

99272
STATE OF SOUTH CAROLINA
COUNTY OF HORRY

DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR THE LAKES
SUBDIVISION

R.M.C.

THIS DECLARATION made this 30th day of January, 1988,
by EDWARD J. BOULEN, III, hereinafter sometimes called
"Developer".

WITNESSETH:

WHEREAS, Developer is the owner of the real property as shown on a Plat entitled Plat of The Lakes Subdivision Phase I recorded in Plat Book 100, at Page 171; Plat of The Lakes Subdivision Phase II recorded in Plat Book 100 at Page 172; Preliminary Plat of The Lakes Subdivision Phase III recorded in Plat Book 96 at Page 59; Preliminary Plat of The Lakes Subdivision Phase IV recorded in Plat Book 99 at Page 110; and Preliminary Plat of The Lakes Subdivision Phase V recorded in Plat Book 99 at Page 122, all in the records of the RMC of Horry County, South Carolina; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities of The Lakes Subdivision and to assure the best use and most appropriate development and improvement of the Property; and

WHEREAS, the purchasers of all lots previously conveyed have executed a consent for their property to be regulated by the rules and regulations of a Planned Unit Development; and

WHEREAS, the filing of this Declaration of Covenants, Conditions, Restrictions and Easements for The Lakes Subdivision not only covers any future lots hereinafter conveyed by the Developer but also covers lots previously sold by the Developer; and

WHEREAS, to this end, Developer desires to subject the Property to the covenants, conditions, restrictions and easements hereinafter set forth (sometimes referred to herein collectively as "covenants and restrictions"), each and all of which is and are for the benefit of the Property and each owner thereof; and

WHEREAS, Developer desires to maintain design criteria, location, construction, specifications and other controls to assure the integrity of the subdivision and to maintain the property values of all lots plotted and sold in the subdivision, and has deemed it desirable for the efficient preservation of the values and amenities for the above-referenced lots to create covenants and restrictions for said lots;

NOW, THEREFORE, in consideration of said benefits to be derived by Developer and subsequent owners of said lots, the undersigned does hereby establish, publish and declare that all of the above described properties shall be held, mortgaged, sold and conveyed subject to the following covenants and restrictions hereinafter set forth, shall apply to said lots set forth becoming effective immediately and shall run with the land, to be binding upon all persons claiming any right, title or interest in the properties under the undersigned, its and/or their heirs, executors, administrators, successors and assigns.

NOTE: THIS DECLARATION APPLIES ONLY TO THE LOTS ABOVE DESCRIBED AND DOES NOT APPLY TO ANY ADJOINING PROPERTY OWNED BY THE DEVELOPER UNLESS EXPRESSLY SUBJECTED TO THIS DECLARATION BY DEVELOPER.

ARTICLE I
Definitions

1. "Lot" means any numbered lot shown on a recorded plat comprising a single dwelling site designated on any plat or survey recorded in the Office of the Clerk for Court of Horry County, South Carolina, now or hereafter made subject to this Declaration.

2. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any lot as per recorded plat which is a part of the Property, specifically including, but not by way of limitation, contract sellers, and excluding, however, those persons who shall have such interest merely as security for the performance of any obligation.

3. "Person" means an individual, corporation, partnership, trust or any other legal entity.

4. "Developer" means Edward J. Edelen, III, or any successor-in-title to the said Edward J. Edelen, III to all or some portion of the property then subject to this Declaration, provided in the instrument of conveyance to any such successor-in-title, such successor-in-title is expressly designated as the "Developer" hereunder by the grantor of such conveyance, which grantor shall be the "Developer" hereunder at the time of such conveyance.

5. "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements, as the same may be amended, renewed or extended from time to time in the manner herein prescribed.

6. "Mortgage" means chattel mortgage, bill of sale to secure debt, deeds to secure debt, deed of trust and any and all other similar instruments given to secure the payment of an indebtedness.

7. "Association" shall mean and refer to The Lakes Property Owners Association, Inc., its successors and assigns.

8. "The Properties" or "The Property" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association or subject to this Declaration.

9. "Plans", "Specifications", "Elevations", "Exterior Designs" and such like terms shall refer to and encompass the Plans, Specifications, Elevations and Designs, as well as setbacks, locations, etc. contained hereinafter in this Declaration.

10. "Member" shall mean and refer to all those owners who are members of the Association, as provided in Article III, Section 1 hereof.

11. "Development", "Project", "Subdivision" and "Community" shall all mean and refer to The Lakes Subdivision to be developed by the Developer.

