association at which such proposed amendment or amendments are to be considered.

16.2.2. **Adoption.** The Master Deed may be amended at any time from time to time at a meeting of the Association called in accordance with the Bylaws and this Master Deed upon the vote of Members holding sixty-seven percent (67%) or more of the total vote in the Association; provided, however, that if the Association will vote to amend the Bylaws in any respect, such amendment will be set forth in an amendment to this Master Deed and will be valid only when approved by Members holding more than sixty-seven percent (67%) of the total vote in the Association.

16.2.3. **Nondiscrimination.** Irrespective of the foregoing, no amendment will (i) alter the Percentage Interest applicable to each Unit (except as permitted in accordance with Section 3.3, and 6.4(b) hereof); (ii) discriminate against any Owner or against any Unit or class or group of Units, unless in each instance all Owners adversely affected thereby expressly consent thereto in writing.

16.2.4. **Necessary Amendments.** Notwithstanding any other provisions of this Master Deed to the contrary, if any amendment is necessary during the Transition Period in the judgment of the Board to cure any ambiguity or to correct or supplement provisions of the Regime Documents that are defective, missing or inconsistent with any other provision thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary Mortgage market lenders, guarantors or insurers with respect to condominium projects, then at any time and from time to time the Board may effect an appropriate corrective amendment without requiring the vote of the Members.

16.2.5. **Recording.** A copy of each amendment provided for in this Section 16.2 will be certified by the Association as having been duly adopted and will be effective when recorded.

16.2.6. **Approval of the Developer.** In recognition of the fact that certain provisions of this Master Deed are for the benefit of the Developer, no amendment in derogation of any right reserved or granted to the Developer by provisions of this Master Deed may be made without the written approval of the Developer and any attempt at such shall be a nullity and without affect on the terms, provisions, rights and reservations within this Master Deed until such written approval has been obtained and recorded with the amending instrument. Except with respect to Developer Amendments, the Developer's written consent, to be withheld in its sole and absolute discretion, shall be required for any amendment to this Master Deed to be effective during the Transition Period and such written consent must be attached to the instrument and recorded therewith.

16.3. **Termination.** This Property may be terminated as a horizontal property regime and sold only if all the Members holding one hundred percent (100%) of the Total Percentage Interest vote to terminate the Regime at an Association meeting duly called for such purpose and the consent of all Mortgagees of record. However, until all the Property is sold and the proceeds thereof distributed, the Association shall continue in existence with all powers that it had before the termination. Following the termination of the Regime:

16.3.1. Title to the Land and improvements thereon shall vest in the Association as trustee for the holders of all interests in the Units;

16.3.2. The undivided interest of each Owner in the Property will be a percentage equal to the Percentage Interest appurtenant to the Unit theretofore owned by the Owner. However, in the event there is a Building having value or there are other valuable improvements remaining on some Units which are owned by such Unit Owners and affixed to the Property, the Board of Directors will order an independent professional appraisal of all the Property and such improvements thereon (including the Owner's Building and other improvements within his/her/its respective Units) and the Board of Directors, in consultation with the appraiser, shall mutually adjust such percentage interests in the Property to fairly compensate those Unit Owners who will be contributing valuable improvements on the Property in trust to be sold by the Association as provided herein;

16.3.3. The Association will proceed to satisfy all of its liabilities and convert all of its assets to cash, which will be deposited with the Association or the Association's designated Trustee;

16.3.4. The proceeds from the sale of the Property, the liquidation of the assets of the Association and the insurance proceeds related to the damage or destruction to the Common Elements will be considered one fund which, after paying the reasonable expenses of the Trustee, will be distributed to all the Owners and their respective Mortgagees and other lienholders as their interests may appear in percentages equal

to the Percentage Interests of said Owners as maybe modified pursuant to Section 16.3(ii). Distributions to such Owners and their Mortgagees will be made pursuant to certificates provided for in Section 5.6.

