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MASTER DEED

FOR

THE ANCHORAGE AT SHELTER COVE HORIZONTAL PROPERTY REGIME
Hilton Head Island, South Carolina

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BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
500	12	B	4	

TABLE OF CONTENTS

RECITALS

ARTICLE I DEFINITIONS

Section 1. General Description

ARTICLE II THE REGIME; UNIT DESCRIPTIONS

Section 1. General Description

Section 2. Plans and Certification

Section 3. Description and Identification of Units

Section 4. Boundaries

Section 5. Subdivision of Units

Section 6. Description of Common Elements

Section 7. Allocation of Undivided Interests in Common
Elements

Section 8. Assignment of Common Elements as Limited
Common Elements

Section 9. Upkeep of Units by Unit Owners

Section 10. Utilities

Section 11. Additional Phases

Section 12. Easements

Section 13. Rights of Units Owners; Transfer of Units

ARTICLE III THE ASSOCIATION

Section 1. General

Section 2. Allocation of Votes in the Association

Section 3. Rights of Action

ARTICLE IV ASSESSMENT OF COMMON EXPENSES

Section 1. General

Section 2. Assessments Subordinate to Mortgage Taking
Title

ARTICLE V USE RESTRICTIONS

Section 1. Permitted Improvements and Alterations

Section 2. Residential Purposes

Section 3. Peaceful Possession

Section 4. Common Elements

Section 5. Right of Entry

Section 6. Leasing Restrictions

Section 7. No Interval Use
Section 8. Use Restrictions Run With Land

ARTICLE VI GENERAL PROVISIONS.

Section 1. Amendments
Section 2. Covenants Running With Land
Section 3. Insurance
Section 4. Reconstruction and Repair
Section 5. Condemnation
Section 6. Easement for Encroachment
Section 7. Other Regime Easements
Section 8. Interpretation
Section 9. Gender and Grammar
Section 10. Rights of Third Parties
Section 11. Non-Waiver
Section 12. Notice of Sale or Lease
Section 13. Severability

EXHIBIT A Description of Land
EXHIBIT A-I Description of Phase I
EXHIBIT A-II Description of Phase II
EXHIBIT A-III Description of Phase III
EXHIBIT A-IV Description of Phase IV
EXHIBIT A-V Description of Phase V
EXHIBIT A-VI Description of Phase VI
EXHIBIT B Plat of Phase I
EXHIBIT C Plans of The Anchorage at Shelter Cove
Horizontal Property Regime
EXHIBIT C-I Certificate of Plans
EXHIBIT D By-Laws of The Anchorage at Shelter Cove
Association, Inc.
EXHIBIT E Description of Units
EXHIBIT F-I Allocation of Common Elements after
Dedication of Phase I

EXHIBIT F-II Allocation of Common Elements after
Dedication of Phases I and II

EXHIBIT F-III Allocation of Common Elements after
Dedication of Phases I, II, and III

EXHIBIT F-IV Allocation of Common Elements after Dedication
of Phases I, II, III, and IV

EXHIBIT F-V Allocation of Common Elements after Dedication
of Phases I, II, III, IV, and V

EXHIBIT F-VI Allocation of Common Elements after Dedication
of Phases I, II, III, IV, V, and VI

FILED IN DEED - M BOOK 408 PAGE 1588
FILED AT 135000 ON 12/05/84

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

MASTER DEED
ESTABLISHING
THE ANCHORAGE AT SHELTER COVE HORIZONTAL PROPERTY REGIME

Greenwood Development Corporation, Declarant

KNOW ALL MEN BY THESE PRESENTS, that this Master Deed, made on the date hereinafter set forth by GREENWOOD DEVELOPMENT CORPORATION, a South Carolina corporation (hereinafter called the "Declarant");

W I T N E S S E T H, That:

WHEREAS, Declarant is the fee simple owner of all that tract or parcel of land containing 7.0 acres more or less and being located on Hilton Head Island, in Beaufort County, South Carolina, being more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, together with all improvements situated thereon, and

WHEREAS, Declarant desires at this time to submit that portion of said land as is described on Exhibit A-I hereto and referred to as Phase I and improvements thereon to the provisions of Title 27, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended (hereinafter sometimes called the "Act"), thereby establishing a Horizontal Property Regime to be known as The Anchorage at Shelter Cove Horizontal Property Regime, and further desires to reserve the right to itself, its successors and assigns, to submit additional portions of the said Exhibit A property in up to five (5) additional phases, as hereinafter provided, to The Anchorage at Shelter Cove Horizontal Property Regime; and

WHEREAS, said Exhibit A-I or Phase I land and improvements are shown on that certain Plat of The Anchorage at Shelter Cove Horizontal Property Regime, Phase I, attached hereto as Exhibit B, prepared by Hussey, Gay & Bell, Consulting Engineers, Savannah, Georgia, and certified by Roy Hussey, South Carolina RLS # 2373, (S.C.) dated November 12, 1984 (hereinafter called the "Plat"), to be recorded simultaneously with the recording of this Master Deed, in the Office of the Clerk of Court of Beaufort County, South Carolina; and

WHEREAS, the individual condominium units within said improvements are shown on those certain Plans of The Anchorage at Shelter Cove Horizontal Property Regime, attached hereto as Exhibit C, prepared and certified by Eugene R. Smith & Associates of Tampa, Florida, dated March 15, 1984

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FILED IN DEED - M BOOK 408 PAGE 1589
FILED AT 135000 ON 12/05/84

(hereinafter called the "Plans"), to be recorded, simultaneously with the recording of this Master Deed, in the Office of the Clerk of Court of Beaufort County, South Carolina; and

WHEREAS, as hereinafter provided in this Master Deed, Declarant has reserved and retained the right, privilege, and option to submit to the provisions of this Master Deed and the Act at a later time and from time-to-time, as part of The Anchorage at Shelter Cove Horizontal Property Regime, all or any portion of the "Additional Phases" as defined in Article II, Section 11, hereof;

NOW, THEREFORE, Declarant does hereby make, declare, and publish its intention and desire to submit, and does hereby submit, the land described in Exhibit A-I ("Phase I") and the improvements thereon to the provisions of the Act, to any further amendments of the Act, and to all provisions herein contained (said land and improvements together with such portion or portions of the Additional Phases as may be added to The Anchorage at Shelter Cove Horizontal Property Regime as hereinafter provided, sometimes referred to herein as the "Regime").

ARTICLE I
REFERENCES AND CITATIONS - M BOOK 488 PAGE 1590
FILED AT 135000 ON 12/05/84

Section 1. General Description. The terms used in this Master Deed, unless otherwise specified or unless the context otherwise requires, or unless otherwise specified in the Act, shall have the meanings set forth hereinafter. Statutory references shall be construed as meaning the referenced Section of the Act, or portion thereof, as the same may exist from time-to-time.

(1) "Assessment" means a share of the funds required for the payment of common expenses which, from time-to-time, are assessed against the Unit Owners.

(2) "Association" means The Anchorage at Shelter Cove Owner's Association, Inc., a South Carolina non-profit corporation, which entity is responsible for the operation of the Regime.

(3) "Association Properties" means such property as is owned by the Association from time-to-time in accordance with the terms of this Master Deed.

(4) "Board of Administration" or "Board of Directors" or "Board" means the representative body responsible for administration of the Association.

(5) "By-Laws" means the By-Laws of The Anchorage at Shelter Cove Horizontal Property Regime, and The Anchorage at Shelter Cove Owner's Association, Inc., as shown in Exhibit D and as it may be from time-to-time amended.

(6) "Common Elements" means the portions of the Property not included in the Units. Common Elements shall include the tangible personal

property required for maintenance and operation of the Regime, even though owned by the Association.

(a) General Common Elements. The General Common Elements will be as follows:

- (i) The Property, excluding the Units and the Limited Common Elements, and including, but not limited to, the land on which the Units are constructed, the foundations, roofs, stairways, exterior portions of perimeter walls, floors separating units, load-bearing interior walls and partitions, slabs, concrete floors, pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above.
- (ii) Building corridors and stairwells, elevator(s) and elevator equipment room(s), electrical room(s), trash and compactor room(s), pump room(s), equipment room(s), telephone distribution room(s), storage room(s), and atrium area(s) and planter(s).
- (iii) Parking facilities located on the Property with integral curb.
- (iv) All roads, walkways, paths, trees, shrubs, yards, gardens and any irrigation system.
- (v) All installations outside of the Units for services such as power, light, natural gas, telephone, television, water and other similar utilities.
- (vi) All sewer, drainage and irrigation pipes, excluding those which may be designated in this Master Deed as part of the Units, and excluding those which are the property of the utility district or company.
- (vii) All areas not designated as Limited Common Elements and not described as lying within the boundaries of a Unit, and all other elements of the Property constructed or to be constructed on the Property constituting the Regime 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) Limited Common Elements means and includes those Common Elements, if any, which are reserved for the use of a certain Unit or Units to the exclusion of all other apartments, including, without limitation, the storage areas, garages or covered parking areas, patios, decks and/or balconies located adjacent to or beneath and serving a particular Unit(s).

(7) "Common Expenses" means the expenses for which the Unit Owners are liable to the Association.

(8) "Condominium Documents" means this Master Deed, the By-Laws and all exhibits annexed hereto, as the same may be amended from time-to-time.

(9) "Declarant" means Greenwood Development Corporation, a South Carolina corporation, its successors and assigns.

(10) "Horizontal Property Act" or the "Act" means and refers to the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, (as amended) and all references to the "Horizontal Property Act" adopted and enacted from time to time.

(11) "Institutional Mortgagee" means a Bank, Savings and Loan Association, Insurance Company or Union Pension Fund authorized to do business in the United States of America, an Agency of the United States Government, a real estate or mortgage investment trust, a lender generally recognized in the community as an institutional type lender or the Declarant, its successors and assigns when it takes a purchase money mortgage.

(12) "Master Deed" means this instrument, as it may from time-to-time be amended.

(13) "Phase I" means that portion of the Property consisting of 0.90 acres more or less as described and shown on Exhibit A-I which Phase I is being dedicated to the Regime upon the filing of the within Master Deed.

(14) "Additional Phases" means that remaining portion of the Property consisting of 6.83 acres more or less as described and shown on Exhibits A-II, A-III, A-IV, A-V and A-VI.

(15) "The Property" means the land and the easements granted hereby and described in Exhibit A-I; the buildings (improvements) constructed, or to be constructed upon the land; the proposed Units which are or may be enclosed within such buildings as described hereinafter in this Master Deed and which are portrayed graphically on the Plans contained in Exhibit C; and all other improvements and property, real, personal and mixed, situated upon or appurtenant to the land, which are or which may be made part of The Anchorage at Shelter Cove Horizontal Property Regime.

(16) "Occupant" means the person or persons, other than the Unit Owner, in possession of a Unit.

(17) "Unit" refers to each of the separate and identified units delineated in the Plans attached to the Master Deed as Exhibit C and when the context permits, includes the Common Elements appurtenant thereto.

(18) "Unit Owner" means the owner of a Unit in fee simple.

(19) Unless the context otherwise requires, all other terms in this Master Deed shall be assumed to have the meaning attributed to the said term by The Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976, as amended, as of the date of this Master Deed.

ARTICLE II
THE REGIME; UNIT DESCRIPTIONS

Section 1. General Description. The name of the Regime located on the real property on Hilton Head Island, Beaufort County, South Carolina, and more particularly described in Exhibit A hereto is "The Anchorage at Shelter Cove Horizontal Property Regime." The Regime presently consists of the property described in Exhibit A-I, constituting the first phase of the Regime, together with the improvements situated thereon. The improvements in Phase I include, but are not limited to, two (2) structures containing two (2) stories each and a total of twelve (12) residential condominium units, as said units are shown and labeled on the Plans (each such condominium unit, including each unit hereafter created in the Additional Phases and added to the Regime as hereinafter provided, is referred to herein as a "Unit" or collectively as the "Units"). The Regime also includes a pool area, paved parking areas, drives, roads, utility systems, and other improvements serving the Units and shown on the Plat and in the Plans.

