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Prepared by:
N. David DuRant and Associates, P.A.
Post Office Box 14722
Surfside Beach, SC 29587
File Name !OceanBreeze

FILED
HORRY COUNTY, S.C.

99 JUN 28 PM 3:14

R.M.C.

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

DECLARATION OF COVENANTS,
CONDITIONS and RESTRICTIONS
for OCEAN BREEZE PLANTATION

FILED
HORRY COUNTY, S.C.
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REGISTER OF DEEDS

THIS DECLARATION made this 24 day of JUNE, 1999, by
Smith Land Company, Inc., a South Carolina Corporation, hereinafter called the Developer.

WITNESSETH:

WHEREAS, the Developer is the owner of certain real property located in Horry County, South Carolina, described hereinbelow and desires to create thereon a planned community with easements, roadways for ingress and egress, access facilities and certain reservations for future development and other community facilities for the benefit of said community with a plan mix of housing types; and

WHEREAS, the Developer desires to provide for the preservation and enhancement of the environment, property values, amenities and opportunities in said community and for the maintenance of the property and improvements thereon and to this end desires to subject the real property described hereinbelow to the covenants, restrictions, easements, reservations, charges and means hereinafter set forth each and all of which is and for the benefit of said property and each owner thereof; and

For the efficient preservation of the values and amenities of said community the Developer shall cause to be established the Ocean Breeze Home Owners Association, Inc., a non-profit Corporation and hereby delegates and assigns to it the powers of owning, maintaining

HORRY COUNTY ASSESSOR

195-27-01-001 thru 085

Map 11 Blk Parcel 6-29-79

and administering the common properties, amenities, and facilities and enforcing the covenants and restrictions, collecting and disbursing the assets and charges hereinafter created and promoting the recreation, health, safety and welfare of the residents and preserving the natural and man-made environment.

NOW, THEREFORE, Developer declares that the real property described hereinbelow is and shall be held, transferred, sold and conveyed and occupied subject to the covenants, restrictions, reservations easements, charges liens (sometime referred to as "Covenants and Restrictions") hereinafter set forth, to wit:

ALL AND SINGULAR, all that certain piece, parcel or lot of land, situate, lying and being in the Garden City Community, County of Horry, State of South Carolina, being designated as LOTS NOS. ONE (1) THROUGH EIGHTY-TWO (82), OCEAN BREEZE PLANTATION, as shown on that certain plat prepared for Richard T. Smith by Beasley Land Surveying, Inc., dated 5-29-98, 1998, and recorded in the Office of the RMC for Horry County, South Carolina, on 6-24, 1999, in Plat Book 163 at page 108.

The conveyance of the aforesaid real property shall be subject to all easements, reservations, rights-of-way, restrictions, encroachments, and covenants of record which may affect the above-described property and all governmental statutes, ordinances, rules and regulations.

This being the same property conveyed to Smith Land Company, Inc., a South Carolina Corporation, by Deed of Land South Partners, A South Carolina General Partnership, dated July 9, 1998, and recorded July 10, 1998, in Deed Book 2053 at page 1272, Horry County records.

ARTICLE I: Definitions.

Section 1. "Declaration" shall mean covenants conditions and restrictions and other provisions herein set forth in this entire document as the same may from time to time be amended.

Section 2. "Association" shall mean and refer to the Owner's Association, its successors and assigns.

Section 3. "Developer" shall mean and refer to Richard T. Smith, and his successors and assigns.

Section 4. "General Plan of Development" shall mean the plan which shall represent the total general scheme and general use of the land and property as described herein.

Section 5. "Common Areas" shall mean and refer to those areas of land now or hereafter conveyed to the Association including, but not limited to, access lots for recreational use and access by the Owners.

Section 6. "Lot" shall mean and refer to the plots of land conveyed by the Developer from the tract described hereinabove to individual owners, with the exception of common areas as hereinabove referred to.

Section 7. "Assessable Unit" shall mean and refer to each lot which has or may be conveyed to an owner who is not the developer.

Section 8. "Owner" shall mean and refer to the record owner whether one or more persons or entities of the fee simple title to any lot including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Member" shall mean and refer to any owner, any occupant and the Developer.

Section 10. "Parcel" shall mean and refer to any lot conveyed to an owner in the subdivision.

ARTICLE II: Property Subject to This Declaration.

Section 1. Property. The real property which is and shall be held, transferred, sold and conveyed and occupied subject to this Declaration is located in Horry County, South Carolina and is described hereinabove.

Section 2. Access Road - Easement of Right-of-way. The Developer hereby dedicates to the Association an easement of right-of-way for ingress and egress which easement shall extend over the roadways as indicated on the Plat of the premises referred to hereinabove as the Beasley plat recorded in the Office of the RMC for Horry County, South Carolina, in Plat Book 155 at page 9, hereto as a portion of the property described hereinabove. It is understood that these roads will be maintained by the Association as private community roads.

ARTICLE III: Common Area.

Section 1. Obligations of the Association. The Association subject to the right of the Owner set forth in this Declaration, shall be responsible for the management and control of

the common areas and all improvements thereon, including lot and easements of ingress and egress to all interior lots in the subdivision and shall keep the same in good, clean, attractive and sanitary order and repair and compliance with standards set by the Board of Directors of the Association. Maintenance costs of the common areas and roads shall be borne on an equal basis by all owners of lots in the subdivision and upon the purchase of one or more lots the owner-member shall be responsible for maintenance and upkeep of the common area in proportion to the amount of property owned by him. All successors and assigns of the original owner shall be bound to pay all costs of the common areas based upon his or her percentage of ownership in the same manner as the original.

