

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY) MASTER DEED

ROYAL GARDEN RESORT, INC. HORIZONTAL PROPERTY REGIME

KNOW ALL MEN BY THESE PRESENTS, that this Master Deed made this 12th day of June, 1984, by Royal Garden Resort, Inc., a South Carolina corporation, hereinafter referred to as Grantor, as the sole owner in fee simple of the land and improvements hereinafter described, does hereby make, publish and declare:

W I T N E S S E T H:

WHEREAS, Grantor is the owner in fee simple of certain real property situate in the County of Horry, State of South Carolina, which real property is more fully described in Exhibit "A", which is attached hereto and made a part hereof and incorporated herein by reference (which real property is hereinafter called "the Property");

WHEREAS, Grantor desires to submit the Property to condominium ownership pursuant to the "Horizontal Property Act" of South Carolina Chapter 31 of Title 27, Code of Laws of South Carolina, 1976, as amended, subject to the easements and agreements set forth herein and to certain protective covenants, conditions, restrictions, reservations, liens, and charges hereinafter set forth; and

WHEREAS, Grantor by submitting and conveying said Property, desires to create a condominium development known as "Royal Garden Resort Horizontal Property Regime", (hereinafter referred to as "R.G.R.") thereby establishing a plan for the individual ownership of units and the ownership of undivided interest in the "general common elements" and "limited common elements"; and

WHEREAS, Grantor desires to convey the Property pursuant to and subject to certain protective covenants, conditions, restrictions, reservations, liens, and charges hereinafter set forth;

NOW, THEREFORE, Royal Garden Resort, Inc., as Grantor, hereby submits the Property to the provisions of the Horizontal Property Act of South Carolina, which is Chapter 31 of Title 27, Code of Laws of South Carolina, 1976, as amended, and hereby establishes a plan as to the division of the Property, the imposition of covenants, conditions, restrictions, reservations, liens and charges thereon and the individual

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ownership thereof. Grantor hereby specifies that this Master Deed shall constitute covenants, conditions and restrictions which shall run with the Property and shall bind and inure to the benefit of the Grantor, its successors and assigns, and all subsequent owners of any interest in the Property, their grantees, successors, heirs, executors, administrators, devisees or assigns.

ARTICLE I

DEFINITIONS

Section 1. Unless defined herein or unless the context requires otherwise, the words defined in Section 27-31-20 of the Code of Laws of South Carolina, 1976, as Amended, when used in this Master Deed or in any amendment hereto, shall have the meaning therein; provided, the following words, when used in this Master Deed or any amendment hereto, unless the context requires otherwise, shall have the following meanings:

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

(b) "Assessment" means an owner's share of the common expenses assessed against such owner and his Unit from time to time by the Association in the manner hereinafter provided.

(c) "Association" means Royal Garden Resort Condominium Homeowners Association, Inc., an association of and limited to Owners of the Condominium Units located in Royal Garden Resort Horizontal Property Regime in the form of a non-profit, non-stock membership corporation organized under the laws of the State of South Carolina.

(d) "Board of Directors" or "Board" means the Board of Directors of the Royal Garden Resort Condominium Homeowners Association, Inc., and "director" or "directors" means a member or members of the Board.

(e) "Common Expenses" means and includes (a) all expenses incident to the administration, maintenance, repair and replacement of the General Common Elements and the Limited Common Elements, after excluding therefrom such expenses which are the responsibility of a Unit Owner as set forth in Section 2 of Article VIII hereof; (b) expenses determined by the Association to be Common Expenses and which are

lawfully assessed against Unit Owners; and (c) expenses incident to the General Common Elements and Limited Common Elements as defined in Horizontal Property Act as declared to be common expenses by the Condominium Documents. Electricity, water, and other common expenses, shall be allocated to the respective units according to the respective percentages in Exhibit "C" hereto, unless specifically provided otherwise.

(f) "Condominium Documents" means and includes the Master Deed and Exhibits, Declaration of Conditions and Restrictions for Royal Garden Resort, Articles of Incorporation for Royal Garden Resort Condominium Homeowners Association, Inc., and the By-Laws of Royal Garden Resort Condominium Homeowners Association, Inc., all as amended from time to time.

(g) "Condominium Property" or "Property" means and includes all the property submitted to the Horizontal Property Regime by this Master Deed and described on Exhibit "A".

(h) "General Common Elements" means and includes all of the Condominium Property after excluding the Condominium Units and Limited Common Elements, as so designated in Exhibit "B" attached hereto and incorporated herein by this reference, and related drawings.

(i) "Grantor" shall mean and refer to Royal Garden Resort, Inc., a South Carolina corporation; its successors and assigns.

(j) "Limited Common Elements" means and includes those areas so designated in Exhibit "B" attached hereto and incorporated herein by this reference, and related drawings.

(k) "Mortgage" shall include real property mortgages, security agreements and financing statements, chattel mortgage, bills of sale to secure debt, and any and all other liens or similar instruments given to secure the payment of an indebtedness.

(l) "Owner" means the record owner, whether one or more persons, of fee simple title in and to any Condominium Unit, whether such unit be residential or commercial; excluding, however, those persons having such interest merely as security for the performance of an obligation by the record owner.

(m) "Percentage Interest" means the percentage of undivided interest each Unit Owner owns as tenant in common in the Limited and

(n) "Unit" means those parts of the Property which are subject to individual ownership, as so designated in the Exhibits and Attachments hereto and made a part hereof. There are both residential units and commercial units in the property. A Unit consists of the space enclosed by the intersection of horizontal and vertical planes described as follows:

(1) The vertical boundaries consist of the unexposed, unfinished interior faces of the exterior walls of the building and the unexposed, unfinished interior faces of the concrete walls, concrete block walls, and the drywalls separating such Unit from elevators, stairs, corridors, or other residential units; and

(2) The horizontal boundaries consist of the upper surface of the finished structural concrete floor and lower surface of the unfinished structural concrete slab ceiling.

The boundaries are not themselves included in a Unit, and doors, sliding glass doors, windows that open from the Unit, and screens are deemed part of a Unit.

(o) "Unit Plans" means and includes the architectural plans of the Units erected or to be erected on the Condominium Property, which plans were prepared by Kenneth R. Sanders, Architect, which will be filed for record in the Office of the Register of Meane Conveyance of Horry County, South Carolina, simultaneously with the filing for record of this Master Deed.

(p) "Survey Plat" or "Surveys" means and includes the surveys of the Condominium Property, Units, and Common Elements,

including, but not limited to, boundary survey as-built surveys and site plans.

(q) "Trustee" means the financial institution selected by Grantor or the Association to hold certain funds of the Association.

(r) The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

ARTICLE II

REGIME OWNERSHIP AND RIGHTS

Section 1. Development Plan. Grantor shall construct or cause to be constructed on the Property identified on Exhibit "A" hereto one (1) building containing a total of Two Hundred Six (206) Residential Condominium Units and three (3) Commercial Condominium Units. The building shall be constructed substantially in accordance with the Unit Plans, Master Plans, and Surveys, all of which are contained in Exhibit "B", which is attached hereto and incorporated herein by this reference, and which Exhibit "B" shall show the boundary, number and location of the Units, and the materials of which the Units are to be constructed. The Grantor expressly reserves the right, during the course of construction, to revise, modify or change in whole or in part any of such Condominium Units; provided, however, (i) Grantor shall adhere to the general scheme of development as set forth in Exhibit "B" attached hereto, and (ii) Grantor shall not make any such alterations to any Condominium Unit sold or under a valid sales contract without having first notified the Owner thereof. If such Owner does not agree in writing to the changes, then the agreement between the Owner and Grantor shall be terminated, and Grantor shall refund to Owner all of the funds that Owner has paid to Grantor; and title and all claims to said unit shall revert back to Grantor upon such payment. Any such change or modification shall not alter the Percentage Interests set forth in Exhibit "C" without the unanimous consent (100%) of the Unit Owners expressed in an amendment hereto duly recorded.

Subject to the preceding, the Grantor reserves the right to amend the Master Deed and any exhibits hereto within One (1) year of the original filing hereof, or at any time prior to the date on which Seventy-Five (75%) percent of the Units herein have been transferred by

Grantor to the Purchasers thereof, whichever time period occurs later.. Some Units may be conveyed and occupied prior to the completion of other Units; provided, however, that prior to the conveyance under such circumstances of each Unit, there shall be filed or recorded an amendment to this Master Deed together with an attached verified statement of a registered architect or licensed professional engineer certifying that the Unit Plans and Surveys theretofore filed, or supplemental Unit Plans and/or Surveys being filed simultaneously therewith together with such plans and surveys as may have been filed prior thereto, fully depict the layout, location, identification, dimensions, and materials used in the construction of such Unit as built.

The Grantor hereof reserves the right to add additional phases hereto at a later time.

Section 2. Units. Each Unit, together with its Percentage Interest in the General Common Elements and Limited Common Elements, shall, for all purposes, constitute a separate parcel of real property which, subject to the provisions of this Master Deed, may be owned in the same manner as any other real property. Each Owner, subject to the provisions of this act and this Master Deed, shall be entitled to the exclusive ownership and possession of his Unit. Grantor, by the recordation of this Master Deed, agrees, consents and warrants to faithfully complete construction of all such Condominium Units and buildings within two years of the date of sale thereof; provided, however, that if Grantor fails to complete any building or Condominium Unit as agreed herein, Grantor agrees to repurchase the same for a price equal in amount to the sum of all monies heretofore paid by the Seller for such unit by the Owner thereof. In the event of such repurchase, Grantor shall thereafter be completely and forever absolved and relieved of any and all liability or responsibility relating to or derived from its failure to complete such construction.

Section 3. Conveyance by Warranty Deed. All conveyances of title in any Condominium Unit shall be by general warranty deed; the conveyance of each unit by the Grantor to the first Purchaser(s) shall

Section 4. Common Area and Facilities.