Section 2. Plans and Certification. Each Unit is depicted on the Plans and is constructed substantially in accordance with the Plans as evidenced by the certification attached hereto as Exhibit C-I, said certification being that which is required by the Act.

Section 3. Description and Identification of Units. Identifying numbers of the Units are set forth in Exhibits B, C and E, and descriptions of the Units are set forth in Exhibit E, attached hereto and incorporated herein by this reference.

Section 4. Boundaries.

(a) The horizontal (upper and lower) boundaries of each Unit are the interior unfinished surfaces of the floors and ceilings of each Unit. The vertical or perimetric boundaries of each Unit, extended to an intersection with the upper and lower boundaries are as follows:

(1) As to all Unit exterior walls which physically divide the Unit from Common Elements of the building, it shall be the vertical plane of the interior surface of the exterior sheathing subject to such encroachments as now exist or may be caused or created by the construction, settlement or movement of the building or by permissible repairs, construction or alterations. All insulated glass windows and all doors directly accessing the Unit are part of the Unit.

(2) As to all Unit exterior walls, which physically divide one Unit from another Unit, it shall be the vertical plane of the centerline of said partition walls.

(3) All vertical planes of each Unit shall extend to intersections with each other.

(b) All wallboard, tiles, paint, finished flooring, carpet and any other materials constituting any part of the finished surfaces of the

walls, floors and ceilings which are the boundaries of a Unit, together with all speakers, telephones, and other communication equipment and all built-in light fixtures, wires, service outlets, vent outlets, heating and cooling units and duct work, electrical switches, thermostats, toilet and other bathroom fixtures and any and all other similar mechanical or physical fixtures which are within the perimetric walls or ceilings and serving a single Unit or within the space above the ceiling and below the slab forming the floor of the Unit above or, in the case of the floor, the roof above, are a part of the Unit.

(c) Any conduit, sleeve bearing column and all other similar mechanical or physical fixtures except those designated in paragraph (b) above, whether or not it lies partially within and partially outside the designated boundaries of a Unit, is a Common Element.

(d) Subject to the provisions of paragraph (c), all spaces, interior non-bearing partitions, and other fixtures and improvements within the boundaries of a Unit installed within the perimetric walls or ceilings whether, as a part of the original construction or as a part of subsequent construction, are a part of the Unit.

(e) The heating and air-conditioning condenser servicing the Unit and located outside of the perimetric boundaries of the Unit, and all pipes, ducts, wires and conduits connecting such equipment to the Unit, as well as electric service lines originating at the individual meter measuring the consumption of electricity for the Unit, and lateral water and sewer lines exclusively serving the Unit, are part of the Unit.

(f) Notwithstanding any of the foregoing, no pipes, wires, conduits, or other public utility lines or installations constituting a part of the overall system designated for the service of any particular unit or building, nor any property of any kind, including fixtures and appliances within any unit, which are not removable without jeopardizing the soundness, safety, and usefulness of the remainder of the building shall be deemed to be a part of any unit.

Section 5. Subdivision of Units. There shall be no subdivision of any of the Units.

Section 6. Description of Common Elements. The Common Elements, as defined in Article I, consist of all portions of the Regime other than the Units.

Section 7. Allocation of Undivided Interests in Common Elements. Pursuant to the provisions of the Act, the undivided interest in the Common Elements hereby allocated to each Unit hereby dedicated to the Regime as part of Phase I is set forth in Exhibit F-I, attached hereto and incorporated herein by this reference. The undivided interest in the Common Elements hereby allocated shall not be altered without the acquiescence of the Owners of all Units expressed in an amendment to this Master Deed duly recorded, except pursuant to Section 11(e) hereof upon the dedication of the hereinafter described Additional Phases to the Regime.

Section 8. Assignment of Common Elements as Limited Common Elements.
The garages or covered parking areas, storage areas, patios, decks, and/or balconies located adjacent to or beneath and serving each Unit as shown on the Plans are hereby assigned as Limited Common Elements to the Unit to which they are adjacent and from which there is direct access, or, in the case of storage areas and garages or covered parking areas, to which they are designated on the Plans.

Section 9. Upkeep of Units by Unit Owners.

(a) Each Unit Owner shall be responsible for maintenance and repair of the following, whether it shall be defined as within a Unit or not:

(1) the doorways, windows, vents, and other structural elements in the walls, floors and ceilings of the Unit which are regarded as enclosures of space;

(2) the doors opening into the Unit and into any mechanical area integral to the Unit, including the frames, casings, hinges, handles, and other fixtures which are part of the doors;

(3) the window glasses, screens, frames, wells, and casings which are part of the windows opening from the Unit;

(4) the metal flue and the plumbing and mechanical vents which exclusively serve the Unit;

(5) the appliances, air conditioning and heating units and condensers, hot water heaters, lavatories, bath tubs, toilets, carpeting, floor covering, flooring, trim, ceilings, walls, framing, floor joists, trusses, beams, insulation, structural slab and fill, and other fixtures, furnishings, and building materials which are part of the Unit when delivered to the initial Unit Owner;

(6) the screens, awnings, partitions, railings, balustrades, bounding or enclosing any deck, walkways, balcony, patio, storage area or service area that is integral and exclusive to the Unit, the treated wood decking or concrete surface within any such area, and the garage or covered parking area designated for each Unit on the Plans.

(7) all pipes, wires, conduits, ducts and other plumbing, mechanical and electrical appurtenances which are integral and exclusive to the Unit, including lamps attached to the exterior of the Unit, and including water pipes serving the Unit extending to the meter, sewer pipes serving the Unit, and the underground drainage system beneath the Unit, if applicable; and

(8) any damage to a contiguous Unit or a Unit beneath Unit Owner directly caused by a negligent action or inaction within the Unit Owner's Unit, which directly or indirectly causes damage to the downstairs or contiguous Unit.

(b) In the event that the Association determines that any Unit Owner has failed or refused to discharge properly his obligations with respect to the maintenance, cleaning, repair, or replacement of items for which he is responsible under this Master Deed, then, in that event, the Association, except in the event of an emergency situation, shall give such Unit Owner written notice of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement at such Unit Owner's sole cost and expense, and setting forth with reasonable particularity the maintenance, cleaning, repair, or replacement deemed necessary. Except in the event of emergency situations, such Unit Owner shall have fifteen (15) days in which to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner, or in the event that such maintenance, cleaning repair, or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete said maintenance, cleaning, repair, or replacement in a good and workmanlike manner. In the event of emergency situations or the failure of any Unit Owner to comply with the provisions hereof after such notice, the Association may provide any such maintenance, cleaning, repair, or replacement at such Unit Owner's sole cost and expense, and said cost shall be added to and become a part of the assessment to which such Unit Owner and his Unit are subject and shall become a lien against such Unit as provided herein.

Section 10. Utilities. There shall be a general easement in favor of the Association upon, across, above, and under all of the property and improvements submitted herein, and expressly including the Units, for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, gas, water, sewers, telephone, and electricity, or other community service if and when installed, such as, but not limited to, a master television antenna, cable television system, or security system should the Association determine to have such a system or systems installed. By virtue of this easement, the Association shall be expressly permitted to erect and maintain the necessary poles and other necessary equipment on the Common Elements of the Regime, and to affix and maintain wires, conduits, cables, and the like on, above, across, under and through the roofs and exterior walls of the improvements in the Regime, including the Units. Should any person furnishing any service covered by this Section request a specific easement by separate recordable documents, the Association shall have the right to grant such easement under the terms hereof.

Section 11. Additional Phases.

(a) Declarant hereby expressly reserves the right, privilege and option, to be exercised in its sole discretion, to expand the Regime as set forth herein.

(b) Declarant shall have the option to expand the Regime by dedicating additional property thereto in up to five (5) additional phases in accordance with this Section 11 at any time until the expiration of five (5) years after the date of recordation of this Master Deed, and said option shall not expire prior to that time unless Declarant files an agreement in the Office of the Clerk of Court for Beaufort County, South Carolina, waiving said option.

(c) The property that Declarant may add to the Regime is described in Exhibits A-II, A-III, A-IV, A-V and A-VI attached hereto and incorporated herein by this reference (referred to herein as the "Additional Phases"). The aforesaid Exhibits A-II, A-III, A-IV, A-V and A-VI describe the properties intended by the Declarant, as of the date of the filing of this Master Deed, to be dedicated by separate sequential phases to the Regime. The Declarant reserves the right, however, to amend, substitute, alternate, eliminate or add to the properties dedicated with each additional phase and further reserves the right not to dedicate any such properties or phases to the Regime, and to dedicate such phases, or any of them, in any order or configuration. There shall be no limitations as to the location or configuration of any Units or Common Elements, or any other improvements that Declarant will construct on the Additional Phases, except that the maximum number of Units that may be constructed on the Additional Phases is seventy-six (76), and the maximum number of additional buildings containing such Units shall be ten (10). Common Elements in Phase II will include a swimming pool.

(d) All Units created in the Additional Phases shall be restricted exclusively to residential use and any structures erected on the Additional Phases added to the Regime will be compatible with structures now located in the Regime in terms of quality of construction, the principal materials to be used, and architectural style. If the Additional Phases or any portion thereof are added to the Regime, Declarant has the right, but not the obligation, to construct thereon such recreational facilities and other improvements as Declarant, in its sole discretion, shall deem desirable, provided that no assurances are made by Declarant that any such improvements shall be constructed. All Units created on any portion of the Additional Phases added to the Regime will be substantially identical to the Units on the property presently encumbered by this Master Deed.

(e) No limitations are placed on the right of Declarant to create Limited Common Elements within any portion of the Additional Phases added to the Regime or to designate Common Elements therein which may subsequently be assigned as Limited Common Elements. The undivided interest in the Common Elements and the liability for common expenses in the Regime will be reallocated among all Units in the Regime, after the addition of the Additional Phases, or any portion thereof. Exhibits F-II, F-III, F-IV, F-V and F-VI establish the percentage or fraction of such undivided interests and liabilities upon the dedication to the Regime of each Additional Phase contemplated by the Declarant upon execution and recording hereof. The building and unit numbers, quantity and configuration thereof, and interest percentages or fractions set forth on said Exhibits F-II, F-III, F-IV, F-V and F-VI are subject to reallocation and change in accordance with such Additional Phases as are actually dedicated to the Regime by the Declarant pursuant to this Section II. Each Unit created in the Additional Phases and added to the Regime will be allocated voting rights in proportion to its percentage interest in the Common Elements and the voting rights in the Association of Owners of Units of the Exhibit A-I property and the voting rights and percentage interest pertaining to any other property previously dedicated to the Regime at the time of the dedication of each such Additional Phase submitted hereby shall thereupon be adjusted.

(f) In the event that the option to add the Additional Phases or any portion thereof expires or is terminated, as aforesaid, Declarant shall not be obligated to impose on the Additional Phases, or any portion thereof, any covenants, conditions, or restrictions of any kind whatsoever. Furthermore, the option reserved by Declarant to cause all or any portion of the Additional Phases to become part of the Regime shall in no way be construed to impose upon Declarant any obligation to add all or any portion of the Additional Phases to the Regime or to construct thereon any improvements of any nature whatsoever.

