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EPPS, GRAVELY & BOWERS, P.A.
POST OFFICE BOX 357
MYRTLE BEACH, SC 29578
843-448-2400 EN

**THIS DECLARATION CONTAINS A RIGHT OF
FIRST REFUSAL IN ARTICLE XVI**

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)
DECLARATION OF PROTECTIVE
COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS
FOR MYRTLE BEACH HARDEE AIRPARK

THIS DECLARATION made this 23 day of JANUARY, 2007 by Myrtle Beach Hardee Airpark, LLC, a South Carolina limited liability company, with its principal place of business located in Myrtle Beach, South Carolina, hereinafter referred to as the "Declarant":

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property more particularly described in Exhibit "A" of this Declaration, which Exhibit "A" is made a part and parcel hereof by this reference and desires to develop thereon a residential subdivision to be known as "Myrtle Beach Hardee Airpark"; and

WHEREAS, the Declarant, in its discretion, may incorporate additional real property as additional phases of this development and bring same under this Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Myrtle Beach Hardee Airpark, but shall be under no obligation to do so; and,

WHEREAS, the Declarant is desirous of maintaining design criteria, location and construction specifications, and other controls to assure the integrity of the development; and,

WHEREAS, each owner of a Lot in Myrtle Beach Hardee Airpark will be required to maintain and construct homes and other structures in accordance with the design criteria herein contained; and,

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in such development and for the maintenance of common lands and facilities, if any, and to this end, desires to subject the real property described in Exhibit "A", to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and,

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in such community, to create an agency to which will be delegated and assigned the powers of maintaining and administering the Development, promulgating rules and regulations for the usage of Common Areas in accordance with this Declaration, administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and,

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SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

WHEREAS, the Declarant has caused to be incorporated under the laws of the State of South Carolina, as a Not-for-Profit corporation to be known as the Myrtle Beach Hardee Airpark Property Owners' Association, Inc., for the purpose of exercising the aforesaid functions,

NOW, THEREFORE, the Declarant declares that the real property described in Exhibit "A", annexed hereto and forming a part hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration, any amendment thereto, or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Annual Assessments" or "Assessments" shall mean an equal assessment established by the Board of Directors for common expenses as provided for herein or by a subsequent amendment which shall be used for the purpose of promoting the recreation, common benefit and enjoyment of the Owners and occupants of all Lots and the operation, maintenance and repair of the Common Area.
- (b) "Architectural Control Board" or "ACB" shall mean the Architectural Control Board, created pursuant to Article VII of this Declaration, its successors or assigns, which shall regulate the aesthetic characteristics of the Lots, and the structures built thereupon. Prior to the creation of the ACB, the Declarant shall possess the rights and responsibilities of the ACB, pursuant to Article VII of this Declaration.
- (c) "Association" shall mean and refer to Myrtle Beach Hardee Airpark Property Owners' Association, Inc., its Successors and Assigns.
- (d) "Common Area" shall mean and refer to those areas of land, other than the Lots, shown and specifically designated as such on any subdivision map of the Properties filed by Declarant or by any other means so designated by Declarant. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public. Specifically included and designated as Common Areas are the Runway, Taxi-Ways, all streets and/or roads and/or cul-de-sacs and all amenities or amenities parcels which are shown on the plat(s) described in Exhibit "A" attached hereto. However, no general plan or plat of the Properties showing adjoining areas which may later be developed as additional phases of the Development shall be included as Common Areas nor shall the Association or any Owner be entitled to any right, title or interest therein unless and until such adjoining areas shall have been formally included, if at all, as a part of the Development by the Declarant pursuant to the terms hereinafter contained.

- (e) "Declarant" shall mean and refer to Myrtle Beach Hardee Airpark, LLC, its Successors and Assigns in the development of the properties, but shall not include an Owner of an individual Lot located within the properties.
- (f) "Declaration" shall mean and refer to this Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Myrtle Beach Hardee Airpark, and any amendments and supplements thereto.
- (g) "Design Criteria", "Plans", and "Specifications", and such like terms shall refer to and encompass the Plans, Specifications, Elevations and Designs for dwellings and improvements to be constructed upon Lots within the Project as well as setbacks, locations, etc. contained hereinafter in this Declaration.
- (h) "Development", "Project" "Subdivision" and "Community" shall all mean and refer to the project known as Myrtle Beach Hardee Airpark to be developed by the Declarant, in accordance with this Declaration and any amendments or supplements thereto.
- (i) "Lot" shall mean and refer to any plot of land intended for residential use, and designated as such, with delineated boundary lines appearing on any recorded subdivision map of the Properties with the exception of any Common Area shown on a recorded map. In the event any Lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a Lot for the purposes of this Declaration. This definition shall not imply, however, that a Lot may be subdivided if prohibited elsewhere in this Declaration. In the event that an Owner desires to combine two (2) or more adjoining Lots for the purpose of constructing and maintaining a single residence thereon, the resulting combined Lots shall from that date forward be deemed one Lot for the purposes of this Declaration.
- (j) "Member" shall mean and refer to all those Owners who are members of the Association, as provided in Article IV hereof.
- (k) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee-simple title to any Lot(s), but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner.
- (l) "Properties" shall mean and refer to all property including Lots and Common Areas, as are subject to this Declaration, and which are described in Exhibit "A" together with any additional phases that may be developed and specifically submitted to the provisions of this Declaration pursuant hereto.
- (m) "Runway" shall mean the property used for purposes of aircraft take-offs and

landings.

(n) "Setback" shall mean an area along the boundary of a Lot where no building or other structures such as swimming pools or decks shall be permitted without the express written permission of Declarant, except as expressly set forth in this Declaration.

(o) "Subsequent Amendment", "Amendment" or "Supplemental Declaration" shall mean an amendment to this Declaration which adds property to this Declaration and makes it subject to the Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of the Declaration.

(p) "Taxi-Way" shall mean and refer to those right-of-ways, including streets, radiating from the runway for the purpose of providing access for aircraft to and from the runway.

ARTICLE II

Uses of Property

Section 1. Conformity and Approval of Structures. No structure, fence, sidewalk, wall, swimming pool or other improvement shall be placed or altered on any Lot except in accordance with the provisions of this Declaration.

Section 2. Subdivision of Lot. No Lot shall be subdivided except as hereinafter provided. Provided, however, two or more Lots may be combined to provide one building site in accordance with this Declaration.

Section 3. Increased Size of Lots. A Lot or Lots may only be subdivided provided the effect is to increase the size of both of the adjoining Lots. In such cases, the Declarant may alter the building lines to conform. Should the Owner or Owners of any Lots and/or portions of Lots which have been combined for a single building site subsequently wish to revert to the original plan of subdivision, or make any other combination which would not be in violation of this restriction, such may be done only if the written consent of the ACB is first had and obtained. In such instances, the adjoining Lot Owners, or other Owners in the subdivision do not have the right to review, pass on or interfere with such Lots rearrangement, as such rights shall be exclusively that of the ACB, or any successors or assigns to whom the ACB may expressly have transferred such rights, but the purchaser of any other Lot in the subdivision does not, by virtue of his status as a purchaser, become any such successor or assign.

Section 4. Alteration of Setback Lines in the Best Interest of Development. Where because of size, location, configuration, natural terrain, or any other reason in the opinion of the Declarant, it should be in the best interest of the development of this subdivision that the Setback lines of any Lot should be altered or changed, then the Declarant reserves unto itself, its successors

or assigns, and no other, the right to change said Setback lines to meet such conditions. The Declarant specifically reserves the right to transfer and assign this right of approval to the Architectural Control Board hereinafter established.

Section 5. Completion of Improvements & Fines for Failure to Complete as Required. Except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergencies or natural calamities, the following schedule shall be followed:

- a. Within two (2) years after the closing date of the purchase of a Lot, the Owner thereof shall have a set of plans approved by the ACB or the Owner shall pay to the Association a fine in the amount of Ten and No/100 (\$10.00) Dollars per day for each day thereafter.
- b. Within two and one half (2.5) years after the closing of the purchase of a Lot, the Owner thereof shall have the main dwelling "under roof" or the Owner shall pay to the Association a fine in the amount of Ten and No/100 (\$10.00) Dollars per day for each day thereafter.
- c. Within three (3) years after the closing of the purchase of a Lot, the Owner thereof shall have received a certificate of occupancy from the issuing authority for the main dwelling or the Owner shall pay to the Association a fine in the amount of Ten and No/100 (\$10.00) Dollars per day for each day thereafter.

The penalties set forth in Article II Section 5 Subsections (a), (b) and (c) above are cumulative. If the Owner of any Lot shall not have achieved the levels of completion as set forth therein by the date that is three and one half (3.5) years after the closing of the purchase of a Lot, the penalty for each uncompleted level of completion shall be increased to Fifty and No/100 (\$50.00) Dollars per day, which penalties shall also be cumulative.

No building under initial construction shall be used or occupied until construction is completed and all necessary approvals of any governmental authorities have been obtained. No accessory buildings, hangars, garages or other non-residential buildings shall be used as living quarters until construction of the residential building is completed and all necessary approvals of any governmental authorities have been obtained.

Section 6. Residential Use of Lots. All Lots shall be used for residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling, which must include a garage, either attached or detached, suitable for enclosing two (2) standard automobiles, and Owner's aircraft, unless a separate hangar is used, all of which shall be constructed in accordance with the Plans and Specifications herein defined in Article III. In addition to the

principal structure, the following accessory building or uses may be established, if approved in accordance with this Declaration:

- a. Private attached or detached hangar for storage of aircraft, cars, boats, or RVs, subject to the specifications contained in Article II, Section 23 hereof. No hangar, or any portion thereof, shall be used as a Primary Residence in any manner.
- b. Open storage or parking area for motor vehicles.
- c. Children's playhouse and play equipment, subject to written approval by the ACB.
- d. Non-commercial flower, ornamental shrub, or vegetable garden, greenhouse or slat house, not to exceed eight (8) feet in height, subject to written approval by the ACB.
- e. Patio, platform, deck, gazebo or trellis, subject to written approval by the ACB.
- f. One or more accessory buildings, subject to written approval by the ACB.
- g. A guest-suite or like facility without a kitchen may be included as part of the main residential building, but such suite may not be rented or leased except as part of the entire premises including the main residential building, subject to written approval by the ACB.