(a) Percentage Interest. The Unit Owners shall own the General Common Elements and Limited Common Elements as tenants in common, with each Unit having assigned thereto the Percentage Interest in said General Common Elements and Limited Common Elements as set forth in the Master Plan contained in Exhibit "C" attached hereto; provided, however, the use of the Limited Common Elements shall be restricted as set forth in Section 4(e) of this Article II. The Percentage Interest assigned to each Unit has been determined by dividing the assigned fair market value of such Unit as of the effective date of the Declaration by the aggregate assigned fair market value of all of the Units as of said date. This Percentage Interest assigned to each Unit has been determined by finding the percentage equivalent to the value of the individual Unit, with relation to the value of the Property. The stated Percentage Interest is permanent in character and cannot be altered except as provided in this Article and in Exhibit "C" without the consent of all (100%) of the Unit Owners expressed in an amendment to the Master Deed duly recorded.

(b) Inseparability of Percentage Interest. The Percentage Interest in the General Common Elements and the Limited Common Elements cannot be separated from the Unit to which it is assigned and shall be automatically conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the deed or other instrument.

(c) No Partition. The General Common Elements and Limited Common Elements shall remain undivided and no right to partition the same or any part thereof shall exist except as provided in the Unit Ownership Act, the By-Laws, and this Declaration.

(d) Use of General Common Elements. The Unit Owners may use the General Common Elements in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other Unit Owners. The Board of Directors shall, if any question arises, determine the purpose for which a part of the General Common Elements is intended to be used. The Board shall have the right to promulgate rules and regulations limiting the use of the General

for the exclusive use of a part of the General Common Elements by a Unit Owner and his guests for special occasions which exclusive use may be conditioned, among other things, upon the payment of a fee. Any Owner may delegate, in accordance with the provisions of this Deed and the By-Laws, his right to use the General Common Elements to the immediate members of his family, to a limited number of guests, or to his tenants of his Condominium Unit.

(e) Limited Common Elements. Ownership of each a Condominium Unit shall entitle the Owner thereof to the exclusive use of the Limited Common Elements either adjacent to or assigned to such Unit in Exhibit "B" hereto; which exclusive use may be delegated by such Owner to the immediate members of his family, to his guests, or to the tenants of his Condominium Unit. Owners may place plants, furniture, and other similar items within the Limited Common Elements,

The supply closets on each floor are limited common elements assigned to Commercial Unit No. Two (2), and eight (8) of the sixteen (16) honeycombs on the ground level of the building are also limited common elements assigned to Commercial Unit No. Two (2), all as specified in Exhibit "B" hereto. Until title to Commercial Unit No. Two (2) is transferred, Grantor reserves sole and exclusive right to control use and access to the limited common elements assigned to Commercial Unit No. Two (2), and upon transfer of ownership thereof by Grantor, Grantor assigns shall have such sole and exclusive right to said limited common elements. Provided that such plants shall not be allowed to grow or climb to a height higher than the wall or rail enclosing such Limited Common Elements unless the placement of such plants shall have been approved in writing prior to reaching said height by the Board of Directors or by an architectural committee appointed thereby as provided in Section 1 of Article VII hereof, and provided that such plants shall be properly maintained by such occupants.

(f) Percentage of Interest in General Common Elements. Exhibit "C" contains a chart showing the value assigned and fixed for the sole purpose of the Act and is not intended to establish or delineate sales price, but such value is fixed in order to establish and

ARTICLE III

ASSOCIATION, ASSESSMENTS AND MAINTENANCE

Section 1. Administration. The administration of the Condominium Property, the maintenance, repair, replacement and operation of the General Common Elements and Limited Common Elements as herein provided, and those acts required of the Association by the Condominium Documents shall be the responsibility of the R.G.R. Condominium Homeowners Association, Inc. Such administration shall be in strict accordance with the provisions of the Act, this Master Deed, the Articles of Incorporation and the By-Laws of the Association.

Section 2. Agreements. The Association shall be and hereby is authorized to enter into such agreements, including without limitation, management contracts, as it may deem necessary or desirable for the administration and operation of the Condominium Property in accordance with the provisions of the By-Laws and Articles of Incorporation of the Association. Each Owner by acquiring or holding an interest in any Condominium Unit thereby agrees to be bound by the terms and conditions of all such agreements entered into by the initial or subsequent Board of Directors on behalf of the Association. A copy of all such agreements shall be made available at the office of the Association for review by each Owner.

Section 3. Creation of Lien and Personal Obligation for Assessment. Each Condominium Unit is and shall be subject to a lien and permanent charge in favor of the Association for the annual and special Assessments set forth in Sections 4 and 5 of this Article III. Each Assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall be a permanent charge and continuing lien upon the Condominium Unit upon which it relates; and shall also be the joint and several personal obligation of each Owner of such Condominium 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 Condominium Unit thereby covenants to pay such amount to the Association when the same shall become due. The purchaser of a Condominium Unit at a judicial or foreclosure sale shall be liable only

Section 4. Annual Assessments. No later than Thirty (30) days prior to the end of the fiscal year of the Homeowner's Association, the Board of Directors or its authorized agent shall set the annual Assessments for the immediately succeeding calendar year by estimating the Common Expenses to be incurred during this year and shall pro-rate them among the Owners of the Condominium Units in accordance with the Percentage Interest assigned to such Condominium Units, and shall give written notice to each Unit Owner of the annual Assessment fixed against his Unit for such immediately succeeding calendar year. The annual Assessments levied by the Association shall be collected by the Treasurer or his authorized agent as provided in Section 3 of this Article III.

The annual Assessments shall not be used to pay for the following:

(a) Property insurance of individual Owners on their possessions with the Units, and liability insurance of such Owners insuring themselves and their families individually; each of these shall be the sole responsibility of the Owners;

(b) Telephone, gas, or electrical utility charges for the Commercial Units, each of which shall be the sole responsibility of the Owner of said Commercial Unit. The maintenance assessment fees shall include charges for electricity, telephone, cable T.V., sewer, water and other utilities for each Residential Unit, which assessment shall be allocated as provided herein.

Grantor anticipates, pursuant to the Act, that ad valorem taxes and other governmental assessments, if any, upon the Property will be assessed by the taxing authority upon the Unit Owners, and that each assessment will include the assessed value of the Condominium Unit and of the undivided interest of the Unit Owner in the General Common Elements and the Limited Common Elements. Any such taxes and governmental assessments upon the Property which are not so assessed shall be included in the Association's budget as a recurring expense and shall be paid by the Association as a Common Expense. Each Unit Owner is responsible for making his own return of taxes and such return shall include such Owner's undivided interest in the General Common Elements and Limited Common Elements as such undivided interest is determined by law for purpose of returning taxes. If no provision is made by law or the

taxing authorities for the determination of an Owner's share of the undivided interest in the General Common Elements and Limited Common Elements, each Owner shall return that percentage of the undivided interest in the General Common Elements and Limited Common Elements attributable to his Unit under Exhibit "C".

Section 5. Special Assessments. In addition to the annual Assessments, the Association may levy in any calendar year, special Assessments for the purpose of supplementing the annual Assessments if the same are inadequate to pay the Common Expenses and of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of the Limited Common Elements, or General Common Elements, including the necessary fixtures and personal property related thereto; provided, however, that any such special Assessments subsequent to the first annual meeting of the members as provided in the By-Laws shall have the assent of a majority of the votes represented, in person or by proxy, at a meeting, at which a quorum is present, duly called for the express purpose of approving such expenditure, written notice of which shall be sent to all Owners not less than ten (10) days nor more than sixty (60) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Special Assessments shall be fixed against the Units according to their Percentage Interests; the period of the Assessment and manner of payment shall be determined by the Board.

Section 6. Working Capital Fund. The Association shall establish a working capital fund for the initial months of the project's operation, which fund shall be equal to at least two-month's Assessment for each Unit. Each Unit's share of the capital reserve fund must be collected and transferred to the Association at the time of closing of the sale of each Unit. The monies paid hereunder shall not be considered advance payment of regular Assessment. If no annual Assessment has been established, then the Association shall estimate the regular Assessment installment for the purposes of calculating a two-month's Assessment requirement for this Section.

Section 7. Reserve Funds. The Association may establish reserve funds from its annual Assessments to be held in reserve in an interest drawing account or in obligations backed by the United States, the State of South Carolina, or any agency of either; or in triple-A

debt, or in prime commercial paper with a maturity of not more than nine (9) months, as a reserve for

- (a) Major rehabilitation or major repairs.
- (b) Emergency and other repairs required as a result of storm, fire, natural disaster, or other casualty loss.
- (c) Reoccurring periodic maintenance.
- (d) Initial cost of any new service to be performed by the Association.

Section 8. Date of Commencement of Annual Assessments; Due Dates. Although the annual Assessment is calculated on the calendar year basis, each Owner of a Condominium Unit shall be obligated to pay to the Treasurer or his authorized agent of the Association such Assessment in equal monthly installments on or before the first day of each month during such calendar year, or in such other reasonable manner as the Board of Directors shall designate.

The annual Assessments provided for in this Article III shall as to each Condominium Unit commence upon the conveyance thereof (the "commencement date"). The first monthly payment for the annual Assessment for each Unit shall be an amount (rounding to the nearest whole dollar) equal to the monthly payment for the fiscal year 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.

The Association shall, upon demand at any time, furnish to any Condominium Owner liable for any such Assessment a certificate in writing signed by an officer or a designated agent 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 certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments; The Personal Obligation of the Owner; the Lien; Remedies of Grantor. If an Assessment is not paid on the date when due, as hereinabove provided, then such Assessment, together with such interest thereon and any cost of collection thereof as hereafter provided, shall be a charge and

property in the hands of the Condominium Owner, his heirs, legal representatives, successors and assigns. The personal obligation of the then Condominium Owner to pay such Assessment, however, shall remain his personal obligation and if his successor in title assumes his personal obligation, such prior Condominium Owner shall 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; and such prior Condominium Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Condominium 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 Condominium Owner and his successor in title would be jointly and severally liable to pay such amounts. Upon the sale or conveyance of a Unit, all unpaid Assessments against an Owner shall first be paid out of the sale price or by the purchaser in preference over any other Assessments except Assessments, liens and charges for taxes past due and payments due under mortgage instruments or encumbrances duly recorded.