(g) The option reserved under this Section 11 may be exercised by Declarant only by the execution and recordation by the Declarant of an appropriate amendment to this Master Deed. Upon such amendment to this Master Deed and the recordation of any required plats and plans in accordance with the Act, the provisions of this Master Deed shall then be understood as and construed as embracing the parcels described in Exhibit A-1 together with the Additional Phases, or such portion thereof which is actually thereby submitted to the terms hereof and to the Act, together with all improvements located thereon.

Section 12. Easements.

(a) Easements Reserved by Declarant. Declarant hereby reserves for the benefit of Declarant, and its successors in title to the Additional Phases, for the benefit of and as an appurtenance to the Additional Phases and as a burden upon the property encumbered hereby, a perpetual, non-exclusive right and easement for (1) pedestrian and vehicular access, ingress, and egress over and across all roads and driveways from time-to-time located within the Regime, including the right for vehicular parking in parking areas not designated hereunder for the exclusive use of any Unit Owner, (2) the installation, maintenance, repair and use of utility facilities and distribution lines, including, without limitation, storm sewers and electrical, gas, telephone, water and sanitary sewer lines, and (3) drainage and discharge of surface water, provided that such drainage and discharge shall not materially damage or affect the property submitted by this Master Deed or any improvements located thereon. In addition, Declarant and its duly authorized agents, assigns, representatives, and employees shall have, for so long as Declarant owns any Unit primarily for the purpose of sale or has the unexpired option to add the Additional Phases or any portion thereof to the Regime, an easement for the installation and maintenance of signs and for the installation and operation of a sales office, a construction office, a business office, and model Units in the Regime, including the Common Elements contained therein, together with such other facilities as in Declarant's sole discretion may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Units in the Additional Phases.

(b) Easement for Lagoon Maintenance by Shelter Cove Harbour Company. Declarant has reserved to Shelter Cove Harbour Company a perpetual non-exclusive easement and right for pedestrian and vehicular access, ingress and egress, over and across certain portions of the property encumbered hereby for the purpose of general maintenance and landscaping of the lagoon located thereon and more specifically described at Exhibit A.

Section 13. Rights of Unit Owners; Transfer of Units. 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 Units may be conveyed and recorded as individual properties capable of independent use and each having its own exit to the Common Elements of the Regime, and each Unit Owner having an exclusive and particular right over his respective Unit and in addition the specified undivided interest in the Common Elements of the Regime.

On the transfer of a Unit, a deed effecting that transfer conveys all the seller's interests in that Unit to the purchaser, including the seller's interest in the real and personal property of the Association, any reserve accounts applicable to that Unit, and in any cause of action or chose in action either of the Association or arising out of his ownership of that Unit, whether or not those interests are expressly described in the deed.

The Owner of any Units dedicated to the Regime by Declarant as provided herein shall have the full legal rights and be obligated as allowed or required by South Carolina law. The Unit Owners, by purchasing and accepting a Unit of the Regime, hereby acknowledge that further phase construction and dedication by Declarant shall diminish the percentage of ownership in the common property as described and provided in Exhibit F hereto and in other applicable portions of this Master Deed.

Each present and future Unit Owner, tenant, future tenant, or any other person who might use the facilities of the Regime in any manner, including those who may lease from the Declarant, shall comply with the provisions of this Master Deed and authorized amendments thereto, that certain Declaration of Covenants, Conditions and Restrictions Running with Certain Land of Greenwood Development Corporation, and Provisions for Membership in the Shelter Cove Harbour Company, dated February 22, 1982, and supplement thereto, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Books 342 and 365 at Pages 1726 and 1669, respectively, and re-recorded in Deed Book 367 at Page 631, and as may be amended; and the By-Laws, decisions and resolutions of the Association, Board of Directors or other representatives, as lawfully enacted from time-to-time, together with any lawfully adopted amendments thereto and that the mere acquisition or rental of any of the Units shall signify that the provisions of the foregoing and any authorized amendment thereto are accepted and ratified. 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 Greenwood Development Corporation, its successors or assigns, as set forth in the aforesaid Declarations. The Units shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

ARTICLE III
THE ASSOCIATION

Section 1. General. The affairs of the Regime shall be managed in accordance with the By-Laws attached hereto as Exhibit D and incorporated

NOVIT & SCARMENACH, P.A.
ATTORNEYS AT LAW
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HILTON HEAD ISLAND
SOUTH CAROLINA
29928

-11-

FILED IN DEED - M BOOK 488 PAGE 1599
FILED AT 135000 ON 12/05/84

herein by and through an association of Unit Owners, The "Anchorage at Shelter Cove Owners' Association, Inc." which has been or shall be incorporated as a South Carolina non-profit corporation. The Unit Owners shall have voting rights in the Association in the percentages set forth as interest percentages in Exhibit F. Said voting rights shall be exercised in accordance with such rules and procedures as may be prescribed in the By-Laws, as amended from time-to-time, or by law.

Section 2. Allocation of Votes in the Association. Each Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership by such Unit Owner. Membership shall be appurtenant to and may not be separated from the ownership of each Unit and ownership of each Unit shall be the sole qualification for such membership. The foregoing is not intended to include mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect a Unit Owner's membership. Each Unit Owner, by acceptance of a deed to a Unit, consents to the dilution of his voting interest in the Association by virtue of the creation from time-to-time of Units in the Additional Phases or any portion thereof as provided herein.

Section 3. Rights of Action. In the event of any violation of the provisions of the Act, this Master Deed, the By-Laws, or any rules and regulations promulgated by the Association, the Association and any aggrieved Unit Owner shall have all of the rights and remedies which may be provided for in the Act, this Master Deed, the By-Laws, or said rules and regulations, or which may be provided or permitted in law or in equity.

ARTICLE IV ASSESSMENT OF COMMON EXPENSES

Section 1. General. Each Unit Owner shall pay to the Association assessments regarding Common Expenses of the Regime, such assessments to be fixed, established, and collected from time-to-time as hereinafter provided. The assessments shall constitute a lien on the Unit or Units against which each such assessment is made, and no Unit Owner may exempt himself from liability for such assessments for non-use of the Common Elements or of his Unit.

Section 2. Assessments Subordinate to Mortgagee Taking Title. Where a mortgagee or other purchaser of a Unit obtains title by reason of foreclosure or deed in lieu of foreclosure of a mortgage covering a Unit, 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.

ARTICLE V
USE RESTRICTIONS

Section 1. Permitted Improvements and Alterations. Subject to the terms of Section 4 of Article VI and Section 4 of this Article V, no improvements or alterations of any nature whatsoever other than routine maintenance, repair and replacement of existing improvements as provided herein shall be permitted to the Common Elements or the Limited Common Elements assigned to any Unit without the written prior approval of the Board of Directors of the Association.

Section 2. Residential Purposes. Subject to the right of Declarant to make use of one or more Units as a sales office, or any other use expressly reserved herein by Declarant, or as otherwise specifically provided in this Master Deed, all Units shall be restricted exclusively to residential use by their respective owners, tenants of owners, and invited guests. The foregoing restrictions as to residential use shall not, however, be construed in such manner as to prohibit an Owner or his tenant, if any, from (a) maintaining his personal professional library, (b) keeping his personal business or professional records or accounts, or (c) handling telephone calls or correspondence relating to his personal business or profession. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

Section 3. Peaceful Possession. No Unit Owner shall do, suffer, or permit to be done, anything in his Unit which would impair the soundness or safety of the Regime, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other Units, or which would require any alteration of or addition to any of the Common Elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

Section 4. Common Elements. All occupants of Units and their guests shall have a non-exclusive right to use and enjoy the Common Elements for the purposes for which they are intended (including, without limitation, the right of vehicular and pedestrian access, ingress, and egress to and from his Unit over those portions of the Common Elements from time-to-time designated for such purposes) subject, however, to the following provisions: (a) no such use shall enter or encroach upon the lawful rights of any other persons; (b) the right of the Association to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto as set forth in Article III, Section 3 hereof, including the right to charge reasonable admission and other fees for any recreational facility located thereon and to impose reasonable limitations on the number of guests who may use such facilities; (c) the right, hereby reserved by the Association, to suspend a Unit Owner's rights to use the Common Elements during the period that an assessment of the Association remains unpaid or for any other infraction of this Master Deed, or of the Articles of Incorporation, By-Laws, and rules and regulations of the Association; (d) the rights of Declarant as set forth in Article II, Section 11 and 12, and Article II, Section 11; and (e) the easement reserved for the Association in Article VI, Section 7.

Section 5. Right of Entry. In case of any emergency originating in or threatening any Unit, regardless of whether the Owner or his tenant, if any, is present at the time of such emergency, the Association's Board of Directors and all managerial personnel shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owner of each Unit, if required by the Association, shall deposit under the control of the Association a key to such Unit.

Section 6. Leasing Restrictions. Subject to the provisions of this Section 6, leasing of the Units is expressly authorized. No Unit Owner shall lease less than the entire Unit. All leases or rental agreements shall be in writing and shall be specifically made subject by the terms of such leases to this Master Deed and shall be in compliance with rules and regulations as may be promulgated and published by the Board of Directors.

Section 7. No Interval Use. The Declarant herein subjects The Anchorage at Shelter Cove Horizontal Property Regime to the further limitation and restriction that it shall be used and occupied for single-family dwelling units constructed as such within the multi-family residential areas of Shelter Cove Harbour and such dwelling units constructed on said property shall not be utilized for purposes of time-sharing or interval ownership, time-sharing or interval licenses, time-sharing or interval leases, or similar plans as those items 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.

Section 8. Use Restrictions Run with Land. Declarant 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 Unit and upon the Declarant and upon all future Unit Owners.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Amendments. Subject to the rights reserved to Declarant to submit the Additional Phases or any portion thereof to the Regime by an amendment to this Master Deed executed by Declarant and duly filed in the Office of the Clerk of Court for Beaufort County, South Carolina, and further subject to the exceptions set forth hereinafter, this Master Deed may not be amended and the Regime may not be revoked except by an instrument in writing filed and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, which has been assented to unanimously by all the Unit Owners and by the holders of mortgages covering the Units. Notwithstanding the foregoing, Declarant, without the prior consent of any Unit Owners, may amend this Master Deed and any other documents required under the Act, and each Unit Owner, if requested to do so by Declarant, agrees to consent to any such amendment, in order to correct any scrivener's error, to correct conflicts between such documents and the Act, to effect compliance with the Act or any requirements of any governmental lender, insurer, guarantor, or purchaser of

mortgage loans, and to enable any reputable title insurance company to issue title insurance coverage with respect to any Units subject to this Master Deed, as may be necessary from time-to-time. Prior to the conveyance of the first Unit by Declarant, Declarant may amend this Master Deed as it deems necessary in its sole discretion. Any amendment pursuant hereto shall be effective upon recordation or upon such later date specified in the amendment.

Section 2. Covenants Running with the Land. The provisions, covenants and conditions of this Master Deed shall run with the land and bind title to the property constituting the Regime, and shall be binding upon and inure to the benefit of all Unit Owners and mortgagees and their respective heirs, executors, legal representatives, successors and assigns.

Section 3. Insurance. The Board of Directors of The Anchorage at Shelter Cove Owners' Association, Inc., shall be required to obtain and maintain those types and forms of insurance as are required by Article VIII of the By-Laws as set forth in Exhibit D attached hereto and made a part hereof.

Section 4. Reconstruction and Repair. In the event of casualty loss or damage to the Property of the Regime, the provisions of Article IX of the By-Laws shall govern all matters pertaining to reconstruction and repair.