- 16.4. **Covenants Running with the Land.** All provisions of this Master Deed will be construed to be covenants running with the land, and with every part hereof and interest therein, including, but not limited to every Unit and the appurtenances thereto; and each and every provision of this Master Deed will bind and inure to the benefit of the Developer and all Owners and claimants of the Regime or any part thereof or interest therein, and their heirs, executors administrators, successors and assigns.
- 16.5. **Enforcement.** Each Owner will comply strictly with the Regime Documents, as the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed and in the deed to his Unit. Failure to comply with any of the same will be grounds for an action to recover sums due for damages or injunctive relief or for all three maintainable by the Board of Directors on behalf of the Association or by any aggrieved Owner. In addition, the rights of any Owner or lease of an Owner, the families, invitees or guests to use and to enjoy the Common Element may be suspended by the Board of Directors for continued violation of the Regime Documents. Failure by the Association or any Owner to enforce any of the forgoing will in no event be deemed a waiver of the right to do so thereafter.
- 16.5.1. **Authority and Enforcement.** Upon the violation of the Regime Documents, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (i) to impose reasonable monetary fines which will constitute an equitable charges and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, or (iii) to suspend an Owner's or Unit occupant's right to use any of the Common Elements. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Elements will not be terminated hereunder. An Owner or Unit's occupant will be subject to the foregoing sanctions in the event of such a violation by such Owner or Unit's occupant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.
- 16.5.2. **Procedure.** Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Project for violations of the Regime Documents, unless and until the Board has given notice to the Owner responsible for such violation and such Owner has been given reasonable opportunity to correct a violation that may be cured. No such notice and cure period need be given for

continuing violations of the same provision in this Master Deed or of the same Rule or Regulation of the Association.

- 16.6. **Severability.** All provisions of this Master Deed and all of the Regime Documents will be construed in a manner that complies with the Act and South Carolina law to the fullest extent possible. If all or any portion of any provision of this Master Deed or any other Regime Documents will be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision hereof or thereof, and such provision will be limited and construed as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.
- 16.7. **Gender or Grammar.** The singular whenever used herein will be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, will in all cases be assumed as though in each case fully expressed. In addition, the use of the terms "herein" or "hereof" will mean this Master Deed and not merely the Section or paragraph in which such term is utilized.
- 16.8. **Headings.** All Section headings are utilized merely for convenience and will not restrict or limit the application of the respective Sections.
- 16.9. **Powers of Attorney.** By acceptance of a deed or other conveyance of an interest in a Unit, all Members do hereby grant, and if further required, do agree to vote in a manner to provide to, and to ratify and confirm retention by, Developer of Developer's rights under this Master Deed, including, without limitation, the right to amend this Master Deed in accordance with the provisions hereof. In connection with this voting agreement, each Member appoints Developer as proxy for such member with full power of substitution to vote for the Member on all such matters on which the Member may be entitled to vote, and with respect to which there is a reservation or designation of voting rights in Developer under this Master Deed, and with all powers which the member would possess if personally present at any meeting of Members. Such appointment will be, upon acceptance of a deed or other conveyance by the Member and without the necessity of further action by the Developer or the member, a power coupled with an interest and will be irrevocable. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Member is recorded in the ROD. This irrevocable proxy will automatically terminate upon the termination of the Developer's Transition Period. The within voting agreements and proxy are in addition to, and not in substitution of, all rights of Developer herein provided, which will run with the land.
- 16.10. **Unit Deeds.** In accepting a deed to any Unit, the grantee will be deemed to have accepted and agreed to all terms and conditions contained in this Master Deed and the

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Exhibits, as amended, and further agrees to execute any and all documents reasonably requested by the Developer or the Association from time to time to expressly evidence the foregoing.

- 16.11. **Conflicts.** In the case of any conflict between the Articles of Incorporation and the Master Deed, the Articles of Incorporation shall control; in the case of any conflict between the Master Deed and the Bylaws, the Master Deed shall control; and in the case of any conflict between the Master Deed and any required term or condition imposed by the Horizontal Property Regime Act upon the Association and/or the governance of the Regime that is at variance with the Master Deed and is a mandatory provision of such Act, the provisions of the Horizontal Property Regime Act shall control.

**17. Exhibits**

- 17.1. **Exhibits Attached.** The following Exhibits are attached hereto and incorporated verbatim in this Master Deed by reference as fully as if set forth herein.



