

Deed Bk 921
Pg. 176

248.1270

12-10-84
WILLIE G. RICHARDSON
CLERK OF COURT

J

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 26th day of November, 1984, by
Development Properties, Inc., (hereinafter the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the
County of Horry, State of South Carolina, which is more
particularly described in Exhibit "A" attached hereto and
incorporated herein by reference, consisting of 8.40 acres, all of
which is owned by the Declarant in fee simple, subject to certain
liens, encumbrances, rights-of-way and easements, all of which are
more particularly described and delineated on a plat, recorded in
Plat Book _____, at page _____, in the office of the Clerk of Court
for Horry County, South Carolina (the "Plat");

NOW, THEREFORE, Declarant hereby declares that so much of
the Property described above as is shown on Exhibit "B" attached
hereto and incorporated herein by reference (the "Property"), and
any additional property described in Exhibit "A", or so much of it
as Declarant may, in its sole discretion, see fit to develop or
dedicate, as, by subsequent amendment hereto, may be subjected to
this Declaration (the "Additional Property"), shall be held, sold
and conveyed subject to the following easements, restrictions,
covenants, and conditions, which are for the purpose of protecting

HORRY COUNTY ASSESSOR
130-00-04-016
Map - Bk - Parcel
12-11-84

BOOK 921

176

the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Bay Tree III Homeowners' Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions and improvements thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is more particularly described in Exhibit "B", attached hereto and incorporated herein by reference.

BOOK 921 PAGE 177

Section 5. "Lot" shall mean and refer to any plot of land, with improvements thereon, shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Development Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Member" shall mean and refer to those persons entitled to membership in the Association as provided herein.

ARTICLE II

THE ADDITIONAL PROPERTY

Section 1. Plan of Development of Additional Property. Declarant hereby reserves the option, to be exercised in its sole discretion, to submit at any time, or from time to time, the Additional Property or a portion or portions thereof to the provisions of this Declaration and thereby to cause the Additional Property or a portion or portions thereof to become part of the Property. This option may be exercised by Declarant in accordance with the following rights, conditions and limitations, which are the only conditions and limitations on such option to add all or any portion of the Additional Property to the Development:

Section 2. This option to add additional property/phase(s) may be exercised from time to time during a period of ten (10) years from the date of recordation of this

BOOK S21 178

Declaration; provided, however, that Declarant reserves the right to terminate such option at any time prior to the expiration of such ten-year period by executing and filing an agreement evidencing such termination in the Office of the Clerk of Court for Horry County, South Carolina, and, except for such termination by Declarant, no other circumstances will terminate such option prior to the expiration of such ten-year period.

Section 3. The legal description of the Additional Property is set forth on EXHIBIT "B"; portions of the Additional Property may be added to the Development at different times, and there are no limitations fixing the boundaries of those portions or regulating the order, sequence or location in which any of such portions may be added to the Development. The exercise of the option to submit a portion of the Additional Property to the Declaration shall not bar the further exercise of this option as to other portions or the balance of the Additional Property. If the Additional Property or any portion thereof is added to the Development, any improvements developed therein and any Dwellings constructed thereon will be subject to the standards and restrictions set forth herein.

Section 4. If the Additional Property or any portion thereof is added to the Development, Declarant reserves the right to designate and restrict the boundaries of the Lots, as well as the Common Areas, if any, to be added to the Development in connection therewith.

BOOK S21 PAGE 179

Section 5. Should the option to add the Additional Property or any portion of it not be exercised within the term specified herein or be terminated by Declarant, such option shall in all respects expire and be of no further force and effect. IN THE EVENT THAT SUCH OPTION EXPIRES OR IS TERMINATED, AS AFORESAID, DECLARANT SHALL NOT BE OBLIGATED TO IMPOSE ON THE ADDITIONAL PROPERTY OR ANY PORTION OF IT ANY COVENANTS, CONDITIONS, OR RESTRICTIONS THE SAME OR SIMILAR TO THOSE CONTAINED HEREIN, AND THAT PROPERTY NOT SUBMITTED WILL BE FREE OF ANY COVENANT OR CONDITION WHATSOEVER UNLESS OTHERWISE AFFIRMATIVELY IMPOSED.

Section 6. The option reserved by Declarant to cause all or any portion of the Additional Property to become part of the Development shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Property to the Development or to construct thereon any improvements of any nature whatsoever or to restrict or limit its use in any manner. The option reserved under this Article II may be exercised by Declarant only by the execution of an amendment to this Declaration which shall be filed in the Office of the Clerk of Court for Horry County, South Carolina, together with a revision of or an addition to the Plat showing the Additional Property or such portion or portions thereof as are being added to the Development by such amendment, as well as the Lots located within the Development. SUBSEQUENT TO INCLUSION AND/OR RESTRICTION AND IN ITS SOLE

BOOK 521 PAGE 180

DISCRETION, DECLARANT MAY CONVEY TO THE ASSOCIATION THE COMMON AREAS DESIGNATED BY DECLARANT OR ANY OTHER DECLARANT OWNED PROPERTY, BE IT RECREATIONAL AMENITY OR OTHERWISE, CONTAINED WITHIN THE PROPERTY AS DESCRIBED IN EXHIBIT "A" OR EXHIBIT "B" OR SUCH PORTION OR PORTIONS OF ANY, EITHER, OR ALL OF THEM, ANY SUCH CONVEYANCE TO BE SUBJECT TO THE LIEN OF TAXES NOT YET DUE AND PAYABLE, ALL EASEMENTS AND RESTRICTIONS OF RECORD, UTILITY EASEMENTS SERVING OR OTHERWISE ENCUMBERING THE PROPERTY AND/OR THE ADDITIONAL PROPERTY, AND ANY EXCEPTIONS WHICH WOULD BE DISCLOSED BY A SURVEY OR PHYSICAL INSPECTION OF SUCH PARCEL(S). Any such amendment shall expressly submit the Additional Property or such portion of it to all the provisions of this Declaration, and upon the exercise, if any, of such option or options, the provisions of this Declaration shall then be construed as embracing the real property described in EXHIBIT "B" and the Additional Property or such portion or portions thereof so submitted to the terms hereof, together with all improvements. If the Additional Property or any portion or portions of it is added to the Development, then, from and after the addition to the Development of the Additional Property or such portion or portions by such amendment to this Declaration, the number of votes in the Association shall be modified to include the Lots to be located on the Additional Property or such portion or portions of it as are added, so that there shall continue to be one vote in the Association per Lot in

BOOK 521 PAGE 181

the Development, and the total number of votes in the Association shall be increased by the number of Lots added as determined by the formulae provided in this document for the voting rights for any Lot or Developer owned property located on the Additional Property or such portion or portions thereof as are added.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and rights to use the recreational facilities by an Owner for any period during which any assessment against such Owner's Lot or Lots remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and,

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. N. such

BOOK 921 PAGE 152

dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer, signed by two-thirds (2/3) of each Class of Members, has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, such Owner's right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned.

BOOK 921 PAGE 183

The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A equal the total votes outstanding in Class B;
or,

(b) on August 15, 1989.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; and, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent

BOOK 521 PAGE 184

assessments shall not pass to any successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property, for the improvement and maintenance of the Common Area, and for maintenance of the lawns and landscaping of each Lot, including, but not limited to, mowing of lawns, pruning and the like.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Nine Hundred Fifty and No/100 Dollars (\$950.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by not more than 15% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 15% by a vote of two-thirds (2/3) of each Class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

BOOK 921 PAGE 185

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Cable Television Service. In addition to the annual assessments authorized above, the Association shall levy, in each assessment year, a special assessment for the purpose of defraying the cost of cable television service, including Home Box Office, which is to be provided to each improved Lot as an amenity. Such service may be discontinued, diminished or expanded upon the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3, 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, 4, or

BOOK 521 PAGE 188

5 shall be sent to all Members not less than 30 days, nor more than 60 days, in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each Class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 8. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence, as to all Lots, on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge,

BOOK S21 PAGE 187

furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 8 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot or Lots. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

BOOK 521 PAGE 188

ARTICLE VI
EXTERIOR MAINTENANCE

In the event an Owner of any Lot in the Property shall fail to maintain the premises and improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of any buildings thereon and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VII
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the buildings upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law in the State of South Carolina regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared

BOOK 921 PAGE 189

by the Owners who share the wall. A perpetual reciprocal appurtenant easement for maintenance and repair of each such party wall or walls is hereby established.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty and it is not recovered by insurance, any Owner of any portion of the wall may restore it, and the Owners of such wall shall contribute to the cost of restoration thereof. Such restoration and contribution shall be without prejudice to the right of any such Owners to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

BOOK 921 PAGE 190

ARTICLE VIII

STORM DRAINAGE AND SANITARY SEWER SYSTEMS,
MAINTENANCE THEREOF, AND EASEMENTS THEREFOR

Storm drainage systems and sanitary sewer systems may be located under certain Lots as determined by the Declarant or the Association. Any such storm drainage and sanitary sewer systems shall be maintained in good order and repair by the Association. To the extent required to effectuate the foregoing plan, there shall be an easement in favor of each Lot for the purpose of providing connection of the Lot with the storm drainage system and sanitary sewer system most convenient thereto. Each Lot shall be subject to easements in favor of all the other Lots providing for the passage through any portion of such Lot of necessary storm drainage systems and sanitary sewer systems. All of the foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not materially interfere with the use, occupancy or enjoyment of all or any part of the Lot servient to such easements or to which such easements are appurtenant.

ARTICLE IX

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape,

BOOK S21 PAGE 191

height, materials, and location of the same shall have been submitted to and approved, in writing, as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article shall be deemed to have been fully complied with in such case. Failure of the Board, or its designated committee, to act in one or more instances, however, shall not be deemed a waiver of this Article as to any other instance.