Section 2. Damage or Destruction of Common Areas By Owner. In the event any common area or roadway is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents or members of his family, such owner does hereby authorize and direct the Association to repair the damaged area; the Association shall repair said damaged area in as good workmanlike manner in conformance with the original plans and specifications of the area involved or as the area may have been modified or altered subsequently by the Association or the Developer in the discretion of the Association. The amount incurred for such repairs shall become a special assessment upon the lot of the owner and if remaining unpaid after thirty (30) days from date of assessment, shall become a lien against said lot.

Section 3. Roadways. The Developer will provide permanent right of way not less than fifty (50') feet in width for ingress and egress as set forth on the Plat referred to in the property description hereinabove for the convenient access to and from the property. The Developer will maintain the roads for the private use of the members of the subdivision for a period not to exceed one (1) year from the date hereof. In no event will the Developer be responsible for the maintenance of the roads for a period of time greater than one (1) year from the date hereof and should the same not be dedicated prior to that time the Owners Association shall provide on going maintenance. Developer reserves the right to dedicate all roadways to Horry County.

ARTICLE IV: Restrictions.

It is the intent and purpose of the Developer to divide the tract of land as described hereinabove into eighty-two (82) single family lots and shall be designated as "Ocean Breeze Plantation" Subdivision. A subdivision plat of the premises shall be filed by the Developer and these restrictions shall be imposed on each lot. Not more than one home shall be erected on any lot and all lots shall be subject to the general restrictions as hereinbelow set out.

1. Approval of Plans. No structure of any nature including, but not limited to, storage house, cabanas, fences shall be erected, altered or placed on any residential lot until the building plans including exterior design, specifications, and plans showing the location of such structure on the lot have been approved in writing by the Developer, its successors or assigns who must give written answer to any request for approval within thirty (30) days from the date of receipt of said request and should the request be disapproved, the reason or reasons for such

disapproval must be stated in full. However, refusal to approve said plans, location or specifications by the Developer may be based on any grounds, which in the sole and uncontradicted discretion of the Developer shall be deemed sufficient.

2. Homes. Any home placed in Ocean Breeze Plantation shall be subject to approval by the Developer, its successor or assigns or Ocean Breeze Plantation Home Owners Association.

3. Additions to Existing Homes. In the event any owner decides to enlarge his home, plans depicting the exterior of the addition shall be submitted to the Developer, its successors or assigns, or Ocean Breeze Plantation Home Owners Association for written approval prior to the start of construction. Developer or Ocean Breeze Plantation Home Owners Association must give a written approval or denial within thirty (30) days from the date of receipt of any such request. Should the request be disapproved, the reason or reasons for such disapproval must be stated in full. However, refusal to approve said plans, location or specifications by the Developer or its successor may be based on any grounds, which in the sole and uncontradicted discretion of the Developer shall be deemed sufficient.

4. Driveways. Concrete driveways measuring at least twenty feet (20') by thirty (30') feet are required to be installed on or before the date of home delivery and set-up.

5. Home Underpinning. Each home shall be underpinned in a manner consistent in the neighborhood and shall be subject to approval by the Developer, its successors and assigns or the Ocean Breeze Plantation Home Owners Association.

6. Yards. All front yards, to the rear of mobile home shall be sodded with centipede, tifton or St. Augustine grass.

7. Roofs. Each home shall have shingled roofs in a manner consistent in the neighborhood and shall be subject to approval by the Developer, its successors and assigns or the Ocean Breeze Plantation Home Owners Association.

ARTICLE V: General Restrictions.

The following restrictions shall apply to lots located in "The Subdivision".

1. All lots on said property shall be used for residential purposes .

2. Subdivision of Property. Lots within the subdivision shall not be subdivided or reduced without the written consent of the Developer and the regulating authorities during the time that the Developer retains ownership to any portion of the subdivision herein referred to. Upon complete sale of all lots by the Developer the written consent herein referred to shall be required of the Owners Association.

3. **Offensive Activity.** No business or commercial activity shall be conducted or operated on this property and no noxious or offensive activity shall be carried on thereupon, nor shall anything be done thereon which may be or become an annoyance or nuisance to the subdivision property owners. No animals or fowl which shall constitute an annoyance or nuisance or cause unsanitary conditions, or any undesirable situation to any neighboring property owner shall be maintained on the property. Provided, however, that Developer specifically reserves the right to erect model units and to conduct sale activities therefrom in the subdivision. No noxious or offensive activity shall be carried on upon any lot, or shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants, poultry, animals (other than household pets) or device or thing of any sort the normal activities of existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owner thereof. All household pets must be housed inside the dwelling, and no houses for pets of any type may be erected on the premises, unless previously approved in writing by the Developer or its successor or assign.

4. No immoral, improper, offensive, or unlawful use shall be made of the property of the owners thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modifications or repairs shall be the same as the responsibility for the maintenance and repair of the property concerned.