Section 5. Condemnation. In the event of a condemnation of a portion of the Property which is subject to this Master Deed, no re-allocation of interests in the common areas resulting from such partial condemnation may be effected without the prior approval of the Unit Owners and the eligible holders holding mortgages on all remaining Units, whether existing in whole or in part, and which have at least seventy-five (75%) percent of the votes of such remaining Units subject to eligible mortgage holders. The Association shall represent the Unit 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 Unit 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 Unit Owners and their mortgagees as their interests may appear.

Section 6. Easement for Encroachment. If any portion of the Common Elements now encroaches upon any Unit or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any such encroachment shall occur hereafter as a result of (A) settling of the building, (B) alteration or repair to the Common Elements made by or with consent of the Board of Directors, (C) as a result of repair or restoration of the building or any Unit 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.

Section 7. Other Regime Easements. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires,

ducts, flues, cables, conduits, public utility lines and other Common Elements, if any, located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving such other Units and located in such Unit. The Association shall have the right of access to each Unit 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.

Section 8. Interpretation. In all cases, the provisions set forth or provided for in this Master Deed shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors of the Association, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted within the confines of the Act and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Master Deed shall be the date of its filing for record in the Office of the Clerk of Court for Beaufort County, South Carolina. The captions of each Article and Section are inserted only for convenience and are to be in no way construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Master Deed shall be construed under and in accordance with the laws of the State of South Carolina.

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.

Section 9. Gender and Grammar. The singular wherever used herein shall be construed to mean plural when applicable and vice versa, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 10. Rights of Third Parties. This Master Deed shall be recorded for the benefit of Declarant, the Unit Owners, and their mortgagees, as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title, or interest whatsoever in the Regime, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, except as specifically provided herein and subject to the rights of Declarant and mortgagees as herein provided, the Unit Owners shall have the right to extend, modify, amend or otherwise change the provisions of this Master Deed without the consent, permission, or approval of any adjoining owner or third party.

Section 11. Non-Waiver. 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.

Section 12. Notice of Sale or Lease. In the event a Unit Owner sells, leases or otherwise disposes of any Unit and/or improvements thereon,

NOVIT & SCARMINACH, P.A.
ATTORNEYS AT LAW
P.O. DRAWER 14
HILTON HEAD ISLAND
SOUTH CAROLINA
29938

such Unit Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, or transferee.

Section 13. Severability. Invalidation of any one of the covenants or restrictions contained in this Master Deed shall in no wise affect any other provisions which shall remain in full force and effect and shall be enforced to the extent permitted by applicable law.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal this 28th day of November, 1984.

WITNESSES:

John E. Eck
Carol P. Cramer

DECLARANT:

GREENWOOD DEVELOPMENT CORPORATION

By: *John W. Davis*
President

Attest: *Wayne O. Justesen, Jr.*
Secretary

(CORPORATE SEAL)

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me John E. Eck, and made oath that s/he saw the within named GREENWOOD DEVELOPMENT CORPORATION, by John W. Davis, its President, sign the within Instrument, and Wayne O. Justesen, Jr., its Secretary, attest the same, and that s/he with Carol P. Cramer witnessed the execution thereof.

SWORN to and subscribed before me this 28th day of November, 1984.

Carol P. Cramer
Notary Public for South Carolina
My Commission Expires: 11/4/93

John E. Eck

1.3.(ANC):kam

FILED IN DEED - M BOOK 408 PAGE 1605
FILED AT 135000 ON 12/05/84

EXHIBIT "A"

ALL that certain piece, parcel or tract of land shown and described as PHASES I, II(a), II(b), III(a), III(b), IV, V, and VI, containing a total of 7.73 acres on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 12th day of ~~November~~ December, 1984 in Plat Book 32 at Page 174.

AND, ALSO, an easement to all owners of the condominium units in PHASE I and future phases, their respective heirs and assigns, to traverse property in PHASE I and future phases freely and without restriction but only upon the dedication of said future phases to the condominium regime by amendment or annexation declaration.

AND, ALSO, an easement is hereby granted to all PHASE I owners, their assigns, heirs, successors and their proper guests to have free access to amenities which may be constructed on property in future phases in accordance with all rules and regulations as promulgated for PHASE I and future phase condominium owners.

SAVE AND EXCEPTING a perpetual non-exclusive easement and right for pedestrian and vehicular access, ingress and egress, over and across PHASE I Property for the purpose of general maintenance and landscaping of the lagoon located within PHASE I property.

RE3(A1)

FILED IN DEED - M BOOK 408 PAGE 1606
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EXHIBIT "A-I"

ALL that certain piece, parcel or tract of land shown and described as PHASE I, containing 0.90 acres, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

FILED IN DEED - M BOOK 488 PAGE 1687
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ATTORNEYS AT LAW
P.O. DRAWER 14
HILTON HEAD ISLAND
SOUTH CAROLINA
29928

EXHIBIT "A-II"

ALL that certain piece, parcel or tract of land shown and described as PHASES II(a) and II(b), containing 0.61 and 1.25 acres respectively, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 174.

RE3(A2)

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SOUTH CAROLINA
29928

EXHIBIT "A-III"

ALL that certain piece, parcel or tract of land shown and described as PHASES III(a) and III(b), containing 0.65 and 0.58 acres respectively, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

FILED IN DEED - M BOOK 408 PAGE 1609
FILED AT 135000 ON 12/05/84

EXHIBIT "A-IV"

ALL that certain piece, parcel or tract of land shown and described as PHASE IV, containing 1.58 acres, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

FILED IN DEED - M BOOK 408 PAGE 1610
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EXHIBIT "A-V"

ALL that certain piece, parcel or tract of land shown and described as PHASE V, containing 1.08 acres, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 124.
December

RE3(A2)

FILED IN DEED - M BOOK 408 PAGE 1611
FILED AT 135000 ON 12/05/84

EXHIBIT "A-VI"

ALL that certain piece, parcel or tract of land shown and described as PHASE VI, containing 1.08 acres, on a plat entitled "AS-BUILT SURVEY, THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I" dated November 12, 1984, prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, R.L.S. #2373, said plat being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on the 5th day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

FILED IN DEED - M BOOK 408 PAGE 1612
FILED AT 135000 ON 12/05/84

EXHIBIT "B"

A Plat entitled "THE ANCHORAGE AT SHELTER COVE, PALMETTO DUNES RESORT, HILTON HEAD ISLAND, SOUTH CAROLINA, HORIZONTAL PROPERTY REGIME PHASE I", dated November 12, 1984, and prepared by Hussey, Gay and Bell, Consulting Engineers, Savannah, Georgia, certified to by Roy Hussey, South Carolina R.L.S. #2373, and filed in the Office of the Clerk of Court for Beaufort County, South Carolina on November ~~12~~ ^{5th}, 1984, in Plat Book 32 at Page 174.
October

RE1(H1)

FILED IN DEED - M BOOK 488 PAGE 1613
FILED AT 135000 ON 12/05/84

EXHIBIT C-1

The undersigned, Eugene R. Smith & Associates, Architects, authorized and licensed in the State of SOUTH CAROLINA hereby certifies that the Plans of "The Anchorage at Shelter Cove, Hilton Head Island, South Carolina," attached hereto as Exhibit C, fully and accurately, within reasonable construction tolerances, depict the layout and dimensions of The Anchorage at Shelter Cove Horizontal Property Regime and its common elements, limited common elements, and apartments shown therein.

EUGENE R. SMITH & ASSOCIATES

By: *Eugene R. Smith*
Eugene R. Smith

Charles W. Pigg
Robert V. Onorato

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Charles W. Pigg and made oath that s/he saw the within named EUGENE R. SMITH & ASSOCIATES, by Eugene R. Smith, sign, seal and as its act and deed, deliver the foregoing certificate and that s/he with Robert V. Onorato witnessed the execution of same.

Charles W. Pigg

SWORN to and subscribed before me
this 5th day of November, 19 84

Leslie Howard
Notary Public for South Carolina
My Commission Expires: 1-5-91

FILED IN DEED - M BOOK 408 PAGE 1614
FILED AT 135000 ON 12/05/84

EXHIBIT "D"

BY-LAWS
OF
THE ANCHORAGE AT SHELTER COVE HORIZONTAL
PROPERTY REGIME
AND
THE ANCHORAGE AT SHELTER COVE
OWNERS' ASSOCIATION, INC.

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. HORIZONTAL PROPERTY REGIME. Such Property (the term "Property" as used herein means and includes the land, the buildings, all improvements and structures thereon) located in Phase IV Shelter Cove, Hilton Head Island, in Beaufort County, South Carolina known as THE ANCHORAGE AT SHELTER COVE HORIZONTAL PROPERTY REGIME as has been, by Master Deed, submitted to the provisions of the Horizontal Property Act of South Carolina, shall henceforth be known as THE ANCHORAGE AT SHELTER COVE HORIZONTAL PROPERTY REGIME (hereinafter referred to as the "Regime").

Section 2. ASSOCIATION. In conjunction with the creation of the above described Regime there also has been incorporated under the laws of the State of South Carolina an Association known as The Anchorage at Shelter Cove Owners' Association (hereinafter referred to as the "Association") which shall, pursuant to the provisions of the aforementioned Master Deed, constitute the incorporated The Anchorage at Shelter Cove Owners' Association, Inc.

Section 3. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the Property and the Regime.

Section 4. PERSONAL APPLICATION. All present or future Unit Owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the Regime in any manner, are subject to the regulations set forth in these By-Laws and in the Master Deed establishing said Regime as they may be amended from time to time. The mere acquisition or rental of any of the Units (hereinafter usually referred to as "Units") as defined in the Master Deed or the mere act of occupancy of any of said Units will signify that these By-Laws, the provisions of the Master Deed, the provisions of that certain Declaration of Covenants, Conditions and Restrictions Running with Certain Land of Greenwood Development Corporation and Provisions for Membership in the Shelter Cove Harbour Company recorded in Deed Book 342 at Page 1726 in the Office of the Clerk of Court for Beaufort County, South Carolina, and the Supplemental Declaration of Rights, Restrictions, Conditions, etc., to the aforementioned Declaration of Covenants, which

Supplemental Declaration is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 365 at Page 1669, and re-recorded in Deed Book 367 at Page 631, and any authorized recorded amendments to the foregoing Master Deed, are accepted and ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF UNIT OWNERS, QUORUM, PROXIES

Section 1. ELIGIBILITY. Any person who acquires title to a Unit in the Regime shall be a member of the Association. There shall be one membership for each Unit owned. Transfer of Unit ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If Unit ownership is vested in more than one person, then all of the persons so owning such Unit shall agree upon the designation of one of the Unit Owners of such Unit to act as a member of the Association. If Unit ownership is vested in a Corporation, said Corporation may designate an individual officer or employee of the Corporation to act as a member of the Association.

Section 2. VOTING. Voting shall be on a percentage basis and the percentage of the vote to which the Unit Owner is entitled is the percentage assigned to the Unit or Units in the Master Deed.

Section 3. MAJORITY OF UNIT OWNERS. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners holding fifty-one (51%) percent or more of the total value of the Property, in accordance with the percentages assigned in the Master Deed, and any authorized amendments thereto.

Section 4. QUORUM. Except as otherwise provided in Section 6 of this Article II and elsewhere in these By-Laws, the presence in person or by proxy of a majority of Unit Owners as defined in Section 3 of this Article shall constitute a quorum.

Section 5. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 6. MAJORITY VOTE. The vote of a majority of the Unit Owners as defined in Section 3 of this Article II present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Master Deed or in these By-Laws, or by law, a higher percentage vote is required.