ARTICLE X

EASEMENTS, COVENANTS AND RESTRICTIONS

Section 1. Use of Property. Each Owner shall be entitled to the exclusive ownership and possession of his Lot and may use the Common Area in accordance with the purposes for which they are intended without hindering or encroaching upon the lawful rights of other Owners, which shall include, but is not limited to, the following restrictions:

(a) The Property shall be used only for single family residences and each Lot shall be occupied only by a single family as its residence and for no other purpose;

BOOK 921 PAGE 192

(b) No business shall be allowed upon the Property, nor any use or practice which is a nuisance to residents or which interferes with the peaceful possession and proper use of the Property by other residents;

(c) Each Owner shall keep his Lot in a good state of maintenance and repair and replace, at his expense, portions of the Lot which are the Owner's responsibility;

(d) All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist;

(e) No immoral, improper, offensive or unlawful use shall be made of the Property, nor any part thereof and all Owners, their families, invitees and guests shall abide by all laws and rules of the Association, and all zoning ordinances and regulations of all governmental bodies having jurisdiction thereof;

(f) Entire Lots may be rented or leased or subleased, but no Owner may lease less than his entire Lot; any lease agreements shall provide that the terms shall be subject, in all respects, to the provisions of the Declaration and the By-laws of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease; all leases shall be in writing;

BOOK 321 PAGE 193

(g) Reasonable regulations concerning the use and the occupancy of the Lots and reasonable regulations concerning the prohibition of or limitation on pets may be adopted and amended from time to time by the Board of Directors, provided however, that until such time of amendment by the Board of Directors, the only pets permitted upon the Property are dogs and cats, not to exceed one each for each Lot; provided, further, that dogs shall not be permitted on the Property that exceed 25 pounds in weight. Further, neither dogs nor cats will be permitted outside the confines of a Lot unless under walking leash; in no event will a structure, outbuilding or fence be erected for housing, confining or containing pets; copies of such regulations and amendments thereto shall be furnished by the Manager or Board of Directors to all Owners and Lots upon request, and each Owner, his lessee and persons living with the Owner or his lessee shall comply with such regulations and with the Declaration, By-laws and rules of the Association; and,

(h) Signs or advertisements of any type or description are expressly prohibited excepting such signs as Declarant may use in advertising the Property.

Section 2. Utility Easements. There shall be appurtenant to each Lot a non-exclusive easement for use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving such Lots

BOOK 921 PAGE 194

194

and situated in any other Lot. Each Lot shall be subject to an easement in favor of other Lots for use of all pipes, wires, cables, conduits, utility lines, flues and ducts situated on such Lot and serving such other Lots.

Section 3. Easement to Declarant. The Property shall be subject to a non-exclusive easement in favor of Declarant for construction of the improvements on the Property and for exhibition and sale of the Lots.

Section 4. Encroachments. If any portion of the Common Area now encroaches upon any Lot, or if any Lot now encroaches upon any other Lot or upon any portion of the Common Area, or if any such encroachment shall occur hereafter as a result of (i) settling of a Lot or Lots; (ii) repair, alteration or reconstruction of the Common Area made by or with the consent of the Association; (iii) repair or reconstruction of a Lot or Lots following damages by fire or other casualty; or (iv) condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Property remains subject to the Declaration.

Section 5. Right of Access. The Association shall have the irrevocable right, to be exercised by the Board of Directors, its designated agents and representatives, to have access to each Lot, from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common

BOOK 921 PAGE 185

1015

Area therein or accessible therefrom, or for making emergency repairs necessary to prevent damage to the Common Area or to another Lot, and such access to Lots as may be required for extermination and pest control.

Section 6. Maintenance of Common Area. The necessary work of maintenance, repair and replacement of the Common Area and the making of any additions or improvements thereto shall be the responsibility of the Association, and shall be carried out only as provided in this Declaration and the Bylaws of the Association.

Section 7. Prohibited Work. No Owner shall do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement or hereditament. Further, no Owner or resident shall paint or otherwise decorate or change the appearance of any portion of the exterior of any building.

Section 8. Partition. The Common Area shall remain undivided and no Owner or any other person shall bring any action for partition or division of any part thereof, unless the Property has been removed from the provisions of the Declaration in the manner therein provided. Any covenant to the contrary shall be null and void.

BOOK 921 PAGE 106

196

ARTICLE XI

INSURANCE

Section 1. Insurance policies upon the Property covering the items described hereinbelow, shall be purchased by the Association, for the benefit of the Association, including Declarant, and the Owners of the Lots, and their respective mortgagees, as their interests may appear. Provision shall be made for the issuance of certificates of insurance, with mortgagee endorsements, to the mortgagees of all Owners. This Declaration envisions appointment of an Insurance Trustee and, until such appointment, the Declarant shall serve as Insurance Trustee. The Insurance Trustee, whether Declarant or any subsequent Insurance Trustee, shall be either a licensed insurance agent or an individual with a fidelity bond, as approved by Declarant or the Board of Directors of the Association.

Section 2. Insurance shall cover the following:

(a) The buildings and improvements upon the Common Area and all personal property included in the Common Area in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association; such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as are customarily covered

BOOK 521 PAGE 107

with respect to buildings and improvements similar to the buildings and improvements on the Common Area, such as, but not limited to, vandalism and malicious mischief;

(b) Public liability in such amounts and with such coverage as shall be determined by the Board of Directors of the Association, including, but not limited to, hired automobile and non-owned automobile coverages, if necessary, and with cross liability endorsement to cover liabilities of the Owners of all Lots as a group to other Owners.

(c) Workmen's compensation, if required; and

(d) Such other insurance as the Board of Directors of the Association shall, from time to time, determine to be desirable.

Section 3. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

Section 4. The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon payment of claims.

Section 5. The Insurance Trustee shall not be liable for payment of premiums. The duty of the Insurance Trustee shall be to place and review insurance policies and to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere

BOOK 921 - 113

198

stated herein for the benefit of the Owners and their mortgagees, in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

(a) Proceeds on account of damage to Common Area shall consist of an undivided share for each Owner, such share being the same as the undivided share of such Owner in the Common Area;

(b) Proceeds on account of damage to Lots shall be held for the Owners thereof in proportion to the cost of repairing the damage suffered by each Owner, which costs shall be determined by the Association; in the event a decision is made not to reconstruct the Lots, as provided hereinafter, such proceeds shall be held for the Owners in the proportion in which they own the Common Area; and,

(c) In the event a mortgagee endorsement has been issued as to a Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner, as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not damaged property shall be reconstructed or repaired.

Section 6. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

BOOK 921 PAGE 189

(a) All expenses of the Insurance Trustee shall be paid or provisions made for payment;

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the costs thereof as elsewhere provided; any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Owners and their mortgagees being payable jointly to them; this covenant is also for the benefit of any mortgagee of a Lot and may be enforced by it; and,

(c) If it is determined, in a manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to Owners and their mortgagees being payable jointly to them. This covenant is also for the benefit of any mortgagee of a Lot and may be enforced by it.

Section 7. In making distribution to Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the Owners and their respective shares of the distribution.

Section 8. No provisions of this paragraph, the Declaration, nor the By-Laws of the Association shall be deemed to require the Insurance Trustee to insure any Lot or its Owner,

BOOK 921 15. 230

200

residents of such Owner's household and/or tenants of an Owner. Each Owner is responsible for insuring his Lot and such furniture, furnishings, or other personal property as such Owner may have in or on his Lot. Further, each Owner is responsible for obtaining such public liability coverage as such Owner may desire for his own protection. No Owner shall, however, insure any part of the Common Area whereby, in the event of loss thereto, the right of the Association to recover insurance proceeds, in full, shall be diminished or impaired in any way.

ARTICLE XII

REPAIR AND RECONSTRUCTION

Section 1. In the event of fire or other disaster or casualty resulting in damage to the buildings and other improvements on the Common Area which the Board of Directors of the Association shall determine to be two-thirds or less of the then total value of the property of the Association, the net proceeds of all insurance collected shall be made available for the purpose of restoration or replacement. When such insurance proceeds are insufficient to cover the cost of such restoration or replacement, the balance of such costs shall be assessed against the Owners in the case of damage to Common Area and against the Owners who own the damaged units in the case of damage to Lots. Such assessments on account of damage to Common Area shall be in proportion to the Owner's share in the Common Area, and assessments against Owners

BOOK 921 PAGE 201

for damage to Lots shall be in proportion to the costs of reconstruction and repair of their respective units.

Section 2. In the case of fire, other disaster or casualty resulting in damage to the buildings and other improvements of the Common Area which the Board of Directors of the Association shall determine to be more than two-thirds of the then total value of the property of the Association, the Association shall be waived unless, within sixty (60) days after written notice of the Board of Directors' determination, seventy-five (75%) of the voting interest and ownership of the Common Area agrees, in writing, to repair and reconstruct the improvements. Such seventy-five (75%) of the voting interest and ownership shall be deemed unanimous. If the election is to reconstruct or replace, payment of the costs thereof shall be made as provided for in subsection "A" above. If the decision is to waive the Association and not to reconstruct and replace, all sums recovered from insurance shall be paid over to the Owners in the proportion in which they own the Common Area and to their respective mortgages as their interests may appear.

Section 3. The Insurance Trustee may rely upon a certificate of the Association to determine whether or not the damaged property is to be reconstructed or repaired or whether the Association is to be waived.

Section 4. If the damage is only to those parts of a Lot for which the responsibility of maintenance and repair is that of the individual Owner, then the Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

Section 5. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

Section 6. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original improvements or, if not, then according to plans and specifications approved by the Board of Directors of the Association and any first mortgagee of any Lot.

Section 7. The funds for payment of cost of reconstruction and repair after casualty, which funds shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessment against Owners, shall be disbursed in payment of such costs in the following manner:

BOOK 921 PAGE 203

203

(a) If the total of assessments made by the Association in order to provide funds for payment of reconstruction and repair, which is the responsibility of the Association, is more than \$5,000.00, then the sums paid upon assessments to meet such costs shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse the same in payments of the costs of reconstruction and repair.

(b) The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessment against the Owners on account of such casualty, shall constitute a reconstruction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(i) If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the reconstruction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is beneficiary of an insurance policy, the proceeds of which are included in the reconstruction

BOOK 921 PAGE 204

ADK

fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(ii) If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the reconstruction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in South Carolina and employed by the Association to supervise the work.

(iii) The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an Owner shall be paid by the Insurance Trustee to the Owner, or if there is a mortgagee endorsement as to such damages, then to the Owner and the mortgagee jointly, who may use such proceeds as they may determine.

(iv) It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a reconstruction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the

beneficial owners of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial Owner which is not in excess of assessments paid by such Owner into the construction fund shall not be made payable to any mortgagee.

(v) Notwithstanding the provisions herein the Insurance Trustee shall not be required to determine whether or not sums paid by Owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the reconstruction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the reconstruction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name or names of the payee and the amount to be paid; provided, that when a mortgagee is herein required to be named as payee the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to an Owner; and, further provided, that when the Association or a mortgagee, which is the

BOOK 921 PAGE 200

200

beneficiary of an insurance policy, the proceeds of which are included in the reconstruction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association prior to disbursements in payment of costs of reconstruction and repair.

