

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

THE DELTA GROUP, A South Carolina )  
General Partnership )

TO )

MASTER DEED ESTABLISHING  
HORIZONTAL PROPERTY  
REGIME

VILLAGES OF SKULL CREEK DOCK )  
HORIZONTAL PROPERTY REGIME (II) )

FILED IN DEED - M BOOK 436 PAGE 516  
FILED AT 092400 ON 12/04/85

At Hilton Head Island, County of Beaufort, State of South Carolina, on this 27 day of November, in the year of our Lord One Thousand Nine Hundred and Eighty-five, The Delta Group, a South Carolina General Partnership, with its principal place of business on Hilton Head Island, South Carolina, hereinafter referred to as "Sponsor", does hereby declare:

FIRST: PROPERTY

That subject to the matters set forth in ARTICLE THIRTIETH hereof and the other provisions set forth hereinafter, Sponsor is the sole owner of the property described in Exhibit "A" attached hereto and made a part hereof which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 33 at Page 135.

SECOND: PROPERTY; REGIME

That Sponsor does hereby, by duly executing this Master Deed, submit the property referred to in Paragraph FIRST, together with the improvements erected thereon and affixed thereto, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the Horizontal Property Act of South Carolina, and does hereby

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BETHEA, JORDAN  
& GRIFFIN, P. A.  
ATTORNEYS AND  
COUNSELLORS AT LAW  
HILTON HEAD ISLAND, S. C.

BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
530	3		618	

state that it proposes to create and does hereby create, with respect to the Property, a Horizontal Property Regime that shall be known as the Villages of Skull Creek Dock Horizontal Property Regime (II) (hereinafter sometimes referred to as the "Regime") to be governed by and be subject to the provisions of this Master Deed and the provisions of the Horizontal Property Act of South Carolina as it is now constituted and as it may from time to time be amended.

THIRD: IMPROVEMENTS

That the improvements affixed to, constructed on and forming a part of the Property are constructed in accordance with the as-built plat (Exhibit "B") depicting the improvements within the property boundary prepared by Sea Island Engineering, Inc., Benjamin Wilson, R.L.S. (S.C.) No. 5424, and the site plan and dock plans identified as Exhibit "C" hereto and made a part hereof which plans were prepared by Edward Pinckney/Associates, Ltd. Attached to this Master Deed as Exhibit "D" is a certificate by an engineer licensed to practice in the State of South Carolina that the Boat Slips constructed on the Property were constructed substantially in accordance with said plans. It is the express intent of Sponsor that all such improvements, including gangplank or gangway, entrance ramp or walkway, pilings, floating docks, finger piers (sometimes referred to as slip fingers), fixed piers and a gazebo, shall be permanently affixed to the real property described in Exhibit "A" and, as such, that such improvements shall constitute fixtures to the real estate but only as to that real estate which lies above mean high water of Skull Creek.

FOURTH: DEFINITIONS

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The terms used in this Master Deed and in the Exhibits thereto shall have the meanings stated in the Horizontal Property Act and as follows, unless the context otherwise requires:

(a) Act means the Horizontal Property Act as currently set forth in Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended, including the most recent amendment R-549, H2631, enacted by the General Assembly on June 13, 1984, and approved by the Governor on June 18, 1984.

(b) Assessment means a co-owner's pro rata share of the common expenses which from time to time is assessed against a co-owner by the Association.

(c) Association means the Council of Co-Owners as defined by the Act, and also means the Villages of Skull Creek (II) Dock Owners' Association, the corporate form by which the Council of

Co-Owners shall operate the Regime and shall have the same connotation as the term "Council of Co-Owners" as used in the Act.

(d) Board of Directors or Board means the group of persons selected, authorized and directed to manage and operate the Association as provided by the Act, this Master Deed and the By-Laws and shall have the same connotation as the term "Board of Administration" as used in the Act.

(e) Boat Slip as used herein has the same connotation as the term "Apartment" as used in the Act and means a part of the Property intended for any independent recreational use including one or more spaces located in a separately delineated and open place, and with a direct exit to a common area or areas leading to a public street or highway.

(f) Building for purposes of this Declaration shall mean a floating dock system, containing in the aggregate two or more Boat Slips, comprising a part of the property.

(g) Common Elements means the general and limited common elements, as defined herein in ARTICLE NINTH and in the Act.

(h) Common expenses means the expenses for which the Boat Slip co-owners are liable to the Association and include:

(1) Expenses of administration, expenses of maintenance, insurance, taxes, operation, repair or replacement of the common elements, and of the portions of Boat Slips which are the responsibility of the Association.