5. **Private Residential Dwelling.** No camper, recreational vehicle, temporary living unit or move-in structure shall be erected, altered or placed on any of the lots in this subdivision other than a single family dwelling. All mobile homes to be situated on the property are subject to approval by the Grantor herein. Further, all mobile homes must be underpinned with brick within thirty (30) days of placement on the property. No block buildings shall be built on any of the lots. No structures shall be erected, altered, placed or permitted to remain on any lot other than as follows: one (1) free-standing single family dwelling of not less than nine hundred sixty (960) square feet of heated space, exclusive of porches, decks, storage buildings, carports and garages. All driveways must be concrete, asphalt, or stone.

6. **Residential Set Backs.** There has been established certain building setbacks that are more specifically shown on a survey of each individual lot found at Plat Book 155 at Page 9, in the RMC Office of Horry County and recorded on May 5, 1998. No residence, including porches and projections of any kind shall be erected over or beyond building lines as follows: Sidelines ten feet (10'); front building line twenty (20) feet; and rear building line fifteen feet (15'), and fifteen (15') feet on side lot lines facing streets. As to all unsold lots, the grantor reserves the right to change said building lines.

7. **Unsightly Objects.** No exposed garbage containers or other unsightly objects are to be erected or maintained except where they are screened from street or general view. In addition, no abandoned or inoperable vehicles will be permitted to remain on the premises for a period of more than thirty (30) days. Each lot owner shall provide underground garbage

receptacles or similar facility or a roll-out garbage rack of a type approved by the Grantor or his express written assignee, which shall be visible from streets on garbage pick-up days only. No garbage or trash incinerators shall be permitted upon the premises.

8. Signs. No billboards or signs shall be erected on any lot or posted on any building thereon except for "For Sale" or "For Rent" signs provided however that the size shall not exceed two feet by two feet. No For Sale signs on any vacant lot. No "for sale" or "for rent" sign boards shall be displayed on any lot, except as follows: signs shall be of professional appearance and construction and limited to one sign per lot. Signs shall not exceed twenty inches (20") x thirty inches (30") in size.

9. Tractor or Tractor Trailers. No tractor or tractor trailers are allowed.

10. Easements. The Developer so long as he shall own one lot in the subdivision and subsequently the Home Owners Association reserves rights of way along all roadways and common areas, the servicing electric power company, television cable company, telephone company, and if applicable, gas company, shall share in utility easements twenty-five (25') feet in width along road fronts from back of curb, and also drainage areas indicated on the recorded subdivision plat.

11. Protection of Trees. No trees (6 inches in diameter or larger) at ground level may be removed without the written approval of the Developer so long as he shall own one lot in the subdivision and subsequent thereto by the Owners Association unless located within ten (10') feet of the main dwelling or access structures.

12. Hunting. No hunting of any kind or type will be permitted within the confines of the subdivision.

13. Additional Covenants. The Developer may include in any contract or deed additional covenants and restrictions that are not inconsistent with and which do not lower the standards of the covenants and restrictions set forth herein.

14. Right of Modification. The covenants and restrictions hereinabove expressed or any covenant and restriction hereinafter promulgated in accordance with the paragraph above, shall be for the specific benefit of the Developer which reserves the right to change the same at its discretion.

15. Compliance. In the event of a violation or breach of any of the restrictions by any property owner or agent, guest or invitee, the Developer or the Owners Association shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach. In addition to the foregoing, the Developer, or the Owners Association shall have the right whenever there shall have been built or placed on any lot in the subdivision any structure which is in violation of these restrictions to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner,

if after thirty (30) days written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement of removal shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement.

16. Each and every owner shall maintain and repair his property and maintain same in a neat and attractive manner, and no owner shall allow his property jeopardize or adversely affect the overall appearance, safety, and soundness of the entire properties.

17. Where, because of size, natural terrain, or any other reason in the opinion of Grantor or his express written assignee, it shall be in the best interest of the development of this neighborhood, that the building lines of any lot should be altered or changed from those shown on the plat, then Grantor reserves unto itself and no other except his express written assignee, the right to change the said building lines to meet such conditions. No changes under this paragraph shall be permitted as to any lot after that lot has been sold by Grantor.

18. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antennae or satellite disc shall be erected, placed, or maintained on any part of the premises unless approved by Grantor.

19. No structure of a temporary character shall be placed upon any lot at any time, provided however, that this prohibition shall not apply to shelters used by the contractor during the period of construction, it being clearly understood that these latter temporary shelters may not, at any time, be used as residence or permitted to remain on the lot after completion of construction.

20. No tent, barn, tree house, or other similar outbuilding or structure shall be placed on any lot at any time. No pull trailers, travel trailers or campers may be occupied on the premises for a period in excess of forty-eight (48) hours. No fuel tanks or similar storage receptacles may be exposed to view and may be installed only within the main dwelling house or buried underground. No clothes line or drying yard shall be located upon the premises unless same is within a fenced area or otherwise completely screened from view.

21. No individual water supply system shall be permitted upon the premises with the exception of a shallow well to be used for irrigation purposes only, which shallow well shall be approved in writing in all aspects, including the pump and the covering or screening thereof, by Grantor or his express written assignee prior to installation.

22. The Grantor herein shall not in any way or manner be held liable or responsible for any violation of these restrictions by any person other than himself.

23. No elevation or topography changes shall be permitted on any lot which materially affects the surface grade or drainage on said lot or any adjoining lot or property.