ARTICLE XIII

MAINTENANCE AND ALTERATION OF COMMON AREA

Section 1. The maintenance and operation of the Common Area shall be the responsibility of, and at the expense of, the Association.

Section 2. After the completion of the improvements included in the Common Area which are contemplated by this Declaration, amendments allowed herein and the exhibits attached hereto, there shall be no alteration or further improvements of the real property constituting the Common Area without the prior approval, in writing, by seventy-five (75%) percent vote of the Owners.

ARTICLE XIV

AMENDMENTS

Section 1. By Owners. This Declaration may be amended from time to time by resolution adopted by the affirmative vote of the Owners of two-thirds (2/3rds) of the voting interest subject to the following conditions:

BOOK 921 PAGE 207

(a) No amendment by the Owners shall alter the dimensions of a Lot or the percentage of the interest in the Common Area appurtenant thereto without the consent of the Owner of such Lot; and,

(b) No amendment by the Owners shall be effective without the consent of Declarant so long as Declarant owns any Lot in any Stage.

Section 2. By Declarant. Declarant reserves the right to itself and its successors and assigns to amend this Declaration, the Bylaws of the Association, the Plat and any Plans at any time prior to October 1, 1985, without the consent of any other Owners, for the following purposes:

(a) To amend, delete or make additions to the Declaration, the Plat and any plans to cause the same to conform to the requirements of the Federal Housing Administration, the Veteran's Administration and/or any lender providing financing to Declarant or any prospective Owner.

Section 3. Recording. No amendments to this Master Deed shall be effective unless and until recorded in accordance with the Act.

ARTICLE XV

TERMINATION

Section 1. Casualty or Condemnation. In the event that the Declarant or the Board of Directors shall have determined that

BOOK 921 PAGE 208

more than two-thirds (2/3) of the total value of the Property has been lost or damaged by casualty or condemnation, the Association shall be terminated unless the Owners of at least seventy-five (75%) percent of the Common Area agree, in writing, to reconstruct or repair and to continue the Association. In such event, such agreement shall be deemed unanimous.

Section 2. Voluntary Termination. The Association may also be terminated, removing the Property from the provisions of this Declaration, if the Owners and the record owners of first mortgages upon the Lots agree, in a written instrument, to termination unanimously or in such percentage as may then be required for termination by the applicable law. Termination shall become effective upon recordation of such written instrument.

Section 3. Ownership After Termination. After termination of the Association, the Owners shall own the Property as tenants in common, in undivided shares, and the holders of mortgages and liens upon the Lots shall have mortgages and liens upon the respective undivided common interest of the Lot owners. The undivided share of each tenant in common shall be the same as his undivided interest in the Common Area prior to termination. Any asset of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the former Owners, as tenants in common, in the same undivided shares as their interest in Common Area prior to termination. The costs incurred

BOOK 921 PAGE 209

by the Board in connection with termination shall be considered a common expense.

Section 4. Partition. After termination, the Property shall be subject to an action for partition by any Owner or any lienor, in which event the net proceeds from the judicial sale shall be divided among all Owners in proportion to their respective interest in the Common Area and paid to each Owner and institutional mortgagee.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after

BOOK 921 - 210

which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and, thereafter, by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any such amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

Section 7. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and the neuter and the singular and the plural whenever the context requires or permits.

BOOK 921 PAGE 211

Section 8. Rule Against Perpetuities. If any provision of either the Declaration or Bylaws of the Association would otherwise violate the rule against perpetuities or any other rule, statute or law imposing time limits, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of John U. Bell, III, of Columbia, South Carolina, plus twenty-one (21) years thereafter.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 26th day of November, 1984.

DEVELOPMENT PROPERTIES, INC.,
Declarant

By: _____

William B. McGill
William B. McGill, its President

WITNESS:

Frances S. Hicks

Frances S. Hicks
Wendell Guyton

Wendell Guyton

BOOK 92 PAGE 212

212

EXHIBIT A

All that certain piece, parcel or tract of land, with any improvements thereon, situate, lying and being in Little River Township, Horry County, South Carolina, being more particularly shown as 8.419 acres on Boundary Plat prepared for Development Properties, Inc., by Leon Campbell and Associates, dated July 24, 1984, revised August 7, 1984, to be recorded and according to said plat having the following metes and bounds, to-wit: beginning at an iron on the western edge of the right of way of Baytree Golf Plantation Access Road, approximately 540 feet from its intersection with South Carolina Highway #9, thence running N54°27'44"W for a distance of 660.92 feet to an iron; thence turning and running N89°17'56"W for a distance of 220.23 feet to an iron; thence turning and running N19°05'26"W for a distance of 50.02 feet to an iron; thence turning and running N13°21'44"E for a distance of 384.56 feet to an iron; thence turning and running S47°02'34"E for a distance of 272.68 feet to an iron; thence turning and running N74°32'28"E for a distance of 384.54 feet to an iron; thence turning and running S15°12'28"E for a distance of 111.68 feet to an iron; thence turning and running S2°03'01"E for a distance of 45.20 feet to an iron; thence turning and running S15°13'45"E for a distance of 49.65 feet to an iron; thence turning and running S60°17'51"E for a distance of 321.66 feet to an iron; thence turning and running S29°42'01"W for a distance of 419.88 feet to the point of beginning, be all measurements a little more or less.

This being the identical property heretofore conveyed to the Declarant herein by deed of Walter B. Brown and Geiger, McElveen and Kennedy, Inc. Profit Sharing Trust recorded in the Horry County Clerk of Courts office on July 24, 1984, in Deed Book 887 page 15.

BOOK 821 PAGE 214

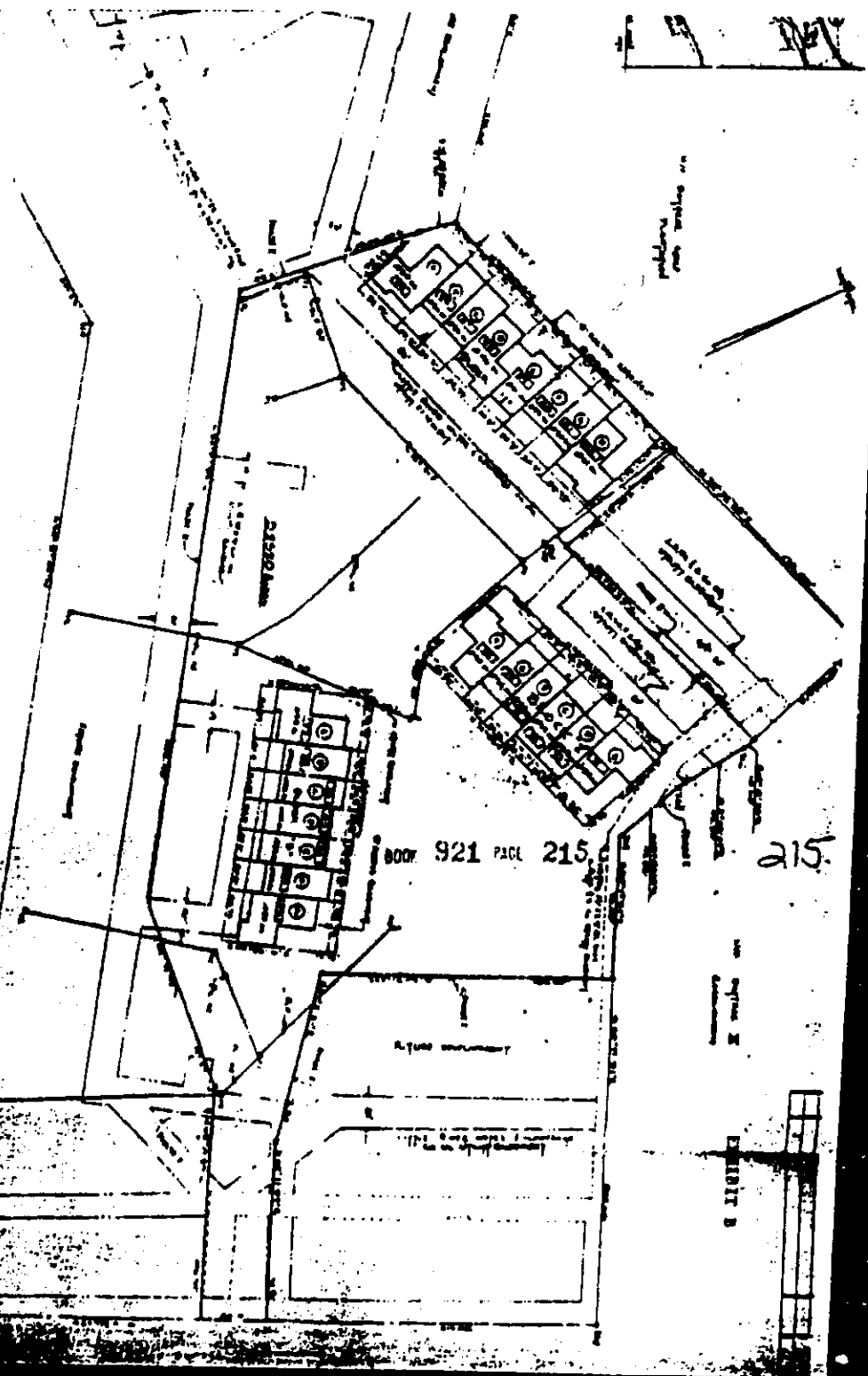
214

Areas 2 and 3 in

These areas are the same as those shown on the map of the area...

Areas 2 and 3 in

These areas are the same as those shown on the map of the area...



DOOR 921 PAGE 215

215



FILED
90 FEB 21 PM 4:37

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

R.F.L.C.
AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

WHEREAS, heretofore, Development Properties, Inc., caused that certain Declaration of Covenants, Conditions and Restrictions to be imposed upon 8.419 acres, more or less, and recorded in Deed Book 921, page 176; and

WHEREAS, under Article II thereof, Development Properties, Inc., its successors and assigns, reserved the right to cause additional properties to be subjected to the provisions of the aforesaid Declaration; and

WHEREAS, Bay III, II, successor to Development Properties, Inc., by deed as recorded in Deed Book 1346, page 844, is the sole owner in fee of the lands and improvements hereinafter described, and does hereby make and declare its purpose and intentions and does hereby submit the lands and buildings hereinafter described, together with all easements and rights-of-way appurtenant thereto to the Declaration of Covenants, Conditions and Restrictions dated November 26, 1984, and recorded December 10, 1984, in Deed Book 921, page 176, Office of the Clerk of Court for Horry County.