No timesharing, interval ownership or other related ownership scheme shall be permitted. However, Declarant or its assignee may maintain a sales office, models and construction office upon one or more Lots until all Lots to be located within the Properties have been sold.

Section 7. Maintenance of Lots. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly, or unkempt condition of buildings or grounds on such Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. However, every effort should be made to preserve natural vegetations and to fully utilize existing topographic amenities. In addition, no lawn ornaments of any type shall be placed on any Lot, nor shall any fruit or vegetable gardens be maintained in the front or side yard areas of any lot. Finally, in the event any Lot borders any Lake or other body of water, it shall be the responsibility of the Lot Owner to maintain the bank of such Lake or water course located on his Lot.

Section 8. Nuisances. No noxious, unlawful or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood. No trash, leaves or rubbish may be burned on any Lot or within the Development nor shall there be maintained any plants, poultry, animals (other than domesticated dogs and cats kept as household pets) or device or thing of any sort, the normal activities or 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.

Section 9. Exclusion of Above Ground Utilities. 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 antenna shall be erected, placed or maintained on any part of the premises. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground. Except as provided below, "Satellite dish" antennas, receiving and transmitting antennas and similar equipment shall not be allowed. All antenna installations must be pre-approved by the ACB. Notwithstanding the foregoing, the following types of antennas may be installed, but only in accordance with reasonable rules and regulations to be promulgated by the Association:

- a. a dish antenna that is one (1) meter or less in diameter and is designated to receive direct broadcast satellite service, including direct to home satellite service; or
- b. an antenna that is one (1) meter or less in diameter or diagonal measurement and is designed to receive video programming services via multi-channel multi-point distribution (wireless cable) provides (MMDS).

Section 10. Signs. No billboards advertising signs of any character shall be erected, placed, permitted or maintained on any Lot or improvement thereon except as herein expressly permitted. It shall be permissible to have a sign, the design and size of which shall be designated by the Declarant or the Association upon expiration of the Class B membership in the Association on request of the Lot Owner, advertising a house or Lot for sale. It shall also be permissible for Declarant to erect a sign or signs which identifies the development and promotes the sale of properties within the development. No other sign of any kind or design shall be allowed. Signs, if approved, should be no larger than two (2) feet by two (2) feet, and no higher than four (4) feet off of the ground.

Section 11. Prohibition Against Business Activity. No business activity, including but not limited to, a rooming house, boarding house, gift shop, antique shop, professional office, beauty shop, or the like or any trade of any kind whatsoever shall be carried on upon a Lot or Lots. Provided, however, that nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on said Lots or the showing of said houses for the purpose of selling houses in the subdivision. Nothing herein shall be construed to prevent the Declarant from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales in the subdivision. Nothing herein shall prevent the Declarant from erecting and maintaining facilities of a commercial, recreational, or community nature or facilities incident to the use of the Runway, Taxi-Way, and easements. Specifically excluded from the prohibitions of this Section, is work done on non-owned aircraft, so long as such work is done inside a hangar and the completed aircraft

conforms with all requirements as set forth in this Declaration. No one, other than the Declarant, can allow the use of the airport or runway for commercial activity or self enterprise.

Section 12. Mining and Drilling. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the premises, nor shall any oil, natural gas, petroleum, asphalt or hydrocarbon products or materials of any kind be produced or extracted from the premises.

Section 13. Temporary Structures. 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 contractors during construction of the main dwelling house, it being clearly understood that the latter temporary shelters may not, at any time, be used for a residence or permitted to remain on the Lot after completion of construction.

Section 14. Unsightly Materials Prohibited. No rubbish, garbage, debris, junk, junk vehicles, or unsightly material shall be deposited or kept on any Lot at any time except for building materials during the course of construction of the Residence or other buildings. All rubbish, waste or garbage shall be kept in sanitary containers. No dismembered aircraft parts or non-operative aircraft shall be kept on any Lot.

Section 15. Storage Receptacles. No fuel tanks or similar storage receptacles for flammable, combustible, or explosive fluids, chemicals or other substances may be located on the Lots, except that tanks of the capacity of forty (40) gallons or less for BBQ grills, for gas logs, for fireplaces, and lawn mowers may be kept when stored in a manner which minimizes the risk of fire or explosion. No such tanks or storage receptacles be buried underground unless approved in writing by the ACB. Any exterior air conditioning or heating units and the above mentioned tanks shall be screened from view from all Common Areas and adjacent Lots. Storage of bulk quantities of fuels used for aviation purposes on Lots or in buildings is strictly prohibited.

Section 16. Clotheslines. No clotheslines or drying yards shall be located upon the premises so as to be visible from any Common Area or from any adjoining property or Lot unless approved in writing by the ACB.

Section 17. Water Systems. 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 respects, including the pump and the covering or screen thereof, by the ACB prior to installation.

Section 18. Vehicles & Off-Street Parking. There shall be no parking on streets or within twenty-five (25) feet of any Taxi-Way or within seventy-five (75) feet of the Runway. A minimum of two (2) parking spaces per dwelling unit shall be provided and maintained on each Lot. Each parking space shall have an area measuring no less than eight (8) feet in width and sixteen (16) feet in length. Off-street parking may be arranged in tandem or side-by-side configurations. Owners,

their family members, guests, invitees and licensees shall not park their automobile or other vehicles on the Streets or Common Areas in the subdivision. No travel trailers, mobile homes, campers or other habitable vehicles of any kind, whether self-propelled or not, school buses, motorcycles, commercial vehicles, boat trailers, boats or other recreational vehicles shall be kept, stored or parked overnight, either on any Common Area, any Streets, or any Lot, except within enclosed approved garages or hangars, or sheltered from view from neighboring Lots, any adjacent property which is not part of the project, or Common Areas. The determination of what is "sheltered from view" as set forth in the preceding sentence shall be based upon the criteria set by ACB.

No motor vehicle or aircraft of any kind shall at any time be parked or tied down on any of the Taxi-Ways or Runway, except by prior written consent of the ACB. No aircraft or vehicle can be parked within seventy-five (75) feet of the runway for SAFETY reasons.

Section 19. Sewer and Water System. No surface toilets are permitted on the properties. The Owner of any Lot assumes all responsibility for obtaining the necessary permits for attaching to the public sanitary sewer and water system or septic system for the Project, Declarant making no warranties or representations thereabout. No discharge, overflow, or accumulation of sewage effluent from any septic tank, drain field, or other similar container shall be permitted to exist on any Lot.

Section 20. Firearms and Fireworks. No firearms or fireworks of any variety shall be discharged within the Development.

Section 21. Alteration of Drainage Plan. The grade of Lots will not be altered in any manner which would adversely affect the drainage plan of the Development. Further, without limiting the foregoing, no alteration shall be made to any drainage easement, ditch or swale without the express written consent of the Declarant and the same shall be properly maintained by the Owner of any Lot containing such items.

Section 22. Construction Traffic. Construction Traffic is prohibited on the Runway, Taxi-Way, Tie-down areas, and grass. The failure of an Owner to prevent construction traffic associated with his Lot from entering upon the Runway, Taxi-Way, Tie-down areas and grass shall make that Owner liable for any necessary repairs caused by construction traffic upon these areas. Owners shall specifically include a clause in their construction contracts prohibiting contractor equipment from entering upon the Runway, Taxi-Way, Tie-down areas, and grass. The Declarant or Association can require a Lot Owner to pay a refundable deposit to be used for damage caused by contractors, trucks, and the like during construction.

Section 23. Hangar Specifications. Each Lot may have a hangar for the storage of private aircraft. Such hangar if constructed, must be compatible with the Residential Building located on the Lot, and will be subject to approval by the ACB. No hangar shall be erected within the front yard (closer to the street than the front of the dwelling) on any Lot, and only within the rear or side yards unless approved by the ACB. No hangar shall be erected nearer than twenty-five (25) feet from side Lot lines nor nearer than twenty-five (25) feet from Lot lines facing interior Taxi-Ways.

Hangars built facing the runway must be at least seventy-five (75) feet from the lot line adjoining the runway and all hangars must conform with Article III Section 3. All hangars erected, constructed or maintained upon any lot shall be fully enclosed permanent structures and shall not exceed two thousand (2000) exterior square feet, which size shall include any space allocated for workshop, restroom facilities, storage area or any other purpose. A hangar may be built before the dwelling house only when permitted in writing by the ACB, and approved by the local authority, subject to the requirements of Section 5 of this Article II. Any change from the above specifications will require written permission of the ACB. Hangars in excess of two thousand (2000) Sq. Ft. must be approved by the ACB and must meet building codes and be on Lots in excess of one and one half acres. The ACB must also approve the location of the hangar.

Section 24. Toxic\ Disposal Prohibited. Disposal on the site of any substances which may be considered toxic or environmentally sensitive is expressly prohibited. Disposal of any substances which may contaminate the ground water of this subdivision or the surrounding area is prohibited. These substances include, for example, but are not limited to, paints, solvents, cleaning fluids, paint strippers, fuel and oil.

Section 25. Hazardous Activities. Nothing shall be done or kept on any Lot or in the Common Area which will increase the rate of insurance on the Common Areas or any other Lot without the prior written consent of the Declarant or the Association. No Owner shall permit anything to be done or kept on his Lot or in the Common Areas which would result in the cancellation of insurance on any part of the Common Areas, or which would be in violation of any law.

Section 26. Children. Children will be the direct responsibility of their parents or legal guardians, including full supervision of them while within the Development and including full compliance by them with this rule and with all other reasonable rules and regulations promulgated by the Myrtle Beach Hardee Airpark Property Owners' Association, Inc..

Section 27. Recreational Structures. In order to control the overall appearance of the community, no swing sets, playsets, sandboxes, basketball backboards, tree houses, animal houses or animal pens shall be erected so as to be visible from any roadway or adjoining property. All structures must be approved in writing by the ACB.