(2) Expenses declared common expenses by provisions of this Master Deed.

(i) Common surplus means the excess of all receipts of the Association, including but not limited to assessments over the amount of common expenses.

(j) Co-owner means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a Boat Slip within the Regime.

(k) Condominium means a Boat Slip in the Villages of Skull Creek Dock Horizontal Property Regime (II) or, when used in a collective sense, to the Regime in its entirety.

(l) Condominium ownership means the individual ownership of a particular Boat Slip and the common right to a share, with other co-owners, in the general and limited common elements of the property.

(m) Council of Co-Owners means all the co-owners as defined herein and it shall also refer to the Association as herein defined.

(n) Covenants means those certain covenants, conditions and restrictions commonly known as the Villages of Skull Creek Covenants as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 369 at Page 1299, as amended by that Supplemental Declaration recorded in Deed Book 413 at Page 204.

(o) Majority of co-owners means the co-owners owning fifty-one percent (51%) or more of the basic value of the property as a whole.

(p) Master Deed means the deed or declaration, and all exhibits thereto, establishing and recording the property of the horizontal property regime and setting forth its legal structure, rights, powers, limitations, method of governance and similar matters.

(q) Owner (See "Co-owner" above in ARTICLE FOURTH(j)).

(r) Person means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(s) Property means and includes the land, all improvements and structures thereon or extending therefrom, and all easements, rights, permits, licenses and appurtenances belonging thereto.

(t) Regime means the Villages of Skull Creek Dock Horizontal Property Regime (II) created by the Master Deed, and reference to the Association, as herein defined, shall likewise include reference to the Regime and vice versa.

(u) Sponsor means The Delta Group with its principal place of business located on Hilton Head Island, South Carolina, and its successors and assigns.

(v) Utility services means and shall include, but shall not be limited to, electric power, water supply, garbage disposal.

FIFTH: BOAT SLIPS/BOUNDARIES

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(a) General Description: FILED AT 092400 ON 12/04/85

That the Property includes the real property as described in Exhibit "A" together with one (1) floating dock system with seven (7) finger piers containing a total of fourteen (14) individual Boat Slips to be located adjacent to and parallel with the seven

(7) finger piers, and also containing a total of five (5) individual Boat Slips adjacent to the landward side of the floating dock system, opposite from and perpendicular to the fourteen (14) finger pier slips, all as is more fully described by reference to Exhibit "A" and Paragraph SEVENTH hereof, and all of which are to be used for recreational purposes only. All individual Boat Slips of either type described above and subsequently herein are hereinafter referred to as "Boat Slips." The basic construction for the floating dock system includes wood decking laid grain down on both fixed, mooring and floating dock pilings. All hardware is hot-dipped galvanized corrosion resistant. A gangplank connects the inshore end of the main walkway to the fixed pier which is attached to the land. All walkways and finger piers are floating, being held in place with treated timber piling. There is a gazebo located on the fixed pier and fish cleaning tables located at the base of the gangplank. Each finger pier is served with connections for electricity (power post). Domestic water outlets are located at or near each Slip. Each Boat Slip has, or shall have upon conveyance hereunder, a lock box appurtenant thereto, located on the floating main walkway. The Boat Slips are capable of individual utilization on account of having their own exits to the common elements of the Property and a particular and exclusive property right thereto, and also an undivided interest in the general and limited common elements of the Property, as hereinafter listed in this Master Deed, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements") all of the above in accordance with the Horizontal Property Act of South Carolina.

(b) Boundaries:

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(i) The horizontal boundaries (Upper/Lower) of the Boat Slip shall mean the space in and above the waters adjacent to Skull Creek, Beaufort County, South Carolina, for the docking of a boat. As the Boat Slips are uncovered, there shall be no actual upper boundary, recognizing, of course, that a theoretical upper boundary would be the level above the water level (mean sea level/M.S.L.) as reasonably or necessarily required to accommodate any vertical encroachments into the common area above said water level for any masts on boats utilizing the Boat Slip. Likewise, because of tidal conditions, there shall be no actual fixed lower boundary, recognizing, of course, that a theoretical lower boundary would be that level necessary to accommodate a boat of up to approximately forty-five feet (45') in length, with due consideration to tidal conditions; provided, however, that the lower boundary shall in no manner extend to the surface of submerged bottoms.

(ii) The vertical or perimetric boundaries of each Boat Slip, extended to an intersection with the upper and lower boundaries include the outer surface of the finger pier itself, and an extension of a line midway between finger piers,

and are as shown on the plans attached as Exhibit "C". All vertical planes of each Boat Slip shall extend to intersections with each other.