The real property and improvements thereon submitted are as follows, to-wit:

ALL AND SINGULAR, all those certain pieces, parcels or lots of land situate, lying and being in Little River Township, County of Horry, State of South Carolina, and being described as UNITS 8-13 and LOTS 8-13, BAYTREE III, PHASE II TOWNHOUSE, located in Baytree Golf Plantation, near the Village of Little River, as prepared for BAY III, II, a South Carolina General Partnership, dated February 15, 1990, by Atlantic Land Surveying Co., and recorded in Plat Book 108, Page 85, Horry County records.

1372-205

WITNESS whereof, the Declarant has set its hand and seal
this 16th day of February 1990.

IN THE PRESENCE OF:

BAY III, II, a South Carolina
General Partnership

Edwina L. Havelson

By Jerry Thompson
General Partner

Marcie J. Bacc

By J. Bryan Floyd
General Partner

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness,
being duly sworn, deposes and says that s/he saw the within
named BAY III, II, a South Carolina General Partnership by
its General Partners by Jerry Thompson & J. Bryan Floyd,
_____ sign, seal and as
its and their act and deed, deliver the within written deed;
and that s/he with the other person whose name is subscribed
above witnessed the due execution thereof.

Edwina L. Havelson

SWORN to before me this
16th day of February 1990.

Marcie J. Bacc
Notary Public of South Carolina

My commission expires 4-12-92.

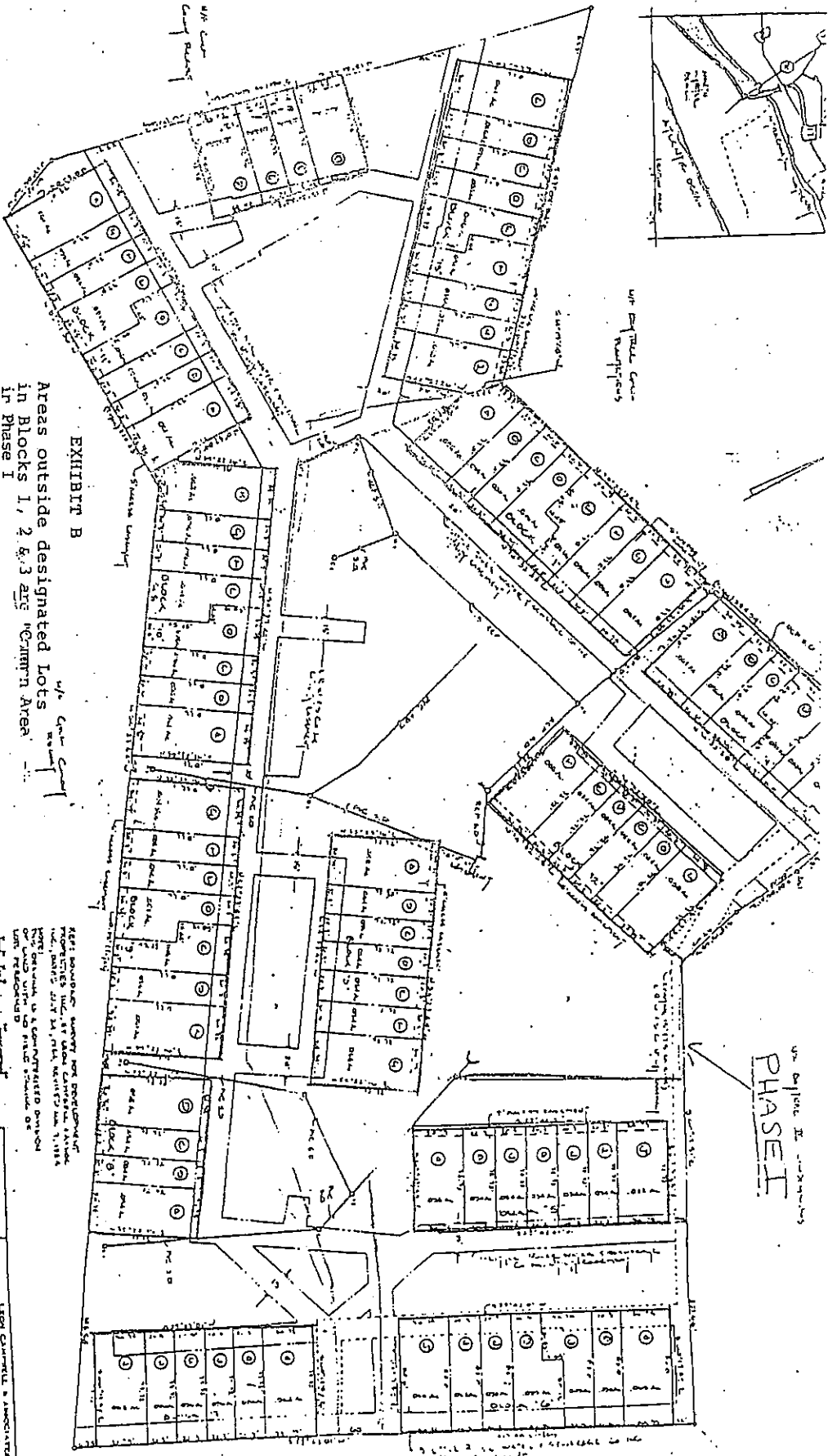
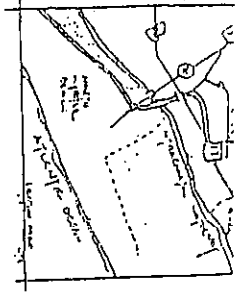


EXHIBIT B
 Areas outside designated lots
 in Blocks 1, 2 & 3 are within Area
 in Phase I

PHASE I
 PHASE II

THIS DOCUMENT IS NOT FOR CONSTRUCTION
 PURPOSES AND IS NOT TO BE USED AS A
 BASIS FOR ANY CONTRACTS OR AGREEMENTS
 HEREON. IT IS THE PROPERTY OF THE
 ARCHITECT AND IS TO BE RETURNED TO
 HIM UPON COMPLETION OF THE PROJECT.



LEON CORREIA & ASSOCIATES
 ARCHITECTS
 1000 ...
 ...
 ...

STATE OF SOUTH CAROLINA) Horry County, S.C.
COUNTY OF HORRY)
95 JUL 18 PM 4:02
R.M.C.

AMENDMENT
TO
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

WHEREAS, heretofore, Development Properties, Inc., caused that certain Declaration of Covenants, Conditions and Restrictions to be imposed upon 8.419 acres, more or less, and as recorded in Deed Book 921, page 176; and

WHEREAS, under Article II thereof, Development Properties, Inc., its successors and assigns, reserved the right to cause additional properties to be subjected to the provisions of the aforesaid Declaration; and

WHEREAS, Bay III, II, successor to Development Properties, Inc., by deed as recorded in Deed Book 1346, page 844, is the sole owner in fee of the lands and improvements hereinafter described, and has previously caused an Amendment to Restrictions to be filed in Deed Book 1372, page 205, and does hereby make and declare its purpose and intentions and does hereby affirmatively impose and submit the lands and buildings hereinafter described, together with all easements and rights-of-way appurtenant thereto, to the Declaration of Covenants, Conditions and Restrictions dated November 26, 1984, and recorded December 10, 1984, in Deed Book 921, page 176, Office of the Clerk of Court for Horry County, as amended.

The real property and improvements thereon submitted are as follows, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

1810 - 815

IN WITNESS WHEREOF, the Declarant has set its hand and seal this 20th day of April, 1995.

IN THE PRESENCE OF:

Marvin J. Bell
[Signature]

BAY III, II, a South Carolina General Partnership

By [Signature]
Jerry Thompson, General Partner

By [Signature]
J. Bryan Kloyd, General Partner

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness, being first duly sworn, deposes and says that s/he saw the within named BAY III, II, a South Carolina General Partnership, by its duly stated General Partners, sign, seal and as its act and deed deliver the within written Amendment; and that s/he with the other person above named witnessed the execution thereof.

SWORN to before me this 18th day of July, 1995

Marvin J. Bell

[Signature]
Notary Public of S. C.

My commission expires 10/4/98.

EXHIBIT A

ALL AND SINGULAR, all those certain pieces, parcels or lots of land with improvements thereon, situate, lying and being in Little River Township, County of Horry, State of South Carolina, and being described as **UNITS 43 THRU 55B, LOTS 43 THRU 55B, BAYTREE III, PHASE II TOWNHOUSES**, located in Baytree Golf Plantation near the Village of Little River prepared for Bay III, II, a South Carolina General Partnership by Atlantic Land Surveying Co., Inc., Joel F. Floyd, R.L.S., dated February 15, 1990, and revised April 12, 1995, and recorded April 27, 1995, in Plat Book 133, page 208, Horry County records.

STATE OF SOUTH CAROLINA
COUNTY OF HORRY

FILED
HORRY COUNTY
95 JUL 18 PM 4:00
R.M.C.

AGREEMENT AND ADDITIONAL
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR BAY TREE
III DEVELOPMENT

This Agreement is made and entered into this 7th day of July, 1995, by and between Bay III, II, a South Carolina General Partnership, hereinafter occasionally referred as "Developer" and Bay Tree III Homeowners Association, Inc., hereinafter occasionally referred to as "Association".

W I T N E S S E T H

WHEREAS, the original Declaration of Covenants, Conditions and Restrictions for Bay Tree III Development are dated November 26, 1984 and were recorded December 10, 1984 in Deed Book 921 at Page 176, records of the R.M.C. Office of Horry County, South Carolina; and

WHEREAS, the Restrictive Covenants have been subsequently amended and the developmental rights have been passed from Development Properties, Inc. to Bay Tree II, a South Carolina Partnership, by Assignment of Developer's Rights dated October 6, 1989 and recorded October 17, 1989 in Deed Book 1346 at Page 858, records of the R.M.C. Office for Horry County, South Carolina; and

WHEREAS, the Restrictive Covenants specifically called for the completion of the property within the additional phases to be exercised on or before ten (10) years from the date of recordation of the Restrictive Covenants; namely, on or before December 10, 1984; and

1810-308

WHEREAS, Bay Tree III, II, a South Carolina General Partnership, does desire to add and submit certain properties to the scheme of development and Declaration of Covenants, Conditions and Restrictions and the Association does not object to such action;

NOW, THEREFORE, the parties do herein agree as follows:

1. The Developer herein desires to submit each lot and townhouse situate thereon to, and make it specifically subject to, the Declaration of Covenants, Conditions and Restrictions, together with all amendments, for the Bay Tree III development. Developer herein warrants and covenants that all individual purchasers of townhouse units and lots in what would have been the Phase III property will be specifically subject to the Declaration of Covenants, Conditions and Restrictions for Bay Tree III and will be required to conform to, and adhere to, all of the restrictions for Bay Tree III and all of the By-Laws, Rules and Regulations for Bay Tree III Homeowners Association, Inc. The Association has agreed not to oppose any such submission, and the Developer does herein covenant and warrant that each deed to a purchaser of a lot and townhouse in the area of the Phase III property will specifically be subject to all of the Covenants, Restrictions, Conditions, By-Laws and Rules of the development and the Association, just as every other owner in Phase I and Phase II are also required. The Association has agreed to the requirements and conditions of this paragraph based on the Developer completing all development on the property on or before December 10, 1999.