Section 28. Pets. Pets and other animals shall neither be kept nor maintained in or about the properties except in accordance with the following. Commercial breeding or feeding of horses, cattle, goats, hogs, sheep or poultry; the operation of a commercial dairy; dog boarding kennel or veterinary hospital; and the operation of a commercial livery or boarding stable for horse; or a riding academy; and the keeping of any hog or milk cow or horse, are strictly prohibited. It is understood, however, that this restriction shall not be construed to prohibit the keeping of a limit of three (3) domestic animals (canine or feline) for family pleasure, provided that domestic animals must be restrained by fence or other appropriate protective restraint. This restraint should be from the farthest possible point from the adjoining property, and all

appropriate measures must be taken by the lot owner to eliminate and prevent offensive odors and any unsightly accumulations from said animals. Noisy animals, such as incessantly barking dogs, must be controlled by their owners. No pet shall be permitted outside of its owners Lot unless attended by an adult or child of more than ten (10) years of age and said pet must be on a leash of reasonable length. At no time are any unattended domestic animals or pets allowed on the Runway or Taxi-Way easements.

Section 29. Fences and Hedges. The erection or installation of fences and hedges may be undertaken only with the written approval of the ACB. All fencing shall be located behind the rear building line of the main dwelling; shall be composed of materials other than metal, except that vinyl coated chain link fence may be allowed if the fence is built in such a way that it is not visible from any road in the Development, and in no event shall exceed five (5) feet in height. Decorative fences (meaning wooden fencing, split-rail fencing or wooden fencing which has holes in the posts with wood rails running from post to post) and hedges, no more than forty-eight (48) inches in height, may be permitted in the front or side yards. No fencing of any kind is allowed on any easement, Taxi-Way, or runway. Barbed wire is specifically prohibited.

Section 30. Flagpoles. Flag Poles are permitted, provided the pole is not more than Twenty-five (25) feet in height, unless otherwise approved by the ACB.

Section 31. Outdoor Lighting. One or more hospitality light standards, of a design approved by the ACB, may be located within the front yard of any Owner's property. Any outdoor lighting positioned and installed by a lot owner shall be of such a nature and type so as not to present a hazardous or confusing condition to night air operations which may be conducted from said airport and be shaded so as not to create a nuisance to any other lot owner. No light poles shall be located within fifteen (15) feet of any street.

Section 32. Above Ground Swimming Pools. Above ground swimming pools are specifically forbidden.

Section 33. Driveways. Driveways and walkways shall be constructed of asphalt, concrete, brick or other suitable hard-top surface with a minimum thickness of four inches or as approved by the ACB. If any driveway is to cross a drainage ditch, the Owner will be required to install, at his own expense, all necessary culverts and coverings prior to the commencement of any other construction on the Lot. The installation of the culvert and any covering must be approved by the ACB.

Section 34. Reconstruction. Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other Act of God must be rebuilt, or all debris from such building removed and the Lot restored to the condition it was in prior to commencement of construction of such building with reasonable promptness; provided, however, that any such reconstruction must be commenced within four (4) months from the date of such destruction or if

no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within 3 months of such destruction.

Section 35. Electronic Equipment. No electronic equipment may be permitted in or on any Lot which interferes with the television or radio reception of another Lot. No electronic equipment in or on any Lot which interferes with aircraft or aircraft electronics.

ARTICLE III

Construction in Accordance with Plans and Specifications

Section 1. General. All structures of every type and description shall be constructed, placed or erected within the Development in accordance with the provisions of this Article III together with other applicable provisions of this Declaration.

Section 2. Size of Residences and Lot Coverage. All Residences to be constructed upon any Lot shall have a minimum of two thousand (2000) square feet of enclosed heated dwelling area, except that residences constructed on Lots that are not adjacent to the Runway 18/36 may be constructed to have a minimum of one thousand six hundred (1600) square feet of enclosed heated dwelling area. For purposes of this Declaration, enclosed heated dwelling area is considered exclusive of porches, patios, hangars and garages. No multi-level Residence shall be permitted on any Lot that has a ground floor area of the main structure, exclusive of porches, patios, hangars and garages, of less than one thousand (1000) square feet. For purposes of this Declaration, a single level or one story dwelling shall be a dwelling having living areas on only one level while a multi-level or two story dwelling shall be a dwelling having living areas located on more than one level within the dwelling. The maximum height of the dwelling located upon the Lot shall not exceed thirty-five (35) feet above grade nor shall any other approved structure located upon any Lot exceed two (2) levels plus roof, or thirty-five (35) feet in height, except that such maximum height may be increased up to three (3) feet in order to raise such structure as may be required to comply with applicable regulations regarding construction within FEMA flood zones.

Section 3. Location and Setbacks of Buildings. No house or building may be constructed within seventy-five (75) feet of the centerline of any designated street. No structure or obstacle may be constructed or grown within fifteen (15) feet of the outer edge of a Taxi-Way or street. For all lots the setback line is twenty-five (25) feet from any side lot line for hangars and other freestanding buildings and twenty-five (25) feet from any side lot line for houses. All buildings, including houses, must be setback seventy-five (75) feet from any rear lot line facing or adjoining a runway. A 35 foot clear zone easement shall be established along all lot lines facing runways, Taxi-Ways, or runway access easements, where no aircraft may be parked; no trees or other obstacles are allowed in this area. A ten (10) foot easement along all front, side, and rear Lot lines is reserved for underground utility and/or drainage purposes. The established

setbacks may be varied by ACB, following prescribed methods. No structures, including porches, swimming pools or projections of any kind, shall be erected so as to extend within or over any PUD buffer or easement as shown on the recorded subdivision plat(s).

Section 4. Exterior Siding. The following materials may not be used for the exterior of sidings of residences and other structures in the Subdivision: asbestos siding, exposed concrete block, cinder block, aluminum siding, or other similar material. Vinyl siding products will be considered by the ACB on a case-by-case basis.

Section 5. Modular and Mobile Homes Prohibited. No mobile or manufactured homes of any kind, or any home having the same general appearance, shall be permitted on any Lot without the prior written approval of the ACB, which may be withheld for any reason, or no reason.

ARTICLE IV.

Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is an Owner of any Lot which is subjected by this Declaration to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Assessment.

Section 2. Articles of Incorporation and Bylaws. A copy of the Articles of Incorporation of the Association and Bylaws of the Association are attached hereto as Exhibit "B" and Exhibit "C", respectively, and made a part and parcel hereof.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners excepting the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The sole Class B Member shall be the Declarant. The Class B Member shall be entitled to total votes in an amount equal to twice the number of the Class A votes plus one. The Class B membership shall cease and become converted to Class A membership upon the conveyance to Lot Owners of all Lots subject to this Declaration, including Lots in any subsequent Phase, or (20) years from the date of this document, whichever first occurs. In addition, Declarant may terminate the Class B membership upon written

notice to Association.

When a purchaser of an individual Lot or Lots takes title thereto from the Declarant, he automatically becomes a Class A Member.

Section 4. Associate Membership. The Associate Member shall be entitled to use the Runway for aircraft operations in accordance with the restrictions and regulations as are set forth in this Declaration and in the Bylaws of Myrtle Beach Hardee Property Owners' Association, Inc., and in the rules and regulations adopted by the Association. The Association will be entitled to charge fees or collect assessments from the Associate Member. The Associate Member shall have no right to vote or participate in the operation of the Association. There shall be no rights in or to the real property which is the subject of this Declaration derived by the Associate Member.

ARTICLE V.

Property Rights in the Common Areas

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Areas, if any, and such easement shall be appurtenant to and shall pass with the title to every Lot. This right and easement shall be for use in common with all other such members, their tenants, guests and invitees. In the event that Declarant incorporates additional land under the provisions of this Declaration, all Owners of Lots within such additional phases shall have the same rights and privileges with regard to use of the Common Areas as the Owners of Lots originally made subject to this Declaration.

Section 2. Title to Common Areas. The Declarant hereby covenants for itself, its successors and assigns, within one (1) year from the date any phase is submitted, it will convey to the Association, by Special Warranty Deed, fee simple title to the Common Areas, if any within such phase, upon the conditions set forth herein, free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration, other restrictions or easements of record, and those rights reserved unto the Declarant pursuant to this Declaration.

In lieu of the conveyance provided for herein with regard to any streets, roads, cul-de-sacs and drainage easements within the Project, Declarant may cause such streets, roads cul-de-sacs and drainage easements to be dedicated or conveyed to any governmental entity.

Section 3. Extent of Member's Easements. The rights and easements created hereby shall be subject to the following:

- a. The right of the Declarant, and/or of the Association, to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration, to any

governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely limit the use of the Common Areas by the Members of the Association;

- b. The right of the Declarant, and/or of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage and other utilities and services, including a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Areas for the completion of the Development, and for the operation and maintenance of the Common Areas;
- c. The right of the Declarant to reserve unto itself, its successors and/ or assigns, an easement over and upon and across the Common Areas, providing access and or utilities to properties it may now or hereafter own;
- d. The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Member in the Common Areas for any period during which any assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations.
- e. The rights of the Association, in accordance with law, its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas and in pursuance thereof, to mortgage the same.
- f. The rights or easements set forth in Section 8 below.
- g. The right of the Declarant and/or the Association to grant and reserve easements for ingress/egress and utilities over the Common Areas for the benefit of other parcels abutting or adjoining said road including all subdivisions or additions to such parcels.

Section 4. Maintenance. The Association shall at all times maintain all Common Areas in good repair, and shall repair or replace as often as necessary, landscaping, landscape lighting, entrance signage and other amenities (except utilities) situated on the Common Areas. Further, the Association and its agents shall have an easement for ingress and egress within the setback areas of all Lots as reasonably necessary or convenient in order to perform such maintenance. Notwithstanding the obligation of the Association to maintain the Common Areas as set forth above, it shall be the responsibility of each Owner to maintain the unpaved portion of the Common Area which lies between his Lot and the adjacent street, road bed, or cul-de-sac.

Section 5. Additional Structures. Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Declarant and the County of Horry (as required), erect, construct or otherwise locate any structure or other improvement in the Common Areas.

Section 6. Rules and Regulations. The use of the Common Areas by an Owner or Owners, and all other parties authorized to use same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association governing such use, or which may hereafter be prescribed and established by the Association.