12. "Phase" shall mean and refer to any additional area of The Lakes II, and when, such area is subjected to this Declaration.

13. "Common Areas" shall mean all real property (including the improvements thereon) 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

described as follows:

All those buffer areas, landscaped or otherwise, which are designated as such on any recorded plats and any and all median areas, landscaped or otherwise, within the rights of way of the streets and roads of the subdivision, together with all streets, roads and rights of way.

14. "Maintenance Areas" shall mean those areas to be maintained in common by the Association for the benefit of all property owners, whether or not owned by the Association, and specifically being any buffer areas as designated on recorded plats and the other landscaped areas within the street rights-of-way, together with all streets, roads and rights of way as well as any lakes which adjoin or are a part of lots which are the subject of the within Declaration. Every lot owner by purchasing a lot within this subdivision recognizes and agrees that it is beneficial to the property and valuable to all lot owners that the maintenance areas be maintained in common.

ARTICLE II Restrictions and Covenants

1. Residential Use of Property. All lots shall be used for residential purposes and no business or business activity shall be carried on upon any lot; provided, however, that nothing herein shall prevent Developer or any builder of homes in The Lakes Subdivision from constructing a model home on any lot for the purpose of carrying on business related to the development, improvement and sale of said property.

2. Architectural Control Committee. The "Architectural Control Committee" shall be appointed by the Board of Directors of the Association as an advisory group. The architecture of homes and/or improvements to and on each of the lots subject to these protective covenants will be controlled in the following manner by the "Architectural Control Committee."

(a) The Architectural Control Committee: The Architectural Control Committee will be composed of five (5) persons designated and appointed by the Homeowners Association, in which each appointed member would be entitled to one vote, and a majority vote of committee members will be controlling. The Architectural Control Committee will be appointed at a meeting of the property owners after at least a thirty (30) day notice of a meeting. Members shall not be entitled to any compensation for services performed pursuant to this covenant; provided, however, the Association may hire an architect or an engineer, to assist in the review and approval of plans.

3. Review and Approval of House and Landscape Plans. No landscaping, grading, filling, excavation of dirt, building, fence, wall, sidewalk, or other structure shall be commenced, erected or maintained on any lot, nor shall any exterior addition to or alteration therein be made until the plans and specifications showing the grading, landscaping, filling, nature, kind, shape, height, materials and location of the same shall have been submitted to the Architectural Control Committee and approved, in writing. Grading and filling of the lot must conform to the drainage plan for the subdivision. The Committee will make every effort to make a decision within ten (10) days; however, if it fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted in writing, approval will not be required. Neither Developer nor any member of the Architectural Control Committee shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control

Committee, not for any structural defects in any work done according to such plans and specifications. Further, neither Developer nor any member of the Architectural Control Committee shall be liable for damages to anyone submitting plans or specifications for approval under this Section, or to any owner of property affected by this Declaration by reason of mistake in judgment, negligence, or non-feasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Control Committee for approval agrees, by submission of such plans and specifications, and every owner of any lot agrees, that he will not bring any action or suit against Developer, or any member of the Architectural Control Committee, to recover for any such damage.

4. Building Construction. Not more than one single-family dwelling, not to exceed three (3) stories in height, shall be erected on any lot unless otherwise approved, in writing, by the Architectural Control Committee. During the course of construction, all construction debris must be removed within forty-eight (48) hours. In the event construction debris is not removed within forty-eight (48) hours, the Developer shall have the right, but not the obligation, to have the debris removed and to have a lien upon the property of the owner for failure to abide by this Restriction.

(a) No pre-lived in, completed modular units or mobile homes will be allowed.

5. Setbacks and Building Lines.

(a) Front and rear set back lines shall be twenty-five (25) feet; side set back lines shall be ten (10') feet. Any outbuildings, such as garages or storage sheds, if permitted shall be within the setbacks.

(b) Walls and Fences. Decorative fences not over four (4) feet high, in keeping with the surrounding neighborhood are allowed in wood, brick or stone. No fence or hedges shall be constructed within fifteen (15') feet of the ten (10') foot lake easement.

(c) Subdivision of Lots. Lots may not be subdivided, except to be added to adjoining lots to make larger single building lots. In such event, the building line requirements provided herein shall apply to such lots as re-subdivided or combined.

(d) Terraces, Eaves. Terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a structure, shall not be considered as a part of the building.