2. The Developer herein warrants and covenants that all future development shall be in substantial conformity with the townhouse development constructed now within the project, which said construction shall include construction materials and design so as to ensure a uniformity in the area. Further, Developer does herein warrant and covenant that the remaining development will be of a townhouse ownership nature, and not of a condominium nature, and that the development will proceed in the same order and fashion as it has proceeded to date with fee simple ownership of individual lots, townhouse homes situate on those lots and common area conveyed to the Association. This provision shall expressly be a covenant, condition and restriction in the chain of title and shall attach to and control all of the property that remains to be prospectively sold and submitted to individual owners as Phase III property.

3. The Developer agrees to install a separate sprinkler system to the development site and will include Units 8 through 17 in that sprinkler system. Further, Developer will immediately disconnect pipe now going to the main pump house so as not to interfere with the original sprinkler system.

4. The Developer herein warrants and covenants that all subsequent development shall have islands and landscaping for placement of outdoor lighting, with said lighting and landscaping to be in general conformity with the remainder of the townhouse project.

5. The Developer further warrants and covenants that it will repave the main entrance areas at the completion of the construction site, or within five (5) years, whichever occurs earliest. To achieve this end and to ensure the completion of the repaving, the Developer agrees to escrow the sum of One Thousand and No/100s (\$1,000.00) Dollars each for the first twenty (20) Units closed in the Phase III area, with said escrow funds to specifically be earmarked for the repair and repaving the main entrance road into Bay Tree III. The escrowed funds shall be placed in an escrow account with joint signatures required for the payment of said funds by the Developer and the Association. After proper and completion of the road repaving and repair in accordance with generally accepted road and highway standards, any funds not used for the aforesaid repair and repaving shall be returned to the Developer.

6. The Developer has herein agreed to pay the sum of Eleven Thousand Seven Hundred Fifty and No/100s (\$11,750.00) Dollars to the Association, which sum shall be used for any items of repair and expenses which the Association deems appropriate, including attorney's fees in the past and present. This sum shall represent a final and agreed up settlement figure for monies to be paid to the Association by the Developer in reconciliation of these issues.

7. The Developer does herein warrant and covenant that it shall install mercury vapor street lights in the Phase III area of the project and shall replace the existing sodium lights with

mercury vapor lights so all lights will be in conformity with the entire project.

8. The Developer herein warrants and covenants that it shall deed to the Association all common areas on the present Units developed, to which it may have any interest whatsoever, and on future land to be developed within the Phase III project area. The common area shall be in conformity with the existing common areas of Phase I and Phase II.

9. This Agreement and Additional Covenants, Conditions and Restrictions is executed for the benefit of the parties hereto, their heirs, successors and assigns, and shall be binding on all successors in interest to either party. It may only be changed by an instrument signed in writing by both parties. This Agreement shall be construed to be covenants and restrictions affecting the land, and all particulars that deal with the land and development, and shall inure to the benefit of the parties hereto so long as the restrictive covenants are in place for the Bay Tree III development.

WITNESS our hands and seals the day first above written.

IN THE PRESENCE OF:

Bay III, II, a South Carolina
General Partnership

Patricia D. Blackwell
[Signature]

By: [Signature]
Jerry Thompson, General Partner

Patricia D. Blackwell
[Signature]

By: [Signature]
J. Bryan Floyd, General Partner

Bay Tree III Homeowners
Association, Inc.

Carly A. Sheerston
Linda M. Bryant

By: Charles S. Barbour
Charles S. Barbour, President

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY) PROBATE

PERSONALLY appeared before me, the below signed witness, and made oath that s/he saw the within named Bay III, II, a South Carolina General Partnership, by Jerry Thompson, its General Partner, sign, seal and as his act and deed deliver the within written Agreement and Additional Covenants, Conditions and Restrictions for Bay Tree III Development and that s/he with the other witness witnessed the execution thereof.

Patricia D. Blackwell

SWORN to before me this

18 day of July, 1995

Chris Barbour
Notary Public for South Carolina
My commission expires: 10/14/98

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORCH)

PROBATE

PERSONALLY appeared before me, the below signed witness, and made oath that s/he saw the within named Bay III, II, a South Carolina General Partnership, by J. Bryan Floyd, its General Partner, sign seal and as his act and deed deliver the within written Agreement and Additional Covenants, Conditions and Restrictions for Bay Tree III Development and that s/he with the other witness witnessed the execution thereof.

Patricia D. Blackwell

SWORN to before me this

18 day of July, 1995

[Signature]
Notary Public for South Carolina

My commission expires: 10/4/98

~~STATE OF SOUTH CAROLINA~~)
~~COUNTY OF HORCH~~)
VIRGINIA)
KING WILLIAM)

PROBATE

Cathy A. Thurston

PERSONALLY appeared before me, ~~the below signed witness~~, and made oath that s/he saw the within named Bay Tree III Homeowners Association, Inc., by Charles S. Barbour, its President, sign, seal and as his act and deed deliver the within written Agreement and Additional Covenants, Conditions and Restrictions for Bay Tree III Development and that s/he with the other witness witnessed the execution thereof.

R. Michele L. Bohannon

SWORN to before me this

7th day of July, 1995

R. Michele L. Bohannon
Notary Public for ~~South Carolina~~ Virginia

My commission expires: 10-31-98

WITNESSES' cat

INITIALS LB

R. Michele L. Bohannon

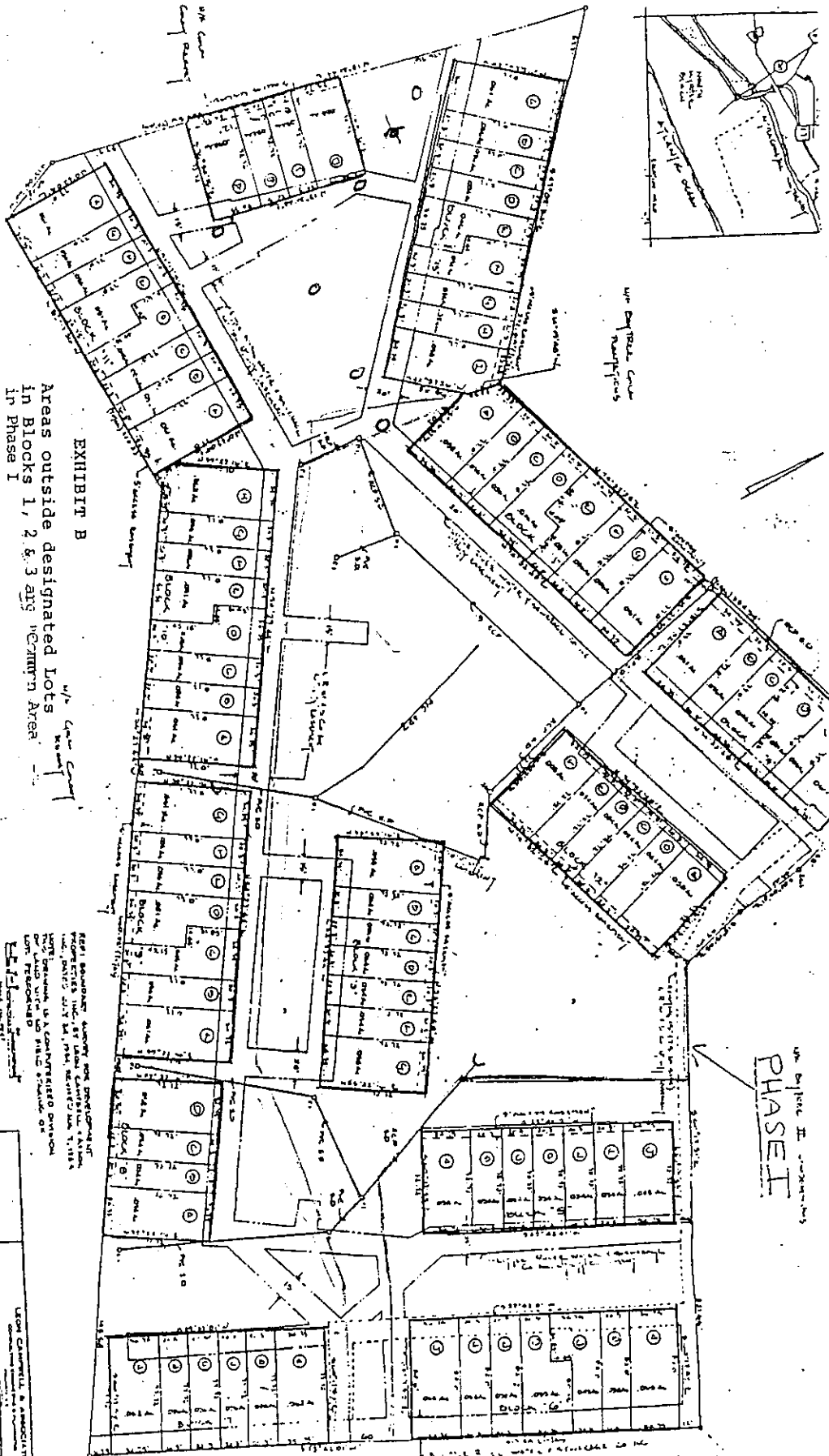


EXHIBIT B
 Areas outside designated Lots
 in Blocks 1, 2 & 3 are in the Camp Area
 in Phase I