Section 7. Easement for Utilities. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and reasonable easement and right of ingress and egress, over, upon, across and under the Setback areas and easement areas on each Lot as shown on the recorded map of the Properties and/or as set forth herein, and over, upon, across and under the Common Area for the erection, maintenance, installation and use of electrical and telephone wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience or utilities, including an easement for privately owned television and other communications cable and equipment, and the Declarant may further cut drainways for surface water when such action may appear to the Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide economical and safe utility or other installations and to maintain reasonable standards of health, safety and appearance. No structures or other items, including walls, fences, paving or plantings shall be erected upon any part of the property which will interfere with the rights of ingress and egress provided for in this paragraph. Provided, however, that such easements and rights, shall be restricted to the roads, streets, cul-de-sacs, alleys and easements as shown and designated on the recorded plat(s) referred to in Exhibit "A" or plans of the Development. Each owner shall keep drainage ditches and swales located on his/her Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his Lot as may be reasonably required for proper drainage. Declarant may, at its sole option, convey any such drainage easements to an appropriate governmental entity. Declarant further specifically reserves unto itself, its successors and assigns, a perpetual, alienable easement and right of ingress and egress over the Lots along an area ten (10) feet in width inside the boundary line of each Lot, along any Lot boundary line which adjoins any street, road or cul-de-sac of the Project, or the Runway or Taxi-Ways. This easement is for the purpose of installation, maintenance and repair of utilities and utility systems and access. This easement shall be in addition to, and not in limitation of, any and all other easements reserved unto the Declarant herein.

Section 8. Easements for Access to Runway. Owners of lots shall be and are herewith granted and conveyed a right of ingress and egress by way of a permanent "PRIVATE RUNWAY ACCESS EASEMENT", (as shown on the plats referenced in Exhibit "A" hereto, which plats are recorded in Plat Book 219 at Pages 280 and 281, records of Horry County, South

Carolina), from their Lots onto the Runway, said easement to be for the use of the aircraft operated by the Lot Owners and their authorized guests. This easement is solely limited to aircraft traffic, to the exclusion of all other vehicular traffic unless specifically authorized by permit.

ARTICLE VI.

Assessments for the Maintenance and Operation of Common Areas and Facilities

Section 1. Startup Fee. Upon the closing of the initial sale of each Lot by the Declarant, the purchaser of such Lot shall pay a startup fee to the Association of One Thousand and No/100 (\$1000.00) Dollars to provide general operating funds for the Association. Such payment shall not in any way be considered a prepayment of any regular or special assessment. Such funds may be used by the Association in such manner as the board of directors thereof shall direct.

**Section 2. Assessments, Liens and Personal Obligations Therefore, and Operation
Maintenance of Common Areas Solely by the Association.**

- a. Each and every Owner of any Lot or Lots within the Development, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) all other fees, charges and assessments which are required or authorized hereunder. The annual, special and other assessments, together with such interest thereon and costs of collection thereof as are hereinafter and hereinbefore provided shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall also be the personal obligation of the Owner of such lot or Lots at the time when the assessment fell due. Notwithstanding anything in this Declaration to the contrary, it is hereby declared that for a period of three (3) years from the date of the filing of this Declaration, each Lot within the Properties being submitted herewith, shall be exempt, at Declarant's option, from the assessments herein provided for (both annual and special) until such time as such Lot is conveyed by the Declarant to an Owner other than the Declarant. However, until such time as a Lot is conveyed by the Declarant to an Owner other than the Declarant, the Declarant shall be assessed and pay to the Association, in lieu of an assessment thereof, a sum equal to the actual amount of actual operating expenditures incurred by the Association for that portion of the calendar year less an amount equal to the total assessments

made by the Association against Owners of Lots other than those owned by the Declarant. The actual operating expenditures for this purpose shall also include any reserve for replacements or operating reserves. Commencing three (3) years from the filing of this Declaration for the Lots being submitted herewith, the Declarant shall be subject to assessments as provided for in this Declaration so that it will pay assessments on the same basis provided for in this Declaration for other Lot Owners. In the event that additional phases are subjected to the provisions of this Declaration, then it is declared that until the later of: (A) all Lots within the Project have been conveyed to an Owner other than Declarant; or (B) three (3) years after the date the amendments submitting such additional phase(s) is filed for record in the public records of Horry County, South Carolina, each Lot in such additional phase shall be exempt from the assessment created herein until such time as the Lot is conveyed by the Declarant to an Owner other than the Declarant. Until such time as a Lot in such additional phase is so conveyed, the Declarant shall be assessed and pay to Association, in lieu of an assessment, a sum equal to the actual amount of actual operating expenditures for that portion of the calendar year less an amount equal to the total assessments made by Association against Owners of Lots other than those owned by Declarant. Declarant may, however, at its option, elect to pay assessments on the same basis as other Lot Owners as opposed to the method referred to above. Such election may be made by Declarant at any time.

- b. The Assessment levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Development, and in particular for the improvement and maintenance of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement and additions thereof, the cost of labor, equipment, materials, management and supervision thereof, and the cost of lawn and landscaping maintenance, the employment of attorneys to represent the Association when necessary and such other needs as may arise. In the event that Declarant performs any of the foregoing services for Association, including, but not limited to, accounting and bookkeeping services, it shall have the right to receive a reasonable fee therefore and such shall not be deemed to be a conflict of interest.

Section 3. Amount and Payment of Annual Assessment. The Board of Directors of the Association shall at all times fix the amount of the annual Assessment at an amount sufficient to pay the costs of maintaining and operating the Common Areas and performing the other exterior maintenance required to be performed by the Association under this Declaration including adequate reserves. The Board shall also fix the date of commencement and the amount of the Assessment against each Lot for each Assessment period (which shall be based on a calendar year), and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto, which shall be kept in the Office of the Association and shall be open to inspection by

any Owner. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto. In the event that any Lot is subject to an assessment for only part of a calendar year, then the amount of such assessment shall be prorated based on the portion of the assessment period for which such Lot is subject to an assessment.

The amount of the annual and any special Assessment for all Lots shall be uniform regardless of whether or not a Lot is improved (includes a residence) or unimproved.

In the event that two Lots are combined for the purpose of providing one building site, such combined Lots shall be charged an Assessment as one (1) Lot. If a Lot is subdivided and a portion thereof is added to adjacent Lots as provided in Article II, Section 3, each such adjacent Lot shall be charged an Assessment equal to the amount applicable to a non-enlarged Lot regardless of the size of the portion of the subdivided Lot.

Each annual Assessment shall be fully payable in advance on the 1st day of January each year, but the Board of Directors of the Association shall have the option to permit monthly or quarterly payments. The exact amount of each annual Assessment shall be fixed by the Board of Directors of the Association.

The Association shall, upon demand at any time, furnish to any Owner liable for any assessment, a certificate in writing, signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

This Section shall not be amended as provided in Article XI, Section 10, if the purpose or effect of such amendment is to eliminate or substantially impair the obligation to fix the assessment at an amount sufficient to properly maintain and operate the Common Areas and perform the exterior maintenance required to be performed by the Association under this Declaration.

Section 4. Special Assessments for Capital Improvements and Insurance. In addition to the annual assessments, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, or for the purpose of defraying unexpected increases in any premiums of insurance maintained by the Association. Provided that any such assessment shall have the assent of greater than sixty-six (66%) percent of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The due date of any specified assessment shall be fixed in the Resolution authorizing such assessment.

Section 5. Paid Professional Manager. The Board of Directors of the Association may employ a professional manager or managerial firm to supervise all the work, labor, services

and material required in the operation and maintenance of the Common Areas and in the discharge of the Association's duties throughout the Community.

Section 6. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner: The Lien, Remedies of Association. If any assessment is not paid on the date when due, then such assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof as are hereinafter provided, continue as a lien on the Lot or Lots, which shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and will also pass on to his successor in title.

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 eighteen (18%) percent per annum, and the Association may bring legal action against the then Owner personally obligated to pay the same or may enforce or foreclose the lien against the Lot or Lots in the same manner as a mortgage is foreclosed; and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. The Association may further file a notice of lien in the office of the Register of Deeds for Horry County, South Carolina.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon any Lot subject to assessment; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

Section 8. Exempt Property. All Common Areas subject to this Declaration shall be exempted from the assessments, charges and liens created herein.

ARTICLE VII.

Architectural Control

Section 1. Architectural Controls. Myrtle Beach Hardee Airpark is designed as a private residential community with strict architectural controls which allows aircraft owners and pilots convenient access to the runway. To insure that the property will be developed harmoniously and that consistency is maintained throughout the Development, the Declarant will formulate, review and control a comprehensive landscape plan, street lighting, signs, fencing, parking and site improvements including structures of all types as set forth in the Architectural Guidelines and Rules. Provided, however, this right of approval and all other approval rights

reserved in the Declaration to the Declarant shall be transferred to the Architectural Control Board of the Association at such time as Declarant's Class B membership in the Association ceases. Provided, further, that the Declarant may transfer its rights of approval under this Declaration prior to its selling all of the Lots in the Development if it so chooses. Such Architectural Control Board shall be comprised of not less than three (3) representatives to be appointed by the Board of Directors of the Association.

Section 2. Architectural Control Board. The Architectural Control Board shall:

- a. Regulate the external design, appearance, and location of the Properties and Lots and any improvements thereof.
- b. Adopt architectural guidelines and programs consistent with covenants and restrictions.
- c. Inspect for compliance with these guidelines.
- d. Adopt procedures for the exercise of its duties.
- e. Maintain complete and accurate records of all actions taken.

Notwithstanding anything to the contrary contained herein, the Architectural Control Board or its designee shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application of enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Subdivision.

Section 3. Buildings, fences, walls, etc. All residences, hangars, and other buildings shall be of similar architectural design. No building, fence, mailbox, wall, deck, trellis, gazebo or other structure, and no change in topography, landscaping, deck, or any other item originally approved by the Declarant shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, shape, height, materials, color and locations of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Declarant or by the ACB. Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Declarant or the Architectural Control Board may seem sufficient. Any change in exterior appearance of any building, wall, fence or other structural improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The approvals required pursuant to this Article are in addition to any approvals required by the County of Horry or other applicable governmental authority.

Section 4. Assistance to Architectural Control Board. The Association shall in all

respects cooperate with and assist the ACB in the complete attainment of the ACB's functions, and the enforcement of its architectural guidelines, rules, regulations and decisions.

ARTICLE VIII.