FILED IN DEED - M BOOK 408 PAGE 1616
FILED AT 135000 ON 12/05/84

-2-

ARTICLE III

THE ANCHORAGE AT SHELTER COVE OWNERS' ASSOCIATION

Section 1. ASSOCIATION RESPONSIBILITIES. The Unit Owners of the Units will constitute the Association of Unit Owners (hereinafter usually referred to as "Association") who will have the responsibility of administering the Property, electing the Board of Directors and arranging for the management of the Property pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of Unit Owners.

Section 2. PLACE OF MEETINGS. Meetings of the Association shall be at such place, convenient to the Unit Owners, as may be designated by the Association.

Section 3. ANNUAL MEETINGS. The annual meetings of the Association shall be held at the call of the President once a year during the month of August or at such other time as a majority of the Unit Owners may agree upon. At such meetings there shall be elected by ballot of the Unit Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Unit Owners may also transact such other business of the Association as may properly come before them.

Section 4. SPECIAL MEETINGS. It shall be the duty of the Secretary to call a special meeting of the Unit Owners as directed by resolution of the Board of Directors, at the request of a majority of the Directors, or upon a petition signed by a majority of the Unit Owners and having been presented to the Secretary. A notice of any special meeting shall state the 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 except by consent of four-fifths (4/5) of the votes present, either in person or by proxy.

Section 5. FIRST MEETING. The first meeting of the Association shall be held within one hundred twenty (120) days from the date that seventy-five (75%) percent of the Units in the Regime, or the first Phase thereof as defined in the Master Deed, have been conveyed by Declarant to individual Unit Owners.

Section 6. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Unit Owner of record, at least fifteen (15) days, but not more than forty-five (45) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. ADJOURNED MEETING. If any meeting of the Association cannot be organized because a quorum has not attended, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting to a time not

less than forty-eight (48) hours from the time the original meeting was called. Upon the reconvening of said meeting a quorum shall be constituted if Unit Owners holding at least twenty-five (25%) percent of the total value of the Property in accordance with the percentages assigned in the Master Deed are present in person or by proxy at said reconvened meeting.

Section 8. ORDER OF BUSINESS. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Association shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board of Directors (hereinafter referred to as the "Board") comprised of five (5) persons. Until succeeded by the Board Members elected by the Unit Owners, Members of the First Board of Directors need not be Unit Owners. So long as the Declarant (as defined in the Master Deed) owns one or more Units, Declarant shall be entitled to appoint at least one (1) member of the Board of Directors, who need not be a Unit Owner. After Declarant has conveyed all Units and is no longer entitled to elect one member of the Board of Directors, all Board Members shall be Unit Owners.

Section 2. GENERAL POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by these By-Laws, directed to be executed and done by the Association or individual Unit Owners.

Section 3. OTHER POWERS AND DUTIES. In addition to duties imposed by these By-Laws, or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Compliance with all of the terms and conditions of the Master Deed and any amendments thereto and enforcement of same.

- (b) Care, upkeep, and surveillance of the Property and the Common Elements.
- (c) Collection, at the time of the closing of the initial sale of each Unit, a working capital fund for the Association which is equal to at least two (2) months' estimated common expenses assessments. These funds shall be maintained in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold Unit shall be paid to the Association within one hundred twenty (120) days after the date of the conveyance of the first Unit in each Phase of the Regime.
- (d) Establishment of the annual budget. The budget shall be distributed by the Board to all members of the Association at least thirty (30) days in advance of its effective date and at least thirty (30) days in advance of the Association's Annual Meeting. Notwithstanding the responsibilities and authority of the Board, the budget may be modified by the Association at the Annual Meeting or a Special Meeting of the Association by a two-thirds (2/3) vote of the Unit Owners present at such meeting, in person or by proxy.
- (e) As a part of the annual budget described in (d) above, establishment and maintenance, on behalf of the Association, of an adequate reserve fund for periodic maintenance, repair and replacement of improvements to the Common Elements.
- (f) Employment, dismissal, and control of the personnel necessary for the maintenance and operation of the Common Elements.
- (g) Collection of all assessments and fees from the Unit Owners.
- (h) Performing repairs caused by any natural disaster or man-made damage from the reserve account and any special assessment, or causing the same to be done.
- (i) Obtaining of insurance for the Property, pursuant to the provisions hereof and the provisions of the Master Deed, or causing the same to be done as set forth in ARTICLE VIII hereof.
- (j) Granting or relocation of easements, which are not inconsistent with the owners' full use and enjoyment of the common properties.
- (k) Making of repairs, additions and improvements to or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws.
- (l) To make available, for inspection, upon request during normal working hours or under other reasonable circumstances, to Unit

Owners, the holders, insurers or guarantors of any first mortgage on any Unit, current copies of the Master Deed, By-Laws, other Rules and Regulations pertaining to the Association, and the books, records and financial statements of the Association.

Section 4. MANAGEMENT AGENT. The initial management agent shall be Property Administrators, Inc., an independent professional management company not affiliated with Declarant, whose contract extends until one (1) year from the recording date of an amendment to the Master Deed providing for the dedication of the last of the eighty-eight (88) units for which the Declarant has reserved the right to add in additional phases to the Regime, or the date set forth in Article II, Section 11(b) of the Master Deed, whichever is earlier. Thereafter, the Board may employ a management agent at the compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any such Management Contracts shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said Contracts. Since an independent professional management company is being employed from the outset, and if, at any time during the management of the Property by this or some other professional management entity, any holders, insurers or guarantors of mortgages on Units within the Regime shall require that professional management of Regime/Association matters be maintained, and the Association is so advised in writing, any decision thereafter by the Association to establish self-management by the Association shall require the prior consent of Unit Owners holding sixty-seven (67%) percent of the votes in the Association and the approval of holders holding mortgages on Units within the Regime which have at least fifty-one (51%) percent of the votes of all Units in the Regime subject to holder mortgages.

Section 5. FIRST BOARD OF DIRECTORS. The first Board of Directors consisting of up to five (5) members shall be designated by Declarant. These appointments will be temporary and will continue only until the first annual meeting of the Unit Owners held pursuant to the provisions of these By-Laws or until a special meeting is held with the purpose of electing a Board of Directors for the interim period between the special meeting and the first annual meeting. At the first Annual Meeting of the Association, the initial term of office for two (2) members of the Board shall be fixed at three (3) years. The term of office of two (2) members of the Board shall be fixed at two (2) years, and the term of office of one (1) member of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the Board, his successor shall be elected to serve a term of three (3) years. The Director selected by Declarant shall serve for a period of one (1) year. Should Declarant sell or otherwise alienate voluntarily or involuntarily, its ownership interest in the Unit(s), its selected Director will automatically lose his place upon the Board and a replacement Director will be elected as provided in Section 6 of this Article. The members of the Board shall hold office until their successors have been elected and hold their first meeting. Any and all of said Board Members shall be subject to

replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article. During the period in which Declarant's designees constitute a majority of the Board of Directors, the Board of Directors shall not enter into any contract having a term which extends beyond the term of the Management Agreement with Property Administrators, Inc.

Section 6. VACANCIES. Vacancies in the Board of Directors caused by reason other than the removal of a member of the Board by a vote of the Association shall be filled by vote of the majority of the remaining members, even though they constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Association.

Section 7. REMOVAL OF MEMBERS OF THE BOARD. At any annual or special meeting of the Association duly called, any one or more of the members of the Board may be removed with or without cause by a majority of Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. No Board member shall continue to serve on the Board if during the term of office, he shall cease to be a Unit Owner (except as provided in Section 5 regarding Declarant's appointee).

Section 8. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Board at the meeting at which such Board members were elected by the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such a meeting, providing a majority of the Board shall be present.

Section 9. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time-to-time, by a majority of the Board, but at least one (1) such meeting shall be held each fiscal year. Notice of regular meetings of the Board shall be given by the Secretary-Treasurer or other designated person, to each Board member, personally or by mail, telephone, or telegraph, at least ten (10) days prior to the day named for such meeting.

Section 10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided), and the purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary/Treasurer in like manner and on like notice on the written request of at least two (2) Board members.

Section 11. WAIVER OF NOTICE. Before or at any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of

notice by him of the time, place, and purpose thereof. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. BOARD QUORUM. At all meetings of the Board, a majority of the Board members shall constitute a quorum for the transaction of business, and acts of the majority of the members present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of the Board members present may adjourn the meeting from time-to-time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. FIDELITY BONDS. The Board shall require that any and all officers and employees of the Regime handling or responsible for Regime funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Regime.

Section 14. COMPENSATION. No member of the Board shall receive any compensation from the Regime for acting as such.

Section 15. LIABILITY OF THE BOARD OF DIRECTORS. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Deed or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible for the original Board of Directors, who are members of or employed by Declarant to contract with Declarant and affiliated entities without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors, shall be limited to such proportions as the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

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ARTICLE V

OFFICERS

Section 1. DESIGNATION. The principal officers of the Association shall be a President, a Vice President, and a Secretary/Treasurer all of whom shall be elected by and from the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary.

Section 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. No officer shall continue to serve as such if, during his term of office, he shall cease to be a Unit Owner.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of a Regime or incorporated Association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, feel appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

Section 6. SECRETARY/TREASURER. The Secretary/Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. He shall, in general, perform all the duties incident to the office of the Secretary and Treasurer.

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ARTICLE VI

NOTICES

Section 1. DEFINITION. Whenever under the provisions of the Master Deed or of these By-Laws notice is required to be given to the Board of Directors, any manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postage-paid envelope, addressed to the Board of Directors, such manager or such Unit Owners at such address as appears on the books of the Association. Notice shall be deemed given as of the date of mailing.

Section 2. SERVICE OF NOTICE-WAIVER. Whenever any notice is required to be given under the provisions of the Master Deed, or law, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII

OBLIGATIONS OF THE UNIT OWNERS

Section 1. ASSESSMENTS FOR COMMON EXPENSES. All Unit Owners shall be obligated to pay the periodic assessments imposed by the Association to meet all Association common expenses, which shall include, among other things, liability insurance policy premiums and an insurance policy premium to cover repair and reconstruction work in case of hurricane, fire, earthquake and other hazards. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Property and any authorized additions thereto. Such may include without limitation, any amount for general working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. No less than thirty (30) days prior to the Annual Meeting, the Board shall furnish all Unit Owners with a copy of the budget for the next fiscal year and shall likewise advise them of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid. Declarant will be liable for the amount of any assessment against completed Units within the Association which have not been sold and Declarant shall have all voting rights attendant to the ownership of said Unit until said Units are sold. Payment of the periodic assessment shall be in equal monthly or quarterly (as determined by the Board) installments on or before the first day of each month or quarter, as appropriate, or in such other reasonable manner as the Board shall designate.

The transfer of ownership of an individual Unit within the Association shall carry with it the proportionate equity of that Unit's ownership in the Association escrow or reserve account, if any, set aside to provide a contingency fund for the maintenance and repair of the Association Property.

Section 2. ASSESSMENTS TO REMAIN IN EFFECT UNTIL NEW ASSESSMENTS MADE. The omission by the Board of Directors before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Master Deed and By-Laws or a release of any Owner from the obligation to pay the assessments, or an installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Unit.

Section 3. RECORDS. The Manager or Board of Directors shall keep detailed records of the receipts and expenditures affecting the General and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner during reasonable business hours.

Section 4. DEFAULT IN PAYMENT OF COMMON CHARGES. The Board shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Unit Owner in paying to the Board the common charges as determined by the Board, such Unit Owner shall be obligated to pay a late charge of one and one-half (1-1/2%) percent of the delinquent amount per month on such unpaid common charge from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 27-31-210, Code of Laws of South Carolina, 1976. With regard to the subordinate nature of such liens as it relates to mortgages recorded prior to the recording of any evidence of such lien, the provisions of Section 27-31-210, Code of Laws of South Carolina, 1976, as amended, shall be controlling.