24. No fence shall be erected on any lot or lots herein referred to across the front street line of the said lot or lots, or on either of the side lines of said lot or lots within fifty (50) feet of the front property line of the said lot or lots. No fence shall be erected on any part of the said lot or lots which exceeds six feet (6') in height. No hedge, shrubbery or vegetation of any kind shall be grown or placed in the form of a fence on any of the lot or lots herein referred to across the front street line of the said lot or lots, or on either of the side lines of the said lot or lots within twenty-five feet (25') of the front property line of the said lot or lots.

25. No grass, weeds, underbrush or other similar vegetation shall be allowed to grow or permitted on any of the said improved lot or lots herein referred to which is more than six inches (6") higher than the ground level of the said lot or lots.

26. In order to implement effective insect, reptile, and woods fire control, and to maintain the overall beauty of the neighborhood, the Grantor and his agents have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented, such entry to be made by personnel with tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, which in the opinion of the Grantor or his express written assignee detracts from the overall beauty, setting, and safety for the property. The cost of this vegetation control shall be paid by the owner of the lot or lots. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Grantor and his agents may likewise enter upon such land to remove any trash which has collected on such lot or lots without such entrance and removal being deemed a trespass. The provisions in this paragraph shall not be construed as an obligation on the part of the Grantor to mow, clear, cut or prune any lot or lots nor to provide garbage or trash removal services.

ARTICLE VI: Membership and Voting Rights.

Section 1. Membership. Every person or entity who is a recorded owner of a fee in any lot which is subject to this Declaration shall be an Owner-Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The Charter of the Corporation is attached as Exhibit "A"; the By-Laws of the Corporation are attached hereto as Exhibit "B".

Section 2. Voting Rights. Each Owner-Member shall have one (1) vote for each lot owned by him in the subdivision.

ARTICLE VII: Covenants for Maintenance.

Section 1. Assessments. Each Owner of any lot by acceptance of a deed hereof whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the Owners Association such assessment and charges established herein and pay in the manner hereinafter provided. All such assessments together with interest thereon and costs of collection thereof as hereinafter provided shall be charged on the land and shall be a continuing lien upon

the property. Each assessment together with interest thereon and costs of collection thereof shall also be the personal obligation of the person who was owner of such property at the time when the assessment fell due.

Section 2. General Assessment. The general assessments levied by the Association shall be used exclusively to promote the recreational, health, safety and welfare of the lot owners and in particular for the improvements, maintenance, replacement and operation of the common areas located on the community access lots including, but not limited to roads and drainage, and such other facilities as may be located thereon and to preserve the natural and man made environment.

Section 3. Annual Assessments.

1. Developer reserves and is empowered to establish all assessments and the type of assessment (i.e., annual, monthly, semi-annual) until such time as the Developer turns over control to the Ocean Breeze Home Owner's Association, Inc. Developer shall have no obligation to relinquish control of the Home Owner's Association and will approve all Board of Directors of the Home Owner's Association until the last property in the subdivision has been sold.

2. At the time the Home Owner's Association takes over from the developer, the Board of Directors of the Association shall have authority to establish the general assessment.

Section 4. Method of Assessment. By a vote of a majority of the Directors, the Board shall fix the annual general assessment upon the basis provided that the General Assessment shall be sufficient to meet the obligations imposed by this Declaration. The Board shall set the date such assessment shall become due.

Section 5. Special Assessment. In addition to the annual general assessment authorized above, the Association may levy in any assessment year a special assessment applicable to that year and payable as determined by the Board of Directors. Such payment to be made in accordance with the terms and conditions set forth in the Special Assessment levy for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair, replacement or refinancing of a capital improvement upon the common areas.

Section 6. Date of Commencement of Annual/Semi-Annual Assessment. The first annual general assessment of any assessable lot shall prorated from the date of closing.

Section 7. 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 a percentage rate of no greater than twelve (12%) per cent per annum, provided, however, that the Board may waive such interest for good cause shown. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against

the property. Upon default in the payment of any one or more installments, the Association may accelerate payments and declare the entire balance of said assessment due and payable in full plus interest and costs of collection. 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 8. 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 the proceedings in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments which thereafter becomes due or from the lien thereof.

Section 9. Exempt Property. The following property subject to this Declaration shall be exempt from assessment, charges and liens created herein:

(1) All properties exempt from taxation by state and local government upon the terms and to the extent of such legal exemptions; notwithstanding any of the provisions herein no land or its improvements devoted to dwelling use shall be exempt from any said assessments, charges or liens.

(2) All lots owned by Developer thirty six (36) months from the sale and actual closing of the first (1st) lot will be exempt from property owners assessments.

ARTICLE VIII: General Provisions.

Section 1. Duration. 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 which time they shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions can be expressly terminated by an instrument signed by the Developer, until such time as the Developer shall no longer own any lot in any of the Sections. Once one hundred percent (100%) of the lots are sold, then by a vote of not less than seventy five percent (75%) of the owners, all or part of these restrictions can be terminated or modified. Any such termination or modification must be recorded.

Section 2. Recordable. This instrument shall be placed on the records of the Office of the Register of Mesne Conveyances of Horry County, South Carolina prior to the sale of any residential lots in the project. In addition, each deed of conveyance of lots shall contain a clause as follows:

"I, the undersigned as purchaser of the above lot described in this deed, acknowledge existence of those certain declarations of covenants, conditions and restrictions recorded in the

Office of the Register of Deeds for Horry County in Deed Book 163 at Page 108 and do hereby confirm by acceptance of this deed all of the terms and conditions thereof."