**EXHIBIT "A-1"**

**Legal Description of The Land**

PARCEL 1

ALL AND SINGULAR all those certain parcels and lots of land situate, lying and being in Socastee Township, at Myrtle Beach, Horry County, South Carolina, and being more particularly described as Lots Four (4), Five (5), and Six (6) of Block Four (4) of the Midway Section, as shown on a map by N. C. Hughes, Jr., Engineer, dated July 1940 and recorded in the office of the Register of Deeds for Horry County in Plat Book 9, at Page 26, reference to which is craved as forming a part of these presents.

PARCEL 2

ALL AND SINGULAR, those certain pieces, parcels or lots of land lying and being in Socastee Township at Myrtle Beach, Horry County, South Carolina, and being Lots Seven (7), Nine (9), Eleven (11), and Thirteen (13) of Block Number Four (4) of the Midway Subdivision as shown on map by Robert L. Bellamy, C. E. dated January, 1965, and recorded in Plat Book 42 at Page 91, in the Office of the R.O.D. for Horry County, South Carolina, reference to which is craved as forming a part of these presents.

This being the identical property conveyed to the Grantors by Deed.

TMS# 187-01-01-009 / PIN# 445-02-01-0655 (for Informational Purposes Only)  
TMS# 187-01-01-010 / PIN# 445-02-01-0659TMS # (for Informational Purposes Only)

Derivation: This being the identical property conveyed to the Grantor by deed of Glenda Jordan Ammons, Sharon Marie Jordan Parker and Steven Wayne Jordan as Co Trustees of The Glenda Jordan Ammons Trust under the Cornelius Jason Ammons, Jr. Trust dated September 24, 2009, by Deed dated August 15, 2022 and recorded August 16, 2022 in Deed Book 4583 at Page 1554; and Corrective Deed dated September 12, 2022, recorded September 15, 2022, in Deed Book 4593 at Page 971 in the Office of the Register of Deeds for Horry County, South Carolina.

**EXHIBIT "A-2"**

**Legal Description of Regime Expansion Area**

**PARCEL 2**

ALL AND SINGULAR, those certain pieces, parcels or lots of land lying and being in Socastee Township at Myrtle Beach, Horry County, South Carolina, and being Lots Seven (7), Nine (9), Eleven (11), and Thirteen (13) of Block Number Four (4) of the Midway Subdivision as shown on map by Robert L. Bellamy, C. E. dated January, 1965, and recorded in Plat Book 42 at Page 91, in the Office of the R.O.D. for Horry County, South Carolina, reference to which is craved as forming a part of these presents.

This being the identical property conveyed to the Grantors by Deed.

TMS# 187-01-01-010 / PIN# 445-02-01-0659TMS # (for Informational Purposes Only)

Derivation: This being the identical property conveyed to the Grantor by deed of Glenda Jordan Ammons, Sharon Marie Jordan Parker and Steven Wayne Jordan as Co Trustees of The Glenda Jordan Ammons Trust under the Cornelius Jason Ammons, Jr. Trust dated September 24, 2009, by Deed dated August 15, 2022 and recorded August 16, 2022 in Deed Book 4583 at Page 1554; and Corrective Deed dated September 12, 2022, recorded September 15, 2022, in Deed Book 4593 at Page 971 in the Office of the Register of Deeds for Horry County, South Carolina.

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**EXHIBIT "B"**

**SITE PLAN**

**VILLAS AT 24TH AVE  
HORIZONTAL PROPERTY REGIME**

**UNITS 1 – 12**

***“Phase Plat of the Villas at 24<sup>th</sup> prepared for TG22 LLC”***  
**Recorded in the Office of the Register of Deeds for Horry County**  
**In Plat Book 324 at Page 160**

The Project initially consists of twelve (12) Units numbered Units 1 through and including 12. On the above referenced Plat, “Unit 1” is labeled “Phase 1”, “Unit 2” is labeled “Phase 2”, “Unit 3” is labeled “Phase 3”, “Unit 4” is labeled “Phase 4”, “Unit 5” is labeled “Phase 5”, “Unit 6” is labeled “Phase 6”, “Unit 7” is labeled “Phase 7”, “Unit 8” is labeled “Phase 8”, “Unit 9” is labeled “Phase 9”, “Unit 10” is labeled “Phase 10”, “Unit 11” is labeled “Phase 11”, and “Unit 12” is labeled “Phase 12”.