Any such Assessment not paid by the 10th of the month within which such Assessment is due shall bear interest from such date (the "delinquency date") at the maximum legal rate allowable under South Carolina law. The Association may bring legal action against the Condominium Owner personally obligated to pay the same or foreclose its lien against the Condominium Unit to which it relates or pursue either such course at the same time or successively. In any such event, the Association shall also be entitled to recover reasonable attorney's fees actually incurred and all other costs of collection. Each Condominium Owner, by his acceptance of a deed or other conveyance to a Condominium 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. The Association shall have the power to bid in the Unit at any foreclosure sale and to hold, lease, mortgage and convey the same. No Condominium Owner may be relieved from the Assessments provided for herein by the abandonment of his Condominium Unit or otherwise.

Section 10. Subordination of the Charges and Liens to Mortgages.

(a) The lien and permanent charge for the annual and Special Assessments (together with interest thereon and any cost of collection) authorized herein with respect to any Unit is hereby made subordinate to the lien of any mortgagee or his assigns placed on such Condominium Unit if, but only if, all such Assessments with respect to such Unit having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated are only such lien and charge as relate to Assessments authorized hereunder having a due date subsequent to the date such mortgage is filed for a record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure.

(b) Such subordination is merely a subordination and shall not relieve the Condominium Owner of the mortgaged property of his personal obligation to pay all Assessments coming due at a time when he is the Condominium Owner; shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished as a result of such subordination or against a mortgagee or such mortgagees, assignee, or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure); and no sale or transfer of such property to the mortgagee or to any other person pursuant to a foreclosure sale, or pursuant to any other proceeding in lieu of foreclosure, shall relieve any existing or previous Condominium Owner of such property of any personal obligation, or relieve subsequent Condominium Owners from liability for any Assessment coming due after such sale or transfer.

(c) Notwithstanding the foregoing, the Association may, in writing, at any time, whether before or after any mortgage or mortgages are placed on such Property, waive, relinquish or quit-claim in whole or in part the right of the Association to Assessments provided for hereunder with respect to such Property coming due during the period while such Property is or may be held by mortgagee or mortgagees

Section 11. Exempt Property. Each Condominium Unit shall be exempt from the Assessments created herein until a certificate of occupancy has been issued by the architect or structural engineer responsible for the regime. Except as expressly provided herein, no Unit and its appurtenant Percentage Interest shall be exempt from said Assessments. The following Property, individuals, partnerships, or corporations subject to this declaration shall be exempted from the Assessments, charges and lien created herein:

(a) The grantee in conveyances made for the purpose of granting utility and drainage easements;

(b) All General Common Elements and Limited Common Elements as defined in Article I hereof;

(c) Property which is used in the maintenance and service of facilities within common elements, or by non-profit, governmental or charitable institutions.

Notwithstanding the above, there will be no maintenance assessments on Units which have not been transferred by the Grantor to a purchaser, but in lieu thereof, the Grantor shall make up any deficiencies in the operating budget until such time as Seventy-Five (75%) percent of the Units have been conveyed by the Grantor to Purchasers.

ARTICLE IV

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Board of Directors of the Association or its authorized agent shall obtain insurance for all of the improvements on the Property (excepting the personal property of the Condominium Owners, their guests and lessees and all improvements and betterments made by such Owners at their expense) against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full cost of any repair, reconstruction or replacement in the event of damage or destruction from any such hazard, and shall also obtain a public liability policy covering the General Common Elements, Limited Common Elements and all damage or injury caused by the negligence of the Association or any of its agents, which public liability policy shall have reasonable limits set by the Board of Directors. Premiums for all

All such insurance coverage obtained by the Board of Directors, which liability policy shall have a minimum of one million dollars combined, single limit, shall be written in the name of the Association for the Owners of the Units in same percentage as the Percentage Interest appurtenant to their Units. Such insurance policies shall comply with the provisions hereinafter set forth.

(a) All policies shall be written with a company approved to sell insurance in the State of South Carolina and holding a rating of "A" or better by Best's Insurance Reports.

(b) All policies shall be for the benefit of the Unit Owners and their mortgagees as their interests may appear.

(c) Provisions shall be made for the issuance of a certificate of insurance to each Owner and his mortgagee, if any, which shall specify the proportionate amount of such insurance attributable to the particular Owner's Unit.

(d) The original of all policies and endorsements thereto shall be deposited with the Trustee which shall hold them subject to the provisions of Section 3 of this Article IV.

(e) Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board of Directors or its duly authorized agent; provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations related thereto.

(f) In no event shall any recovery or payment under the insurance coverage obtained and maintained by the Board of Directors hereunder be affected or diminished by insurance purchased by individual Owners or their mortgagees.

(g) Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all of the Owners and their mortgagees, may realize under any insurance policy which the Board of Directors may have in force on the Property at any particular time.

(h) Any Owner who obtains an individual insurance policy covering any portion of the Property, other than on personal property

belonging to such Owner and on improvements and betterments made by such an Owner at his expense, shall file a copy of such policy with the Board of Directors within thirty (30) days after purchase of such insurance.

(i) 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, betterments and personal property damage and loss.

(j) The Board of Directors or its duly authorized agent shall conduct an annual insurance review for the purposes of determining the full insurable value of the entire Property including all Buildings and Units, the Limited Common Elements and the General Common Elements, without respect to depreciation, of all improvements on the Property (with the exception of improvements and betterments made by the respective Owners at their expense) by one or more qualified persons.

(k) The Board of Directors or its duly authorized agent shall make reasonable efforts to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its duly authorized agents and the Owners and their respective servants, agents and guests; (2) a waiver of insurer's right to repair or reconstruct instead of paying cash; (3) a waiver of insurer's right to cancel, invalidate or suspend the policy on account of the acts of fewer than five Owners or the conduct of any director, officer or employee of the Association or its duly authorized agent without a prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its agent, any Owner or mortgagee; and (4) that any "other insurance" clause in the master policy or policies exclude individual owners' policies from consideration.

Section 2. No Partition. There shall be no judicial partition of the Property or any part thereof, and Grantor and every person acquiring any interest in the Property or any part thereof shall acquire the same subject to this Master Deed and shall be deemed to have waived any right to seek any such judicial partition until the happening of the conditions set forth in Section 4 of this Article IV in the case

of damage — destruction or until the Property has been removed from the provisions of the Act as provided for in this Master Deed.

Section 3. Trustee.

(a) All insurance policies purchased by and in the name of the Board of Directors shall provide that proceeds covering Property losses shall be paid jointly to the Association and Trustee. Immediately upon the receipt by the Association of such proceeds, the Association shall endorse the instrument by means of which such proceeds are paid and deliver such instrument to the Trustee. The Trustee shall 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 shall 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.

(b) Among other things, the duty of the Trustee shall be to receive proceeds delivered to it and to hold such proceeds in trust for the benefit of the Owners and their mortgagees. An undivided share of such proceeds on account of damage or destruction to the General Common Elements and Limited Common Elements shall be allocated and assigned for the Owners in accordance with the Percentage Interest appurtenant to their Units. Proceeds on account of damage or destruction to Units shall be allocated and assigned for the Owners of the damaged or destroyed Units in proportion to the cost of repairing or reconstructing the damage or destruction suffered by each such Owner. In the event that a mortgage endorsement has been issued as to any particular Unit, the share of such Unit Owner shall be held in trust for such Owner and his mortgagee as their interests may appear.

(c) The net proceeds received by or due to the Board of Directors from any indemnity paid under a policy of hazard insurance obtained on the Property by the Board of Directors shall promptly be paid by the Board of Directors or the appropriate insurer to an Insurance Trustee as trustee for the Co-Owners as hereinafter provided. The Insurance Trustee shall be a state or federally chartered bank selected by the Board of Directors and having trust powers and capital and surplus of Five Million and No/100 (\$5,000,000.00) Dollars or more. The Insurance Trustee shall hold the insurance proceeds in

trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

- (i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such proceeds thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs shall be paid into the Trust Fund for the benefit of all Owners.
- (ii) If it is determined, as provided in Section 4 of this Article IV, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed to such persons as therein provided.
- (iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever shall be made pursuant to and in accordance with a certificate of the Association signed by the President or Vice President and attested by the Secretary or Assistant Secretary directing the Trustee to make the disbursements.

If the damage or destruction is to the General Common Elements and/or to the Limited Common Elements, and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee known by the Trustee to have the largest interest in or lien upon such General Common Elements and/or Limited Common Elements. If the damage or destruction is to one or more Units and is to be repaired or reconstructed, said certificate shall also be signed by or on behalf of the mortgagee or mortgagees, in any, known by the Trustee to have an interest in or lien upon such Unit or Units. The Trustee shall not incur liability to any Owner, mortgagee or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

Section 4. Damage and Destruction.

(a) Immediately after all or any part of the Property covered by insurance written in the name of the Board of Directors is damaged or destroyed by fire or other casualty, the Board of Directors or its duly

authorized agent shall 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 paragraph, means repairing or restoring the Property to substantially the same condition in which it existed prior to the fire or other casualty with each Unit, the General Common Elements and the Limited Common Elements having the same vertical and horizontal boundaries as before.