6. Building Requirements. As to Phases I, II, III, the enclosed heated areas of the home, exclusive of garages, shall be not less than 1,400 square feet. A multi story house shall have a minimum heated area of 1,400 square feet total with at least 1,000 square feet on the ground floor. As to Phases IV and V, the enclosed heated areas of the home, exclusive of garages, shall be not less than 1,600 square feet total with at least 1,000 square feet on the ground floor. A multi story house shall have a minimum heated area of 1,600 square feet total with at least 1,000 square feet on the ground floor.

7. Obstructions to View at Intersections. The lower branches of trees or other vegetation shall not be permitted to obstruct the view at intersections.

8. Completion of Construction. A home must be completed within one (1) year from the date of commencement of construction.

9. Pets. Only dogs, cats or other household animals may be kept as pets. Pets shall be maintained upon the Owner's lot and

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it shall be considered a nuisance if such pet is allowed to go upon another owner's lot or to be upon the streets unless under leash or carried by the owner.

10. Offensive Activities. No noxious, offensive, illegal or immoral activities shall be carried on upon any lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to or which may diminish or destroy the enjoyment of the owners of other lots.

11. Signs. For sale signs shall be allowed up to six (6) square feet on individuals' lots and builders' lots with an approved site plan. However, Developer is allowed to use larger signs to identify and advertise the development, lots and/or homes during the development and construction period.

12. Nature Growth. Trees which have a diameter in excess of six (6") inches measured two (2') feet above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior approval, in writing, of the Architectural Control Committee.

13. Antennae. No radio, TV or satellite dish, ham operator towers or television transmission or reception tower. Antennae shall be erected on the lots.

14. Trailers, Trucks, School Buses. Habitable motor vehicles, campers, school buses, motorcycles, trucks or commercial vehicles over three fourths (3/4) ton capacity and boats, shall not be kept, stored or parked overnight on any street or lot, except within enclosed garages.

15. Garbage and Refuse Disposal. Trash shall be kept in sanitary containers and shall be placed on the street the morning of pick-up and be removed by 6:00 p.m. on the date of pick-up.

16. Utility Facilities. Developer reserves the right to approve the necessary construction, installation and maintenance of utility facilities, including but not limited to water, cable TV, electrical service, telephone and sewerage systems. All residential utility service, telephone, television and lines to residences shall be underground and all fuel tanks must be buried.

17. Easements. Lots shall be subject to the easements as shown on the recorded plat. The developer reserves a ten (10) foot easement of ingress and egress for the installation and inspection of all utilities and drainage facilities. Said easements are hereby reserved over, upon, and across and under each lot on a strip of land ten (10) feet in width along the front, rear and side lot lines. Within these easements, no structure, planting, except shallow root plants, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. Lot owners shall be responsible for all maintenance in the easement area and for the replacement of all plants within the easements if such plants are damaged during maintenance or repair of the utilities.

18. Lake Easement. A specific ten (10) feet lake easement is reserved along all lakes for the enjoyment of all owners in The Lakes specifically for walking, jogging, bicycling, pedestrian and maintenance purposes.

19. Specific Restrictions as to Lake Front Lots. The said lots having lake and drainage easements as a part of the lots shall be subject to a "lake line easement" as shown on the

above-referenced plat and shall also be subject to the following restrictions.

(a) No gas powered vehicles shall be permitted on the lakes or easements.

(b) No filling of the lakes shall be allowed and specifically, no filling of the lakes below the lake line shall be permitted except as required to maintain the original lake lot line or to replace eroded land so that the lot extends to the original lake lot line. No waste or garbage shall be placed in the lakes or below the lake line.

(c) The lot owner will take title subject to the right of Horry County or other governmental body to work within and maintain The Lakes for drainage purposes.

(d) A perpetual easement for the use of the lakes is hereby reserved for every lot owner in the subdivision.

20. 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 right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(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. No such 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.

ARTICLE III

Membership and Voting Rights in the Homeowner's Association.

Section 1. Membership. Every person or entity who is an owner of any lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any lot.

Section 2. Voting Rights. The Association shall have two (2) classes of voting memberships.

Class A. Class A Members shall be all owners except the Developer. Class A Members shall be entitled to one (1) 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 sole Class B Member shall be the Developer. The Class B Member shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and become converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on February 10, 1995.