(c) Maintenance, Alteration and Improvement:

Responsibility for the maintenance of the condominium property and improvements shall be as follows:

(i) The Association shall maintain, repair and replace at the Association's expense the following items:

1. All of the common elements, including limited common elements;
2. All conduits, plumbing, wiring and all facilities necessary and proper to furnish utility services;
3. All incidental damages caused to a Boat Slip by the normal use of the Boat Slip including the outer surface of the finger pier;
4. The pilings, guide posts, if any, within the Boat Slips, including the replacement thereof.

(ii) A Boat Slip owner shall have the responsibility to maintain, repair and replace at his or its expense all portions of the Boat Slip not shown as a common element and shall not paint or otherwise change or decorate the appearance of the Boat Slip without obtaining the permission from the Association. The Boat Slip owner shall also have the responsibility to properly report to the Association any defects or need for repair for which the Association is responsible.

(iii) Neither the Boat Slip owner or the Association shall make alterations in any portion of a Boat Slip, nor remove any portion of such, nor make any additions to them or do anything that would jeopardize the safety or soundness of the Boat Slip or its adjoining contiguous Boat Slip, or impair any easement without first obtaining approval in writing from the Board of Directors of the Association. With respect to the common elements, after completion of the improvements included in the common elements contemplated by this Declaration, and unless otherwise reserved herein by Sponsor, there shall be no alteration to the common elements without prior approval in writing by the

owners of not less than seventy-five percent (75%) of the common elements except as provided by the By-Laws. Any such alteration or improvement shall not interfere with the rights of any Boat Slip owners without their consent.

(iv) Notwithstanding the foregoing, if damage is caused to the Boat Slip or common elements due to the negligence of a Co-Owner, or his agents, invitees or lessees, said Co-Owner shall be responsible for the necessary repairs or reconstruction after casualty subject to the supervision and approval of the Association.

SIXTH: AREA COMPRISING PROPERTY

That the Property, as originally constituted, has a total of 0.013 acres of land and approximately 7,327 square feet of floating dock system.

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SEVENTH: BOAT SLIP TYPES

Of the total of nineteen (19) Boat Slips, there are fourteen (14) Boat Slips which face west towards Skull Creek. Each of these Boat Slips shares a finger pier with another Boat Slip. The finger piers extend out from the floating dock, for distances as shown on Exhibit "B". There is approximately thirty feet (30') between finger piers, all as shown on Exhibits "B" and "C". These fourteen (14) finger pier Boat Slips are numbered consecutively, from north to south, 130 through 143. Boat Slip Numbers 130 through 137 and Boat Slip Numbers 140 through 143 may accommodate boats of thirty-six feet (36') in length. Boat Slip Numbers 138 and 139, being served by an extended finger pier, may accommodate boats of forty-five feet (45') in length, it being the intent hereof that boats would not extend more than approximately six feet (6') out into Skull Creek past the end of the finger pier.

The remaining Boat Slips face landward and are located on the opposite side of the floating pier from the finger pier Boat Slips. These Boat Slips are numbered consecutively 160 through 164 from south to north. Boat Slip Number 164 is fifty-three feet (53') in length and can accommodate a boat of forty-five feet (45') in length. Boat Slip Numbers 160 through 163 are forty feet (40') in length and can accommodate boats of thirty-six feet (36') in length. These landward Boat Slips are not separated by finger piers, but the boundaries are marked on the decking of the floating dock.

BETHEA, JORDAN  
RUFFIN, P. A.  
TORNEYS AND

COUNSELLORS AT LAW

HILTON HEAD ISLAND, S. C.

Each Boat Slip is identified by a slip number and is shown on the plans and plat attached hereto as Exhibits "B" and "C".

The Property does not include any fuel, service, or sewer facilities.

EIGHTH: COMMON ELEMENTS

That the Common Elements of the Property will be as follows:

A. The General Common Elements are as follows:

(1) The Property, excluding the limited common elements and the Boat Slips, and including, but not limited to the land (highground) to which the floating dock system is affixed, the mooring and floating dock piling, finger piers (slip fingers) separating units, stairway, gangplank, fixed pier, decking, handrails, floating dock, ramp gate, pontoons, dock cleats, power posts, mechanical and equipment area, fish cleaning tables, benches, trash disposal area, hoses and hose storage areas, pipes, wires, conduits, and public utility lines located within the Property other than within the Boat Slip boundary as described in ARTICLE FIFTH(b), including the space actually occupied by the above.