Exterior Maintenance, Reasonable Access and Maintenance of Common Areas

Section 1. Exterior Maintenance. The Owner shall maintain the structures and grounds on each Lot at all times in a neat and attractive manner. Upon the Owner's failure to perform its obligations herein, the Declarant, or the Association (after the termination of Class B membership status of Declarant) may, at its option, after giving the Owner ten (10) days written notice sent to his last known address, or to the address of the subject premises, have the grass, weeds, shrubs and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Lot, and replaced, and may have any portion of the Lot resodded or landscaped, all of which shall not be deemed a trespass, and all expenses of the Association under this provision shall be a lien and charge against the Lot on which the work is done and the personal obligation of the then Owner of such Lot. The Declarant or the Association, and its assigns, may likewise, after giving the owner 10 days written notice sent as aforesaid, enter upon such Lot(s) to remove any trash, debris or garbage which has collected on said Lot(s) without such entrance and removal being deemed a trespass, all at the expense of the owner of said Lot. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance, the Association may, at its option, after giving the Owner thirty (30) days written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum secured by a lien against the Lot as herein provided.

Section 2. Access at Reasonable Hours. For the purpose of performing its function under this or any other Article of the Declaration, and to make necessary surveys in connection therewith, the Association, by its duly authorized agent and employees, or the Declarant during the period of development, shall have the right to enter upon any Lot at reasonable hours, on any day except Sundays and holidays, on reasonable prior notice.

Section 3. Maintenance of Common Areas. It shall be the responsibility of the Association to maintain the Common Areas. However, should the Declarant or the Association (after the termination of the Class B status of Declarant), decide to transfer any portion or all of the Common Areas to governmental authority, as it has the right to do so, such duty to maintain same shall cease as to that portion so transferred.

ARTICLE IX.

Rights of Mortgagees

Rights of Mortgagees or Third Parties. Should a mortgagee or third party acquire the rights of Declarant, by way of foreclosure or otherwise in adjoining or neighboring property contained within the property contiguous to the property subject to this declaration, as same may exist from time to time, it shall be allowed full use of all rights, easements, rights-of-way and utilities contained within The Properties for the purpose of serving such adjoining or neighboring areas. These rights shall also inure to the benefit of Declarant should it retain or be the Owner of any portion of said property. Any of such parties may elect to bring additional phases under this Declaration.

ARTICLE X

Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area, if any. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount (as determined by the insurance underwriter) sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents.

Premiums for all insurance on the Common Area shall be common expenses of the Association. This policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be common expense of the Association.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the Assessment.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

- a. All policies shall be written with a company licensed to do business in South Carolina which holds a Best's rating of A or better as is assigned a financial size

category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

- b. All policies on the Common Area shall be for the benefit of the Association and Declarant shall be named as additional insured.
- c. Exclusive authority to adjust losses under policies in force on the Common Areas obtained by the Association shall be vested in the Association's Board of Directors.
- d. In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners.
- e. The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - (i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;
 - (ii) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, its Owner, or mortgagee;
 - (iii) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and
 - (iv) that no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. However, no fidelity bond shall be required as long as the class B Member exists. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

The Association may purchase officers and directors liability insurance, if reasonably available and the Board of Directors of the Association approves the purchase of same. However, every Director and every officer of the Property Owners Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with 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 or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

- a. If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account.
- b. If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section (a) above. However, repair or replacement of the affected Common Area must be made unless prevented by law or governmental rule or regulation.

Section 3. Damage and Destruction.

- a. Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Areas. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Areas to substantially the same condition in which they existed prior to the fire or other casualty.

- b. Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least eighty (80%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Area damaged or destroyed shall be repaired or reconstructed.
- c. In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Area shall be restored to their natural state and maintained by the Association, in a neat and attractive condition.

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners in proportion to the number of Lots owned, provided, if the damage or destruction involves a Lot or Lots only Owners of the affected Lots shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE XI

General Provisions

Section 1. Time of Essence. It is agreed that time is of the essence with regard to these restrictions, protective covenants, limitations and conditions.

Section 2. Enforcement. In the event of a violation or breach of any of these restrictions by any Owner, or agent of such Owner, or any occupant of any Lot, the Owners of Lots in the subdivision, or any of them, jointly or severally, the Declarant and/or the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any such event or to recover damages. In addition to the foregoing, the Declarant, its successors and assigns, shall have the right, but shall be under no obligation whenever there shall have been built 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 or removal shall not be deemed a trespass. The failure to enforce any rights, reservation, restriction or condition 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 occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should Declarant or Association employ Counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for Declarant's Counsel shall be paid by the Owner of such Lot or Lots in breach thereof and shall constitute a lien on such Owner's Lot. Any amount assessed hereunder shall constitute a lien on such Lot and shall be enforceable as herein provided.' Failure of Declarant, the Association or any Owner to enforce any covenant or restriction contained herein shall not be deemed a waiver of the right to do so thereafter.

Section 3. Responsibility of Declarant. The Declarant herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In addition, nothing contained in this Declaration shall be deemed to be a representation by Declarant with regard to the requirements of any governmental authority and it shall be the duty of each Owner to comply with any such requirements in addition to the provisions of this Declaration.

Section 4. Rule Against Perpetuities. In the event that any of the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event, such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of South Carolina, and such provision shall be fully effective for said reduced period of time.

Section 5. Binding Effect. All covenants, conditions, limitations, restrictions, easements and affirmative obligations set forth in this declaration shall be binding on the owners of the lots, and their respective heirs, successors and assigns and run with the land.

Section 6. The Project. The term "Myrtle Beach Hardee Airpark", "Project" "Development" or any synonymous term, shall be deemed to mean the Lots designated as Lots 1, 3, 4, 5, 6, 7, 8, 10, and 14 on the recorded plat(s) of the Project, together with the roads and/or streets and/or cul-de-sacs, runway(s), Taxi-Ways and all other areas or properties included as part of the Subdivision Plat(s) referred to on Exhibit "A" attached hereto. No areas lying outside of the property which was the subject of the Subdivision Plat(s) referred to on Exhibit "A" attached hereto shall be considered a part of the Project unless and until such area has been submitted to the terms and the provisions of this Declaration in accordance with the terms hereof. In addition, Declarant reserves the right to use the name "Myrtle Beach Hardee Airpark" to refer to additional developments which may be developed by Declarant in the vicinity of the Project, whether or not such additional developments are made subject to this Declaration.

Section 7. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, the Association, or the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns.

Section 8. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 9. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise effect any other provisions which shall remain in full force and effect.

Section 10. Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this agreement may be amended, changed or added to, at any time and from time to time upon the execution and recordation of any instrument executed by Owners holding greater than sixty-six (66%) percent of the membership in the Association, provided, that so long as the Declarant is the Owner of any Lot affected by this Declaration the Declarant's consent must be obtained. Provided, further, that the provisions for voting of Class A and Class B Members as hereinabove contained in this Declaration shall also be effective in voting for changes in this Declaration.

Section 11. Amendment Prior to Sale by Declarant or to Correct Scrivener's Error.

At any time prior to the closing of the first sale of a Lot by Declarant, the Declarant, and any mortgage holder, if any, may amend this Declaration by mutual consent. The closing of the first sale shall mean transfer of title and delivery of a deed and not execution of a Contract of Sale or a like document. Further, Declarant shall have the right to amend this Declaration at any time to correct any scrivener's error.

Section 12. Addition of Property. The Declarant may, at its option, submit to this Declaration, additional property (hereinafter "Additional Property"), which has not been previously submitted to this Declaration. Declarant may submit such Additional Property to this Declaration by recording an Amendment hereto that describes the Additional Property being submitted and states its intention to so incorporate such Additional Property hereto. Such Amendment to this Declaration shall not require the vote or consent of the Association or any Owner, and shall be effective upon the filing thereof in the public records of Horry County, South Carolina. Upon the Declarant's election to incorporate the Additional Property hereunder, all of such real estate so incorporated shall be as fully covered hereby as if a part of the original Project. This right of the Declarant shall expire on the date that is twenty (20) years from the date of this document.

Section 13. Effective Date. This Declaration shall become effective upon its recordation in the Office of the Register of Deeds for Horry County, South Carolina.

Section 14. Revocation. This Declaration shall not be revoked except with the consent of 100% of the Lot Owners and the Declarant.

ARTICLE XIII

Aircraft and Hangar Restrictions

Section 1. Hangar & Tie-Down Space for Private Use Only. The airplane hangar or Tie-down space on each Lot shall be limited to strictly private use and only by the owner of the property on which the hangar or Tie-down space is located except as permitted herein. No person who is not a Member shall be permitted to store, tie-down, or hangar any aircraft on the property without the express written permission of the Association. The Association will have the authority to specify the terms and conditions under which a non Member's aircraft may be stored, hangared or tied down.

Section 2. Aircraft Hangars. All hangars are subject to the Architectural Control Board approval, and must be architecturally compatible with the primary structure on the Lot. All aircraft hangars must be constructed in conjunction with or subsequent to the construction of a Residence. Hangars may be detached from or attached to a primary structure in accordance with local building regulations. Specifically, hangars shall be detached from the living area with a minimum of five (5) feet between the buildings including overhanging construction, unless approved fire proofing of the hangar removes risk of house damage from a fire within the hangar.

Section 3. Two or More Aircraft. If two or more aircraft are owned by Lot Owner, one aircraft, not stored in a hangar, may be secured with tie downs adequate for the size and weight of the aircraft. Until a dwelling and hangar are under construction or built, no aircraft shall be tied down overnight on the lot unless approved by the Association. The one tied-down aircraft must be in airworthy condition as defined by current Federal Aviation Regulations (FARs) except as permitted by the Association in writing.

Section 4. Unattended Aircraft. No aircraft shall be parked on any part of the Runway, Taxi-Way or easements and all aircraft parked or left for any period of time unattended within Lots shall be securely tied down. If any aircraft is found within any Lot, not tied down and unattended, the Association or its agents may, but are not obligated to, secure it at the expense of the Owner of said aircraft.

Section 5. Run-ups. "Run-ups" and testing of engines within residential areas should be limited to the hours of 8:00 am and 10:00 PM. But in any event the "run-up" shall not be done in such a manner as to cause inconvenience or damage to the property of others.

Section 6. Stunt Flying. No low-level flying stunts nor other hazardous activities will be permitted about the subdivision. Each Owner is required to strictly observe all Federal, State, and Local Statutes, Regulations or Ordinances relative to the operation of civil aircraft.