Each Unit shown upon the Survey is located by a tie line whose origin is staked with an iron pin and further shown on the Survey of the Property to this Master Deed. The said points of origin and tie lines are shown for purposes of location and reference, and the courses and distances of each Unit shown on the Survey constitutes the Unit’s perimeter. The Unit’s dimensions and area so located as shown in the Survey are further described as follows:

Bottom                      The bottom is an imaginary horizontal plane through a point fifty (50) feet below and parallel with an imaginary horizontal plane through a point to the at the highest elevation of ground within the Unit and shown on the Plan and extending in every direction to the point where it closes with the sides composing the vertical boundaries of the Unit.

Top                            The top of the Unit is an imaginary horizontal plane intersecting the vertical planes projecting from the sides of the Unit at a point one hundred (100) feet above and parallel to the bottom plane of the Unit and extending in every direction to the point where it closes with the sides of the Unit.

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Sides

The sides of the Unit consist of imaginary vertical planes perpendicular to the top and bottom of the Unit along and coincident with the perimeter of the Unit, which perimeter is described above and graphically shown on the Plan. Each side extends upwards and downwards so as to close the area in the Unit bounded by the bottom and top hereof.

A Unit is comprised of the entire volume of space within the area bounded by the bottom, sides and top of a Unit, together with those portions of the Building, the water, sewer and other utility distribution systems and other improvements located within the aforesaid boundaries which are appurtenant to the Building and are not otherwise described as Common Elements within this Master Deed. The location of each Unit is identified on the Survey and this Site Plan by a specific number, which identification shall be sufficient to identify the Unit for all purposes. The maintenance, repair and replacement of Buildings and other items that are so deemed to be included in the Units are the responsibilities of the Owner of the Unit pursuant to Section 8.3 of the Master Deed.

Reference to an area as "Common Element" or "Limited Common Element" on the Survey shall be read in conjunction with the further designations of Common Element and/or Limited Common Element and elements set out in other portions of this Master Deed.