(2) All navigational lights, installations outside of the Boat Slips such as service pedestals (power poles) for services such as power, light, water and other similar utilities.

(3) Such easements through the Boat Slips for conduits, pipes, ducts, plumbing, wiring and other facilities for the furnishing of utility services to Boat Slips, general common elements and limited common elements and easements for access, maintenance, repair, reconstruction or replacement of structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the Property, whether or not such easements are erected during construction of the condominium property or during re-construction of all or any part thereof.

(4) All areas not designated as a limited common element and not described as lying within the boundary of a Boat Slip as described in ARTICLE FIFTH(b), hereof and all other elements of the Property constructed or to be constructed on the Property, rationally of common use or necessary to the existence, upkeep and safety of the Property and in general all other devices or installations existing for common use.



B. The Limited Common Elements are as follows:

Those areas which are reserved for the exclusive use of a Boat Slip to which they are adjacent to the exclusion of other Boat Slips, and include the owner's lock box which is appurtenant to the Boat Slip and which may be accessible only to the owner of the Boat Slip to which the lock box is assigned. The Co-Owner shall be allowed to place his name, the boat's name and insignia of the owner or the club on the lock box in his exclusive possession. For purposes of maintenance, repair and assessments, a limited common element shall be construed and treated as a common element under this Declaration. The lock box is or shall be bolted to the dock and shall not be moved by the Owner.

NINTH: GENERAL PLAN OF DEVELOPMENT

A. General. The Sponsor has constructed the Property described herein (which shall sometimes be referred to as The Phase 1 Property) and further intends to complete construction of Property contiguous to the docking facilities which form a portion of the Property subject to this Master Deed. The additional Property shall be referred to as Phase 2 and is shown on the site plans of said Property attached hereto and identified as part of Exhibit "B" whereon it is labeled as Phase 2. The Phase 2 Property is shown on the plat attached hereto as "Exhibit "B".

B. Phase 2. With regard to the Phase 2 Property herein referred to, Sponsor reserves the right, in the manner more particularly hereinafter set forth, to cause the Phase 2 Property to become an integral part of Villages of Skull Creek Dock Horizontal Property Regime (II) once an appropriate amendment to this Master Deed has been filed as hereinafter provided. Phase 2 may consist of a docking facility extension with five (5) finger piers, and contain up to sixteen (16) Boat Slips, of similar form, design and general valuation and constructed with similar basic materials and of a similar quality as the facility constructed as a part of Phase 1 Property, it being understood that exact dimensions, number of slips and other design criteria may be modified by Sponsor, or its successors. The Phase 2 Property, if constructed, shall consist of ten (10) Slips adjacent to and parallel to the five (5) finger piers and from four (4) to six (6) parallel slips on the landward side of the docking facilities. In either event, the total percentage interest for Phase 2 Property, shall be as shown on Exhibit "F" hereto.

TENTH: RESERVATION OF RIGHT OF SPONSOR FOR PHASE 2

Sponsor, its successors and assigns, hereby expressly reserves the right, to be exercised in its sole discretion, to submit the Phase 2 Property to the provision of this Master Deed

and thereby cause the Phase 2 Property to become and forever be a part of the Villages of Skull Creek Dock Horizontal Property Regime (II) in the same manner as if made a part thereof in every particular upon the initial execution and filing of this Master Deed. This right may be exercised by Sponsor, its successors, grantees and assigns only upon the execution by it or them of an amendment to this Master Deed substantially in the form set forth herein as Exhibit "G", which amendment shall be filed in the Office of the Clerk of Court for Beaufort County, South Carolina not later than December 31, 1995. Any such amendment shall conform to the various provisions and conditions precedent and established in this Master Deed and shall expressly submit the Phase 2 Property, to all of the provisions of this Master Deed and the By-Laws of Villages of Skull Creek Dock Horizontal Property Regime (II), a copy of which By-Laws is attached hereto as Exhibit "E" and made a part hereof, as either or both may be amended between the date of said Master Deed and By-Laws, and the filing of said Amendment to this Master Deed to include the Phase 2 Property. Upon the exercise, if any, of this right to include Phase 2 as a part of this Regime, the provisions of this Master Deed and all exhibits hereto shall then be understood and construed as embracing the Phase 1 Property (the basic "Property" herein defined) and the Phase 2 Property, together with all improvements then constructed thereon. Should this right of inclusion or annexation not be exercised within the time herein prescribed and in the manner herein prescribed, such right shall in all respects expire and be of no further force or effect.