(b) Any such damage or destruction to a Condominium Unit which does not render such Unit untenable shall be repaired unless all the Owners unanimously agree in writing not to repair, reconstruct or rebuild the Property in accordance with provisions of the Act. Any such damage or destruction which renders the Condominium Units in a building untenable or uninhabitable, or any such damage or destruction to the General Common Elements and Limited Common Elements, shall be repaired and reconstructed unless the damage or destruction is to the whole or more than two-thirds (2/3) of the Units and their General Common Elements and Limited Common Elements and at least seventy-five percent (75%) of the total vote of the Association, evidenced by a written agreement, within sixty (60) days after the casualty vote not to repair or reconstruct. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable or detailed estimates of the cost of repair or reconstruction are not made available to the Association within said period of sixty (60) days after the casualty, then such period shall be extended until such information shall be made available to the Association; provided, however, that said extension of time shall not exceed ninety (90) days. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed.

(c) In the event that it is determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired or reconstructed, then and in that event (i) the Property shall be deemed to be owned by the Unit Owners as tenants in common, (ii) the undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of Percentage Interest

appurtenant to each Unit, (iii) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of Percentage Interest of the Unit Owner, and (iv) the Property shall be subject to an action for partition at the instance of any Unit Owner, in which event the net proceeds of sale shall be paid to the Trustee. Said net proceeds of sale, together with the net proceeds of the insurance on the Property, shall be divided among all of the Unit Owners in a percentage equal to the Percentage Interest appurtenant to their Units, after first paying out of the respective share of the Unit Owners, to the extent sufficient for such purpose, all liens on the undivided interest in the Property owned by each Unit Owner. Disbursements to such Owners shall be made pursuant to certificates provided for in Section 3 of this Article IV.

Section 5. Repair and Reconstruction.

(a) If the damage or destruction for which the insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall levy a special Assessment against the Owners of damaged or affected Units in sufficient amounts to provide funds to pay such excess cost of repair or reconstruction. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction. That portion of such Assessments levied against each such Unit Owner shall be equal to that percentage computed by dividing the Percentage Interest appurtenant to all Units affected.

(b) Any and all sums paid to the Association under and by virtue of those special Assessments provided for in paragraph (a) of this Section shall be deposited by the Association with the Trustee. Such proceeds from insurance and Assessments, if any, received by the Trustee shall be disbursed as provided in Section 3 of this Article IV.

ARTICLE V

CONDEMNATION

Section 1. General. Whenever all or any part of the Property shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the

Trustee. Unless otherwise required by law at the time of such taking, any award made therefor shall be disbursed by the Trustee, as hereinafter provided in Section 2 of this Article V.

Section 2. General Common Elements. If the taking is confined to the General Common Elements on which improvements, excluding Units, shall have been constructed and if at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after such taking to replace said improvements, or any part thereof, on the remaining land included in the General Common Elements and according to plans therefor to be approved by the Association, then the Board of Directors shall arrange for such replacement and the Trustee shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Property is to be repaired or reconstructed as provided for in this Article V hereof; subject, however, to the right hereby reserved to the Association which may be exercised by a majority of the total vote thereof to provide for the disbursement by the Trustee of the remaining proceeds held by it (after payment of all costs incident to such replacement) to the Owners or any one or more of them in amounts disproportionate to the Percentage Interest appurtenant to their Units established herein, which disproportionate amounts shall correspond with the disproportionate damages sustained by the Owners or any one or more of them as the Association may determine. If at least seventy-five percent (75%) of the total vote of the Association shall not decide within sixty (60) days after such taking to replace such improvements or if the taking is confined to the General Common Elements on which no improvements shall have been constructed, then the Association or the Trustee, as the case may be, shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken, including the right reserved to the Association to provide for the disbursement by the Trustee of the remaining proceeds held by it to the Owners in disproportionate amounts.

Section 3. Units and Limited Common Elements. If the taking includes one or more Units, any part or parts thereof or the Limited

Common Elements, or parts thereof, to which a Unit has exclusive use or use exclusive with other Unit Owners in a particular building, then the award shall be disbursed and all related matters including, without limitation, alteration of the Percentage Interest . . . tenant to each Unit, shall be handled pursuant to and in accordance with the consent of all Owners expressed in a duly recorded amendment to this Master Deed. In the event that such an amendment shall not be recorded within ninety (90) days after such taking, then such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided for in Section 4 of Article IV herein, whereupon the development will be terminated in the manner therein prescribed.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. Approval Required for Changes. To preserve the original architectural appearance of the R.G.R. Horizontal Property Regime after the purchase of a Condominium Unit from Grantor, its successors or assigns, no exterior construction of any nature whatsoever, except as specified in the Condominium Documents, shall be commenced or maintained upon any building including, without limitation, the Limited Common Elements nor shall there be any change, modification or alteration of any nature whatsoever of the design and appearance of any of the exterior surfaces or facades, nor shall any Owner paint, decorate or change the color of any exterior surface, gate, fence or roof, nor shall any Owner change the design or color of the exterior lights, nor shall any Owner install, erect or attach to any part of the exterior any sign of any kind whatsoever, nor shall any exterior addition or change including, without limiting the generality of the foregoing, the erection or construction of any fence or wall, be made unless and until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of exterior design, color and location in relation to the surrounding structures by the Board of Directors of the Association or by an architectural committee composed of three or more representatives appointed by the Board. Failure of the Board, or its designated committee, to approve or

disapprove such plans and specifications within sixty (60) days after their being submitted to it shall constitute approval.

ARTICLE VII

EXTERIOR MAINTENANCE

Section 1. Responsibility of Association. Except as specifically provided to the contrary herein, the Association shall maintain, repair and replace, at its expense, all parts of the General Common Elements and Limited Common Elements whether located inside or outside of a Condominium Unit, the cost of which shall be charged to the Unit Owners as a Common Expense subject to the provisions of Section 2 of this Article VII. The Association shall have the irrevocable right, to be exercised by the Board of Directors, or its agents, to have access to each Condominium Unit from time to time during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the General Common Elements and/or Limited Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the General Common Elements, Limited Common Elements, or to other Units.

Section 2. 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 Section 1 of this Article VII is caused through the willful or negligent act of an Owner, his family, guests or invitees, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs shall be added to and become a part of the Assessment to which such Owner and his Unit is subject. Each Owner shall maintain, repair or replace, at his own expense, all portions of his Unit which may become in need thereof, including the heating and air conditioning system for such Unit, all bathroom and kitchen fixtures and appliances, light fixtures, interior non-loadbearing walls, carpeting, drapes and other items within the Unit. Further, each Owner shall, at his own expense, keep the Limited Common Elements to which his Unit has exclusive access and to which he has exclusive use clean and neat. Where Units in buildings which have an entry, stairs, and other Limited Common Elements exclusive to the Unit Owners in the building, the Unit Owners in the building shall, at their expense, keep these areas clean and

neat. If the Owner does not make those repairs to be made by him within ten (10) days from written demand from the Association, the same may be repaired by the Association and the cost thereof shall be assessed against the Unit owned by such Owner.

ARTICLE VIII

RESTRICTIONS

Section 1. Residential Purposes. Buildings and all Units contemplated in the property shall be, and the same hereby are, restricted exclusively to residential or commercial use. No structures of a temporary character, trailer, basement, tent, shack, carport, garage, barn or other outbuilding shall be used as a residence on any portion of the Property at any time.

Section 2. Construction and Sale. Anything contained herein to the contrary notwithstanding, it shall be permissible for Grantor to maintain, during the period of construction and sale of said Units, upon such portion of the Property as the Grantor may deem necessary, such facilities as in the sole option of the Grantor may be reasonably required, convenient or incidental to the construction and sale of said Units including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 3. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Property, except that dogs, cats or other household pets may be kept by the respective Owners in their respective Units, provided that they are not kept, bred or maintained for any commercial purpose and do not endanger the health or, in the sole discretion of the Board of Directors, unreasonably disturb the Owner of any Unit or resident thereof. No pets shall be allowed in the Common areas except for ingress and egress. All pets are excluded from lawns, pools, and parking areas.

Section 4. Signs and Business Activities. No advertising signs, billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the Property, nor shall the Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. No business activities of any kind whatsoever shall be conducted in any building or in any portion of the Property; provided, however, the

foregoing covenants shall not apply to the business activities of the Commercial Units on the property, but such for the Commercial Units they will be subject to regulation by the Board of Governors. Furthermore, Grantor shall be permitted to maintain models and sales premises on the premises, and signs designating the entrances and exits to the property and premises are permitted.

Section 5. Clotheslines. No outside clothesline shall be permitted, and all garbage cans and similar items shall be kept screened so as to conceal them from view of neighboring Units.

Section 6. Exterior Antennas. No exterior television or radio antennas shall be placed on any improvements without prior written approval of the Board of Directors.

Section 7. Leasing of Units. Units may be rented provided the occupancy is only by the Lessee and his immediate family or guests, unless otherwise provided by the Association's Board of Directors. No less than all of a Unit may be rented.

Section 8. Deadbolts. Unit owners may install deadbolts, but said deadbolts must be able to be opened with a master key for the purpose of allowing the manager of the building to have emergency access to such unit.

ARTICLE IX

EASEMENTS

Section 1. Encroachments. If any portion of the General Common Elements and/or the Limited Common Elements encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the General Common Elements and/or the Limited Common Elements as a result of settling or shifting of a building, or by reason of any deviation from the plat or plans in the construction or rebuilding of any improvement or portion thereof, an easement for the encroachment and for the maintenance of the same so long as the Unit, improvement or building stands, shall exist. If any building, improvement, any Unit, any adjoining Unit, or any adjoining part of the General Common Elements and/or Limited Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common Elements and/or Limited Common Elements upon any Unit or of any

Unit upon any other Unit or upon any portion of the General Common Elements and/or the Limited Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the subject building shall stand.

Section 2. Utilities, Etc. There is hereby granted an easement subject to the regulations and requirements of the Board of Directors of Association upon, across, over and under all of the Property for ingress, egress, installations, replacing, repairing, and maintaining a master television antenna system and all utilities including, but not limited to, water, gas, sewers, telephones and electricity. 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.