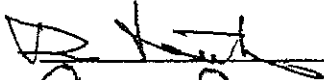
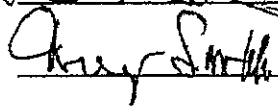
Said deed shall be acknowledged by the grantee in writing and shall be binding upon all parties thereto.

Section 3. The Developer does by the execution of these Deed Restrictions authorize Ocean Breeze Home Owners Association, Inc., the right to establish certain Rules and Regulations for the construction and design of improvements on the property described hereinabove as it may deem appropriate from time to time.

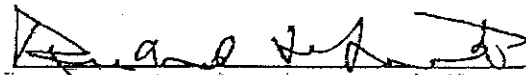
Section 4. Amendment. This Declaration and the restrictions contained therein may be amended at any time by an instrument signed by the Developer until such time that the Developer shall no longer own a lot in any Section of the subdivision and after the Developer has sold all of the lots the Homeowners Association may amend by not less than seventy five percent (75%) of the owners. Any such amendment must be recorded.

IN WITNESS WHEREOF, the undersigned being the Developer herein has hereunto set its Hand and Seal the day of year first above-written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

SMITH LAND COMPANY, INC.
A South Carolina Corporation

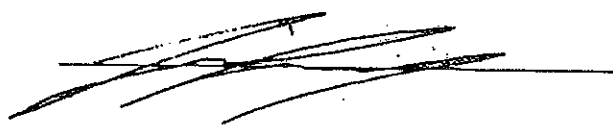

By Richard T. Smith
Its President

STATE OF SOUTH CAROLINA)

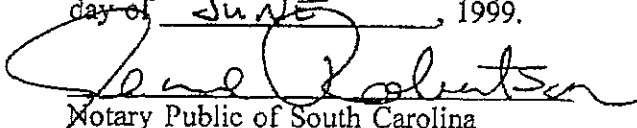
COUNTY OF HORRY)

PROBATE

Personally appeared before me the undersigned witness, who being duly sworn says that saw the within named Smith Land Company, Inc., a South Carolina Corporation, by Richard T. Smith, its President and duly authorized officer, sign, seal and as his act and deed deliver the within Declaration for the uses and purposes therein mentioned and that (s)he with the other subscribing witness, witnessed the execution thereof.



SWORN to before me this 24th
day of JUNE, 1999.


Notary Public of South Carolina

My Commission Expires 9-22-2005

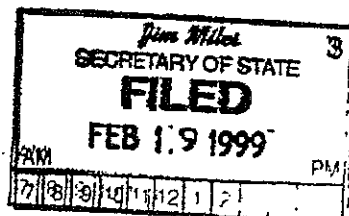
EXHIBIT "A"

FEB 19 1999

SECRETARY OF STATE

NONPROFIT CORPORATION

ARTICLES OF INCORPORATION



[Signature]
SECRETARY OF STATE OF SOUTH CAROLINA

- Instructions:
- (1) Must be typewritten or printed
 - (2) Must file this original and one copy
 - (3) Must include \$25 fee payable to the Secretary of State
 - (4) Should your articles be refused, you will receive written notification within five days.

1. The name of this corporation is (33-31-401) Ocean Breeze Home Owners Association, Inc.

2. The initial registered office of the corporation is:

106 Edward Avenue. Murrells Inlet, Horry County
Street Address City County

South Carolina 29576

State, Zip Code

[The complete address is required by SC Code 33-31-202(a)3]

3. The name of the registered agent at the above office is: Richard T. Smith

4. Check either (a), (b), or (c). Check only one box.

☐ The nonprofit corporation is a public benefit corporation.

☐ The nonprofit corporation is a religious corporation.

☒ The nonprofit corporation is a mutual benefit corporation

5. Check (a) or (b), whichever is applicable:

☒ This corporation will have members who will vote for the board of directors. See Section 33-31-202(a)5.

☐ This corporation will not have members.

6. The address of the principal office of the nonprofit corporation is:

106 Edward Avenue
Street Address

Murrells Inlet, Horry County, South Carolina 29576
City County State Zip Code
[The complete address is required by SC Code 33-31-202(a) 7]

7. If the corporation is either public benefit or religious, complete either (a) or (b) below. Do not check both. [This information is required by 33-31-202(a) 6].

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

[☐] Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to:

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

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

[☐] Upon dissolution of the mutual benefit corporation the assets, consistent with law, shall be distributed to:

9. Please include any optional provisions which the nonprofit elects to include in these articles of incorporation. See Section 33-31-202(b) through 33-31-202(e).

10. The name and address of each incorporator is as follows:

Richard T. Smith, 106 Edward Avenue, Murrells Inlet, SC 29576

Donald Smith, 106 Edward Avenue, Murrells Inlet, SC 29576

[This information is required by SC Code 33-31-202(a)4]

11. [Signature]
Incorporator's Signature [33-31-202(d)]

Richard T. Smith

~~Incorporator's Name (typed)~~

Donald Smith

Incorporator's Signature [33-31-202(d)]

Incorporator's Name (typed)

12. Signature of any director named in these articles

Director's Name (typed)

Signature of any director named in these articles

Director's Name (typed)

February 17, 1999, 9:00 a.m.
Date and Time

460530

FILED
HORRY COUNTY, S.C.