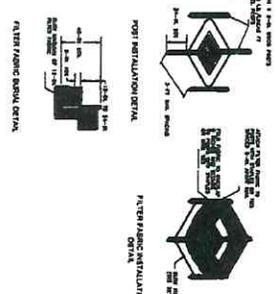




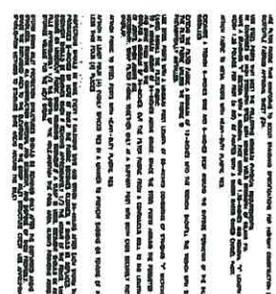




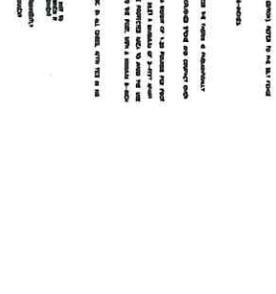
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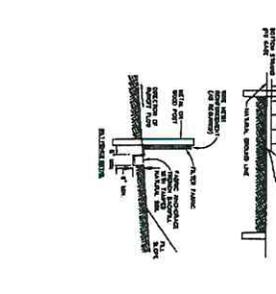
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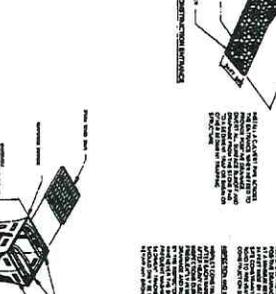
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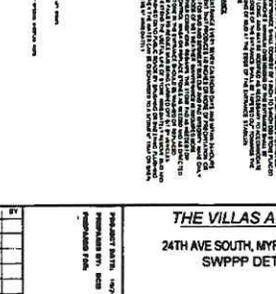
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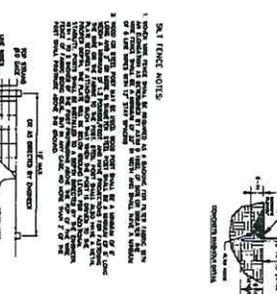
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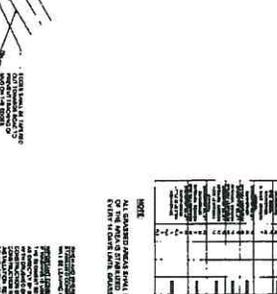
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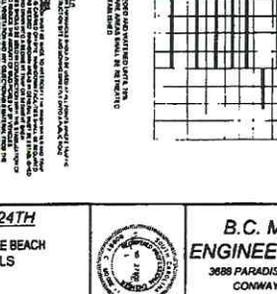
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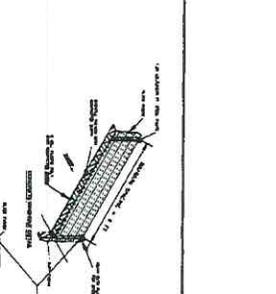
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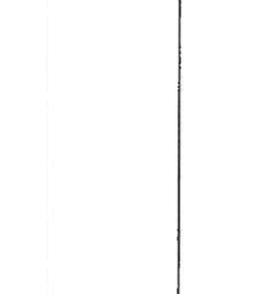
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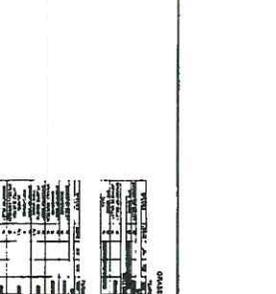
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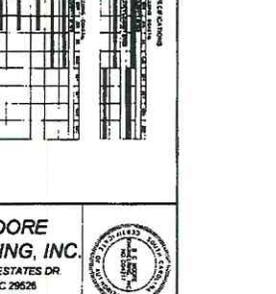
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OF 2

**THE VILLAS AT 24TH**  
 24TH AVE SOUTH, MYRTLE BEACH  
 SWPPP DETAILS

PROJECT

**B.C. MOORE**  
**ENGINEERING, INC.**  
 3688 PARADISE ESTATES DR  
 CONWAY, SC 29526  
 BCOMORE@GMAIL.COM  
 PH 843-285-0723 FAX 843-285-0823



**EXHIBIT "C"**

**Schedule of Assigned Values and Percentage Interests**

This is a schedule of Assigned Values and Percentage Interests in the Common Elements appurtenant to Units in Villas at 24th Ave Horizontal Property Regime. The Assigned Value is for statutory purposes only and has no relationship to the actual value of each Unit.

**VILLAS AT 24<sup>TH</sup> AVE  
HORIZONTAL PROPERTY REGIME**

Unit Number	Statutory Value	Percentage Interest
1	1,000	8.333%
2	1,000	8.333%
3	1,000	8.333%
4	1,000	8.333%
5	1,000	8.333%
6	1,000	8.333%
7	1,000	8.333%
8	1,000	8.333%
9	1,000	8.333%
10	1,000	8.333%
11	1,000	8.333%
12	1,000	8.333%
<b>TOTAL</b>	<b>12,000</b>	<b>100.0000%</b>

Units 1 through 12 initially, and any units in additional phases, or any of them, may be submitted in any order as Phases II through III of the Villas at 24th Ave Horizontal Property Regime. As each Phase is added by Expansion Amendment, the total Assigned Value of all Units submitted and constituting the Regime, and the Percentage Interest of each Unit, shall be re-determined and this Exhibit "C" shall be amended and restated. In re-determining the Percentage Interest of each Unit after additional Units have been added to the Regime, a formula is employed using the Assigned Value of each Unit, which shall always be 1,000, as the numerator, and the total Assigned Values of all Units within the Regime (including the 12 original Units of Phase I and all additional Units within the Phases being submitted and previously submitted to the Regime) as the denominator. The resulting fraction will then be expressed as a percentage rounded to the nearest .0001. The total Assigned Values assigned to each Unit and Building that may be constructed and submitted to the Regime as Phases II through VIII, if constructed and submitted, will be in accordance with the following schedule:

Maximum Assigned Values in any additional Unit

\$ 1,000

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**Exhibit "D"**

**Articles of Incorporation**

*Villas at 24th Ave Homeowners' Association, Inc*

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Filing ID: 240815-1621142

Filing Date: 08/15/2024

Aug 15 2024  
REFERENCE ID: 1689385

STATE OF SOUTH CAROLINA  
SECRETARY OF STATE

*Mark Hammond*  
SECRETARY OF STATE OF SOUTH CAROLINA

ARTICLES OF INCORPORATION  
Nonprofit Corporation – Domestic  
Filing Fee \$25.00

Pursuant to S.C. Code of Laws Section 33-31-202 of the 1976 S.C. Code of Laws, as amended, the undersigned corporation submits the following information

1. The name of the nonprofit corporation is

Villas at 24th Ave Homeowners' Association, Inc.

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is  
316 Fairwood Terrace

(Street Address)

Myrtle Beach, South Carolina 29588

(City, State, Zip Code)

The name of the registered agent of the nonprofit corporation at that office is

Eric Grabara

(Name)

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

(Agent's Signature)

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

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

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

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

5. The principal office of the nonprofit corporation is  
316 Fairwood Terrace

(Street Address)

Myrtle Beach, South Carolina 29588

(City, State, Zip Code)

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ORIGINAL ON FILE IN THIS OFFICE

Aug 15 2024  
REFERENCE ID: 1689385

Villas at 24th Ave Homeowners' Association, Inc.

*Mark Hammond*  
SECRETARY OF STATE OF SOUTH CAROLINA

Name of Corporation

Corporation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a"**.

a.

Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

[Empty box for entity name]

OR

b.

If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporation or to one or more of the entities described in (a) above.

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

[Empty box for entity name]

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

a.

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

b.

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

[Empty box for distribution details]

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows [See S.C. Code of Laws Section 33-31-202(c)].

[Empty box for optional provisions]

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SECRETARY OF STATE OF SOUTH CAROLINA

Villas at 24th Ave Homeowners' Association, Inc.

Name of Corporation

9. The name and address of each incorporator is as follows (only one is required, but you may have more than one).

Eric Grabara  
\_\_\_\_\_  
(Name)  
316 Fairwood Terrace

\_\_\_\_\_  
(Business Address)  
Myrtle Beach, South Carolina 29588  
\_\_\_\_\_  
(City, State, Zip Code)

Ester Simantov  
\_\_\_\_\_  
(Name)  
9174 Abingdon Drive

\_\_\_\_\_  
(Business Address)  
Myrtle Beach, South Carolina 29579  
\_\_\_\_\_  
(City, State, Zip Code)

Diana Adams  
\_\_\_\_\_  
(Name)  
1293 Professional Drive Suite 209

\_\_\_\_\_  
(Business Address)  
Myrtle Beach, South Carolina 29577  
\_\_\_\_\_  
(City, State, Zip Code)

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Eric Grabara  
\_\_\_\_\_  
(Name - only if names in articles)  
Signed as Filer: David C Haar: (Electronically Signed)  
\_\_\_\_\_  
(Signature of Director)

Ester Simantov  
\_\_\_\_\_  
(Name - only if names in articles)  
Signed as Filer: David C Haar: (Electronically Signed)  
\_\_\_\_\_  
(Signature of Director)

Diana Adams  
\_\_\_\_\_  
(Name - only if names in articles)  
Signed as Filer: David C Haar: (Electronically Signed)  
\_\_\_\_\_  
(Signature of Director)

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REFERENCE ID: 1689385

Villas at 24th Ave Homeowners' Association, Inc.

Name of Corporation

  
SECRETARY OF STATE OF SOUTH CAROLINA

11. Each incorporator listed in #9 must sign the articles

Signed as Filer: David C Haar: (Electronically Signed)

(Signature of Incorporator)

Signed as Filer: David C Haar: (Electronically Signed)

(Signature of Incorporator)

Signed as Filer: David C Haar: (Electronically Signed)

(Signature of Incorporator)

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is:

\_\_\_\_\_

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Business Name: Villas at 24th Homeowner's Association Inc.