Section 3. Other. There is hereby granted to the Association, its directors, officers, agents and employees and to any Manager employed by the Association as provided for in Section 2 of Article III hereof, and to all policemen, firemen, ambulance personnel and all similar emergency personnel an easement to enter upon the Property or any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under Section 3 of this Article IX shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

ARTICLE X

ASSIGNED VALUE AND UNIT VOTE

Section 1. Unit and Property Values. The Master Plan contained in Exhibit "C" attached hereto shows the value of each Unit as of the date this Declaration is recorded and the percentage of undivided interest in the General Common Elements and Limited Common Elements appurtenant to such Unit for all purposes. The value of the Property is equal to the total value of all Units together with the value of the Percentage Interest in the General Common Elements and Limited Common Elements appurtenant to such Units, all as shown in Exhibit "C".

(b) Adoption. Subject to the provisions of Section 1 of Article II hereof The Master Deed may be amended at any time and from time to time, after notice as hereinabove provided has been given by a vote of not less than seventy-five percent (75%) of the total vote of the Association; provided, however, that if the Association shall vote to amend the By-Laws in any respect, such amendment shall be set forth in an amendment to this Master Deed and shall be valid when approved by a vote of not less than seventy-five percent (75%) of the total vote of the Association. The Grantor reserves the right to amend this Master Deed to make correction thereto or typographical changes.

(c) Recording. A copy of each amendment provided for in this Section 1 shall be certified by the Board of Directors of the Association as having been duly adopted and shall be effective when recorded.

Section 2. Termination. The Condominium may be terminated and the Property removed from the provisions of the Act in the following manner:

(a) Agreement. All of the Unit Owners may remove the Property from the provisions of the Act by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the Units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred so as to affect and be a lien upon only the Percentage Interest appurtenant to the Unit subject to such lien.

(b) Destruction. In the event it is determined in the manner provided in Section 4 of Article IV hereof, that the Property shall not be repaired or reconstructed after casualty, the Condominium will be terminated and the Condominium Documents revoked. The determination not to repair or reconstruct after casualty shall be evidenced by a certificate of the Association, certifying as to facts effecting the termination, which certificate shall become effective upon being recorded.

(c) Condemnation. In the event that one or more Units, any part or parts thereof, or the Limited Common Elements, or parts thereof, to which a Unit has exclusive use shall be taken by any authority having the power of eminent domain and the consent of all Owners as provided for in Section 3 of Article IV hereof, shall not be expressed in an

amendment to this declaration duly recorded within ninety (90) days after such taking, the Condominium will be terminated and the Condominium Documents revoked. Such taking shall be evidenced by a certificate of the Association certifying as to the facts affecting the termination, which certificate shall become effective upon being recorded.

(d) Ownership After Termination. After termination of the Condominium, the rights of the Unit Owners and their respective mortgagees and lienholders shall be determined in the manner provided in Article III herein.

Section 3. Covenants Running with the Land. All provisions of this Master Deed shall be construed to be covenants running with the land, and with every part thereof and interest therein including, but not limited to, every Unit and the appurtenances thereto; and each and every provision of the Master Deed shall bind and insure to the benefit of all Unit Owners and claimants of the land or any part thereof or interest therein, and their heirs, executors, administrators, successors and assigns.

Section 4. Duration. So long as South Carolina law limits the period during which covenants restricting lands to certain use may run, it shall be the duty of the Board of Directors to cause the restrictive covenants contained herein, as amended from time to time, to be extended when necessary by filing a document bearing the signatures of a majority of the then Owners reaffirming and newly adopting the Master Deed and covenants then existing in order that the same may continue to be covenants running with the land. Such adoption by a majority shall be binding on all, and each Owner of any Unit, by acceptance of a deed therefor, is deemed to agree that the Master Deed and covenants may be extended as provided in this Section 4.

Section 5. By-Laws. A true copy of the By-Laws of the Association, which together with this Master Deed shall govern the administration of the Condominium, is attached hereto as Exhibit "B" and, by reference, made a part hereof.

Section 6. Insurance and Fidelity Bonds. The Association shall maintain casualty and liability insurance and fidelity bonds as

required by FROA Lending Guide, Chapter Three, Part 5, Insurance Requirements, as amended.

Section 7. Enforcement. Each Owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Master Deed or in the deed to his Unit. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both maintainable by the Board of Directors on behalf of the Association or by an aggrieved Owner. Failure by the Association or any other Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 8. Severability. Invalidation of any covenant, condition, restriction or other provision of this Master Deed or the By-Laws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 9. Perpetuities and Restraints on Alienation. If any of the covenants, conditions, restrictions or other provisions of this Master Deed shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Ronald Reagan, President of the United States.

Section 10. Gender and Grammer. The singular, wherever used herein, shall 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, shall in all cases be assumed as though in each case fully expressed.

IN WITNESS WHEREOF, Declarant has executed this Master Deed this the 12th day of June, 1984.

In the Presence of:

ROYAL GARDEN RESORT, INC.

Anneta R. Nicholas

By: Whitwell M. Howell
Its President

Anneta R. Nicholas

Attest: William J. Bush
Its Secretary
NOV 17 1984

EXHIBIT "A"

ALL AND SINGULAR those certain pieces, parcels or lots of land situate, lying and being in Socastee Township, County of Horry, State of South Carolina, being more particularly described as Lots 1, 2, 3, and 4 of Block 1 of the Myrtle Dunes Section of Garden City, Horry County, South Carolina, as shown on a map recorded September 30, 1949, in Deed Book 9 at page 70, office of the Clerk of Court for Horry County, South Carolina, reference to which is craved as forming a part and parcel hereof.

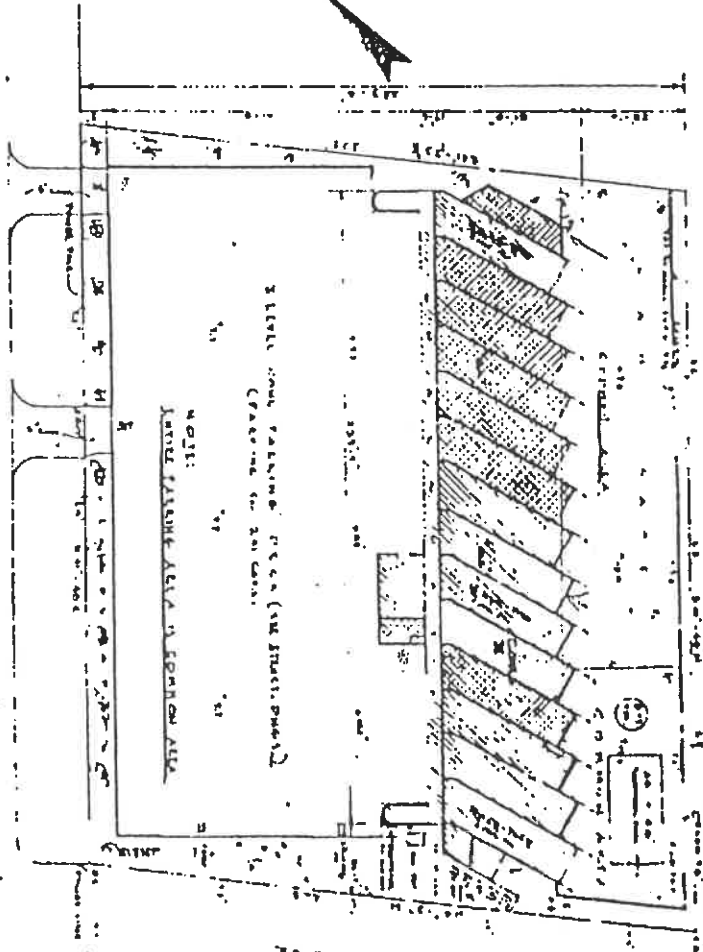
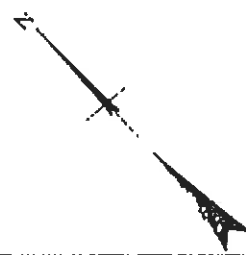
Lots 1, 2, and 3 of Block 1 were conveyed to Royal Garden Resort, Inc. by J. S. Frazier, Inc., by deed dated July 1, 1982, and recorded July 1, 1982, in Deed Book 753 at page 49, office of the Clerk of Court for Horry County, South Carolina.

Lot 4 of Block 1 was conveyed to Royal Garden Resort, Inc. by J. S. Frazier, Inc., by deed dated and recorded July 1, 1982, in Deed Book 753 at page 46, office of the Clerk of Court for Horry County, South Carolina.