ELEVENTH: REVOCATION AND AMENDMENT

That the dedication of the Property to the Horizontal Property Regime herein shall not be revoked, or the Property removed from the Horizontal Property Regime, or any of the provisions herein amended unless all of the Co-Owners and the mortgagees of all the mortgages covering the Boat Slips unaniously agree to such revocation, or amendment, or removal of the Property from the Horizontal Property Regime by duly recorded instrument; provided, however, that without the consent of the Boat Slip Owners or Mortgagees, the Sponsor, or its successors in title to all or any portion of Phase 2 Property, may at any time prior to the termination of the reservation of rights period specified in Paragraph TENTH herein, amend this Master Deed in the manner set forth in Paragraph NINTH and TENTH so as to subject the Phase 2 Property to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make the Phase 2 Property an integral part of Villages of Skull Creek Dock Horizontal Property Regime (II). Any such amendment shall, when read in concert with this Master Deed, contain all of the particulars required by the said Horizontal Property Act of South Carolina as the same is now constituted or may hereafter be amended and from and after the recording of such amendment

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Villages of Skull Creek Horizontal Property Regime (II) shall include all of said Phase 2 Property. The Phase 2 docking facilities and Boat Slips are to be as described in Paragraph NINTH and TENTH. The designation of each Boat Slip in Phase 2 and its proportionate interest in the common elements is set forth in Exhibit "F", which exhibit is attached hereto and made a part hereof. If Sponsor elects to make the Phase 2 Property a part of this Regime as herein provided, Sponsor shall cause to be prepared and made a part of the Amendment by which the Phase 2 Property is incorporated into Villages of Skull Creek Horizontal Property Regime (II) a schedule designating Boat Slip types reflecting each Boat Slip's proportionate interest in the Common Elements, which schedule shall be similar in content and format to the Exhibit "F" schedule, prepared using the requirements and guidelines set forth in Paragraph NINTH and TENTH hereof. Upon the recordation of the Amendment to make the Phase 2 Property a part of Villages of Skull Creek Dock Horizontal Property Regime (II), the provisions regarding revocation and amendment set forth in this Paragraph ELEVENTH shall have equal application thereof.

**TWELFTH: PERCENTAGE OF INTEREST OF BOAT SLIPS**

That the percentage of title and interest appurtenant to each Boat Slip and the Co-owner's title and interest in the common elements (both general and limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the Villages of Skull Creek (II) Dock Owners' Association (hereinafter usually referred to as "Association") of the Regime is based on the proportionate value of each Boat Slip to the value of the total Property as set forth in Exhibit "F" attached hereto and made a part hereof. The proportionate representation for voting purposes and the percentage of the undivided interest in the common elements (both general and limited) provided in this Paragraph and in Exhibit "F" shall not be altered without the acquiescence of the Co-Owners representing all of the Boat Slips expressed in an Amendment to this Master Deed duly recorded or except as provided in Paragraphs NINTH, TENTH and ELEVENTH herein with regard to the amendment of this Master Deed to admit Phase 2 Boat Slips into this Regime.

**THIRTEENTH: ADMINISTRATION OF THE REGIME**

That the administration of the Regime consisting as aforesaid of the Property described in Paragraphs FIRST and FIFTH of this Master Deed, and the administration of the Phase 2 Property, if and when included hereunder, shall be in accordance with the provisions of the By-Laws which are incorporated herein, made a part hereof and are attached hereto as Exhibit "E".

Reasonable regulations concerning the use of the Property may be made and amended by the Association from time to time in the manner provided in the By-Laws.

The use of the term "the Villages of Skull Creek (II) Dock Owners' Association" as used in this Master Deed or in the By-Laws shall have the same connotation as the term "Council of Co-Owners" as such latter term is used in The Horizontal Property Act of South Carolina. The use of the term "Board of Directors" when referring to the governing of the Association shall have the same connotation as the term "Board of Administration" is used in The Horizontal Property Act of South Carolina.

FOURTEENTH: HORIZONTAL PROPERTY REGIME CONSTITUTED

That, as appears above, a Horizontal Property Regime is hereby constituted under and subject to the provisions of the Horizontal Property Act of the State of South Carolina, so that Boat Slips may be conveyed and recorded as individual properties capable of independent use and each having its own exit to the common elements of the Property, and each Co-owner having an exclusive and particular right over his respective Boat Slip and in addition the specified undivided interest in the common elements of the Property.