ARTICLE IV
Covenant For Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, 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: (1) 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 property 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 property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to review, administer, and enforce deed restrictions, architectural compliance, dealings with utility companies and county services and to promote in general the health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of any Maintenance Areas. The Maintenance Areas to be maintained in common, whether or not owned by the Association, are any buffer areas shown on a recorded plat, the lakes which adjoin or are a part of any lots subject to this Declaration, and planter islands within street rights-of-way, together with all streets, roads and rights of way. Maintenance includes mowing and landscaping and control of aquatic growth in the lakes.

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 Seventy-Two (\$72.00) Dollars 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 not more than five (5%) percent 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 five (5%) percent by a vote of sixty-six and 66/100 (66.66%) percent of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. 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 a capital improvement upon any Maintenance Areas; 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 this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the

purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent 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 sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual or monthly basis, as determined by the Board of Directors.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence at the date of filing the subdivision plat and subjecting the lots shown thereon to this Declaration. 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, 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 8. Effect of Non-Payment 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 six (6%) 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 the property and recover all costs and expenses, including reasonable attorneys' fees, whether or not suit is brought. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use or abandonment of his Lot.

Section 9. 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 assessment 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.

ARTICLE V General Provisions

1. Duration. The covenants and restrictions shall run until March 1, 2007, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless changed by Seventy Five (75%) percent of the lot owners.

2. Amendment. This Declaration may be amended by an agreement signed and recorded by at least Ninety (90%) percent of all the lots owners subject to this Declaration for the first twenty (20) years after recording and with seventy-five (75%) percent thereafter. The Developer may, however, modify, amend and

adjust these covenants, restrictions, lot lines and land use to comply with changes specifically required by a review agency. Additional land within the area described in Deed Book 1221 at Page 118, records of Horry County, may be annexed by the Developer without the consent of the Members within eight (8) years of the date of this instrument provided that FHA and VA determine that the annexation is in accordance with the general plan approved by them.

3. Enforcement. Each lot owner shall comply strictly with the covenants, conditions, restrictions and easements set forth in this Declaration. In the event of a violation or breach, or threatened violation or breach, of any of the same, the developer, the Architectural Control Committee or any aggrieved lot owner, jointly and severally, shall have the right to proceed at law or in equity for the recovery of damages, or for injunctive relief, or both. The failure to enforce any rights, reservations, restrictions or conditions contained in this Declaration, however long continued shall not be deemed a waiver of the rights to do so hereafter as to the same breach or as to a breach accruing prior or subsequent thereto and shall not bar or affect its enforcement.

4. 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.

IN WITNESS WHEREOF, the Developer, has caused these presents to be executed in its name on the day first written above.

WITNESSES:

Marcia S. Williams
Jeanette F. [unclear]

Edward J. Edelen, III
Edward J. Edelen, III

STATE OF SOUTH CAROLINA)

COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named Edward J. Edelen, III sign, seal and as his act and deed deliver the within written DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE LAKES SUBDIVISION; and that (s)he with the other witness subscribed above witnessed the execution thereof.

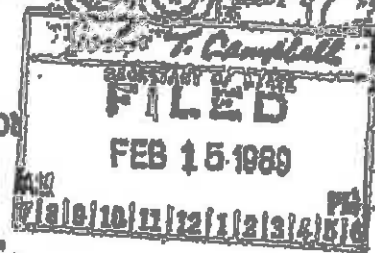
Marcia S. Williams

SWORN to before me this
2nd day of Feb., 1989.

Jeanette F. [unclear] (L.S.)
Notary Public for South Carolina
My commission expires: 5-2-91

DECLARATION AND PETITION FOR INCORPORATION
OF

THE LAKES PROPERTY OWNERS ASSOCIATION, INC.



The undersigned having given three days notice in The Sun News, a newspaper published in the County of Horry, that this Declaration would be filed, for the purpose of forming a non-profit corporation under Chapter 31, Code of Laws of South Carolina 1976, as amended, certify as follows:

ARTICLE I. SUBSCRIBERS

The names and addresses of the subscribers of this Declaration and Petition for Incorporation are as follows:

<u>Name</u>	<u>Address</u>
Edward J. Edelen, III	600 Waccamaw River Road Surfside Beach, SC 29575
R. Randolph Wallace	600 Waccamaw River Road Surfside Beach, SC 29575
C. Van Harden	600 Waccamaw River Road Surfside Beach, SC 29575

ARTICLE II. NAME.

The name of the corporation shall be THE LAKES PROPERTY OWNERS ASSOCIATION, INC. For convenience the corporation shall be referred to in this instrument as the Association.

ARTICLE III. PRINCIPAL OFFICE.