PHASE I

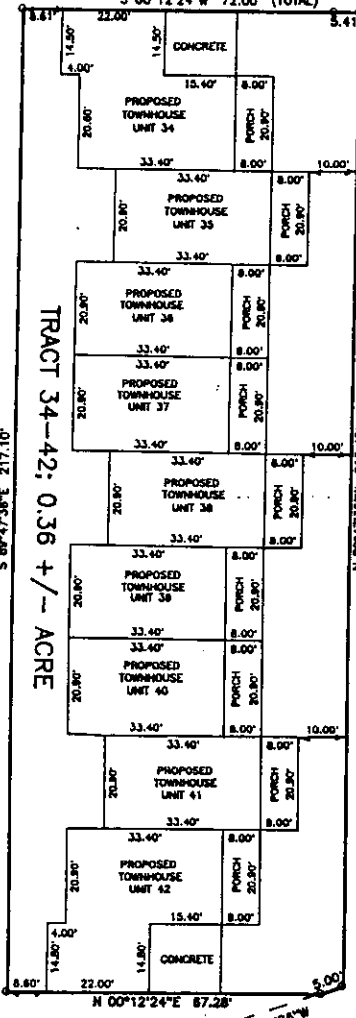
LEGAL RESERVATION: PROPERTY NOT DEVELOPING AT
 PROPERTIES INC. BY LEON CAMPBELL & ASSOCIATES
 INC. DATED 01/11/78, REVISED 06/11/78.
 NOTE: THIS IS A CONTRACTED DIVISION
 AND NOT TO BE USED FOR
 ANY PURPOSES
 NOT INTENDED



LEON CAMPBELL & ASSOCIATES
 Surveyors and Engineers
 1000 W. 10th Street
 Anchorage, Alaska 99501
 PHONE 551-3333
 FAX 551-3333
 PROJECT III, Tract 5
 SHEET 1 OF 5

COMMON AREA

S 00°12'24"W 72.00' (TOTAL)



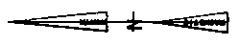
COMMON AREA



LOCATION MAP (NO SCALE)

COMMON AREA/PARKING

GOLF COLONY RESORT
BAY TREE GOLF PLANTATION



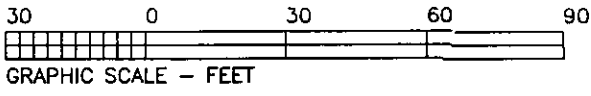
THIS PARCEL SUBJECT TO ALL
EASEMENTS & RESTRICTIONS OF
RECORD.

PLOT PLAN OF
9 PROPOSED TOWNHOUSE UNITS
IN BAYTREE III - PHASE II TOWNHOUSES
BAY TREE GOLF PLANTATION
NEAR THE VILLAGE OF LITTLE RIVER
LITTLE RIVER TOWNSHIP - HORRY COUNTY, SOUTH CAROLINA

PREPARED FOR

JERRY THOMPSON CONSTRUCTION CO.

SCALE: 1" = 30' JULY 14, 1995



ATLANTIC LAND SURVEYING CO., INC.
NORTH MYRTLE BEACH, SOUTH CAROLINA



STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY

SECOND ADMENDMENT
TO
DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

WHEREAS, heretofore, Development Properties, Inc., caused that certain Declaration of Covenants, Conditions and Restrictions to be imposed upon 8.419 acres, more or less, and as recorded in Deed Book 921, page 176; and

WHEREAS, under Article II thereof, Development Properties, Inc., its successors and assigns, reserved the right to cause additional properties to be subjected to the provisions of the aforesaid Declaration ; and

WHEREAS, Bay III, II successor to Development Properties, Inc., by deed as recorded in Deed Book 1346, page 844, is the sole owner in fee of the lands and improvements hereinafter Described, and ~~has~~ previously caused an Amendment to Restrictions to be filed in Deed Book 1372, page 205, and does hereby make and declare its purpose and intentions and does hereby affirmatively impose and submit the lands and buildings hereinafter described, together with all easements and rights-of-way appurtenant thereto, to the Declaration of Covenants, Conditions and Restrictions dated November 26, 1984, and recorded December 10, 1984, in Deed Book 921, page 176, Office of the Clerk of Court for Horry County, as amended.

The real property and improvements thereon submitted
are as follows, to-wit:

Instrument#: 2008000094147. DEED BK:
3050 PG: 3250 DOCTYPE: 069 07/17/2008
at 02:53:42 PM. 1 OF 12 BALLERY V.
SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

BY-LAWS
Of
BAY TREE III HOMEOWNERS ASSOCIATION, INC.

(As Amended February 16, 2008)

ARTICLE 1. NAME AND LOCATION

The name of the Corporation shall be BAY TREE III HOMEOWNERS ASSOCIATION, INC. hereinafter referred to as the ASSOCIATION. The principal office of the Association shall be located at 288 Hwy 90 East, Little River, Horry County, South Carolina 29566, or such other location as may, from time to time be designated by its Board of Directors.

ARTICLE 2. APPLICABILITY

The provisions of these By-Laws are applicable to the ASSOCIATION, the PROPERTY, and the OWNERS/MEMBERS, as further defined herein. All present or future MEMBERS, OWNERS (or CO-OWNERS), tenants, their employees or any other persons who might utilize the facilities of the PROPERTY in any manner, are hereby subject to the regulations set forth in these By-Laws and in the Master Deed and Declaration of Covenants, Conditions and Restrictions establishing said ASSOCIATION. The acquisition, ownership, occupancy, lease and/or rental of any of the Units of the PROPERTY shall signify ratification and acceptance of these By-Laws.

ARTICLE 3. DEFINITIONS

- SECTION 1.** ASSOCIATION - Shall mean and refer to the BAY TREE III HOMEOWNERS ASSOCIATION, INC. its successors and assigns.
- SECTION 2.** DECLARATION - Shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the PROPERTY, as recorded in the Office of the Registrar of Menses Conveyances for Horry County, South Carolina.
- SECTION 3.** PROPERTY - Shall mean and refer to that certain real property and such improvements and additions thereto as described in the Declaration.
- SECTION 4.** COMMON AREAS - Shall mean and refer to all real property owned by the ASSOCIATION for the common use and enjoyment of the OWNERS/MEMBERS.
- SECTION 5.** LOT - Shall mean and refer to any plot of land with improvements thereon, shown upon any recorded subdivision map of the PROPERTY, with the exception of the COMMON AREAS.
- SECTION 6.** UNIT - Shall mean and refer to a few-simple townhouse improvement constructed upon each LOT of the PROPERTY.
- SECTION 7.** OWNER - Shall mean and refer to the titled holder of the record to any LOT which is part of the PROPERTY, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.
- SECTION 8.** MEMBER - Shall mean and refer to those OWNERS, or other persons or entities if applicable, entitled to membership in the ASSOCIATION as provided in the DECLARATION.
- SECTION 9.** VOTING MEMBER - Shall mean and refer to those MEMBERS entitled to cast a ballot in the determination of the affairs of the ASSOCIATION as provided in the DECLARATION.

ARTICLE 4. MEETING OF THE ASSOCIATION

SECTION 1. ANNUAL MEETINGS. The Annual Meeting of the ASSOCIATION shall be held on the third Saturday of February at a time and location to be designated by the Board of Directors.

SECTION 2. SPECIAL MEETINGS. A Special Meeting of the ASSOCIATION may be called at any time by:

- A. The President pursuant to a majority resolution of the Board of Directors; OR,**
- B. By written petition, presented to the President, of not less than thirty (30) VOTING MEMBERS of the ASSOCIATION. Such petition shall state in writing the purpose of the petition. Each signature on the petition must display that MEMBER'S UNIT number.**

No business may be transacted at a Special Meeting except as stated in the NOTICE OF MEETING, unless it is by the consent of at least seventy-five percent (75%) of the VOTING MEMBERS present, either in person or by proxy.

SECTION 3. NOTICE OF MEETING. Written notice of each meeting of the ASSOCIATION shall be given to all MEMBERS by the Secretary by mailing a copy of such notice, postage prepaid, to all MEMBERS at least 30 days prior to the date of the meeting. Written notices shall be addressed to each MEMBER'S address latest appearing on the records of the ASSOCIATION, or such address latest supplied by a MEMBER to the ASSOCIATION for purposes of notice. Notices of Meetings shall specify the location, date, and time of the meeting, and in the case of a Special Meeting, the purpose of the meeting. Attendance by a MEMBER at any Meeting of the ASSOCIATION shall constitute waiver of NOTICE OF MEETING.

SECTION 4. QUORUMS. A Quorum of the ASSOCIATION for purposes of calling a meeting to order shall be constituted by the presence at a duly called Meeting, in person or by proxy, of a majority of the VOTING MEMBERS. This shall also constitute a Quorum for necessary actions of the ASSOCIATION, except where otherwise provided in the Articles of Incorporation, the DECLARATION, or these By-Laws.

SECTION 5. ABSENCE OF QUORUM. If for any purpose a QUORUM shall not be represented at any duly called Meeting of the ASSOCIATION, a majority of the VOTING MEMBERS attending, in person or by proxy, may elect to:

- A. Delay the Meeting for a period of time not longer than twenty- four (24) hours without notice, other than announcement at the Meeting, until a QUORUM, as aforesaid, may reasonably be expected to be represented. If at the end of such period of delay, a QUORUM shall not be represented, the Meeting shall be canceled without further action being taken or required; OR,**
- B. Reschedule the Meeting for a date not later than sixty (60) days to be determined by the majority vote of the Board of Directors in attendance; OR**
- C. Cancel the Meeting without further action being taken or required.**

SECTION 6. PROXIES. All VOTING MEMBERS hold a valid Proxy for all Meeting of the ASSOCIATION. MEMBERS' votes at such Meeting may be in person or by exercise of Proxy, which shall be in writing, in the format prescribed by the Board of Directors, stating the name of the person elected to vote the Proxy, and filed with the Secretary prior to the Meeting. Any Proxy not specifying an electee to vote the Proxy shall be voted by a majority vote of the Board of Directors. Any Proxy for a particular Meeting may be revocable and shall cease upon MEMBER'S attendance at the Meeting, or shall permanently transfer upon conveyance of a MEMBER'S LOT.

ARTICLE 5. BOARD OF DIRECTORS

SECTION 1. NUMBER. The affairs of the ASSOCIATION shall be managed by a Board of seven (7) Directors, all of whom must be VOTING MEMBERS of the ASSOCIATION.

SECTION 2. TERM OF OFFICE. Terms of Directors have been established on a Rotational Basis, such that the terms of some Directors expire at each Annual Meeting, at which time the VOTING MEMBERS, in person or by Proxy, shall elect an equal number of replacement Directors for the terms of three (3) years. There shall be no limits on the number of terms to which a Director may be successively elected.

SECTION 3. REMOVAL FROM BOARD. Any Director may be removed from the Board, with or without cause, by a majority vote of all the VOTING MEMBERS of the ASSOCIATION. Furthermore, any Director may be removed from the Board by a majority vote of the remainder of the Board of Directors whenever such Director shall be absent from three (3) consecutive regular meetings of the Board.