Section 5. STATEMENT OF COMMON CHARGES. The Board shall, for a reasonable fee not to exceed Ten and No/100 (\$10.00) Dollars, promptly provide any purchaser, Unit Owner, encumbrancer or prospective encumbrancer of a Unit so requesting the same in writing, with a written statement of all unpaid common charges due from the Owner of that Unit and the purchaser's liability therefor shall be limited to the amount as set forth in the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid common charges payable with respect to such Unit and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance. Any encumbrancer holding mortgages on more than five (5) Units within the Association shall be entitled, upon request, to receive a statement of account on the Units securing all of said Mortgages once each calendar year without any fee or charge.

Section 6. MAINTENANCE AND REPAIR.

- (a) Each Unit Owner must perform work within his own Unit in its entirety or in a part belonging to another Unit being expressly responsible for the damages and liabilities that his failure to do so may endanger.
- (b) All the repairs of internal installations of the Units such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, interior doors, windows, lamps, and all other accessories belonging to the Unit shall be at the expense of the Unit Owner.
- (c) All maintenance, repair and replacement to the Common Elements as defined in the Master Deed, shall be made by the Board or its agent and shall be charged to all Unit Owners as a common expense, excepting to the extent that the same may be necessitated by the negligence, misuse, or neglect of the Unit Owner, in which such case the expense shall be charged to such Unit Owner.

Section 7. WATER CHARGES AND SEWER RENTS. Water shall be supplied to all Units and the Common Elements through one or more meters and the Board shall, if practicable, pay as a common expense all charges for water consumed on the Property, including the Units, promptly after the bills for the same have been rendered. Sewer services shall be supplied by the utility company or district serving the area and may likewise, if practicable, be paid by the Board as a common expense.

Section 8. ELECTRICITY. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be separately consumed in such portions of the Common Elements, as a common expense.

Section 9. USE OF UNITS - INTERNAL OR EXTERNAL CHANGES.

- (a) All Units shall be utilized for residential purposes only. This shall expressly include the right of the Owner to rent such Units to others for residential purposes. Moreover, so long as any Units remain unsold by Declarant, Declarant or its agent shall be authorized to maintain a sale model within the Association for purposes of promoting the sale of Units.
- (b) A Unit Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously notifying in writing the Association through the Management Agent, if any, and through the President. The Association shall have the obligation to answer within thirty

(30) days from the actual receipt of such notice and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

- (c) A Unit Owner shall make no changes or additions whatsoever to the exterior of the Unit, any stairs, decks, patio or balconies appurtenant thereto, or to any of the Limited Common Elements without prior written approval of the Board. If any changes as described herein are approved by the Board, the Unit Owner requesting such change shall bear total financial responsibility for the cost of such change and the incurred costs, if applicable, of the maintenance and repair of such change. The Board, through its agent, may include his additional maintenance cost in the periodic assessment for the Unit in question.

Section 10. USE OF COMMON ELEMENTS. Except as authorized by Section 9(c) a Unit Owner shall not place or cause to be placed in the passages, parking areas, roads, or other common areas any furniture, packages or obstructions of any kind. Such areas shall be held in common for the enjoyment of the Unit Owners and shall be used for no other purpose than for normal transit through or use of them and for normal vehicular parking.

Section 11. RIGHT OF ENTRY.

- (a) A Unit Owner shall grant the right of entry to the management agent or to any person authorized by the Board in case of an emergency originating in or threatening his Unit, whether the Unit Owner is present at the time or not.
- (b) A Unit Owner shall permit other Unit Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner. In case of emergency, the right of entry shall be immediate.

Section 12. RULES OF CONDUCT. In order to assure the peaceful and orderly use and enjoyment of the Units and Common Elements of the Association, the Unit Owners may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present or represented by proxy whose aggregate interest in the Common Elements constitutes two-thirds (2/3) of the total interest, at any meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct, governing the conduct of person on said property of the Association as it may deem necessary. Such Rules of Conduct, upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each owner by posting same with postage prepaid addressed to the owner at the last registered address of the owner and shall be binding upon all Unit Owners and the occupants of Units in the Regime. The following shall constitute the initial Rules of Conduct for the Regime:

- (a) Residents shall exercise extreme care at all hours to avoid unnecessary noise or the use of musical instruments, radios, televisions, and amplifiers that may disturb other residents.
- (b) No Unit Owner of the Property shall:
 - (1) Post any advertisements or posters of any kind in or on the Property except as authorized by the Association;
 - (2) Hang garments, towels, rugs, or similar objects from the windows or balconies or from any of the facades of the Property;
 - (3) Clean dust mops, rugs or similar objects from the windows or balconies by beating on the exterior part of the Property;
 - (4) Throw trash or garbage outside the disposal installation provided for such purpose in the service areas;
 - (5) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Units in the Property;
 - (6) Maintain any pets which cause distress to Unit Owners through barking, biting, scratching or damaging of property.
- (c) No Unit Owner, resident, or lessee shall install wiring for electrical or telephone installations, television or radio antennae, air conditioning fixtures, or similar objects outside of his dwelling or which protrudes through the walls or the roof of his Dwelling Unit except as authorized by the Board.

Section 13. ABATEMENT AND ENJOYMENT OF VIOLATIONS BY UNIT OWNERS. The violation of any rules or regulations adopted by the Board or the breach of any By-Laws contained herein, or the breach of any provisions of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorney's fees, and until such expense is recovered it shall be a lien upon the Unit.

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ARTICLE VIII

INSURANCE

The Board of Directors shall be required to obtain and maintain, as set forth below, in forms and amounts as hereinafter prescribed and which are also satisfactory to any mortgagee holding mortgage on five or more units the following insurance, without prejudice of the right of the Unit Owner to obtain additional individual insurance at his own expense:

Section 1. HAZARD INSURANCE. The Board of Directors shall insure the Property, as it may be constituted from time to time, against loss or damage due to fire, windstorm, lightning, and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Property as determined by a periodic appraisal of the Property for finance valuation purposes which the Board shall require to be conducted by a qualified appraiser not less frequently than every other year, or in the amount reasonably obtainable as it relates to the flood coverage. The Board of Directors shall have the authority also to insure against other hazards and risks as it may deem desirable for protection of the Property. All hazard insurance shall cover the entire Property, exclusive only of the contents and furnishings of the individual Units.

- (a) All hazard insurance policies obtained by the Board of Directors shall designate the Board of Directors as the named insured as Insurance Trustee for the benefit of all the Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid jointly to the Board of Directors as Insurance Trustee under the provisions of the Master Deed and to any mortgagee holding mortgages on a majority of the Units dedicated to The Anchorage at Shelter Cove Horizontal Property Regime at the time of any such loss, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act and the provisions of this Master Deed.
- (b) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each Unit Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Unit is located. If a Unit is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgagee endorsement, if requested.
- (c) If obtainable, all hazard insurance policies upon the Property shall include provisions waiving (1) any rights of the insurer to subrogation against the Association, its agents or employees, and against the individual Owners and their servants, agents,

and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Unit Owner upon the contents and furnishings of their Units.

- (d) Each mortgagee of which the Board has notice as herein provided shall be entitled to receive upon request a copy of each appraisal as called for in paragraph 1 above. If any such mortgagee disagrees with the values assigned to the units by such appraisal and presents an appraisal prepared at such mortgagee's expense showing higher values which has been performed by a qualified appraiser, then the Board shall cause a re-appraisal to be made by a qualified appraiser approved by each of the appraisers who conducted the prior appraisals and the findings of the third appraiser shall be conclusive to determine such value for insurance purposes.
- (e) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Units within the Regime which are covered by the Master Policy. Such policies shall also provide that they shall not be cancelled without giving thirty (30) days prior written notice to all such mortgagees about which the insurer has been given written notice.

Section 2. PUBLIC LIABILITY INSURANCE. The Board of Directors shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Association to an individual Unit Owner and to liabilities of one Unit Owner to another Unit Owner.

Section 3. WORKER'S COMPENSATION INSURANCE. The Board of Directors, as necessary, shall obtain Worker's Compensation Insurance to meet the requirements of law.

Section 4. PREMIUMS. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as Common Expenses to be paid by the Unit Owners through periodic assessment as herein provided.

Section 5. ADJUSTMENT. Each Unit Owner shall be deemed to have delegated to the Board of Directors his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of mortgagees of such Unit Owners.

Section 6. INSURANCE BY UNIT OWNERS. Each Unit Owner shall be responsible for obtaining, at his sole expense, insurance covering the personal property, wall coverings, decorations, and furnishings within his own Unit and the additions and improvements made by him to the Unit. Each Unit Owner shall also be responsible for obtaining, at his own expense, insurance covering his liability for the safety of the premises within his Unit. All

such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation claims against the Association and against individual Unit Owners, as well as their agents, servants, employees, and guests; and (ii) any right of the insurer to contribution or pro-ratio because of the master hazard policy.

Section 7. SUBSTITUTION OF INSURANCE TRUSTEE. The Board of Directors, in its discretion, may decline to serve as Insurance Trustee and may appoint in its place any financial institution which is qualified and willing to act as Trustee and which also has offices in Beaufort County, South Carolina. Any substitute Insurance Trustee appointed by the Board of Directors shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

Section 8. The form, coverage, content and amount of all insurance policies provided for herein shall be subject to the approval of any Mortgagee holding a mortgage on the majority of Units dedicated to The Anchorage at Shelter Cove Horizontal Property Regime.

ARTICLE IX

RECONSTRUCTION AND REPAIR

In the event of casualty loss or damage to the Property, the Board of Directors shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Property in accordance with the provisions of this Article IX. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Property is destroyed or substantially damaged. If two-thirds (2/3) or more of the Property is destroyed or substantially damaged, reconstruction shall not be mandatory and unless reconstruction is unanimously agreed upon by all Unit Owners, the insurance indemnity received by the Board of Directors shall be distributed pro-rata to the Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. The remaining portion of the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of a suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro-rata among all Unit Owners and their mortgagees jointly in proportion to their respective interests in the Common Elements. If less than two-thirds (2/3) of the Property is destroyed or substantially damaged, then such Property shall be repaired in the following manner:

(1) Any reconstruction or repair must follow substantially the original plans and specifications of the Property unless the Unit Owners holding seventy-five (75%) percent or more of the total interest in Common Elements and their mortgagees, if any, vote to adopt different plans and specifications and all Owners whose Units are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

(2) The Board of Directors shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include such professional fees and premiums for bids as the Board of Directors deems necessary.

(3) The insurance proceeds received by the Board of Directors and the mortgagees, and any special assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board of Directors and the mortgagees, shall disburse payment of the costs of reconstruction and repair. The first disbursements from the construction fund shall be insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Unit Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

ARTICLE X

INSURANCE TRUST

In the event of casualty loss to the Property, all insurance proceeds indemnifying the loss or damage shall be paid jointly to the Board of Directors as Insurance Trustee and to any mortgagee holding mortgages on a majority of the Units dedicated to The Anchorage at Shelter Cove Horizontal Property Regime at the time of any such loss. The Board of Directors, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE X, and for the benefit of the Association, the Unit Owners, and their respective mortgagees in the following share:

(1) Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Units.

(2) Insurance proceeds paid on account of loss or damage to less than all of the Units, when the damage is to be restored, shall be held for the benefit of Unit Owners of the damaged Units and their respective mortgagees in proportion to the costs of repairing each damaged Unit.

(3) Insurance proceeds paid when the Property is not to be restored shall be held for the benefit of all Unit Owners, and their respective mortgagees, the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Unit.