The principal office of the Association shall be located in South Carolina, but the Association may maintain offices and transact business in such other places within or without the State of South Carolina as may from time to time be designated by the Board of Directors. The initial principal office of the Association shall be located at 600 Waccamaw River Road, Surfside Beach, South Carolina, 29575.

ARTICLE IV. PURPOSE AND POWERS OF THE ASSOCIATION

FEB 15 1989

DATE _____
CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

James T. Campbell
SECRETARY OF STATE OF SOUTH CAROLINA

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This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence lots and Common Area within that certain tract of property described as:

See Exhibit A.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, Restrictions and Easements hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Clerk of Court for Horry County and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell 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. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of South Carolina by law may now or hereafter have or exercise.

ARTICLE V. DIRECTORS.

A. The affairs of the Association shall be managed by a Board consisting of the number of directors determined by the By-Laws, and the first elected Board of Directors shall consist of Three (3) members.

B. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws and all of the Board of Directors shall be members of the Association or shall be authorized representatives, officers or employees of a corporate or partnership member of the Association.

C. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified or until removed are as follows:

<u>Name</u>	<u>Address</u>
Edward J. Edelen, III	600 Waccamaw River Road Surfside Beach, SC 29575
R. Randolph Wallace	600 Waccamaw River Road Surfside Beach, SC 29575
C. Van Harden	600 Waccamaw River Road Surfside Beach, SC 29575
Paul T. Edwards	306 New River Road Surfside Beach, SC 29575
Edsell DeVille	761 Hickory Circle Myrtle Beach Air Force Base, SC 29577

ARTICLE VI. TERM.

The term of the Association shall be perpetual.

ARTICLE VII. MEMBERS.

A. The members of the Association shall consist of all of the owners by the records of Horry County, South Carolina, of any Lot which is subject to the above referenced Declaration.

B. Change of membership in the Association shall be established by recording in the public records of Horry County, South Carolina, a deed or other instrument establishing a record title to Lot and the delivery to the Association a certified copy of such instrument. The owner designated by such instrument then becomes a member of the Association and the membership of the prior owner is terminated.

C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his Lot.

D. All owners, by virtue of their ownership of a Lot are mandatory members of the Association, and shall be entitled to vote on all matters upon which members of the Association are entitled to vote, pursuant to these Articles and in accordance with the By-Laws. Subject to the provisions of the By-Laws of the Association, Owners shall be entitled to one vote for each lot owned in the project.

ARTICLE VIII. VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Developer, 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(s) shall be the Developer (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. 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 the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on February 10, 1995.

ARTICLE IX. OFFICERS.

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The affairs of the Association shall be administered by the officers designated in the By-Laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President: Edward J. Edelen, III

Vice President/Assistant Secretary: R. Randolph Wallace

Secretary: C. Van Harden

Treasurer: Paul T. Edwards

ARTICLE X. INDEMNIFICATION.

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be an addition and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XI. BY-LAWS.

The first By-Laws of the Association shall be adopted by the Board of Directors and shall be attached to the Declaration and may be altered, amended or rescinded by the members in the manner provided for by the By-Laws.

ARTICLE XII. AMENDMENTS.

Amendments to these Articles of Incorporation shall be proposed and adopted by the members in the following manner:

1. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered and shall be proposed by either the Board of Directors or a majority of the total lots in the Association,

B. An amendment shall be approved by three-fourths (3/4) of all of the members. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the secretary at or prior to the meeting.

C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members, without the approval in writing by all members.

ARTICLE XIII. 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, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

Wherefore your petitioners pray that the Secretary of State do issue to the aforesaid The Lakes Property Owners Association, Inc., a Certificate of Incorporation, with all rights, powers, privileges and immunities, and subject to all the limitations and liabilities conferred by Section 33, Chapter 31, 1976 Code, and Acts amendatory thereto, to provide for the incorporation of Religious, Education, Social, Fraternal or Charitable Churches, Lodges, Societies, Associations, or Companies, and for amending the Charters of those already formed and to be formed.

Edward J. Edelen, III
Edward J. Edelen, III
R. Randolph Wallace
R. Randolph Wallace
C. Van Harden
C. Van Harden

Date: January 30, 1989

STATE OF SOUTH CAROLINA)

COUNTY OF HORRY)

AFFIDAVIT

The undersigned Edward J. Edelen, III, R. Randolph Wallace and C. Van Harden do hereby certify that they are the officers or persons signing the petition for incorporation of a non-profit corporation having no capital stock, that all the facts

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in the petition are true and correct and that the corporation will not operate for a profit for itself or any of its members.