Section 7. Aircraft Size. No aircraft with gross weight exceeding 8,000 lbs., and no jet aircraft may operate on the Taxi-Ways, easements, or runways without written permission of the Association. The aircraft operator's manual will be the source of the aircraft weight.

Section 8. Speed Limits. Aircraft shall taxi at less than 10 miles per hour on all Taxi-Ways. Pilots are cautioned to avoid increasing engine RPM to high levels as part of our noise abatement program and to avoid blowing sand and dirt.

Section 9. Taxi-Way Courtesy. Moving aircraft shall have the right of way at all times. Automotive traffic must yield at all Taxi-Ways crossings and on dual purpose streets. No Taxi-Ways other than those designated by Declarant as combination street/Taxi-Ways shall be used by any vehicle other than aircraft or aircraft service vehicles, unless pursuant to a valid access permit granted by the Association. Aircraft shall have a right of way on Taxi-Ways, and all aircraft on Taxi-Ways must anticipate use of passing areas for approaching aircraft. Use of 2 way radio during any movement of aircraft on airpark is mandatory for safety.

Section 10. Storing Parts. There shall be no storage of dismantled or disabled aircraft on the Lots or the Common Areas. Aircraft being repaired and aircraft parts must be kept within an enclosed hangar building which has been approved by the ACB. Parts of aircraft, including but not limited to, fuselages, wings, engines, horizontal and vertical stabilizers, ailerons, rudders, landing gear and spare parts may not be stored in yards where visible from the street, Taxi-Way, or other Lots, but must be stored inside the hangar or other building approved by the ACB.

Section 11. Insurance. Every owner or user of a certified aircraft, experimental aircraft or ultralight vehicle which is based on the Property shall provide the Association or their agent with a current Certificate of Insurance for aircraft liability before they can use the runway. Failure to provide the Certificate of Insurance and to maintain such insurance shall result in the automatic suspension of the owner or user's right to use the Common Area including the runway.

ARTICLE XIV

Runway Assurances and Operations

Section 1. Continued Operation. Inasmuch as Myrtle Beach Hardee Airpark is developed for individuals involved in the sport and hobby of aviation, every purchaser, lessee or grantee of any property now or hereafter subject to this Declaration, by acceptance of a deed, lease or other conveyance thereof, thereby agrees that, the runway and Taxi-Way shall remain and be maintained as such until such time as 80% of the Lot Owners and the Declarant consent

to its dissolution or its operation is interrupted or terminated by local, state or federal authorities. The Declarant warrants that the runway in existence on the property as of this date will continue to be operated as such.

Section 2. Complaints. As this is an aviation community, Owners understand, and agree, that Lot Owners, their heirs, or assigns relinquish any right to complain, object, or take any legal remedies to stop aviation related activities in the Development.

Section 3. Control of Runway. The Association shall have the right to control the use of the Runway and Taxi-Way and may prohibit the use of the Runway or Taxi-Way by any aircraft deemed unsafe to either the life or health of individuals or the condition and maintenance of the field by virtue of its size, design or state of repair.

Section 4. Control of Airport Grounds and Operation. The Declarant or the Association shall have the right to make rules and regulations relative to the easements, Taxi-Way, Runway, air traffic patterns around the airport, grounds and related facilities, affecting the use of said premises, and all lot owners agree to comply with said rules and regulations and are subject thereto, including any such rules and regulations that may be added from time to time.

Section 5. Withholding of Use. The Declarant or the Association shall have the right to withhold from, restrict, or charge an individual assessment for the use of the Common Area, including the runway, to any Owner:

- a. who is in default in the payment of any assessment fee; or
- b. who, in the judgment of the Declarant or the Association, uses the Common Areas or his aircraft in a negligent manner or in a manner harmful to the rights of other users; or
- c. who, in general, violates the published rules and regulations of the Association.

Section 6. Limitation of Declarant's Obligations. It is expressly understood and agreed that the establishment of the Common Areas or the declaration of these restrictions does in no way place a burden of affirmative action on the Declarant to make any of the improvements noted herein, or extend to the grantee any service of any kind.

ARTICLE XV

Additional Matters Dealing with Phased Development

Section 1. Voting Rights. As each phase, if any, is added to the Development, the Lots comprising such additional phase shall be counted for the purpose of voting rights.

ARTICLE XVI

Right of First Refusal

In the event the Owner of any Lot wishes to transfer the title thereto, and shall have received a bona fide offer to purchase same, such Owner shall notify Ronald E. Heidebrink, his heirs and assigns in writing by mailing such writing by registered or certified mail, return receipt requested, to Ronald E. Heidebrink at 2805 Sandy Branch Rd., Longs, SC 29568 or at such other address as Ronald E. Heidebrink may provide the Association in writing, with an executed copy of such offer and the terms thereof, including the name of the prospective Lot Owner and such other information as it, in the exercise of its discretion, may request. For a period of ten (10) days following such receipt of the aforesaid notice to Ronald E. Heidebrink, Ronald E. Heidebrink, his heirs and assigns, shall have the right to purchase the subject Lot upon the same terms and conditions as set forth in the offer therefor. Such right may be exercised by Ronald E. Heidebrink, his heirs and assigns, by notice in writing delivered personally to the Owner, or mailed to the Owner by registered or certified mail, return receipt requested, to the address of the Owner as it appears on the books of the Association. Ronald E. Heidebrink's failure to respond within the ten (10) day period provided shall be conclusive evidence that Ronald E. Heidebrink has waived his right of first refusal. The failure or refusal by Ronald E. Heidebrink, his heirs and assigns, to exercise the right of first refusal shall not constitute or be deemed a waiver of such right in the event the Owner of any Lot receives any subsequent bona fide offer from the same or a different party.

The Right of First Refusal provided for in the Article shall not apply to transfers involving a foreclosure sale or other judicial sale or any transfer to a mortgagee in lieu of foreclosure, any transfer to a mortgagee following foreclosure sale, or any proceedings to enforce or foreclose any lien, debt, or obligation or deeds in lieu thereof, the transfer of one joint tenant's interest to a co-tenant by operation of law or otherwise, or to transfers to a trust by will, by intestate distribution, or the transfer to a family member of the first degree, including spouse, grandparent, parent, child, sibling, aunt, uncle, niece or nephew.

Ronald E. Heidebrink shall, upon demand, at any time furnish to any Lot Owner, or other party legitimately interested in the same, a certificate in writing signed by Ronald E. Heidebrink, his heirs or assigns, or may execute an appropriate certificate on any deed for any Lot, stating that the requirements of this Article have been complied with, or duly waived by Ronald E. Heidebrink, his heirs or assigns. Such certificate shall be conclusive evidence of compliance with the requirements of this Article for all persons who rely thereon in good faith. A charge not to exceed Fifty and No/100 (\$50.00) Dollars may be levied in advance by Ronald E. Heidebrink, his heirs or assigns for each certificate so delivered, except that no charge shall be levied against any mortgagee of any Lot in the project who requests such a certificate.

Any other provision of this Article to the contrary notwithstanding, the requirements of this Article shall be deemed to have been fully complied with, and the right of first refusal herein

provided for, shall be deemed to have been duly waived by Ronald E. Heidebrink, his heirs or assigns in the event that either (a) a certificate to that effect has been executed by Ronald E. Heidebrink, his heirs or assigns in accordance with the provisions of this Article or (b) a period of ninety (90) days has passed following the record transfer of title to any Lot in violation of the requirements of the Article without the filing of any suit or other judicial proceeding by Ronald E. Heidebrink, his heirs or assigns, to set aside such transfer or to otherwise enforce the rights of Ronald E. Heidebrink, under this Article. The presumptions created by these provisions of this paragraph shall not be rebuttable.

The provisions of this Article XVI shall not be amended without the express written consent of Declarant.

The Remainder of this Page Intentionally Left Blank

IN WITNESS WHEREOF, Myrtle Beach Hardee Airpark, LLC, by its duly authorized Manager, has caused this instrument to be executed on the day and year first above written.

In the Presence of:

Myrtle Beach Hardee Airpark, LLC

[Signature]
[Signature]

BY: [Signature]

ITS: Authorized Member

STATE OF SOUTH CAROLINA)

COUNTY OF HORRY)

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named Myrtle Beach Hardee Airpark, LLC, by its duly authorized manager or member Sign, Seal and as its Act and Deed deliver the within written **DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR MYRTLE BEACH HARDEE AIRPARK**, and that s/he with the other witness subscribed above witnessed the execution thereof.

[Signature]

SWORN to before me this 23
day of JANUARY, 2007.

[Signature] (L.S.)
Notary Public for South Carolina
My Commission Expires: 5-18-14

EXHIBIT "A"

ALL AND SINGULAR, all those certain pieces, parcels, lots or tracts of land located in Horry County, South Carolina, being shown and designated as Lots 3, 5, 7, 8 and 10; the "EXISTING RUNWAY" as shown on the "Runway Inset"; all roads, streets and cul-de-sacs, both named and unnamed, including "BONANZA DRIVE" and "MOONEY COURT"; and being collectively referred to and designated as "Phase 1 East" of "Myrtle Beach Hardee Airpark" on that certain map or plat entitled "BONDED FINAL PLAT FOR MYRTLE BEACH HARDEE AIRPARK (PHASE 1 EAST)", prepared by Inman Surveying, PC, dated May 8, 2003, last revised December 1, 2006, and recorded December 14, 2006 in Plat Book 219 at Page 280, records of Horry County, South Carolina, which plat is incorporated herein by this reference.

AND ALL AND SINGULAR all those certain pieces, parcels, lots or tracts of land located in Horry County, South Carolina, being shown and designated as Lots 1, 4, 6 and 14; and being collectively referred to and designated as "Phase 2 East" of "Myrtle Beach Hardee Airpark" on that certain map or plat entitled "BONDED FINAL PLAT FOR MYRTLE BEACH HARDEE AIRPARK (PHASE 2 EAST)", prepared by Inman Surveying, PC, dated May 8, 2003, last revised December 2, 2006, and recorded December 14, 2006 in Plat Book 219 at Page 281, records of Horry County, South Carolina, which plat is incorporated herein by this reference.