875-670

670

ATLANTIC OCEAN

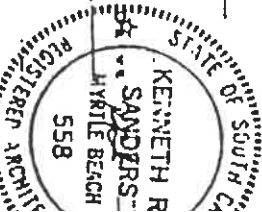


OPLOTPLAN

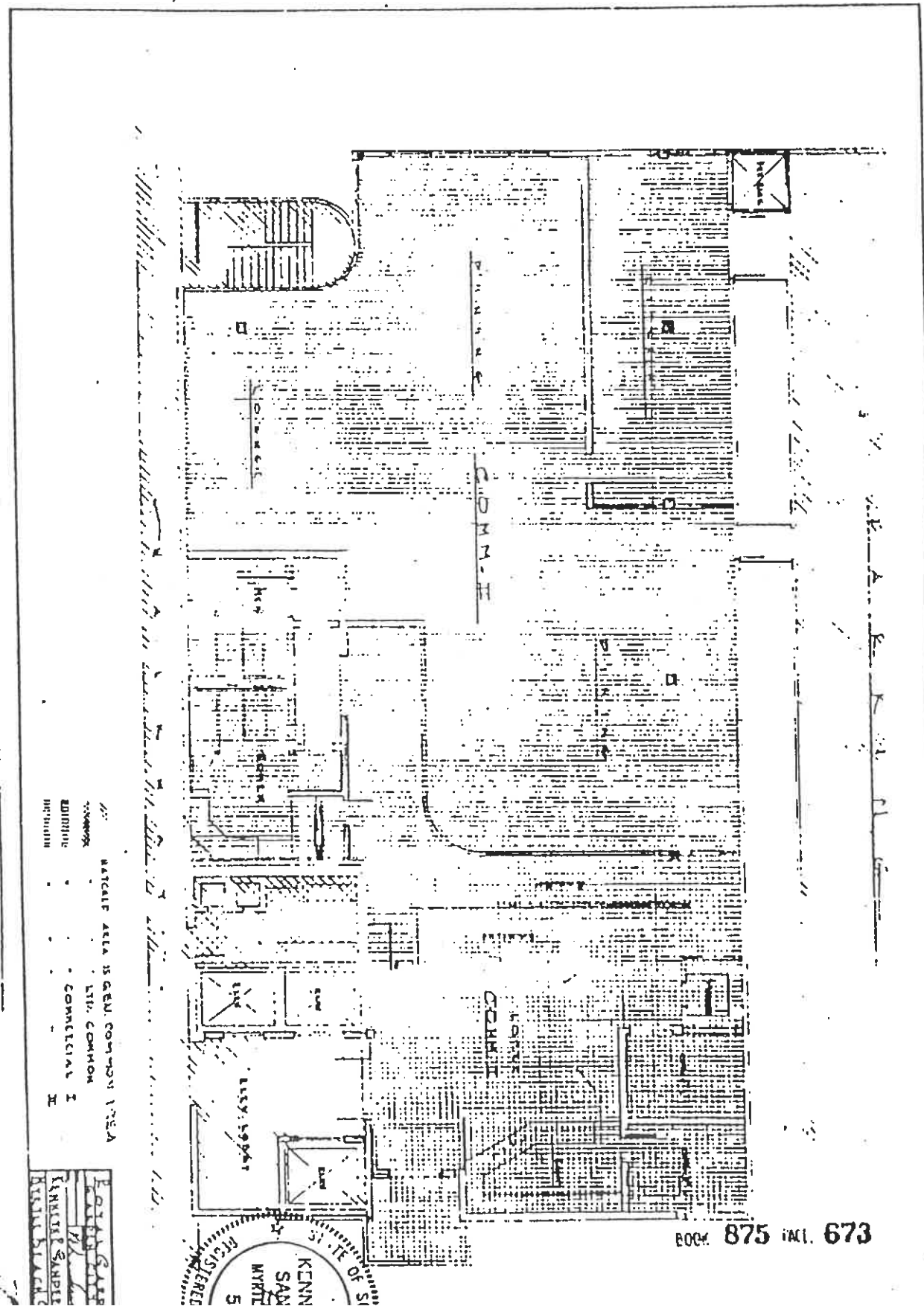
NOTE:
MATCHED AREA
DATE 11/18/58
COM

875 SALE 672

NOTE:
LAND ELEVATIONS TAKEN FROM TOPO MAP
BY E. B. DILLON, 1948, THE DISTRICT
ENGINEER, S. C. DATE 11/18/58



Prepared by:
Kenneth R. Sanders
Hytile Beach, S.C.

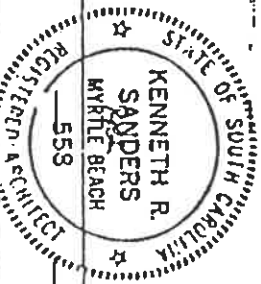


NATURAL AREA
 LTP. COMMON
 EDUCATIONAL
 CONFIDENTIAL I
 CONFIDENTIAL II

KENNETH SANDER
 REGISTERED ARCHITECT

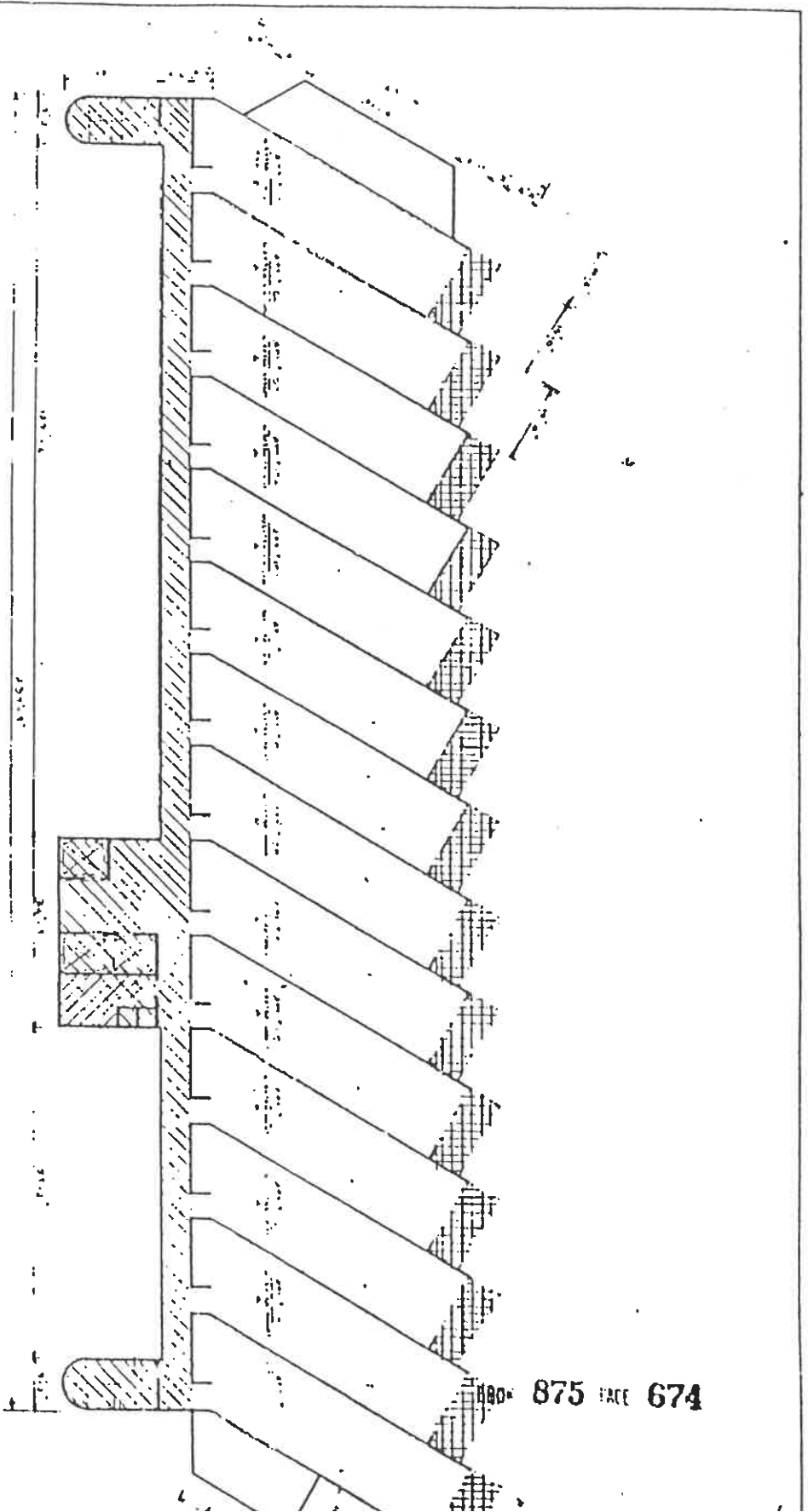
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BOOK 875 PAGE 673