Edward P. VanHarden
Secretary of the Corporation
St. Randolph, N. C.

C. VanHarden

Sworn to before me this
10th day of January, 1939

Notary Public for South Carolina
My commission expires 5-2-91

EXHIBIT A

ALL AND SINGULAR all those certain pieces, parcels, or lots of land lying and being near the Town of Surfside Beach, Horry County, South Carolina, shown and designated on Plat of The Lakes Subdivision Phase I recorded in Plat Book 100, at Page 171; Plat of The Lakes Subdivision Phase II recorded in Plat Book 100 at Page 172; Preliminary Plat of The Lakes Subdivision Phase III recorded in Plat Book 96 at Page 59; Preliminary Plat of The Lakes Subdivision Phase IV recorded in Plat Book 99 at Page 120; and Preliminary Plat of The Lakes Subdivision Phase V recorded in Plat Book 99 at Page 122, all in the records of the HUC of Horry County, South Carolina; and all future phases annexed by the Developer.

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STATE OF SOUTH CAROLINA

COUNTY OF Horry

SHERIFF'S APPROVAL

Pursuant to Section 33-31-40 of the Code of Laws of South Carolina, 1976 (as amended), the undersigned as Sheriff of the County in which the Association proposes to have its principal place of business, does hereby approve the Declaration and Petition for Incorporation of The Lakes Property Owners Association, Inc.

DATED: February 3, 1989

/s/
Arlon Small, Sheriff of Horry
County, South Carolina

Sun Publishing Company, Inc.
P.O. Box 406
Myrtle Beach, 29575-0406

Date: January 30, 1989

Name/Address:

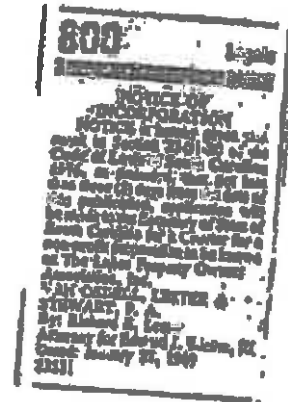
Van Ondell Law Firm
1301 48th Avenue North
Myrtle Beach, S.C. 29577

NEWSPAPER

The Sun News

DATE

January 30, 1989



AFFIDAVIT OF PUBLICATION: State of South Carolina
County of Horry

Before me, a Notary Public, personally appeared - J. Michael Pat., who, after being duly sworn, deposes and says: That he is publisher of The Sun Publishing Company Inc., at Myrtle Beach, SC. In the county and state aforesaid: that the above ad (s) was (were) printed and published in said newspaper, on said date (s).

J. Michael Pat.

J. Michael Pat.

Sworn to and subscribed before me this 30 day of January 1989

Katherine Wells
Notary Public

My Commission Expires April 5, 1991

BY-LAWS

OF

THE LAKES PROPERTY OWNERS ASSOCIATION, INC.

I. IDENTITY AND DEFINITIONS

These are the By-Laws of THE LAKES PROPERTY OWNERS ASSOCIATION, INC. (hereinafter called the "Association"), a South Carolina non-profit corporation incorporated by Declaration and Petition of Incorporation which has been organized for the purpose of administering The Lakes Subdivision. Definitions used with regards to The Lakes Subdivision and The Lakes Property Owners Association, Inc. are as follows:

1. "Lot" means any numbered Lot shown on a recorded plat comprising a single dwelling site designated on any plat or survey recorded in the Office of the Clerk for Court of Horry County, South Carolina, now or hereafter made subject to this Declaration.
2. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot as per recorded plat which is a part of the Property, specifically including, but not by way of limitation, contract sellers, and excluding, however, those persons who shall have such interest merely as security for the performance of any obligation.
3. "Person" means an individual, corporation, partnership, trust or any other legal entity.
4. "Developer" means Edward J. Edelen, III, or any successor-in-title to the said Edward J. Edelen, III to all or some portion of the property then subject to this Declaration, provided in the instrument of conveyance to any such successor-in-title, such successor-in-title is expressly designated as the "Developer" hereunder by the grantor of such conveyance, which grantor shall be the "Developer" hereunder at the time of such conveyance.
5. "Declaration" means the recorded Declaration of Covenants, Conditions, Restrictions and Easements, as the same may be amended, renewed or extended from time to time in the manner herein prescribed.
6. "Mortgage" means chattel mortgage, bill of sale to secure debt, deeds to secure debt, deed of trust and any and all other similar instruments given to secure the payment of an indebtedness.