Lot 1 is submitted along with an Easement for Sewage Field Lines, as shown on Plat Book 219 at Page 281; Lot 4 is submitted along with an Easement for Sewage Field Lines, as shown on Plat Book 219 at Page 281; Lot 6 is submitted along with an Easement for Sewage Field Lines, as shown on Plat Book 219 at Page 281, records of Horry County, South Carolina.

This being a portion of the property conveyed to Declarant by deed of Ronald E. Heidebrink, dated 1/23/07 and recorded 1/24/07 in Deed Book 3216 at Page 714 in the records of Horry County, South Carolina, and by deed of Barbara A. Hardee, dated 1/23/07 and recorded 1/24/07 in Deed Book 3216 at Page 708 in the records of Horry County, South Carolina.

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

JAN 12 2007

NONPROFIT CORPORATION
ARTICLES OF INCORPORATION



SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY IN BLACK INK

1. The name of the proposed corporation is **Myrtle Beach Hardee Airpark Property Owners' Association, Inc.**
2. The initial registered office of the nonprofit corporation is

2805 Sandy Branch Road, Longs, South Carolina 29568

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

Ronald E. Heidebrink

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



Agent's Signature

3. Check "a", "b" or "c", whichever is applicable. Check only one box:
 - a. ☐ The nonprofit corporation is a public benefit corporation.
 - b. ☐ The nonprofit corporation is a religious corporation.
 - c. ☒ The nonprofit corporation is a mutual benefit corporation.
4. Check "a" or "b", whichever is applicable:
 - a. ☒ This corporation will have members.
 - b. ☐ This corporation will not have members.
5. The address of the principal office of the nonprofit corporation is
2805 Sandy Branch Road, Longs, South Carolina 29568
6. If this nonprofit corporation is either a public benefit or religious corporation (when box "a" or "b" of paragraph #3 is checked), complete either "a" or "b", whichever is applicable to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation.
 - a. ☐ Upon dissolution of the 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

070117-0208 FILED: 01/12/2007
MYRTLE BEACH HARDEE AIRPARK PROPERTY OWNERS' A
Filing Fee: \$25.00 ORIG



Mark Hammond

South Carolina Secretary of State

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.

- b. ☐ Upon dissolution of the corporation, consistent with the law, the remaining assets of the corporation shall be distributed to: _____

7. If the corporation is a mutual benefit corporation (when box "c" of paragraph 3 is checked), complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

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

- b. ☐ Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to: _____

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See Section 33-31-202©) of the 1976 South Carolina Code of Laws, as amended, the applicable comments thereto, and the instruction to this form).

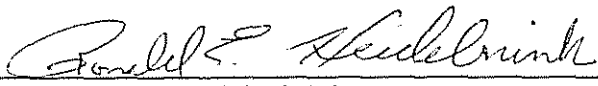
9. The name and address of each incorporator is as follows (only one is required)

Ronald E. Heidebrink
2805 Sandy Branch Road, Longs, South Carolina 29568

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

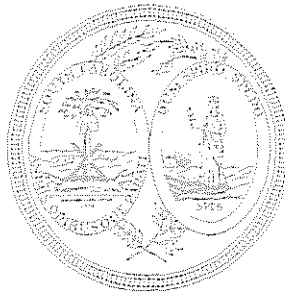
| | |
|---|--------------------------------|
| N/A | |
| _____ Name (Only if named in articles) | _____ Signature of director |

11. Each incorporator must sign the articles.



Signature of Incorporator - **Ronald E. Heidebrink**

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Incorporation, Nonprofit Corporation

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

MYRTLE BEACH HARDEE AIRPARK PROPERTY OWNERS' ASSOCIATION,
INC.,

a nonprofit corporation duly organized under the laws of the State of South Carolina on January 12th, 2007, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed a Declaration and Petition for Incorporation of a nonprofit corporation for Religious, Educational, Social, Fraternal, Charitable, or other eleemosynary purpose.

Now, therefore, I Mark Hammond, Secretary of State, by virtue of the authority in me vested by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.

Given under my Hand and the Great
Seal of the State of South Carolina this
17th day of January, 2007

A handwritten signature in cursive script that reads "Mark Hammond".

Mark Hammond, Secretary of State

EXHIBIT "C"
BY-LAWS
OF
MYRTLE BEACH HARDEE AIRPARK
PROPERTY OWNERS' ASSOCIATION, INC.

Article I
Name, Principal Office and Definitions

Section 1. Name. The name of the Association shall be Myrtle Beach Hardee Airpark Property Owners' Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located in Horry County, South Carolina. The Association may have such other offices as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Myrtle Beach Hardee Airpark dated ~~May~~ May 23, 2007 to which these By-Laws are attached as an exhibit, as the same may be amended, renewed or extended from time to time, (hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference. The classes of membership shall be as follows:

Class A. Class A members shall be all Owners excepting the Declarant. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership pursuant to the Declaration. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The sole Class B member shall be the Declarant. The Class B member shall be entitled to total votes in an amount equal to twice the number of the

Class A votes plus one. The Class B membership shall cease and become converted to Class A membership upon the conveyance to Lot Owners of all Lots subject to the Declaration including Lots in any subsequent Phase, or twenty (20) years from the date of this document, whichever first occurs. In addition, Declarant may terminate the Class B membership upon written notice to the Association.

When a purchaser of an individual Lot or Lots takes title thereto from the Declarant, he automatically becomes a Class A member.

Section 2. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within The Properties or as convenient thereto as possible and practical.

Section 3. Annual Meeting. The first meeting of the membership, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no more than one hundred twenty (120) days and no less than ninety (90) days before the close of the Association's next calendar year following the fiscal year of the Association's first meeting. Subsequent regular annual meetings of the membership shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the foregoing, the annual meetings shall be held at a date and time as set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten (10%) percent of the total votes of the Association. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meeting. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting. Such notice shall be by or at the direction of the President or the Secretary.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or alternate shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration and as set forth herein, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Voting Members may vote in person or by proxy.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners or other groups as the context may indicate, totaling more than fifty (50%) percent of the total number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing a majority of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance. Further, at any adjourned meeting at which a quorum is present at the reconvening of such meeting, any business may be transacted which might have been transacted at the original meeting notwithstanding the withdrawal of enough members to leave less than a quorum in attendance.

Section 12. Conduct of Meeting. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute

book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members.

Article III
Board of Directors:
Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors each of whom shall have one (1) vote. Except as provided in Section 2 of this Article, the Directors shall be Members. In the case of an Owner which is a corporation or partnership or other legal entity, the person designated in writing to the Secretary of the Association as the representative of such entity shall be eligible to serve as a Director.

Section 2. Directors During Class "B" Control. So long as the Class B membership exists, the Declarant shall have the right to select a majority of the Directors in its sole discretion which shall serve at the pleasure of the Class "B" Member until the first annual meeting of the membership following termination of Class B control.

Within one hundred twenty (120) days after the termination of the Class "B" membership, the Class "B" member shall call a meeting, as provided in Article II, Section 4, of these By-Laws for special meetings, to advise the membership of the termination of the Class "B" member's control or, in the alternative, shall notify each member by U. S. Mail that the Class B membership has been terminated.

The Directors selected by the Class "B" member pursuant to this Section need not be Members as provided in Section 1 of this Article.

Section 3. Veto. This Section 3 may not be amended or rescinded without the express, written consent of the Class "B" member, so long as the Class "B" membership exists.

So long as the Class "B" membership exists, the Class "B" member shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "B" member, its successors, and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

- a. The Class "B" member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Section B, Paragraphs 2 and 3 of these By-Laws as to regular and special meetings of the Directors and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and
- b. The Class "B" member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. The Class "B" member and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" member shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board of Directors and to be taken by any committee or Board of the Association or any individual member of the Association if Board, committee, or Association approval is necessary for said action.

This veto may be exercised by the Class "B" member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

Section 4. Number of Directors. The number of Directors in the Association shall not be less than three (3) nor more than five (5), as provided below. The initial Board shall consist of the persons as identified in the Articles of Incorporation of the Association.

Section 5. Nomination of Directors. Except with respect to Directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. Nominations shall be permitted from the floor. All candidates shall

have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6. Election and Term of Office. At the first annual meeting of the membership and at each annual meeting of the membership thereafter, and except for the Directors appointed by Declarant as aforesaid, Directors shall be elected by the Members for terms as outlined below. At the first annual meeting, Directors elected pursuant to this Section, shall be elected to serve for a term of one (1) year. Members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association. Directors may be elected to serve any number of consecutive terms. Each member elected thereafter shall be elected for a one (1) year term.

Section 7. Removal of Directors and Vacancies. Any Director of the Association may be removed, with or without cause, by a vote of the Members with a majority vote of the membership. Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall then and there be elected to fill the vacancy by the Members responsible for such removal.

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and it may appoint a successor. Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill.

Notwithstanding any of the foregoing, no Director appointed by the Class "B" member may be removed except by the Class "B" member in which case the Class "B" member shall appoint his successor.

Section 8. Voting Procedure for Directors. At any election of Directors to the Board of Directors, each Member may cast, in respect to each vacancy, as many votes as he or she is entitled to exercise under the Declaration and these By-Laws. The candidates receiving the largest number of votes shall be elected. Provided, however, no member may cast more than one (1) vote for any person nominated as a director, it being the intent hereof that voting for Directors shall be noncumulative. Nothing herein shall be deemed to limit any rights of the Class "B" member.

B. Meeting.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 2. Regular Meetings. 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, but at least one (1) such meeting shall be held during each calendar year. Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3. Special Meeting. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) by first class mail, postage prepaid; (c) by telephone communication, email, fax, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given by use of the Director's telephone number or shall be sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, email, fax, or telegraph shall be delivered, telephoned, or given to the telegraph company at least three (3) days before the time set for the meeting.

Section 4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting until such time and place as they may determine. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote

of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 7. Conduct of Meeting. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Open Meeting. Subject to the provisions of Section 9 of this Article, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director. In such case, the President may limit the time any Member may speak.