SECTION 4. RESIGNATION FROM BOARD. Any Director may resign, at any time, by giving written notice to the President and/or the Secretary. Such resignation shall be effective on the date of receipt of the notice, or at any late date specified therein. Unless otherwise specified in the notice, the acceptance of such resignation by the ASSOCIATION of the Board of Directors shall not be necessary to make it effective and final.

SECTION 5. REPLACEMENT OF DIRECTOR. In the event of a Director's removal from the Board, resignation from the Board, or death, a successor Director shall be elected by a majority vote of the remaining Board of Directors, and such successor shall serve for the unexpired term of the Director being replaced.

SECTION 6. COMPENSATION. No Director shall receive compensation for any service(s) rendered to or for the ASSOCIATION. A Director may, however be reimbursed for any actual expenses incurred on behalf of the ASSOCIATION or in the performance of official duties.

ARTICLE 6. NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION OF DIRECTORS. Primary Nomination(s) for election to the Board of Directors shall be made by a Nominations Committee; however, Nominations may also be made from the floor by a VOTING MEMBER at the Annual Meeting of the ASSOCIATION.

SECTION 2. NOMINATIONS COMMITTEE. The Nominations Committee shall consist of a Chairman, who shall be a Director, and two (2) or more additional VOTING MEMBERS of the ASSOCIATION who are not also Directors. The Nominations Committee Chairman shall be elected by the Board of Directors at its first (1st) Regular Meeting following the Annual Meeting, and shall serve until the adjournment of the next Annual Meeting. The Nominations Committee shall solicit, receive and interview applications and recommendations for Director Candidacy until six (6) days prior to the final regular meeting of the Board for the calendar year, and shall present its slate of candidates to the Board at that meeting. There are no limits on the number of candidates to be presented except that it shall not be less than the number of vacancies to be filled at the next Annual Meeting.

SECTION 3. ELECTION OF DIRECTORS. Election to the Board of Directors shall be by written ballot. At such Election, each VOTING MEMBER, or their assigned Proxy as provided herein, may cast, in respect to each vacancy to be filled, the vote or votes entitled to be exercised under the provisions of the DECLARATION. Cumulative voting is not permissible. The three (3) persons receiving the largest number of votes shall be elected. In such case that a tie in the number of votes received results in more persons being elected than the number of vacancies to be filled, a runoff election shall be conducted between the persons receiving the equal number of votes.

ARTICLE 7. MEETING OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular Meetings of the Board of Directors shall be held on the third Friday of each February; immediately following the Annual Meeting (solely for the election of Officers and the Nominations Committee Chairman); and on at least four (4) other occasions during the year. The Meeting shall be held at such location(s) and time(s) as may be determined by the Board of Directors, of which such location(s) and time(s) shall be published in the minutes of the Board Meetings.

SECTION 2. SPECIAL MEETINGS. Special Meetings of the Board of Directors may be held when called by the President, or by the written request of at least three (3) Directors. Each Director shall receive not less than four (4) days notice of the location, time and purpose of the Special Meeting.

SECTION 3. QUORUMS. A majority of the Directors shall constitute a Quorum for the transactions of the affairs of the Board. Every action or decision performed or made by a majority of the Directors at a duly held Meeting at which a Quorum is represented shall be regarded as an action or decision of the full Board of Directors. Attendance by a Director at any Meeting of the Board shall constitute waiver of a Notice of the Meeting.

SECTION 4. ACTIONS TAKEN WITHOUT A MEETING. The Directors shall have the right to take any action in the absence of a Meeting which they could take at a duly held Meeting, by obtaining the approval of at least a majority of the Directors, so long as reasonable effort is made to contact each Director for review of and vote on the matter(s) requiring action. Any action so approved or disapproved shall have the same effect as though taken at a duly held Meeting of the Directors, and shall be referenced by a separate issuance of the Minutes of the Meeting.

ARTICLE 8. AUTHORITY AND DUTIES OF THE BOARD OF DIRECTORS

- SECTION 1. RULES AND REGULATIONS.** The Board of Directors shall have the authority and duty to adopt, publish and enforce a Uniform Set of Rules and Regulations which shall govern the usage of the ASSOCIATION'S Common Areas and Facilities, and the personal conduct of the MEMBERS, their guests and assigns. The Uniform Set of Rules and Regulations is attached as Exhibit A to these By-Laws.
- SECTION 2. PENALTIES FOR INFRACTIONS.** The Board of Directors shall have the authority and duty to enforce and collect penalties for infractions of the Uniform Rules and Regulations as prescribed by the Association in accordance with Article 13 of these By-Laws.
- SECTION 3. SUSPENSION OF RIGHTS.** The Board of Directors shall have the authority and duty to suspend the Voting Rights and right to usage of recreational facilities of any MEMBER during any period in which such MEMBER shall be in default in the payment of any fees and/or assessments levied by the ASSOCIATION. Such right may also be suspended, for a period not to exceed sixty (60) days, for an infraction of the Uniform Set of Rules and Regulations.
- SECTION 4. REPRESENT THE ASSOCIATION.** The Board of Directors shall have the authority and duty to exercise for the ASSOCIATION all powers, duties and authorities vested in or delegated to the ASSOCIATION, and not reserved to the MEMBERS by other provisions of the DECLARATION, The Articles of Incorporation of these By-Laws.
- SECTION 5. EMPLOYEES AND CONTRACTORS.** The Board of Directors shall have the authority and duty to employ a management agent and/or contractor and/or other employees as they deem necessary, and to prescribe the duties of such employments and/or contractors.
- SECTION 6. SUPERVISION.** The Board of Directors shall have the authority and duty to supervise all Officers, Agents, Managers, Employees and/or Contractors, and to determine that their duties are properly performed.
- SECTION 7. COMMON AREAS.** The Board of Directors shall have the authority and duty to cause the common areas and facilities to be reasonably maintained.
- SECTION 8. AGENTS FOR RESERVES.** The Board of Directors shall have the authority and duty to serve as MEMBERS' Agents for the maintenance and operation of the Reserves and Replacements Fund and for the Painting Fund.
- SECTION 9. RECORDKEEPING AND STATEMENTS.** The Board of Directors shall have the authority and duty to cause to be maintained a complete record of all of it's actions and decisions concerning corporate and financial affairs of the ASSOCIATION, and to present a Statement thereof to the MEMBERS at the Annual Meeting, or at any Special Meeting in which the request for such a Statement is made apart of the petition for the Special Meeting.
- SECTION 10. REGULAR FEE ASSESSMENTS.** The Board of Directors shall have the authority and duty to determine and fix the amount of the regular monthly fee assessment against each LOT AT LEAST (30) DAYS PRIOR TO THE Annual Meeting, and to notify all MEMBERS in writing.

- SECTION 11. SPECIAL ASSESSMENTS.** The Board of Directors shall have the authority and duty to determine and fix the amount(s) of any Special Assessments against each applicable LOT, and to notify all affected MEMBERS in writing of the reasons for, amount and due date of the assessment.
- SECTION 12. FORCLOSURE.** The Board of Directors shall have the authority and duty to foreclose a lien against any LOT on which regular and/or special assessments are not paid within thirty (30) days after their due date. The Board of Directors shall also have the authority and duty to bring any action at law against an OWNER/MEMBER obligated to pay such assessments.
- SECTION 13. ASSESSMENT CERTIFICATES.** The Board of Directors shall have the authority and duty to issue, or cause an appropriate Officer to issue, upon demand by a MEMBER, a certificate setting forth whether an assessment has been paid or not. The Board may assess a reasonable charge for the issuance of such certificate(s). If such certificate states that an assessment has been paid, it shall be conclusive proof of such payment.
- SECTION 14. INSURANCE AND BONDS.** The Board of Directors shall have the authority and duty to procure and maintain adequate liability and hazard insurance on property and facilities owned by the ASSOCIATION. The Board of Directors shall also have the authority and duty to cause all employees, contractors, and/or laborers having fiscal responsibilities to be bonded, as it deems appropriate.
- SECTION 15. APPOINTMENT OF COMMITTEES.** In addition to the Nominations Committee specified in these By-Laws, The Board of Directors shall have the authority and duty to appoint a Planning Committee, which shall encompass the duties of an Architectural Committee, as provided in the DECLARATION. The Board of Directors may also appoint such other committees as it deems necessary and appropriate in carrying out its Committee, an Examination Committee, a Landscape Committee, a Member's Committee, etc., or any relevant separations or combinations of such committees.
- SECTION 16. OFFICERS.** The Board of Directors shall have the authority and duty to elect and monitor the duties and actions of the Officers of the ASSOCIATION.

ARTICLE 9. OFFICERS OF THE ASSOCIATION

- SECTION 1. ENUMERATION OF OFFICERS.** The Officers of the ASSOCIATION shall be a President, a Vice President, a Sergeant-at-Arms, a Secretary and a Treasurer, and such other Officers as the Board of Directors may, from time to time, create by Resolution. The President, Vice President, and Sergeant-at-Arms must, at all times, be Directors.
- SECTION 2. ELECTION OF OFFICERS.** The election of the President, Vice President, Sergeant-at-Arms and any Officer created by Resolution shall occur at a Meeting of the Board of Directors immediately following the Annual Meeting. The Board of Directors shall appoint the Secretary and Treasurer.
- SECTION 3. TERMS OF OFFICERS.** The Officers of the ASSOCIATION shall each be elected for a term of one (1) year to run from the Election Meeting until the adjournment of the next Annual meeting, unless an Officer should die, resign, be removed from the office or otherwise be disqualified to serve. There shall be no limits on the number of terms to which an Officer may be successively elected.