(4) In the event a Certificate of Insurance has been issued to a Unit Owner bearing a mortgagee endorsement, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall

be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds required by the loan documents to be paid jointly to the Unit Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

ARTICLE XI

MORTGAGES

Section 1. NOTICE TO BOARD. A Unit Owner who mortgages his Unit shall notify the Board through the Management Agent, if any, or the President if there is no Management Agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgages on Units."

Section 2. NOTICE TO MORTGAGEE. The Board shall give reasonable advance written notice of the following events to all mortgagees of which it has notice or from which it received a written request (the term "mortgagee" to include the holder, insurer or guarantor with respect to any such mortgage).

- (a) Any amendment to the condominium documents;
- (b) Any unpaid assessments due the Association from the Unit Owner(s) (mortgagor(s)) of the Unit;
- (c) Any default by the Unit Owner (mortgagor) of a Unit in the performance of such Co-Owner's obligations under the Master Deed and associated condominium documents when such default is not cured within sixty (60) days.
- (d) Any notice of special or annual meetings of the Association.
- (e) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- (f) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (g) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in these By-Laws or in the Master Deed;
- (h) Any proposed change from professional management of the Property to self-management of the Property by the Association.

Section 3. STATEMENTS TO MORTGAGEE. Upon written request to the Association from any mortgagee of which it has notice as herein provided, the Board, Manager, or Management Agent shall supply such mortgagee with a reasonably current financial statement of the Association within a reasonable time of such request. Moreover, if no audited current financial statements are available, the holders of fifty-one (51%) percent or more of the first mortgages shall be entitled to have such an audited statement prepared at their expense.

ARTICLE XII

RESTRICTIONS UPON LEASES OF UNITS

Section 1. LEASES. No Unit Owner may lease his Unit or any interest therein except by complying with the provisions of Section 2 of this Article.

Section 2. PROVISIONS IN LEASE. Any lease of any Unit within the Association shall be for a use consistent with the use provisions of these By-Laws and shall provide that the terms and conditions of the Master Deed and all exhibits shall be complied with by the tenant and that the Association shall have the power to terminate such lease, and bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of default by the tenant in the performance of said lease, or failure by the tenant to perform an obligation in the Master Deed, By-Laws or Rules and Regulations.

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FILED AT 135000 ON 12/05/84
ARTICLE XIII

AMENDMENTS

Section 1. REQUIREMENTS FOR AMENDMENTS. Except as provided for otherwise herein, in the Master Deed, or by the Horizontal Property Act, the consent of the owners of Units to which at least sixty-seven (67%) percent of the votes in the Association are allocated and the approval of eligible mortgage holders about which the Association has received written notice holding mortgages on Units which have at least fifty-one (51%) percent of the votes of Units subject to eligible mortgage holders, shall be required in order to amend or modify any material provisions of the By-Laws which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements;

- (d) Insurance or Fidelity bonds;
- (e) Rights to use of the Common Elements;
- (f) Responsibility for maintenance and repair of the several portions of the Property;
- (g) Boundaries of any Unit;
- (h) The interests in the General or Limited Common Elements;
- (i) Convertibility of units into common areas or of common areas into Units;
- (j) Imposition of any additional or further right-of-first-refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (k) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units.

Notwithstanding the foregoing, so long as Declarant remains the Owner of more than one (1) Unit in this Regime, these By-Laws shall not be amended so as to adversely affect Declarant without the Declarant's consent.

Section 2. MATERIALITY OF AMENDMENTS; MORTGAGE APPROVAL PROCEDURE. An addition or amendment to the By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request and proof of mailing such request in affidavit form, together with an affidavit of non-receipt, shall be sufficient evidence of such approval.

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 1. GENDER; NUMBER. The use of the masculine gender in these By-Laws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

Section 2. DEFINITIONS. The definitions contained in Paragraph THIRTEENTH and elsewhere in the Master Deed also apply to these By-Laws.

Section 3. EXECUTION OF DOCUMENTS. The President or Vice President and Secretary or Assistant Secretary are responsible for preparing,

executing, filing, and recording amendments to the Master Deed and By-Laws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. NOTICES. All notices required by these By-Laws shall be hand delivered or sent by mail to the Association at the address of the President; to Unit Owners at the address of the Unit or at such other address as may have been designated by such Unit Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. CAPTIONS. The captions contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way defined, limit or describe the scope of these By-Laws or the intent of any provision of the By-Laws.

Section 6. INVALIDITY. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 7. CONFLICT. These By-Laws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended. In the event of any conflict between these By-Laws and the provisions of such Statute or the Master Deed, the provisions of such Statute or the Master Deed, as the case may be, shall control.

Section 8. WAIVER. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason or failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

1.3.84(ANCH.BL):kam

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FILED AT 135000 ON 12/05/84

EXHIBIT E

7401 - A Lower	7445 - A Lower
7402 - A Upper	7446 - A Upper
7403 - B Lower	7447 - B Lower
7404 - B Upper	7448 - B Upper
7405 - B Lower	7449 - B Lower
7406 - B Upper	7450 - B Upper
7407 - A Lower	7451 - A Lower
7408 - A Upper	7452 - A Upper
7409 - A Lower	7453 - A Lower
7410 - A Upper	7454 - A Upper
7411 - B Lower	7455 - B Lower
7412 - B Upper	7456 - B Upper
7413 - B Lower	7457 - B Lower
7414 - B Upper	7458 - B Upper
7415 - A Lower	7459 - A Lower
7416 - A Upper	7460 - A Upper
7417 - A Lower	7461 - A Lower
7418 - A Upper	7462 - A Upper
7419 - B Lower	7463 - B Lower
7420 - B Upper	7464 - B Upper
7421 - B Lower	7465 - B Lower
7422 - B Upper	7466 - B Upper
7423 - A Lower	7467 - A Lower
7424 - A Upper	7468 - A Upper
7425 - A Lower	7469 - A Lower
7426 - A Upper	7470 - A Upper
7427 - A Lower	7471 - B Lower
7428 - A Upper	7472 - B Upper
7429 - A Lower	7473 - B Lower
7430 - A Upper	7474 - B Upper
7431 - B Lower	7475 - A Lower
7432 - B Upper	7476 - A Upper
7433 - B Lower	7477 - A Lower
7434 - B Upper	7478 - A Upper
7435 - A Lower	7479 - A Lower
7436 - A Upper	7480 - A Upper
7437 - A Lower	7481 - A Lower
7438 - A Upper	7482 - A Upper
7439 - B Lower	7483 - B Lower
7440 - B Upper	7484 - B Upper
7441 - B Lower	7485 - B Lower
7442 - B Upper	7486 - B Upper
7443 - A Lower	7487 - A Lower
7444 - A Upper	7488 - A Upper

DESCRIPTION OF UNIT TYPES

"A - UPPER"

Each upper "A" type unit contains a total gross heated area of 1031.13 SF on one floor, consisting of foyer, living/dining room, kitchen, two bedrooms, two baths, washer/dryer closet and Owner's closet.

Access to the unit is gained by ascending 30 steps and entering a 39.25 SF foyer. In the foyer area is an 8.5 SF Owner's closet. Off one side of the foyer is a 348.5 SF living/dining room and a 74.875 SF kitchen. The dining room contains a garden window and opens out to a 90.78 SF deck. The kitchen contains all cabinets and appliances. Off the other side of the foyer is a 66.83 SF elevated (3 steps) bedroom hall.

At one end of the hall is a 189 SF master bedroom with a 30.16 SF closet and a 71.25 SF master bath. The 4 SF water heater closet is accessible from the master bedroom closet and the 3 SF linen closet is accessible from the master bath.

At the other end of the bedroom hall is a 137.26 SF bedroom #2 with a 19.125 SF closet and a 43.75 SF bathroom #2 that has access from both the hall and bedroom. Adjacent to the bedroom hallway is a 6.75 SF air conditioning closet and a 16 SF washer/dryer closet.

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FILED AT 135000 ON 12/05/84

"A - LOWER"

Each lower "A" type unit contains a total gross heated area of 1031.13 SF on one floor, consisting of foyer, living/dining room, kitchen, two bedrooms, two baths, washer/dryer closet and Owner's closet.

Access to the unit is gained by ascending 14 steps and entering a 39.25 SF foyer. In the foyer area is an 8.5 SF Owner's closet. Off one side of the foyer is a 348.5 SF living/dining room and a 74.875 SF kitchen. The dining room opens out to a 90.78 SF deck. The kitchen contains all cabinets and appliances. Off the other side of the foyer is a 66.83 SF elevated (3 steps) bedroom hall.

At one end of the hall is a 189 SF master bedroom with a 30.16 SF closet and a 71.25 SF master bath. The 4 SF water heater closet is accessible from the master bedroom closet and the 3 SF linen closet is accessible from the master bath.

At the other end of the bedroom hall is a 137.26 SF bedroom #2 with a 19.125 SF closet and a 43.75 SF bathroom #2 that has access from both the hall and bedroom. Adjacent to the bedroom hallway is a 6.75 SF air conditioning closet and a 16 SF washer/dryer closet.

FILED IN DEED - M BOOK 408 PAGE 1639
FILED AT 135000 ON 12/05/84

"B - UPPER"

Each upper "B" type unit contains a total gross heated area of 1021.585 SF on one floor, consisting of a foyer, living/dining room, kitchen, two bedrooms, two baths, washer/dryer space and Owner's closet.

Entrance to the unit is gained by ascending 23 steps and entering a 26.33 SF foyer. Adjacent to the foyer is a 10 SF air conditioning/water heater closet and a 74.19 SF kitchen that contains all cabinets and appliances. Leading from the foyer is a 308.5 SF living/dining room. The dining area contains a garden window and opens out to a 73.5 SF deck. Adjacent to the living room is a 102.53 elevated (3 steps) bedroom hall with an 8.5 SF owner's closet, a 17.6 SF washer/dryer closet and a 3.16 SF linen closet. At the end of the hall is a 172 SF master bedroom with an 18.6 SF closet and a 73.75 SF master bath. At one side of the hall is a 148 SF bedroom #2 with a 12.175 SF closet. At the other side of the hall is a 46.25 SF bathroom #2.

FILED IN DEED - M BOOK 488 PAGE 1640
FILED AT 135000 ON 12/05/84

"B - LOWER"

Each lower "B" type unit contains a total gross heated area of 1021.585 SF on one floor, consisting of a foyer, living/dining room, kitchen, two bedrooms, two baths, washer/dryer space and Owner's closet.

Entrance to the unit is gained by ascending 23 steps and entering a 26.33 SF foyer. Adjacent to the foyer is a 10 SF air conditioning/water heater closet and a 74.19 SF kitchen that contains all cabinets and appliances. Leading from the foyer is a 308.5 SF living/dining room. The dining area contains a garden window and opens out to a 73.5 SF deck. Adjacent to the living room is a 102.53 elevated (3 steps) bedroom hall with an 8.5 SF owner's closet, a 17.6 SF washer/dryer closet and a 3.16 SF linen closet. At the end of the hall is a 172 SF master bedroom with an 18.6 SF closet and a 73.75 SF master bath. At one side of the hall is a 148 SF bedroom #2 with a 12.175 SF closet. At the other side of the hall is a 46.25 SF bathroom #2.