2005 SEP 20 AM 10:24

BALLERY V. SKIPPER
REGISTRAR OF DEEDS

FILED

HORRY COUNTY, S.C.

2005 SEP 20 AM 10:24

BALLERY V. SKIPPER
REGISTRAR OF DEEDS

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS and
RESTRICTIONS for OCEAN BREEZE
PLANTATION

WHEREAS, the DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR OCEAN BREEZE PLANTATION (hereinafter the "Declaration") was recorded on June 28, 1999 in the Register of Deeds for Horry County in Deed Book 2159 at Page 913; and

WHEREAS, the Declaration charges the Ocean Breeze Homeowners' Association, Inc. with the management and administration of the affairs of the Ocean Breeze Plantation development; and

WHEREAS, the Developer has sold 100% of the lots within Ocean Breeze Plantation; and

WHEREAS, the following Amendment to the Declaration has been adopted by the affirmative vote of seventy-five percent of the owners of lots within Ocean Breeze Plantation, at a meeting held on October 19, 2004; and

WHEREAS, the Association desires to place this Amendment upon the public record;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the Declaration is hereby amended as follows:

The last two sentences of Article VIII, Section 1 of the Declaration are hereby deleted and replaced with the following language:

All or a part of the covenants and restrictions contained herein may be amended, supplemented, or modified by a vote of not less than fifty-one percent (51%) of the owners. Any such amendment, supplementation, or modification must be recorded.

Any provision in the Declaration inconsistent with this Amendment shall be hereby modified so that all provisions in the Declaration are consistent herewith.

All other provisions of the Declaration shall remain unaffected in all other respects.

IN WITNESS WHEREOF, the undersigned herein have signed and sealed this Second Amendment, this 19 day of September, 2005.

DEED
2979 1120

213
11/20

STATE OF SOUTH CAROLINA)

COUNTY OF HORRY)

PROBATE AS TO VICE PRESIDENT

PERSONALLY appeared before me Linda N. McAlister,
witness, who after being first duly sworn, deposes and states that s/he was present and
saw Ocean Breeze Home Owners Association, Inc., by Curtis Miller, its Vice President,
sign, seal and as its act and deed, deliver the within written Amendment, and that s/he
with Kimberley Campbell, witnessed the execution
thereof.

Linda N. McAlister

SWORN to before me this
19th day of September, 2005.

[Signature]
Notary Public for South Carolina

My Commission Expires: 3/13/2007

Witness:

Linda M. Alister
[Signature]

Ocean Breeze Home Owners
Association, Inc.

By: Carlene Curry
Its: President

Attest:

Linda M. Alister
[Signature]

By: James V. Mulk
Its: Vice President

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)

PROBATE AS TO PRESIDENT

PERSONALLY appeared before me Linda N. McAlister,
witness, who after being first duly sworn, deposes and states that s/he was present and saw
Ocean Breeze Home Owners Association, Inc., by Carlene Curry,
its President, sign, seal and as its act and deed, deliver the within written Amendment,
and that s/he with Kimberley Campbell, witnessed the
execution thereof.

Linda N. McAlister

SWORN to before me this
19th day of September, 2005.

[Signature]
Notary Public for South Carolina

My Commission Expires: 3/13/2007

EXHIBIT "B"

**BY-LAWS
of**

OCEAN BREEZE HOME OWNERS ASSOCIATION, INC.

A Corporation not for profit under the Laws of the State of South Carolina

1. IDENTITY:

These are the By-Laws of Ocean Breeze Home Owners Association, Inc., a non-profit Corporation existing under the laws of the State of South Carolina which has been organized for the purpose of administering the Declaration of Covenants, Conditions, and Restrictions, Rule and Regulations of a residential subdivision identified by the name of Ocean Breeze and is located upon the lands in Horry County, South Carolina, described in the Declaration of Covenants, Conditions and Restrictions hereinbelow referred to in Paragraph 1(b).

Said property being subject to restrictions, reservations, covenants, rights of way and easements of record including but not limited to those shown upon the above map.

a. The property includes the lands and buildings and all improvements and structures thereon located in Horry County, South Carolina known as Ocean Breeze Subdivision.

b. The provisions of these By-Laws are applicable to the Subdivision and the terms and provisions hereof expressly subject to the effects and terms, provision, conditions, and authorizations contained in the Articles of Incorporation and which may be contained in the Declaration of Covenants, Conditions and Restrictions dated 28 day of JUNE, 1999, recorded 6-28, 1999, in the Office of the Register of Deeds for Horry County in Deed Book 259 at Page 929, hereinafter called the "Declaration", as amended by Supplements to Declaration of Covenants, Conditions and Restrictions filed in the Office of the Register of Deeds for Horry County.

c. All present and future owners, tenants, further tenants, or their employees, or any other person that might use the property contained in said Subdivision, or any of the facilities thereof in any manner are subject to the regulations set forth in these By-Laws and in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions.

d. The Offices of the Association shall be Murrells Inlet, South Carolina, or such other place as the Board of Directors may deem fit from time to time.

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

f. The seal of the Association shall bear the name of the Association, and the words "South Carolina", the words "Corporation Not for Profit", and the year of incorporation.

g. The Developer, Richard T. Smith, reserves the right to develop the above described real estate as single family residential lots.