- SECTION 4. SPECIAL APPOINTMENTS.** The Board of Directors may elect such other Officers as the affairs of the ASSOCIATION may require, each of whom shall hold office for such term, have such authority and perform such duties as the Directors may, from time to time, deem necessary.
- SECTION 5. RESIGNATION FROM OFFICE.** Any Officer may resign, at any time, by giving written notice to the Board of Directors, the President and/or Secretary. Such resignation shall be effective on the date of receipt of the notice, or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of such resignation by the Board of Directors shall not be necessary to make it effective and final.
- SECTION 6. DISQUALIFICATION FROM OFFICE.** By a majority vote of the full Board of Directors, any MEMBER or sitting Officer may be disqualified for election to office, or for continuation to hold office, for actions and/or conduct detrimental to the successful administration of the affairs of the Association in accordance with the DECLARATION, the Articles of Incorporation and these By-Laws.
- SECTION 7. REMOVAL FROM OFFICE.** Any officer may be removed from office, at any time, and with or without cause, by a majority vote of the full Board of Directors.
- SECTION 8. OFFICER VACANCIES.** A vacancy in any required office shall be refilled at the earliest possible date by a majority vote of the full Board of Directors. A vacancy in any other office may be refilled at the discretion of, and by the majority vote of, the Board of Directors. Any Officer so elected to fill a vacancy shall serve for the remainder of the term of the Officer being replaced.
- SECTION 9. HOLDING MULTIPLE OFFICES.** The offices of Secretary and Treasurer may be held by the same person so long as said Officer is a MEMBER of the ASSOCIATION. The office of Secretary may be held by a Non-MEMBER, but in such case, the office of the Treasurer must be held by a MEMBER. No other person shall simultaneously hold more than one of any of the other offices, except in the case of Special Appointment Offices created pursuant to Section 4 of this Article.
- SECTION 10. DUTIES OF PRESIDENT.** The President shall preside as Chairman at all regular and/or called Meetings of the Board of Directors and the ASSOCIATION, and shall be the Chief Executive Officer of the ASSOCIATION; shall determine that orders and resolutions of the Directors are carried out; and shall sign all leases, mortgages, deeds and/or other written instruments applicable to the ASSOCIATION.
- SECTION 11. DUTIES OF VICE PRESIDENT.** The Vice President shall serve in lieu of the President in the event of the President's absences or inability or refusal to perform required duties, and shall make final determinations on rules of order in Meetings of the Directors of the ASSOCIATION.
- SECTION 12. DUTIES OF SERGEANT-AT-ARMS.** The Sergeant-At-Arms shall serve in lieu of the President in the event of the President's and Vice President's absences or inability or refusal to perform required duties, and shall make final determinations on rules of order in Meetings of the Directors of the ASSOCIATION.
- SECTION 13. DUTIES OF SECRETARY.** The Secretary shall serve notice of all meetings of the Directors and the ASSOCIATION; shall record the votes and maintain the minutes of all Meetings of the Directors and the ASSOCIATION; shall maintain the Official Seal of the Corporation, and shall affix the Seal on the applicable documents; shall maintain current records of the MEMBERS of the ASSOCIATION, together with applicable addresses; and shall perform such other duties as may be mandated by the Directors.

SECTION 14. DUTIES OF TREASURER. The Treasurer shall be responsible for the receipt and deposit into appropriate depository accounts of all funds of the ASSOCIATION, and the disbursement of such funds as directed by resolution of the Directors; for the signing of all checks and promissory debts of the ASSOCIATION; for the maintenance of proper books of account; for the conduct of an annual review of the ASSOCIATION'S financial statements to be made at the completion of each fiscal year; for the preparation of an annual proposed budget to be presented to the Board of Directors at its last Meeting of each calendar year; for the preparation of a final budget and statement of receipts and expenditures for presentation to the ASSOCIATION at each Annual Meeting; and such other duties as the Directors may deem necessary.

ARTICLE 10. INDEMNITY OF DIRECTORS AND OFFICERS

The Bay Tree III Homeowners Association, Inc. hereby indemnifies each present and future member of the Board of Directors, and each present and future Officer of the ASSOCIATION, against any and all liabilities to the full extent permitted by the Laws of the State of South Carolina.

ARTICLE 11. AVAILABILITY OF RECORDS

The books, records, papers and documents of the ASSOCIATION shall be available for the inspection by any MEMBER between the hours of 10:00 am and 12:00 pm, and the hours of 1:00 pm and 4:00 pm, Monday through Friday, by appointment with the Secretary, which said appointment shall not be unreasonably withheld. The Secretary shall also make available copies of the DECLARATION and copies of these By-Laws at a reasonable cost. The Secretary shall provide copies of the Uniform Set of Rules and Regulations at no cost.

ARTICLE 12. ASSESSMENTS

SECTION 1. OBLIGATION FOR ASSESSMENTS. As more fully provided in the DECLARATION, each MEMBER is obligated to pay to the ASSOCIATION their allocable share of the monthly fee assessments and Reserves Fund allocations, and such other special assessments as are from time to time levied. Penalties for infractions of the Rules and Regulations as per Article 13 of these By-Laws are categorized as special assessments. All assessments create and constitute a lien upon the LOT against which an assessment is levied, and such liens are security for the collection of the assessments.

SECTION 2. DELINQUENT ASSESSMENTS. Any assessments which are not paid when due shall be considered delinquent. If any regular monthly fee assessment is delinquent for a period of more than ten (10) days, said assessment shall bear a late charge of ten dollars (\$10) for each month or portion of a month until paid. If any special assessment is delinquent for a period of thirty (30) days or longer, said assessment shall bear interest at the rate of eight percent (8%) per annum from the date due until the date of payment.

SECTION 3. ASSESSMENT COLLECTIONS. In addition to late charges and interest on delinquent payments of assessments, the Directors, acting on behalf of the ASSOCIATION, may bring an action at law against the MEMBER personally obligated to pay a delinquent assessment; or they may foreclose the lien created against the MEMBER'S LOT(S). The accumulated late charges, interest, costs and reasonable attorney fees of any such action at law or foreclosure shall be added to the amount of the delinquent assessments(s).

SECTION 4. WAIVER OF ASSESSMENT. No MEMBER or OWNER may waive, or by inaction elect to waive, or otherwise escape or rescind liability for any assessments provided for herein, neither by non-usage of the Common Areas or Facilities, nor by abandonment of MEMBER'S LOT.

ARTICLE 13. PENALTIES

Whenever an OWNER/MEMBER, their lessees, family, guests or assigns should by action or lack of action cause a violation of the provisions of the DECLARATION or of the Uniform Set of Rules and Regulations or of relevant provisions of these By-Laws, the Board of Directors shall have the authority and duty to assess reprimands and penalties which in its determination are appropriate in the circumstances, giving due consideration to the nature of the offense and the following guidelines:

(NOTE: VEHICLE AND PARKING VIOLATIONS. Nothing herein is intended to negate the zero tolerance policy concerning the entry and parking of certain types of vehicles and motorized carriers, as stated in the Rules and Regulations. Additional penalties may be considered for continued attempts to ignore the parking regulations.)

SECTION 1. FIRST OFFENSE. Except for actions or activities which create a hazard or danger to other residents, on the first offense, a written reprimand and warning should be given to the OWNER of the UNIT at fault.

SECTION 2. SUBSEQUENT OFFENSES. On subsequent offenses, especially for the same infraction, a financial penalty of up to \$100 may be assessed against the OWNER of the UNIT at fault, after notice and hearing by the Directors, even if said OWNER did not personally cause the Infraction(s).

SECTION 3. REPEATED OFFENSES. If an OWNER, or resident, guests, etc. of a particular UNIT, shall repeatedly cause violations of acceptable conduct or regulations, a financial penalty of up to \$1,000 may be assessed against the OWNER of the UNIT at fault, after notice and hearing by the Directors, even if said OWNER did not personally cause the infractions.

ARTICLE 14. RESPONSIBILITIES OF OWNERS/MEMBERS AS TO UNITS

SECTION 1. RESIDENTIAL PURPOSES. The Bay Tree III Town Homes are a residential community, and the UNITS shall only be utilized as such by the OWNERS, their families, guests, tenants and assigns. The UNITS shall not be utilized for commercial or illegal purposes. Residents shall not display advertisements, posters or signs of any sort anywhere on the PROPERTY, except as may be specifically authorized by the Board of Directors. Residents shall not hang or drape garments, rugs or similar objects from window or the facades of the UNITS.

SECTION. 2 OCCUPANCY LIMITS. The maximum occupancy limit in a three-bedroom Town home is ten (10) people. In a two-bedroom Town home, the maximum occupancy limit is eight (8) people.

- SECTION 3. REPAIRS AND REPLACEMENTS.** Each OWNER/MEMBER is personally responsible for the LOT and town home improvements on which they hold a fee-simple deeded title, except for exterior painting which has been assigned to the Reserves and Replacements Fund (which is funded by regular fee assessments), and except for repairs and replacements of significant root damage affecting more than one UNIT, such as that caused by Acts of Nature (which are funded by special assessments). Elective exterior building alterations and elective roof repairs and replacements, except for emergency and temporary repairs on an individual UNIT should be handled as a request for a structural modification from the Board of Directors.
- SECTION 4. EXPENSE OF UNIT.** Each OWNER/MEMBER is personally responsible for their UNIT and for the expense of necessary maintenance, repairs or replacements within, or to the façade of, their UNIT. Failure of performance which, if omitted, would affect the PROPERTY in whole or in part, or in another MEMBER'S UNIT, may subject the OWNER to damages and liabilities which such failure may engender.
- SECTION 5. STRUCTURE AND APPEARANCE OF UNIT.** Each OWNER/MEMBER is personally responsible for the structural integrity and appearance of their UNIT. Structural modifications or alterations, or any attachments to, or protuberances through, the exterior of a UNIT must be approved in advance in writing by the Planning/Architectural Committee and the Board of Directors.

ARTICLE 15. CORPORATION SEAL

The ASSOCIATION shall have a Corporate Seal in circular form, having within its circumference, the word "BAY TREE III HOMEOWNERS ASSOCIATION, INC." The Secretary shall be responsible for maintaining and properly utilizing the Corporate Seal.

ARTICLE 16. AMENDMENTS OF BY-LAWS

These By-Laws may be amended by the majority vote of a QUORUM of MEMBERS present, in person or by Proxy, at an Annual Meeting or a Special Meeting of the ASSOCIATION.

ARTICLE 17. CONFLICT OF AUTHORITY

In the case of a conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall prevail. In the case of a conflict between the DECLARATION and these By-Laws, the DECLARATION shall prevail.

ARTICLE 18. FISCAL YEAR

The fiscal year of the ASSOCIATION and the Corporation shall commence on January 1st of each year and conclude on December 31st of the each year.

WITNESSES:

BAYTREE III
HOMEOWNERS ASSOCIATION,
INC.

Karl Fowler

Quill W. Pledge
BY: President

Kenneth J. Todd

Truman Bunn
Attest: Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

Personally appeared before me Kelli Shoben, and made oath that (s)he saw the within President and Secretary of Baytree III Homeowners Association sign, seal and as its act and deed, deliver the within document and that (s)he with Pam Bane witnessed the execution thereof.

Kelli M. Shoben

SWORN to and subscribed
Before me this 26 day of
April 2008.

Pamela M. Bane
Notary Public for South Carolina
My Commission Expires: 4/19/2016