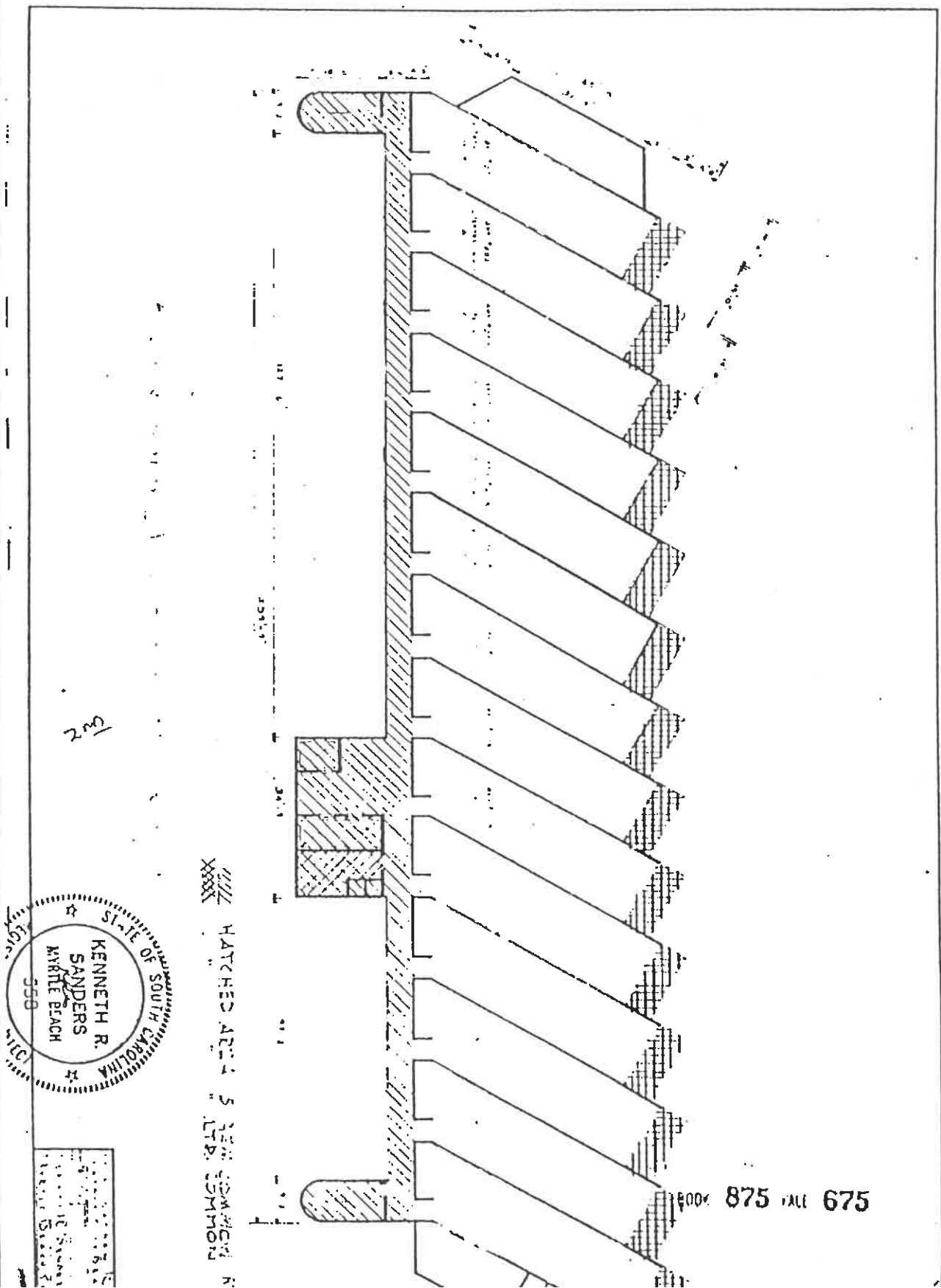


Kenneth R. Sanders
Myrtle Beach, S.C.

Hatched area is Gen Con/MD/ LTD. COMMO

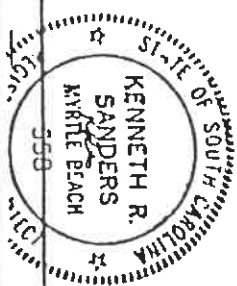


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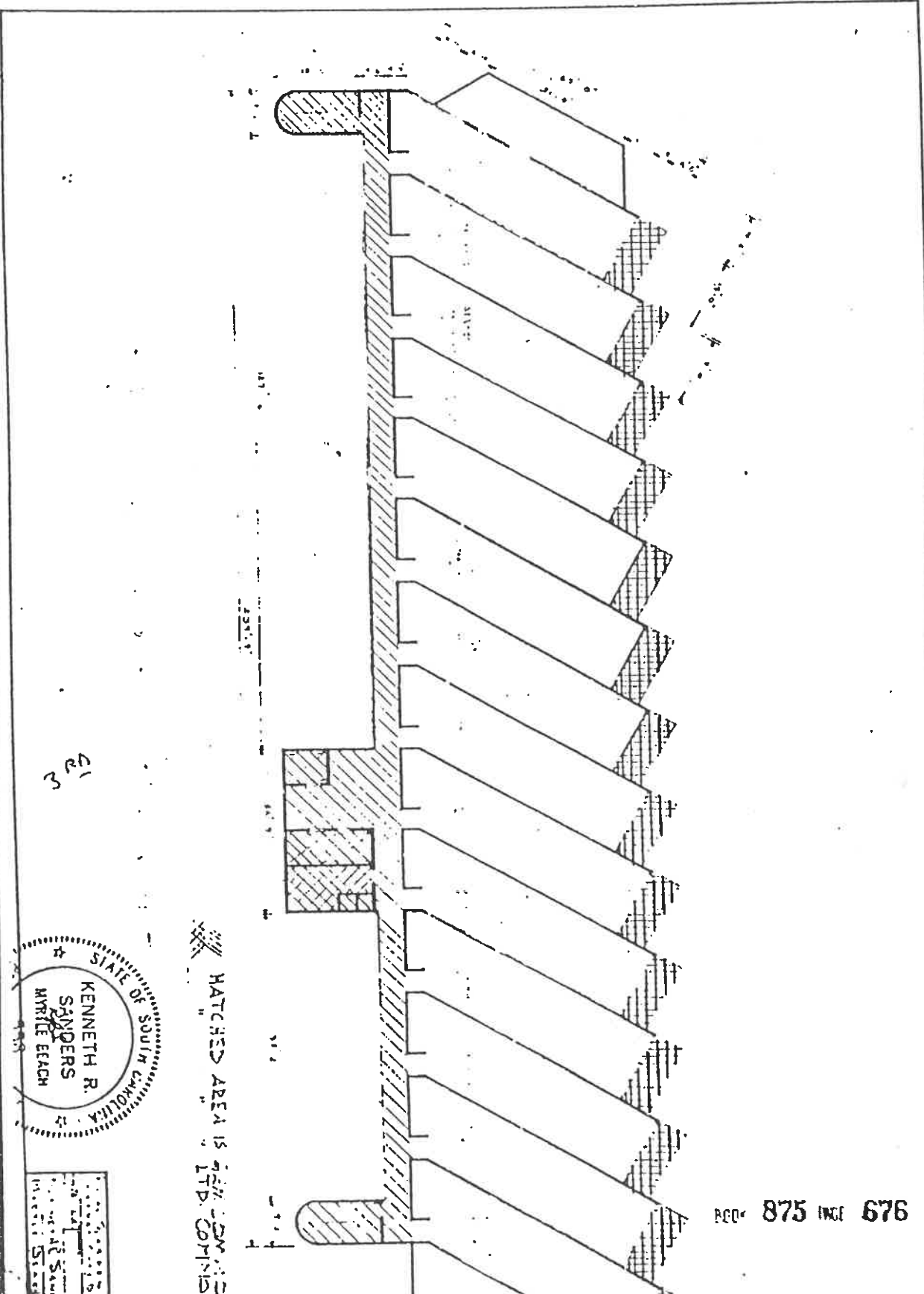
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XXXX HATCHED AREA IS FOR COMMON R



STATE OF SOUTH CAROLINA
 COUNTY OF ...
 ...

BOOK 875 PAGE 675

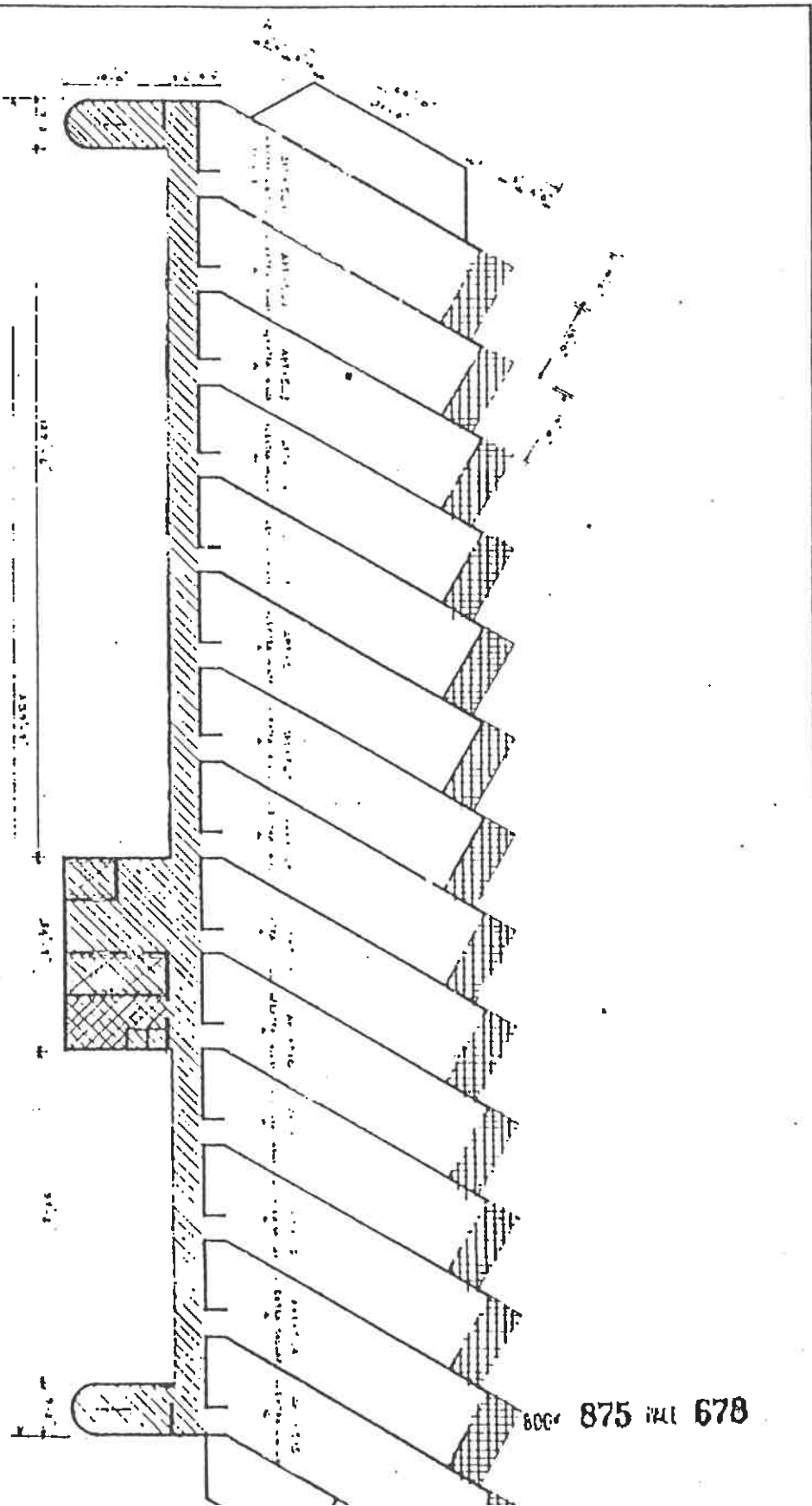


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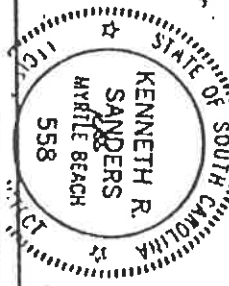
STATE OF SOUTH CAROLINA
 KENNETH R. SANDERS
 ARCHITECT
 MYRTLE BEACH