2. **MEMBERSHIP, VOTING, QUORUM, PROXIES:**

a. The qualifications 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 Articles of Incorporation and Declaration of Covenants, Conditions, and Restrictions for Ocean Breeze which are incorporated herein by reference.

b. A quorum at members' meetings shall consist of persons entitled to cast a majority (51% of the outstanding stock) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c. The vote of the owners of a dwelling owned by more than one person or by a corporation or other entity shall be cast by the person named in a Certificate signed by all of the owners of the dwelling and filed with the Secretary of the Association, and such certificate shall be valid until revoked by subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

d. The Association shall have two classes of voting membership: Class A membership shall be all owner-members as defined in the Declaration except the Developer and shall be entitled to one vote for each residential unit; and Class B membership shall be the Developer who shall have one vote. Said stock shall be issued in accordance with the provisions of the Declaration and the Articles of Incorporation.

e. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

f. Approval or disapproval of a dwelling owner upon any matters, whether or not the subject of an association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

g. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration, or where the same may be otherwise required by Law, the affirmative vote of the owners of a majority of the dwellings represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP:

a. The Annual Members' Meeting shall be held at the office of the Association at 10:00 o'clock a.m., Eastern Daylight Savings Time, on the third Saturday in October of 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 succeeding Saturday.

b. Special Members' Meetings shall be held whenever called by the President or 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 of the Association owning a majority of the dwellings.

c. Notice of all members' meetings, regular or special, shall be given by the President, Vice President, or Secretary of the Association, or other Officers of the Association in absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to each member. If any members' meeting cannot be organized because a quorum has not been attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentages of attendance may be required as set forth in the Articles of Incorporated, these By-Laws or the Declaration, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

d. At meetings of membership, the President, shall preside, or the absence of him, the membership shall select a Chairman.

e. The order of business at Annual Members' Meetings, and, as far as practical, at any other Members' meeting, shall be:

- 1) Calling of the roll and certifying or 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 of Chairman of Inspectors of Election;
- 7) Election of Directors;
- 8) Unfinished business;
- 9) New Business;
- 10) Adjournment

4. **BOARD OF DIRECTORS:**

a. The first Board of Directors of the Association and succeeding Boards of Directors shall consist of five (5) persons. At least a majority of the Board of Directors shall be members of the Association or shall be authorized representatives, officers or employees of a corporate member of the Association. Provided that so long as Richard T. Smith, hereinafter referred to as the Owner, owns its Class B Stock he shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors as above referred to shall terminate on or before the 31st day of December 2000, if not sooner waived by owner at an earlier date.

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

1. Owner shall at the beginning of the election of the Board of Directors, designate and select that number of members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these By-laws, and upon such designation and selection by Owner by written instrument presented to the meeting at which such election is held, said individuals so designated and selected by Owner shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

2. All members of the Board of Directors whom Owner shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by plurality of the votes cast at the Annual Meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom Owner shall be entitled to designate and select.

3. Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated any selected by Owner, such vacancy shall be filled by Owner designating and selecting, by written instrument delivered to any Officer of the Association, the successor Director to fill the vacated Directorship for the unexpired term thereof.

4. At the first Annual Meeting of the membership the terms of office of the two Directors receiving the highest plurality of vote shall be established at two years and the three

Directors selected by Richard Smith shall serve until Richard Smith, no longer has a power as provided herein to select members of the Board of Directors. Thereafter, as many Directors of the Association shall be elected at the Annual Meeting as there are regular terms of office in Directors expiring at such time. The term of the Directors so selected at the Annual Meeting of members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law for the removal of Directors of South Carolina corporations for non profit.

5. In the election of Directors, there shall be appurtenant to each dwelling as many votes for Directors as there are Directors to be elected, provided, however, that no member or owner of any dwelling may cast more than one vote for any reason nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

6. In the event that Owner, in accordance with the privilege granted unto it, elects any person or persons to serve on any Board of Directors of the Association, the said Owner shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by Owner to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Owner to any officer of the Association.

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

d. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notices of regular meetings shall be given to each Director, personally or by mail, telephone, or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

e. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally, or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

f. Any Director may waive notice of a 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 the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation or these By-Laws. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes may be required as set forth in the Articles of Incorporation, these By-Laws, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance is greater than 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. The joinder of a Director in the act 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.

h. The presiding Officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

i. Directors' fees, if any, shall be determined by the members.

j. The Board of Directors shall manage and direct the affairs of the Association and subject to any restrictions imposed by law, by the Articles of Incorporation, or these By-Laws, may exercise all of the powers of the Association subject only to approval by the owners when such is specifically required of these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Declaration of Covenants, Conditions and Restrictions, or these By-Laws, if it may deem necessary or appropriate in the exercise of its powers and shall include, without limiting the generality of the foregoing, the following:

1. To make, levy, and collect assessments against members and members' dwellings to defray the costs of the common areas and facilities of the residential unit, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

2. The maintenance, repair, replacement, operation surveillance and the management of the common areas and facilities of the subdivision wherever the same is required to be done and accomplished by the Association for the benefit of its members;

3. The reconstruction of improvements after casualty and the further improvement of the property, real and personal;

4. To make and amend regulations governing the use of the common properties so long as such regulation or amendments thereto do not conflict with the Declaration of Covenants, Conditions and Restrictions which may be placed upon the use of such property under the terms of the Articles of Incorporation;