7. "Association" shall mean and refer to The Lakes Property Owners Association, Inc., its successors and assigns.

8. "The Properties" or "The Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, Restrictions and Easements and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

9. "Plans", "Specifications", "Elevations", "Exterior Designs" and such like terms shall refer to and encompass the Plans, Specifications, Elevations and Designs, as well as setbacks, locations, etc. contained hereinafter in this Declaration.

10. "Member" shall mean and refer to all those persons entitled to membership as provided in the Declaration.

11. "Development", "Project", "Subdivision" and "Community" shall all mean and refer to The Lakes Subdivision to be developed by the Developer.

12. "Phase" shall mean and refer to any additional area of The Lakes if, and when, such area is subjected to the Declaration.

13. "Common Areas" shall mean all real property (including the improvements thereon) 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 described as follows:

All those buffer areas, landscaped or otherwise, which are designated as such on any recorded plats and any and all median areas, landscaped or otherwise, within the rights of way of the streets and roads of the subdivision, together with the streets, roads and all rights of way.

14. "Maintenance Areas" shall mean those areas to be maintained in common by the Association for the benefit of all property owners, whether or not owned by the Association, and specifically being any buffer areas as designated on recorded plats and the other landscaped areas within the street rights-of-way, together with the streets, roads and all rights of way, as well as any lakes which adjoin or are a part of lots which are the subject of the within Declaration. Every lot owner by purchasing a lot within this subdivision recognizes and agrees that it is beneficial to the property and valuable to all lot owners that the maintenance areas be maintained in common.

A. The provisions of these By-Laws are applicable to said Subdivision, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions, and authorizations contained in the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements which terms and provisions of said Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements shall be controlling wherever the same may be in conflict herewith.

B. All present or future owners, present or future tenants, or their employees, are subject to the regulations set forth in these By-Laws and in said Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements.

C. The fiscal year of the Association shall be the calendar year.

II. MEMBERS MEETINGS

A. The qualification of members, the manner of their admission to membership and termination of such membership and voting by members, shall be as set forth in the Declaration and Petition for Incorporation of the Association.

B. The annual members meetings shall be held at the office of the Association at 2:00 p.m., on the fourth Saturday in October in each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members in writing.

C. Special members meetings shall be held whenever called by the president or the vice president or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-fourth (1/4) of the votes of the Class A Membership.

D. Notice of all members meetings stating the time and place and the objects for which the meeting is called shall be given by the president or vice president or secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of the meeting may be waived before or after meetings.

E. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action of the Association so long as there are two (2) classes of membership. The acts approved by a majority of fifty-one (51%) percent of the votes of the Association at a meeting in which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration and Petition for Incorporation, the Declaration of Covenants, Conditions, Restrictions and Easements, or these By-Laws. The joinder of a member in this action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

F. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the secretary before the appointed time of the meeting or any adjournment thereof.

G. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or in proxy, may adjourn the meeting from time to time, until a quorum is present.

H. At a members meetings, the President shall preside, or in his absence, the membership shall select a chairman.

I. The order of business at the annual members meetings, and, as far as practical at all other members meetings, shall be:

1. Calling of the roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading of minutes.
4. Reports of Officers.
5. Reports of Committees.
6. Appointment by President or Chairman of Inspectors of Election.
7. Election of Directors.
8. Unfinished business.
9. New business.

10. Adjournment.

III. BOARD OF DIRECTORS

A. The initial Board of Directors of the Association (hereinafter referred to as the "Board") shall consist of three (3) persons, and succeeding Boards of Directors shall consist of five (5) persons. All of the Board shall be members of the Association, or shall be authorized representatives, officers, or employees of a corporate member of the Association except for those appointed by the Developer, who do not have to be members.

B. Election of Directors shall be conducted in the following manner:

1. At the first meeting of the members of the Association, said meeting to include all owners of all lots subject to the Declaration of Covenants, Conditions, Restrictions, and Easements, the members shall elect three (3) Directors for a term of two (2) years each and two (2) Directors for a term of one (1) year each and at each annual meeting thereafter, the members shall elect new Directors to replace any whose terms were expiring for terms of two (2) years each. Directors shall always be elected in alternate years so that terms are staggered and there are never more than three (3) Directors elected in one (1) year with at least two (2) Directors carried over.

2. Vacancies in the Board may be filled until the date of the next Annual Meeting by the remaining Directors.

3. In the election of Directors, each lot shall be entitled to one (1) vote regardless if more than one (1) person owns said lot. The persons receiving the largest number of votes shall be elected and cumulative voting is not permitted.

4. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

C. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

D. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of a regular meeting shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

E. Special meetings of the Board may be called by the president and must be called by the secretary at the written request of one-third of the directors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting.

F. Any director may waive notice of the meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

G. A quorum at a directors' meeting shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except where approval by a greater number of directors is required by the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements or these By-Laws.

H. If at any meeting of the Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

I. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

J. The presiding officer of the directors' meetings shall be the president. In the absence of the president, the directors shall designate one of their number to preside.

K. Directors fees, if any, shall be determined by the members of the Association.

L. The undertakings and contracts authorized by the initial Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first board of Directors duly elected by the membership so long as any undertakings and contracts are within the scope of the powers

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and duties which may be exercised by the Board in accordance with all applicable Condominium documents.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements and these By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by lot owners when such is specifically required. Such powers and duties of the Board shall include but shall not be limited to the following, subject, however, to the provisions of the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements and these By-Laws:

A. To make and collect assessments against lot owners to defray costs and expenses of the Association.

B. To use the proceeds of assessments in the exercise of the powers and duties.

C. The maintenance, repair, or replacement of property in the ownership of or under the control of the Association.

D. The purchase of insurance on the Association property and insurance for the protection of the Association and its members.

E. The reconstruction of improvements, if any, after casualty loss and the further improvement of the property.

F. To make and amend reasonable regulations respecting the use of the property in the Association in the manner provided for by the Declaration.

G. To enforce by legal means the provisions of the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements.

H. To contract for the management of the Association and delegate to the contractor all powers and duties of the Association except such as are specifically required by the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements to have approval of the Board or the membership of the Association.

I. To employ personnel to perform the services required for proper management of the Association.

J. To foreclose any lien for unpaid assessments in the same manner as mortgages.

V. OFFICERS

A. The executive officer of the Association shall be a president, who shall be a director, a vice president, who shall be a director, and a secretary-treasurer, who shall be a director, all of whom shall be elected annually by the Board and who may be preemptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the president shall not also be the secretary-treasurer. The Board shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The president shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he may at his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

C. The vice president shall in the absence or disability of the president exercise the powers and perform the duties of the president. He shall also generally assist the president and exercise such other powers and perform such other duties as shall be described by the directors.

D. The secretary-treasurer shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall keep the records of the Association, and shall perform all other duties instant to the office of a secretary of an Association and as may be required by the directors or the president, shall have custody of all property of the Association, including the funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties instant with office of treasurer.

E. The compensation of all officers and employees of the Association shall be fixed by the directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the managing of the Association.

VI. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, Incorporation papers and Bylaws shall be available for inspection by any member at the principal office of the Association.

VII. NON-LIABILITY AND INDEMNITY OF DIRECTORS AND OFFICERS

A. No Director or officer of the Association shall be liable for acts, defaults, or neglects of any other Director or officer or member for any loss sustained by the Association of any co-owner, unless the same shall have resulted from his own willful or negligent act or omission.

B. Every Director, officer and agent of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, procedure, investigation, or inquiry as to whatever nature in which he may be involved as a party or otherwise by reason of his being or having been a Director, officer or agent of the Association whether or not he continues to be such Director, Officer or agent at the time of incurring or imposition of such cost, expenses, or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation, or inquiry to be liable for willful misconduct or neglect in the performance of his duties, in the absence of such final adjudication of the existence of such liability, the Association and each member thereof and officer or agent thereunder may conclusively rely on an opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law, and such shall inure to the benefit of the legal representative of such person.

VIII. PARLIAMENTARY RULES

Roberts' Rules of Order, (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements, and these By-Laws.

IX. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid

when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

X. AMENDMENT

A. These By-Laws may be amended in the following manner:

(1) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

(2) A resolution for the adoption of the proposed amendment shall be presented to the meeting of the members.

(3) The amendment shall be approved by a majority of a quorum of members present in person or by proxy, except that the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

B. The Amendment shall be attached to a Certificate executed by the officers of the Association, certifying that the amendment was duly adopted and shall be recorded in the office of the Clerk of Court for Horry County, South Carolina.

XI. CONFLICTS

In the event of any conflicts between the provisions of the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements and the provisions of these By-Laws, the provisions of the Declaration and Petition for Incorporation and the Declaration of Covenants, Conditions, Restrictions and Easements shall control.


SECRETARY

APPROVED:


Director