Aug 15 2024  
REFERENCE ID: 1689385

  
SECRETARY OF STATE OF SOUTH CAROLINA

### Signature Page for a Secretary of State Business Filing

This page must be completed, scanned, and attached to any business filing where one of the following is true.

- The filing party signs the digital form on behalf of official signee.
- An attorney's signature is required. (Articles of Incorporation for Corporation, Nonprofit Corporation, and Benefit Corporation)

#### Official Signatures

(Officer, Incorporator, Director, Agent, Partner, etc)

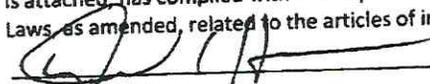
Required for forms where the signee is not present upon online submission and a filing party is providing a digital signing on their behalf. If the provided space is not enough, please attach multiple pages.

Eric Grabara	<u>08/12/2024</u>
_____	Date
Name	Organizer
_____	_____
Signature	Title / Position
_____	_____
Name	Date
_____	_____
Signature	Title / Position
_____	_____
Name	Date
_____	_____
Signature	Title / Position
_____	_____
Name	Date
_____	_____
Signature	Title / Position

#### Attorney Signature

Required for forms that implicitly state that an attorney must sign. (Articles of Incorporation for Corporation, Nonprofit Corporation, and Benefit Corporation)

I, David C Haar an attorney licensed to practice in the state of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 2, Title 33 of the 1976 South Carolina Code of Laws, as amended, related to the articles of incorporation.

  
Attorney Signature 8/13/2024  
Date

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Business Name: Villas at 24th Ave Homeowners' Association, Inc.

Aug 15 2024

REFERENCE ID: 20240815125011

### Signature Page for a Secretary of State Business Filing

Completed, scanned, and attached to any business filing where one of the following is true.

  
SECRETARY OF STATE OF SOUTH CAROLINA

I hereby signs the digital form on behalf of official signee.

- An attorney's signature is required. (Articles of Incorporation for Corporation and Benefit Corporation)

#### Official Signatures

(Officer, Incorporator, Director, Agent, Partner, etc)

Required for forms where the signee is not present upon online submission and a filing party is providing a digital signing on their behalf. If the provided space is not enough, please attach multiple pages.

Diana Adams  
Name

08/15/2024  
Date

  
Diana Adams / Aug 15, 2024 14:12:50:11  
Signature

Incorporator  
Title / Position

Name

Date

Signature

Title / Position

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## Diana SoS Signature Page

Final Audit Report 24

2024-08-15

REFERENCE ID: 1689365

 Mark Hammond SECRETARY OF STATE OF SOUTH CAROLINA	24-08-15 David Haar (david@longbaylawyers.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1f1Sy_QYCdXooGWEHayFIpt2_XqRgEdO

### "Diana SoS Signature Page" History

-  Document created by David Haar (david@longbaylawyers.com)  
2024-08-15 - 5:59:37 PM GMT
-  Document emailed to Diana Adams (dianaadams01@icloud.com) for signature  
2024-08-15 - 5:59:41 PM GMT
-  Email viewed by Diana Adams (dianaadams01@icloud.com)  
2024-08-15 - 6:11:23 PM GMT
-  Document e-signed by Diana Adams (dianaadams01@icloud.com)  
Signature Date: 2024-08-15 - 6:12:48 PM GMT - Time Source: server
-  Agreement completed.  
2024-08-15 - 6:12:48 PM GMT



# *The State of South Carolina*



*Office of Secretary of State Mark Hammond*

## **Certificate of Existence**

**I, Mark Hammond, Secretary of State of South Carolina Hereby Certify that:**

Villas at 24th Ave Homeowners' Association, Inc., a nonprofit corporation duly organized under the laws of the State of South Carolina on August 15th, 2024, has as of the date hereof filed as a nonprofit corporation for religious, educational, social, fraternal, charitable, or other eleemosynary purpose, and has paid all fees, taxes and penalties owed to the State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to S.C. Code Ann. §33-31-1421, and that the nonprofit corporation has not filed articles of dissolution as of the date hereof.

Given under my Hand and the Great Seal  
of the State of South Carolina this 15th day  
of August, 2024.

  
Mark Hammond Secretary of State