5. To contract for the management of the common areas and facilities in the subdivision project and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Covenants, Conditions and Restrictions to have approval of the Board of Directors or membership of the Association;

6. To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Covenants, Conditions and Restrictions and the regulations hereinafter promulgated governing use of the property in the subdivision;

7. To pay all taxes and assessments which are liens against any of the common areas other than residential dwellings and appurtenances thereto and assess the same against the members and their respective dwelling subject to such liens;

8. To carry insurance for the protection of the members and the Association against casualty and liability;

9. To pay all costs of power, water, sewer and other utility services rendered to the common areas and not billed to the owners of residential units; and

10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association as well as the dismissal of said personnel.

k. The first Board of Directors of the Association shall be comprised of the five (5) persons designated to act and serve as directors in the Articles of Incorporation, which said persons shall serve until their successors are elected at the first Annual Meeting of the members of the Association. Should any member of said first Board of Directors be unable to serve for any reason a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of said Director who is unable to serve.

l. The undertakings and contracts authorized by said first Board of Directors 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 and duties which may be exercised by the Board of Directors of the Association.

m. Directors may be removed from office in the manner provided by law for the removal of directors of South Carolina corporations for non profit.

5. **Architectural Review Board:**

An Architectural Review Board consisting of three or more persons shall be appointed by the Developer initially and thence by the Board of Directors of the Association for

the regulation of the external design, appearance, use, location and maintenance of the properties and of improvements thereon in such a manner so as to preserve and enhance the value and to maintain a harmonious relationship among the structures and natural vegetation and topography as provided for in Article IV of the Declaration.

6. **Additional Provisions About Meetings of Members and Directors:**

a. Notwithstanding anything contained in these By-Laws to the contrary, any meeting of members or Directors may be held at any place within or without the State of South Carolina of which notice is given in the notice of any such meeting or notice of which is waived by any person otherwise entitled thereto at, during or after any such meeting.

b. To the extent now or from time to time hereafter permitted by the laws of South Carolina the Directors may take any action which they might take at a meeting of Directors without a meeting, a record of any such action so taken, signed by each Director, to be retained in the Association's Minute Book and given equal dignity by all persons to the minutes of meetings duly called and held.

7. **Offices:**

a. The executive offices of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily 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 and an Assistant Secretary. The Board of Directors 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 the 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 in 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 set and perform the duties of 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 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 the Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties

incident to the office of Secretary of an association and as may be required by the Directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

e. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of the Treasurer.

f. The compensation of all officers and employees of the Association shall be fixed by the Directors. The 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 management of the subdivision.

8. FISCAL MANAGEMENT:

The provisions of fiscal management of the Association set forth in the Declaration of Covenants, Conditions and Restrictions and Articles of Incorporation shall be supplemented by the following provisions:

a. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each dwelling. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

b. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to the following items:

1. Common expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of common elements, landscaping, street and walkways, offices, expense, swimming pool, utility services, casualty insurance, liability insurance, administration and reserves (operating and replacement); and

2. Proposed assessments against each member as set out in the Declaration.

Copies of the proposed budget and proposed amendments shall be transmitted to each member on or before January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget and assessments levied pursuant thereto,

and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion levy an additional assessment in the event that the budget originally adopted shall appear to the insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

c. The Board of Directors shall levy general and special assessments as defined in Article VII of the Declaration, the method of payment of such assessments and the due dates thereof which shall be an annual assessment.

d. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such amounts shall be only by checks signed by such persons are authorized by the Directors.

e. An audit of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than April 1 of the year following the year for which the report is made.

f. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

9. Parliamentary Rules:

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of South Carolina.

10. Amendment to By-Laws:

Amendments to these By-Laws shall be proposed and adopted in the following manner:

a. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by members of the Association owning a majority of the residential units in the subdivision whether meeting as members or by instrument in writing signed by them.

b. Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officers of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of

Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members if required as herein set forth.

c. In order for such amendment and amendments to become effective, the same must be approved by an affirmative vote of the membership owning not less than two-thirds (2/3) of the total number of residential units in the subdivision. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Horry County, South Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

d. At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented there at by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

11. Conflicts:

In the event of any conflict between the provisions of the Declaration and the provisions of these By-Laws, the provisions of the Declaration shall control.

OCEAN BREEZE HOME OWNERS
ASSOCIATION, INC.

Dated: FEB, 19, 1999

By [Signature]
Its Secretary

ANNUAL TREASURER REPORT
October 16, 2010

THE FOLLOWING IS FOR THE DATES OF: 11/1/2009 THRU 10/16/2010

INCOMING BALANCE **\$14,717.99**

CURRENT BALANCE - CHECKING **\$1,242.73**

CURRENT BALANCE - RESERVE **\$16,046.27**

ACCOUNTS RECEIVABLE

Dues and fees **\$8,490.00**

EXPENSES

Front Lawn Maintenance	\$1,460.00
Other Lawn Maintenance	\$170.00
Tax Preperation	\$200.00 →
Electric	\$2,730.39
PO box rental	\$40.00 +
Wachovia Service Charge	\$6.00 ✕
B.O.D. Meeting Room Rental	\$200.00 ✕
Annual Meeting Room Rental	\$50.00 ~? 50
Supplies	\$794.77 400
Fax/copier	\$147.83 ✕
File liens (10)	\$120.00 ✕

TOTAL PAID OUT **\$5,918.99**