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FIFTEENTH: SPONSOR SUBJECT TO MASTER DEED

That the Sponsor herein reserves the right to utilize any unsold Boat Slips in the Regime for its own purposes, including but not necessarily limited to, long-term or short-term rental and that Sponsor's lessees, invitees, guests, etc. shall be entitled to all of the privileges and rights, and be subject to the requirements hereunder, of a co-owner, with respect to the use of the Property excluding voting rights which shall remain with the Sponsor; provided, however, that so long as the Sponsor owns one or more of the Boat Slips, the Sponsor shall be subject to the provisions of this Master Deed and the Exhibits attached hereto and the Sponsor covenants to take no action which will adversely affect the rights of the Regime by reason of the establishment of said Horizontal Property Regime. Provided, however, that until Sponsor has completed all of the contemplated improvements and closed the sales of all of the Slips, neither the Co-owners nor Association shall interfere with the completion of improvements and sale of Slips by Sponsor.

SIXTEENTH: COMMON ELEMENTS NOT PARTITIONED

That the common elements shall remain undivided and no co-owner shall bring any action for partition and/or division

except as provided in the By-Laws in case of destruction of two-thirds (2/3) or more of the Property and the Co-Owners decide not to reconstruct the Property.

SEVENTEENTH: COMMON ELEMENTS NOT SEVERABLE FROM BOAT SLIPS

That the undivided interest in the common elements shall not be separated from the Boat Slip to which it appertains and shall be deemed conveyed or encumbered with the Boat Slip even though such interest is not expressly mentioned or described in the conveyance or other instrument.

EIGHTEENTH: PROVISIONS AND COVENANTS APPLICABLE TO BOAT SLIPS

That each co-owner shall comply with the provisions of this Master Deed and authorized amendments thereto, The Declaration of Covenants and Restrictions of Skull Creek Development Company dated May 13, 1983, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 369 at Page 1299, and authorized amendments, and all other restrictions and covenants of record and applicable to the subject Property. The failure to comply with such provisions, decisions, or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief; provided that nothing contained herein shall limit the rights of Skull Creek Development Company, its successors or assigns, as set forth in the aforesaid Declaration. The Boat Slips shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

NINETEENTH: USE RESTRICTIONS/RIGHT OF FIRST REFUSAL

(a) That the Sponsor herein subjects the Villages of Skull Creek Dock Horizontal Property Regime (II) to the further limitation and restriction that it shall be used for recreational purposes only and shall not be utilized: (i) for purposes of time-sharing or interval ownership, time-sharing or interval licenses, time-sharing or interval leases, or similar plans as those terms are currently generally utilized in the real estate industry or as those or similar terms are expressed or defined in Chapter 32, Code of Laws of South Carolina, 1976, as amended; or (ii) for a short term, i.e. less than sixty (60) days, rental program with a third party entity engaging in the business of short term rentals; provided, however, this prohibition shall not be construed to prevent the Boat Slip Owner from renting the Boat Slip on a long term basis either directly or through an agent, or on a short term basis directly without the use of a rental agent; or (iii) for any commercial purposes, such as a charter boat

program, (fishing, touring or otherwise) boat rental, or similar commercial activities.

(b) That each Boat Slip shall be used only as a mooring and permanent dockage for boats and accessories thereto. No live-aboard, as that term may be defined and prohibited by the South Carolina Coastal Council pursuant to its Permit Number 82-3C-022, shall be permitted; provided, however, that short term occupancies on board by Owners or guests, not to exceed seven (7) days in duration, shall be permitted by the Regime if not prohibited by the South Carolina Coastal Council or other State or Federal agencies.

(c) In order to maintain a community of congenial owners who are financially responsible and thus protect the value of the Boat Slips, only owners of real property in Hilton Head Plantation shall be enabled to own a Boat Slip hereunder. Accordingly, there is a restriction that a Boat Slip may only be conveyed by a Boat Slip owner to an individual or entity who is an owner of real property within Hilton Head Plantation; provided, however, that a Tenant leasing real property and residing in Hilton Head Plantation may lease a Boat Slip from a Boat Slip owner. For purposes of this restriction, Hilton Head Plantation is defined as all of that certain real property particularly described in the Amended and Restated Declaration of Covenants and Restrictions of Hilton Head Plantation Property Owners' Association and Hilton Head Plantation Company, Inc., as described in ARTICLE II thereof and shown on the Master Plan forming Exhibit "A" thereto, with any subsequent Amendments of record, all as recorded in the Offices of the Clerk of Court for Beaufort County, South Carolina, in Miscellaneous Book 367 at Page 658. In the event that a current Boat Slip owner sells his property within Hilton Head Plantation and does not sell his Boat Slip to the third party purchaser but retains his Boat Slip, such Owner may continue using his Boat Slip for a period of six (6) months from the time he ceases to own other real property within Hilton Head Plantation. The Boat Slip Owner's use of the Slip shall be prohibited after such period and said Owner shall only be permitted to sell the Boat Slip to an Owner of real property within Hilton Head Plantation or lease the Boat Slip to an Owner or Tenant of real property within Hilton Head Plantation, or to Sponsor, its successors or assigns. Provided, however, that nothing in this section is intended to relieve said selling owner from his obligations to the Regime for periodic assessments and common expenses more fully described in this Master Deed and By-Laws.