HATCHED AREA IS WITH COMPANY

REC- 875 INC 676

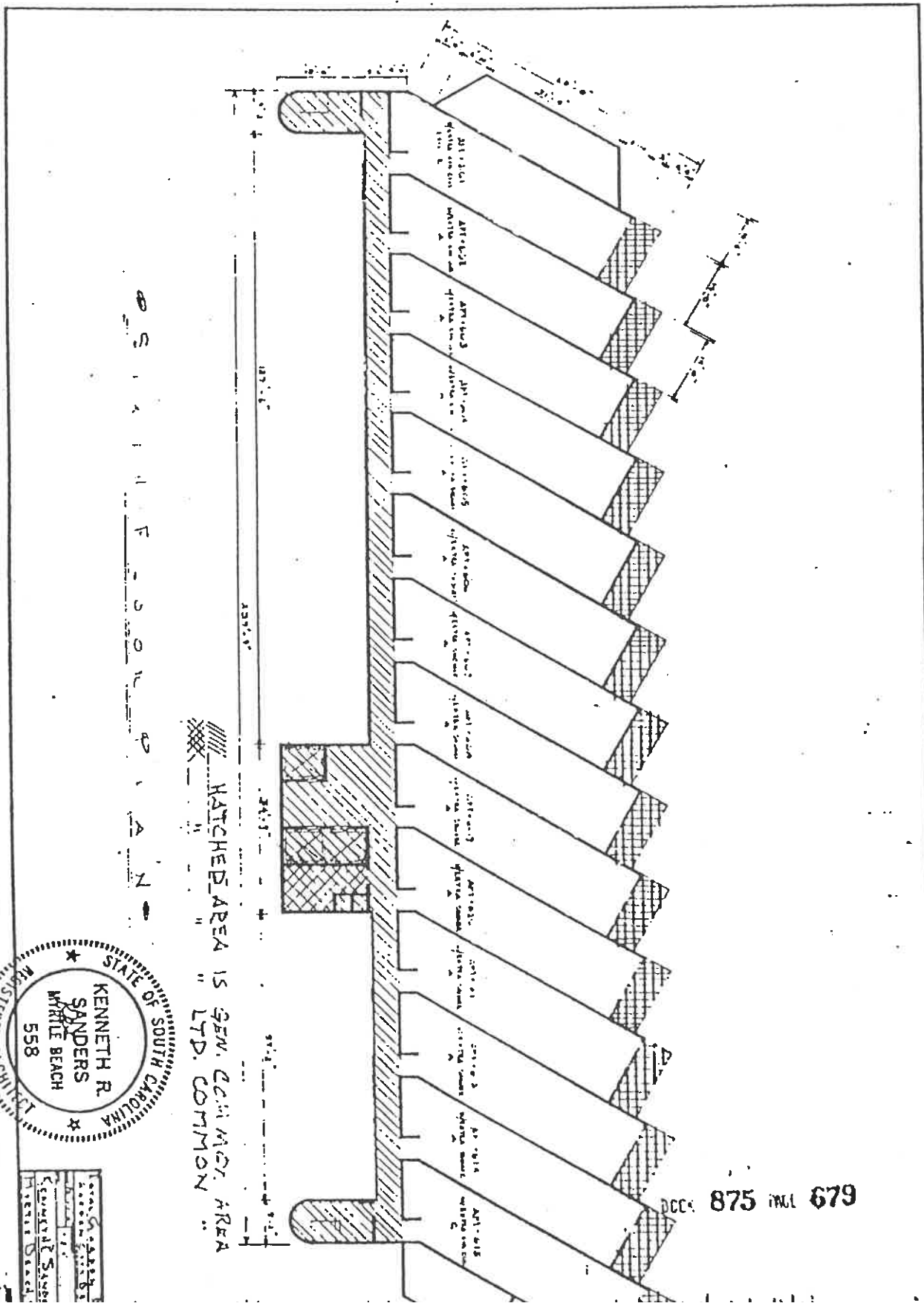


HATCHED AREA IS GEN. COMMON AREA
 LTD. COMPANY



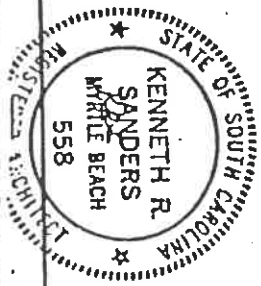
STATE OF SOUTH CAROLINA
 KENNETH R. SANDERS
 MYRTLE BEACH

806 875 1211 678



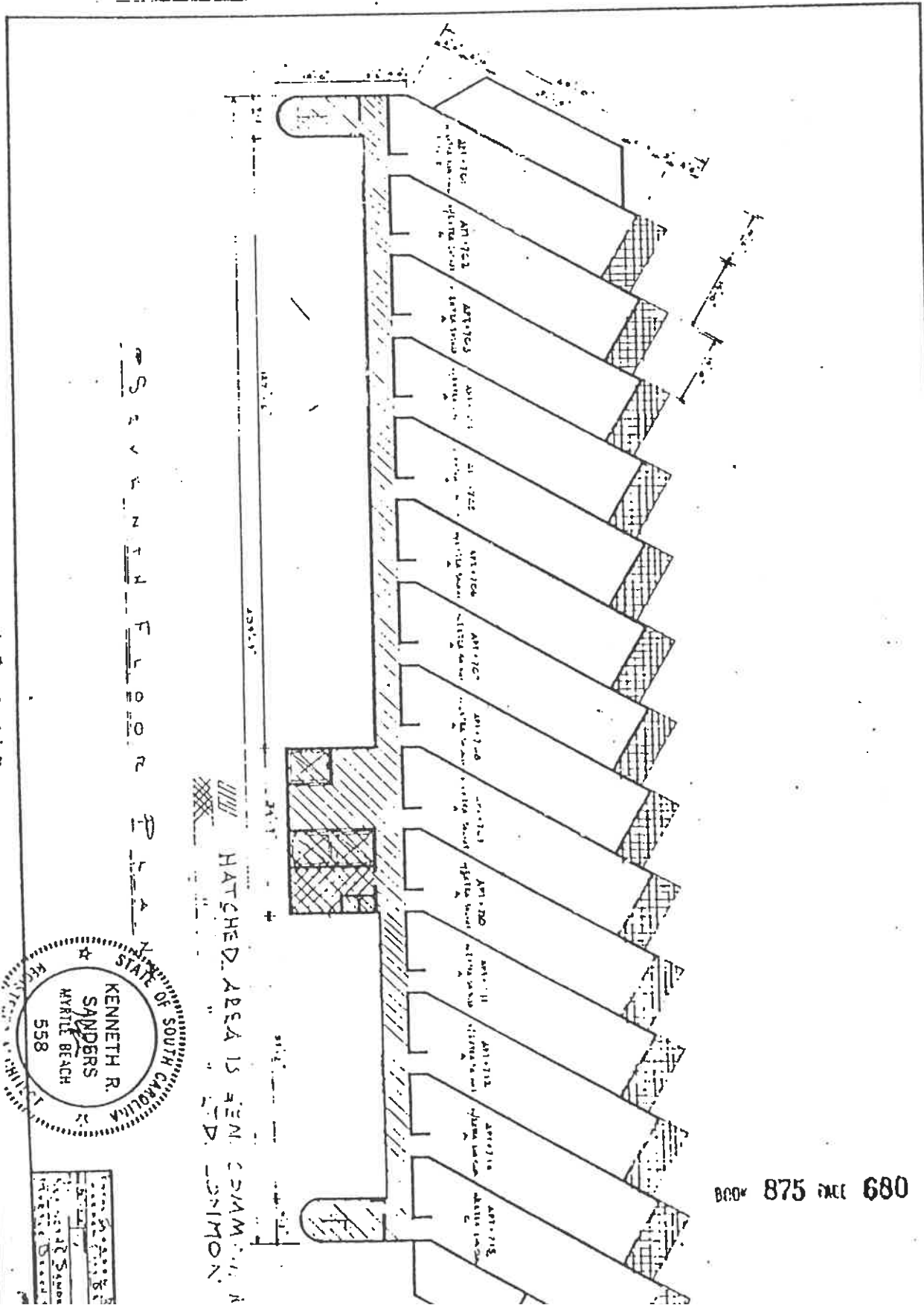
SECTION PLAN

HATCHED AREA IS GEN. COMMON AREA



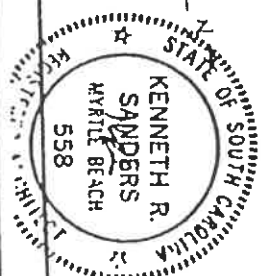
Kenneth R. Sanders
 Registered Architect
 Myrtle Beach, S.C.
 558

DCC 875 INCL 679



SANDERS FLOOR PLAN

HATCHED AREA IS GEN. COMMON.



Room No.	Area
101	100 sq. ft.
102	100 sq. ft.
103	100 sq. ft.
104	100 sq. ft.
105	100 sq. ft.
106	100 sq. ft.
107	100 sq. ft.
108	100 sq. ft.
109	100 sq. ft.
110	100 sq. ft.
111	100 sq. ft.
112	100 sq. ft.
113	100 sq. ft.
114	100 sq. ft.
115	100 sq. ft.
116	100 sq. ft.
117	100 sq. ft.
118	100 sq. ft.
119	100 sq. ft.
120	100 sq. ft.