

EXHIBIT K
ARTICLES OF INCORPORATION
OF
BEACHWALK VILLAS HOMEOWNER'S ASSOCIATION, INC.

The undersigned subscribers, desiring to form a nonprofit corporation under South Carolina statutes, as amended, hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation shall be Beachwalk Villas Homeowner's Association, Inc. which is hereinafter referred to as the "ASSOCIATION".

ARTICLE II

PURPOSES AND POWERS

The purpose of the ASSOCIATION is to manage the affairs of Beachwalk Villas Property Regime.

The ASSOCIATION is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any MEMBER or individual person, firm or corporation.

The ASSOCIATION shall have all of the common law and statutory powers of a nonprofit corporation. The ASSOCIATION shall also have all of the powers necessary to implement the purposes of the ASSOCIATION and to provide for the general health and welfare of its membership.

ARTICLE III

MEMBERS

Section 1. Membership. Every person or entity who is a record OWNER of a fee or undivided fee interest in any UNIT which is subject by the Master Deed to assessment by the ASSOCIATION shall be a MEMBER of the ASSOCIATION, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a MEMBER.

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

Class A. Class A MEMBERS shall be all those OWNERS as defined in Article 4, in the Master Deed. Class A MEMBERS shall be entitled to one vote for each UNIT in which they hold the interest required for membership. When more than one person holds such interest or interests in a UNIT, all such persons shall be MEMBERS; however, they shall select one (1) MEMBER to vote, which such MEMBER shall be designated as the "VOTING MEMBER" and shall be so designated in writing to the Secretary of the ASSOCIATION. In no event shall more than one (1) vote be cast with respect to any UNIT.

Class B. The sole Class B MEMBER shall be the DECLARANT. The Class B MEMBER shall be entitled to four (4) votes for each UNIT in which it holds the interest required for membership by Article 4 in the Master Deed provided that the Class B membership shall continue only so long as any phase or phases of the Condominium Project have not been submitted to the Horizontal Property Regime, or DECLARANT, its successors or assigns, is the OWNER of one (1) or more UNITS in the entire Condominium. DECLARANT reserves the right at any time to terminate Class B membership by filing an instrument in the records of the Register of Deeds for Horry County, so doing and in any event the Class B membership shall terminate no later than March 1, 2026.

Section 3. Meetings of MEMBERS. The By-Laws of the ASSOCIATION shall provide for an annual meeting of the MEMBERS, and may made provisions for regular and special meetings of the MEMBERS other than the annual meeting. A quorum for the transaction of business at any meeting of the MEMBERS shall exist if fifty-one (51%) percent of the MEMBERS shall be present. Action may be taken by majority vote of those MEMBERS present at any meeting. 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 and notwithstanding the withdrawal of enough MEMBERS to leave less than a quorum in attendance.

Section 4. Principal Office. The initial principal office of the ASSOCIATION shall be located at 4103 N. Ocean Boulevard, North Myrtle Beach, South Carolina; however, the ASSOCIATION may maintain offices and transact business in such other places within or without the State of South Carolina as may from time to time be designated by the Board of Directors.

ARTICLE IV

CORPORATE EXISTENCE

The ASSOCIATION shall have perpetual existence.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management by Directors. The property, business and affairs of the ASSOCIATION shall be managed by a Board of Directors, which shall consist initially of three (3) persons. The Board shall be increased thereafter to five (5) persons as provided in Article 4 of the By-Laws. A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the ASSOCIATION, who shall hold office until the first annual meeting of MEMBERS until qualified successors are duly elected and have taken office, shall be as follows:

Ernest R. Derrick, III	4103 N. Ocean Blvd., N. Myrtle Beach, SC 29582
Robert G. Hemrick	4103 N. Ocean Blvd., N. Myrtle Beach, SC 29582

Section 3. Election of Members of Board of Directors. Except for the first Board of Directors, directors shall be elected by the MEMBERS as provided by the By-Laws of the ASSOCIATION. The By-Laws may provide for the method of voting in the election and for removal from office of directors. After DECLARANT gives up control of the ASSOCIATION, all directors shall be OWNERS of UNITS in Beachwalk Villas or shall be authorized representatives, officers, or employees of corporate members of the ASSOCIATION.

Section 4. Duration of Office. MEMBERS elected to the Board Directors shall hold office for such periods of time as are set out in the By-Laws.

Section 5. Vacancies. If a director elected by the general membership shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term.

ARTICLE VI

OFFICERS

Section 1. Officers Required. The ASSOCIATION shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the ASSOCIATION, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one year and until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies, and for the duties of the officers. The President and Vice President shall be directors; other officers may or may not be directors of the ASSOCIATION. If

the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act. The Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office other than that of the President shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the ASSOCIATION, who shall hold office until the first annual meeting of directors and until successors are duly elected and have taken office, shall be as follows:

<u>Office</u>	<u>Name</u>	<u>Address</u>
President	Ernest R. Derrick, III	4103 N. Ocean Blvd., N. Myrtle Beach
Vice President	Robert G. Hemrick	4103 N. Ocean Blvd., N. Myrtle Beach

ARTICLE VII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors by majority vote.

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the said Master Deed for Beachwalk Villas Horizontal Property Regime, the said Master Deed shall control.

ARTICLE IX

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are:

Ernest R. Derrick, III 4103 N. Ocean Blvd., North Myrtle Beach, SC

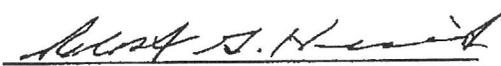
ARTICLE X

INDEMNIFICATION

The ASSOCIATION shall indemnify any person who is made a party or is threatened to be made a party to any claim, suit, proceeding or liability by reason of the fact that he is or was a director, officer, employee, agent or representative of the ASSOCIATION to the fullest extent permitted by law, and the ASSOCIATION may advance expenses to any such person to the fullest extent of the law. The ASSOCIATION shall also have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, agent or representative of the ASSOCIATION against any liability asserted against him in any such capacity.

IN WITNESS WHEREOF, the said incorporator has hereunto set his hand this 24th day of February 2005.

Beachwalk Properties, LLC



Robert G. Hemrick

Member