(d) The Sponsor hereby declares and affirms that the use restrictions described herein shall be deemed restrictive covenants running with the land and are imposed as a limitation and burden upon each Boat Slip and upon the Sponsor, and upon all future owners of Boat Slips.

(e) Sponsor hereby reserves a right of first refusal in the event that any Owner of a Boat Slip hereunder desires to sell his Boat Slip. In the event that a Boat Slip Owner desires to sell his Boat Slip, it shall be offered for sale to Sponsor, its successors or assigns, for the same price at which the highest bona fide offer has been made for the Boat Slip, and Sponsor shall have thirty (30) days after written notice of the price and terms, to exercise its option to purchase the Boat Slip at the offered price. If the Sponsor fails to exercise said option, then the Owner shall have the right to sell the Boat Slip to the offeror, subject, however, to all covenants, restrictions and limitations contained in this Master Deed or otherwise of record. This provision shall not be construed to impair the right of foreclosure of a mortgage on any Boat Slip within the Property.

TWENTIETH: NON-USE NOT EXEMPTION OF LIABILITY FOR COMMON EXPENSES

That no co-owner of a Boat Slip may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by the abandonment of his Boat Slip.

TWENTY-FIRST: ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

That all present or future co-owners, tenants, future tenants, or any other person that might use the facilities of the Property in any manner, are subject to the provisions of this Master Deed and any authorized amendments thereto, and that the mere acquisition or rental of any of the Boat Slips shall signify that the provisions of this Master Deed and any authorized amendment thereto are accepted and ratified.

TWENTY-SECOND: ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

That, where a mortgagee or other purchaser of a Boat Slip obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage covering a Boat Slip, such acquirer of title, his successors or assigns or grantees, shall not be liable for assessments by the Regime which became due prior to the acquisition of title by such acquirer, it being understood, however, that the above shall not be construed to prevent the Regime from filing and claiming liens for such assessments and enforcing same as provided by law, and that such assessment shall be subordinate to such mortgage.

TWENTY-THIRD: INSURANCE

The Board of Directors of the Villages of Skull Creek (II) Dock Owners' Association shall be required to obtain and maintain those types and forms of insurance as are required by ARTICLE IX of the By-Laws as set forth in Exhibit "E" attached hereto and made a part hereof.

TWENTY-FOURTH: RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the provisions of ARTICLE X of the Exhibit "E" of the By-Laws shall govern all matters pertaining to reconstruction and repair.

TWENTY-FIFTH: CONDEMNATION

In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no reallocation of interests in the common areas resulting from a partial condemnation of such a Project may be effected without the prior approval of the Boat Slip Owners and the eligible holders holding mortgages on all remaining Boat Slips, whether existing in whole or in part, and which have at least seventy-five percent (75%) of the votes of such remaining Boat Slips subject to eligible holder mortgages.

The Association shall represent the Boat Slip Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas, or part thereof. Each Boat Slip Owner appoints the Association as attorney-in-fact for such purposes. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or the Insurance Trustee, for the use and benefit of the Boat Slip Owners and their mortgages as their interests may appear. For purposes of this section, condemnation shall also be construed to include any action taken by the South Carolina Coastal Council, or the Department of the Army, or a successor agency, relating to the revocable permit granted for the floating dock system.

TWENTY-SIXTH: EASEMENT FOR ENCROACHMENT

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If any portion of the common elements now encroaches upon any Boat Slip or if any Boat Slip now encroaches upon any other Boat Slip or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (a) settling or shifting of the Boat Slips, (b) alteration or repair to the common elements made by or with consent of the Board of



Directors, or (c) as a result of repair or restoration of the improvements or any Boat Slip damaged by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.

TWENTY-SEVENTH: OTHER REGIME EASEMENTS

Each Boat Slip Owner shall have an easement in common with the Owners of all other Boat Slips to use all common elements, if any, located in any of the other Boat Slips and serving his Boat Slip. Each Boat Slip shall be subject to an easement in favor of the Owners of all other Boat Slips to use the common elements serving such other Boat Slips and located in such Boat Slip. The Board of Directors shall have the right of access to each Boat Slip to inspect the same to remove violations therefrom and to maintain, repair or replace common elements contained therein or elsewhere in the building or buildings.