Section 9. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration or these By-Laws directed to be done and exercised exclusively by the Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- a. preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- b. making Assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Lot's proportionate share of the Common Expenses

shall be payable in equal quarterly installments, or as determined by the Board of Directors;

- c. providing for the operation, care, upkeep, and maintenance of all of the Common Areas;
- d. designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- e. collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;
- f. making and amending rules and regulations;
- g. opening of bank accounts on behalf of the Association and designating the signatories required;
- h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;
- i. enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- j. obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- k. paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;
- l. keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be

available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting principles;

- m. making available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the By-Laws, rules governing the Lot, and all other books, records, and financial statements of the Association; and
- n. permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

Section 2. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 1 of this Article III (C). The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the membership; provided, however, the Board shall obtain Member approval by majority vote for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 4. Enforcement. In addition to any other remedies provided herein or in the Declaration, the Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any Owner of a Lot violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall be assessed against the Owner. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter. The lien provided for herein may be foreclosed in the same manner as mortgages may be foreclosed pursuant to South Carolina law,

in addition to any and all other remedies which the Association may have pursuant to applicable law. In addition, the Association may file a notice of lien in the public records of Horry County, South Carolina.

- a. Notice. Prior to imposition of any fine or suspension of use of the Common Areas as set forth hereunder, except for based on nonpayment of assessments or violation of any provision of the Declaration for which a specific remedy is provided in the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, and (ii) the sanction to be imposed.
- b. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

Section 5. Power to Grant Easements. Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the authority to grant and reserve easements for ingress/egress and utilities over the Common Areas for the benefit of other parcels abutting or adjoining said road including all subdivisions or additions to such parcels.

Article IV **Officers**

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership, as herein set forth in Article III. A vacancy

in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have the responsibility for the preparation of the budget as provided for in the Declaration.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V

Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

Article VI

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of South Carolina law, the Declaration and these By-Laws, the provisions of South Carolina law, the Declaration and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

- a. Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.
- b. Rules for Inspection. The Board shall establish reasonable rules with respect to:
 - (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when such an inspection may be made; and
 - (iii) payment of the cost of reproducing copies of documents requested.
- c. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

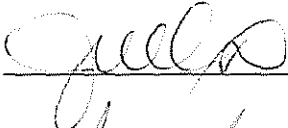
- a. if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or


- b. if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Lot, Declarant may unilaterally amend these By-Laws. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent of Members representing greater than sixty-six (66%) percent of the total votes of the Association, including greater than sixty-six (66%) percent of the votes of Members other than the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Horry County, South Carolina.

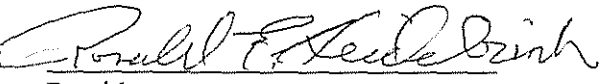
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IN WITNESS WHEREOF, Myrtle Beach Hardee Airpark Property Owners' Association, Inc., by its duly authorized Officer(s), has caused this instrument to be executed on the day and year first above written.





MYRTLE BEACH HARDEE AIRPARK
PROPERTY OWNERS' ASSOCIATION, INC.

BY: 
Its: President

RETURN TO
BELLAMY, RUTENBERG, COPELAND
EPPS, GRAVELY & BOWERS, P.A.
POST OFFICE BOX 357
MYRTLE BEACH, SC 29578
843-448-2400 EW

Please Return To:

The Bellamy Law Firm
1000 29th Avenue, P.O. Box 357
Myrtle Beach, South Carolina 29578
Attn: en

Instrument#: 2007000013258, DEED BK:
3216 PG: 862 DOCTYPE: 001 01/24/2007 at
11:36:37 AM, 1 OF 6, EXEMPT, BALLERY
V. SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

STATE OF SOUTH CAROLINA

COUNTY OF HORRY

SPECIAL WARRANTY DEED TO REAL ESTATE

THIS DEED is made the day hereinbelow stated, by and between **Myrtle Beach Hardee Airpark, LLC**, a South Carolina limited liability company, hereinafter called **GRANTOR**, which expression shall include his, her or their heirs and assigns, and/or its successors and assigns, wherever the context so requires, or admits, of the one part, and **Myrtle Beach Hardee Airpark Property Owners' Association, Inc.**, a South Carolina not-for-profit corporation, whose address is **2805 Sandy Branch Road, Longs, SC 29568**, hereinafter called **GRANTEE**, which expression shall include his, her or their heirs and assigns, and/or its successors and assigns, forever, wherever the context so requires or admits, of the other part; and in this agreement, the singular shall include the plural, and the plural shall include the singular, and one gender shall include all genders.

KNOW ALL MEN BY THESE PRESENTS, that **GRANTOR**, for and in consideration of the sum of **Five and No/100 (\$5.00) Dollars**, paid to **GRANTOR**, by **GRANTEE**, in the State aforesaid, the receipt whereof is hereby acknowledged, has bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said **GRANTEE**, the following described property, located in County, South Carolina, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

TMS #: To Be Split From 100-00-03-003(SPLIT)
And
To Be Split From 087-00-05-009(SPLIT)

TAX NOTICE ADDRESS: 2805 Sandy Branch Road, Longs, SC 29568

The within conveyance is also subject to all restrictions and easements of record and/or easements upon the ground.

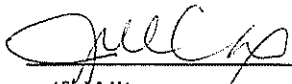
TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto said GRANTEE, in fee simple.

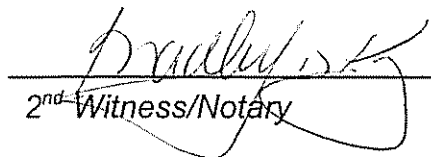
AND the said GRANTOR does hereby bind itself, its heirs, successors and assigns, to warrant and forever defend all and singular the said premises unto the said GRANTEE, as hereinabove provided, against itself and its heirs, successors and against no other person.

IN WITNESS WHEREOF, the GRANTOR has caused these presents to be signed and sealed this 23 th day of JANUARY in the year 2007.

**SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:**



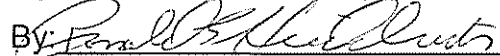
1st Witness



2nd Witness/Notary

GRANTOR

Myrtle Beach Hardee Airpark, LLC

By: 

Ronald E. Heidebrink

Ronald E. Heidebrink

Its: Authorized Member

STATE OF SOUTH CAROLINA

)

)

ACKNOWLEDGMENT

COUNTY OF HORRY

)

I, the undersigned notary, do hereby certify that the above subscribed Grantor, by its duly authorized manager or member, personally appeared before me this day and acknowledged the due execution of the foregoing instrument

Witness my hand and seal this 23 th day of JANUARY, 2007.



Notary Public for the State of South Carolina

My Commission Expires: 5-13-14

(Seal)

EXHIBIT "A"

ALL AND SINGULAR, all those certain pieces, parcels, lots or tracts of land located in Horry County, South Carolina, being shown and designated as "BONANZA DRIVE", "MOONEY COURT", and the portion of the "EXISTING RUNWAY" that exists on the parcel with Horry County TMS No. 100-00-03-003, all as shown on that map or plat entitled "BONDED FINAL PLAT FOR MYRTLE BEACH HARDEE AIRPARK (PHASE 1 EAST)", prepared by Inman Surveying, PC, dated May 8, 2003, last revised December 1, 2006, and recorded December 14, 2006 in Plat Book 219 at Page 280, records of Horry County, South Carolina, which plat is incorporated herein by this reference.

This being a portion of the property conveyed to Myrtle Beach Hardee Airpark, LLC by deed of Ronald E. Heidebrink dated 1/23/07, recorded 1/24/07 in Deed Book 3216, Page 714, records of Horry County, South Carolina.

AND ALL AND SINGULAR, all that certain piece, parcel, lot or tract of land located in Horry County, South Carolina, being shown and designated on the "Runway Insert" as the "EXISTING RUNWAY" on that map or plat entitled "BONDED FINAL PLAT FOR MYRTLE BEACH HARDEE AIRPARK (PHASE 1 EAST)", prepared by Inman Surveying, PC, dated May 8, 2003, last revised December 1, 2006, and recorded December 14, 2006 in Plat Book 219 at Page 280, records of Horry County, South Carolina, which plat is incorporated herein by this reference. The Portion of the Runway being conveyed hereunder is the portion of the runway as shown on the above referenced survey that exists on the parcel with Horry County TMS No. 087-00-05-009.

This being a portion of the property conveyed to Myrtle Beach Hardee Airpark, LLC by deed of Barbara A. Hardee, dated 1/23/07 and recorded 1/24/07 in Deed Book 3216, at Page 708, records of Horry County, South Carolina.

STATE OF SOUTH CAROLINA
COUNTY OF HORRY

AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located at Highway 348 Simpson Creek Township, Longs, SC 29568, bearing Horry County Tax Map Number To Be Split From 100-00-03-003(Split) and To Be Split From 087-00-05-009(Split) , was transferred by **Myrtle Beach Hardee Airpark, LLC to Myrtle Beach Hardee Airpark Property Owners' Association, Inc.**, on January 23, 2007.
3. Check one of the following: The deed is
 - (a) _____ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) X exempt from the deed recording fee because (See Information section of Affidavit):

Exempt under Exemption # 8

(If exempt, please skip Items 4 - 7 and go to Item 8 of this Affidavit).

If exempt under Exemption #14 as described in the Information section of this Affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty?
Check Yes ____ or No ____

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):
 - (a) _____ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$ _____
 - (b) _____ The fee is computed on the fair market value of the realty which is _____
 - (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is: _____
5. Check Yes ____ or No ____ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____.
6. The deed recording fee is computed as follows:
 - (a) _____ Place the amount listed in item 4 above here: _____
 - (b) _____ Place the amount listed in item 5 above here: _____
 - (c) _____ (If no amount is listed, place zero here
Subtract Line 6(b) from Line 6(a) and place result here: _____
7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$ _____.
8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: GRANTOR.

- 9, I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

GRANTOR:

Myrtle Beach Hardee Airpark, LLC

By: Ronald E. Heidebrink

Its: Authorized Member

Sworn to before me this 23th day of JAN., 2008 Bdk

Myrtle Beach
Notary Public for the State of South Carolina
My Commission Expires: 5-18-14

INFORMATION

Except as provide in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other intangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on the land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayer may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the Fee Are Deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to a fee even if the realty is transferred to another corporation, a partnership, or trust;
- (9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the Grantees's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
- (11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,
- (12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the Grantees, provided that no consideration of any kind is paid or is to be paid under the corrective or quitclaim deed.
- (13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed pursuant to foreclosure proceedings.
- (14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal, provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty.
- (15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.