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TWENTY-EIGHTH: SEVERABILITY FILED AT 092400 ON 12/04/85

The provisions thereof shall be deemed independent and severable and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of the Master Deed and the By-Laws or any authorized amendment thereto shall not impair or affect in any manner the validity or enforceability of the remaining portions thereof and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included therein. In the event that a Court of competent jurisdiction determines that this Master Deed does not satisfy the requirements of the Act for any reason and that the provisions of the Master Deed are not applicable as covenants running with the land or equitable servitudes, the owners of Boat Slips shall be tenants in common of said property and the marina and have as their respective percentage of ownership the percentages of ownership provided in Exhibit "F".

TWENTY-NINTH: REPRESENTATIONS/WARRANTIES

No representations or warranties, expressed or implied, shall be made or given by Sponsor to any owners, governmental agencies or financial institutions as to the physical condition of the Property, fitness for intended use, or the cost of caring for or renovation of the Property and/or Boat Slips.

THIRTIETH: SOUTH CAROLINA COASTAL COUNCIL  
AUTHORIZATION/RESERVATION

Pursuant to the requirements of Section 27-31-100 of the Act, as amended, notice is hereby given by the Sponsor that this Declaration concerns real property which contains submerged land. Notice is hereby given of the restriction that all activities on or over and all uses of the submerged land or other critical areas are subject to the jurisdiction of the South Carolina Coastal Council. This jurisdiction includes, but is not necessarily limited to, the requirement that any activity or use of the area in question must be authorized by the South Carolina Coastal Council. It is further noted that an owner is liable to the extent of his ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities concerning any submerged land, coastal waters or any other critical areas. It is further noted that construction of the improvements was made pursuant to a valid South Carolina Coastal Council permit (Permit No. 82-3C-022), a copy of which is attached hereto as Exhibit "H" and incorporated herein (and a valid Department of The Army Permit by the same identifying number) and that such improvements are subject to the terms and conditions of said permit. Further, any conveyance of a Boat Slip or of an interest in the Common Elements herein is made expressly subject to the rights of the State of South Carolina, the jurisdiction of the Coastal Council and any other governmental agency, both state and federal, which may now or hereafter have jurisdiction over the submerged lands or the use of the Property. Sponsor has caused said South Carolina Coastal Council Permit and Department of the Army Permit to be assigned to the Association as evidenced by those Assignments which are attached hereto as Exhibit "I" and are incorporated herein and made a part hereof.

THIRTY-FIRST: NON-WAIVER FILED IN DEED - M BOOK 436 PAGE 533  
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No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

THIRTY-SECOND: GENDER AND NUMBER

The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine and neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

THIRTY-THIRD: APPLICABLE LAW

This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereafter amended. In case any of the provisions stated above conflict with the provisions of said statute, the provisions of said statute shall control.

THIRTY-FOURTH: CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Master Deed or the intent of any provisions hereof.

THIRTY-FIFTH: EXHIBITS

All exhibits to this Master Deed shall be an integral part of this instrument.

IN WITNESS WHEREOF, THE DELTA GROUP, through its general partners, has executed this Master Deed, and the appropriate corporate seals affixed hereto this 27 day of November in the year of Our Lord One Thousand Nine Hundred and Eighty-Five and in the Two Hundred and Tenth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

THE DELTA GROUP, A South Carolina  
General Partnership

Catherine J. Mays

By: John P. Reed  
Reed Realty, Inc., General  
Partner  
John P. Reed, President

Sham L. Anand

By: Kumar K. Viswanathan  
KKV Enterprises, Inc.  
General Partner  
Kumar K. Viswanathan,  
President

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

PROBATE

PERSONALLY appeared before me CATHERINE MAYES  
who, on oath, says, that s/he saw the within named THE DELTA  
GROUP, by John P. Reed on behalf of Reed Realty, Inc., its  
General Partner, and Kumar K. Viswanathan on behalf of KKV  
Enterprises, Inc., its General Partner, sign the within Master  
Deed, and together seal said Deed, and as their act and deed,  
deliver the same and that s/he with  
SHARON R. ARNOLD witnessed the execution thereof.

Catherine J. Mayes

SWORN to before me this 27th  
day of NOVEMBER, 1985.

Sharon Rae Arnold (L.S.)  
Notary Public for South Carolina

My Commission Expires: July 21, 1991

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