1.3(EXHE)

FILED IN DEED - M BOOK 488 PAGE 1641
FILED AT 135000 ON 12/05/84

EXHIBIT F-I

(AFTER DEDICATION OF PHASE I ONLY)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/12
3	7418	\$150,000.00	1/12
3	7419	\$150,000.00	1/12
3	7420	\$150,000.00	1/12
3	7421	\$150,000.00	1/12
3	7422	\$150,000.00	1/12
3	7423	\$150,000.00	1/12
3	7424	\$150,000.00	1/12
4	7425	\$150,000.00	1/12
4	7426	\$150,000.00	1/12
4	7427	\$150,000.00	1/12
4	7428	\$150,000.00	1/12

1.3(EXHIBITF-I)

FILED IN DEED - M BOOK 488 PAGE 1642
FILED AT 135808 ON 12/05/84

EXHIBIT F-II

(AFTER DEDICATION OF PHASES I AND II)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/28
3	7418	\$150,000.00	1/28
3	7419	\$150,000.00	1/28
3	7420	\$150,000.00	1/28
3	7421	\$150,000.00	1/28
3	7422	\$150,000.00	1/28
3	7423	\$150,000.00	1/28
3	7424	\$150,000.00	1/28
4	7425	\$150,000.00	1/28
4	7426	\$150,000.00	1/28
4	7427	\$150,000.00	1/28
4	7428	\$150,000.00	1/28
2	7409	\$150,000.00	1/28
2	7410	\$150,000.00	1/28
2	7411	\$150,000.00	1/28
2	7412	\$150,000.00	1/28
2	7413	\$150,000.00	1/28
2	7414	\$150,000.00	1/28
2	7415	\$150,000.00	1/28
2	7416	\$150,000.00	1/28
5	7429	\$150,000.00	1/28
5	7430	\$150,000.00	1/28
5	7431	\$150,000.00	1/28
5	7432	\$150,000.00	1/28
5	7433	\$150,000.00	1/28
5	7434	\$150,000.00	1/28
5	7435	\$150,000.00	1/28
5	7436	\$150,000.00	1/28

1.3(EXHIBITFII)

FILED IN DEED - M BOOK 408 PAGE 1643
FILED AT 135000 ON 12/05/84

EXHIBIT F-III

(AFTER DEDICATION OF PHASES I, II, AND III)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/44
3	7418	\$150,000.00	1/44
3	7419	\$150,000.00	1/44
3	7420	\$150,000.00	1/44
3	7421	\$150,000.00	1/44
3	7422	\$150,000.00	1/44
3	7423	\$150,000.00	1/44
3	7424	\$150,000.00	1/44
4	7425	\$150,000.00	1/44
4	7426	\$150,000.00	1/44
4	7427	\$150,000.00	1/44
4	7428	\$150,000.00	1/44
2	7409	\$150,000.00	1/44
2	7410	\$150,000.00	1/44
2	7411	\$150,000.00	1/44
2	7412	\$150,000.00	1/44
2	7413	\$150,000.00	1/44
2	7414	\$150,000.00	1/44
2	7415	\$150,000.00	1/44
2	7416	\$150,000.00	1/44
5	7429	\$150,000.00	1/44
5	7430	\$150,000.00	1/44
5	7431	\$150,000.00	1/44
5	7432	\$150,000.00	1/44
5	7433	\$150,000.00	1/44
5	7434	\$150,000.00	1/44
5	7435	\$150,000.00	1/44
5	7436	\$150,000.00	1/44
1	7401	\$150,000.00	1/44
1	7402	\$150,000.00	1/44
1	7403	\$150,000.00	1/44
1	7404	\$150,000.00	1/44
1	7405	\$150,000.00	1/44
1	7406	\$150,000.00	1/44
1	7407	\$150,000.00	1/44
1	7408	\$150,000.00	1/44
6	7437	\$150,000.00	1/44

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FILED AT 135000 ON 12/05/84

6	7438	\$150,000.00	1/44
6	7439	\$150,000.00	1/44
6	7440	\$150,000.00	1/44
6	7441	\$150,000.00	1/44
6	7442	\$150,000.00	1/44
6	7443	\$150,000.00	1/44
6	7444	\$150,000.00	1/44

1.3(EXHP-III)

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SOUTH CAROLINA
29928

EXHIBIT F-IV

(AFTER DEDICATION OF PHASES I, II, III AND IV)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/60
3	7418	\$150,000.00	1/60
3	7419	\$150,000.00	1/60
3	7420	\$150,000.00	1/60
3	7421	\$150,000.00	1/60
3	7422	\$150,000.00	1/60
3	7423	\$150,000.00	1/60
3	7424	\$150,000.00	1/60
4	7425	\$150,000.00	1/60
4	7426	\$150,000.00	1/60
4	7427	\$150,000.00	1/60
4	7428	\$150,000.00	1/60
2	7409	\$150,000.00	1/60
2	7410	\$150,000.00	1/60
2	7411	\$150,000.00	1/60
2	7412	\$150,000.00	1/60
2	7413	\$150,000.00	1/60
2	7414	\$150,000.00	1/60
2	7415	\$150,000.00	1/60
2	7416	\$150,000.00	1/60
5	7429	\$150,000.00	1/60
5	7430	\$150,000.00	1/60
5	7431	\$150,000.00	1/60
5	7432	\$150,000.00	1/60
5	7433	\$150,000.00	1/60
5	7434	\$150,000.00	1/60
5	7435	\$150,000.00	1/60
5	7436	\$150,000.00	1/60
1	7401	\$150,000.00	1/60
1	7402	\$150,000.00	1/60
1	7403	\$150,000.00	1/60
1	7404	\$150,000.00	1/60
1	7405	\$150,000.00	1/60
1	7406	\$150,000.00	1/60
1	7407	\$150,000.00	1/60
1	7408	\$150,000.00	1/60

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FILED IN DEED - M BOOK 408 PAGE 1646
FILED AT 135000 ON 12/05/84

6	7437	\$150,000.00	1/60
6	7438	\$150,000.00	1/60
6	7439	\$150,000.00	1/60
6	7440	\$150,000.00	1/60
6	7441	\$150,000.00	1/60
6	7442	\$150,000.00	1/60
6	7443	\$150,000.00	1/60
6	7444	\$150,000.00	1/60
7	7445	\$150,000.00	1/60
7	7446	\$150,000.00	1/60
7	7447	\$150,000.00	1/60
7	7448	\$150,000.00	1/60
7	7449	\$150,000.00	1/60
7	7450	\$150,000.00	1/60
7	7451	\$150,000.00	1/60
7	7452	\$150,000.00	1/60
8	7453	\$150,000.00	1/60
8	7454	\$150,000.00	1/60
8	7455	\$150,000.00	1/60
8	7456	\$150,000.00	1/60
8	7457	\$150,000.00	1/60
8	7458	\$150,000.00	1/60
8	7459	\$150,000.00	1/60
8	7460	\$150,000.00	1/60

1.3(EXHF-IV)

FILED IN DEED - M BOOK 488 PAGE 1647
FILED AT 135000 ON 12/05/84

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HILTON HEAD ISLAND
SOUTH CAROLINA
29926

EXHIBIT F-V

(AFTER DEDICATION OF PHASES I, II, III, IV AND V)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/76
3	7418	\$150,000.00	1/76
3	7419	\$150,000.00	1/76
3	7420	\$150,000.00	1/76
3	7421	\$150,000.00	1/76
3	7422	\$150,000.00	1/76
3	7423	\$150,000.00	1/76
3	7424	\$150,000.00	1/76
4	7425	\$150,000.00	1/76
4	7426	\$150,000.00	1/76
4	7427	\$150,000.00	1/76
4	7428	\$150,000.00	1/76
2	7409	\$150,000.00	1/76
2	7410	\$150,000.00	1/76
2	7411	\$150,000.00	1/76
2	7412	\$150,000.00	1/76
2	7413	\$150,000.00	1/76
2	7414	\$150,000.00	1/76
2	7415	\$150,000.00	1/76
2	7416	\$150,000.00	1/76
5	7429	\$150,000.00	1/76
5	7430	\$150,000.00	1/76
5	7431	\$150,000.00	1/76
5	7432	\$150,000.00	1/76
5	7433	\$150,000.00	1/76
5	7434	\$150,000.00	1/76
5	7435	\$150,000.00	1/76
5	7436	\$150,000.00	1/76
1	7401	\$150,000.00	1/76
1	7402	\$150,000.00	1/76
1	7403	\$150,000.00	1/76
1	7404	\$150,000.00	1/76
1	7405	\$150,000.00	1/76
1	7406	\$150,000.00	1/76
1	7407	\$150,000.00	1/76
1	7408	\$150,000.00	1/76

NOVIT & SCARMINACH, P.A.
ATTORNEYS AT LAW
P.O. DRAWER 14
HILTON HEAD ISLAND
SOUTH CAROLINA
29928

FILED IN DEED - M BOOK 408 PAGE 1648
FILED AT 135000 ON 12/05/84

6	7437	\$150,000.00	1/76
6	7438	\$150,000.00	1/76
6	7439	\$150,000.00	1/76
6	7440	\$150,000.00	1/76
6	7441	\$150,000.00	1/76
6	7442	\$150,000.00	1/76
6	7443	\$150,000.00	1/76
6	7444	\$150,000.00	1/76
7	7445	\$150,000.00	1/76
7	7446	\$150,000.00	1/76
7	7447	\$150,000.00	1/76
7	7448	\$150,000.00	1/76
7	7449	\$150,000.00	1/76
7	7450	\$150,000.00	1/76
7	7451	\$150,000.00	1/76
7	7452	\$150,000.00	1/76
8	7453	\$150,000.00	1/76
8	7454	\$150,000.00	1/76
8	7455	\$150,000.00	1/76
8	7456	\$150,000.00	1/76
8	7457	\$150,000.00	1/76
8	7458	\$150,000.00	1/76
8	7459	\$150,000.00	1/76
8	7460	\$150,000.00	1/76
9	7461	\$150,000.00	1/76
9	7462	\$150,000.00	1/76
9	7463	\$150,000.00	1/76
9	7464	\$150,000.00	1/76
9	7465	\$150,000.00	1/76
9	7466	\$150,000.00	1/76
9	7467	\$150,000.00	1/76
9	7468	\$150,000.00	1/76
10	7469	\$150,000.00	1/76
10	7470	\$150,000.00	1/76
10	7471	\$150,000.00	1/76
10	7472	\$150,000.00	1/76
10	7473	\$150,000.00	1/76
10	7474	\$150,000.00	1/76
10	7475	\$150,000.00	1/76
10	7476	\$150,000.00	1/76

1.3(EXHF-V)

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HILTON HEAD ISLAND
SOUTH CAROLINA
29928

EXHIBIT F-VI

(AFTER DEDICATION OF PHASES I, II, III, IV, V AND VI)

<u>Building</u>	<u>Units</u>	<u>Initial Value</u>	<u>Interest</u>
3	7417	\$150,000.00	1/88
3	7418	\$150,000.00	1/88
3	7419	\$150,000.00	1/88
3	7420	\$150,000.00	1/88
3	7421	\$150,000.00	1/88
3	7422	\$150,000.00	1/88
3	7423	\$150,000.00	1/88
3	7424	\$150,000.00	1/88
4	7425	\$150,000.00	1/88
4	7426	\$150,000.00	1/88
4	7427	\$150,000.00	1/88
4	7428	\$150,000.00	1/88
2	7409	\$150,000.00	1/88
2	7410	\$150,000.00	1/88
2	7411	\$150,000.00	1/88
2	7412	\$150,000.00	1/88
2	7413	\$150,000.00	1/88
2	7414	\$150,000.00	1/88
2	7415	\$150,000.00	1/88
2	7416	\$150,000.00	1/88
5	7429	\$150,000.00	1/88
5	7430	\$150,000.00	1/88
5	7431	\$150,000.00	1/88
5	7432	\$150,000.00	1/88
5	7433	\$150,000.00	1/88
5	7434	\$150,000.00	1/88
5	7435	\$150,000.00	1/88
5	7436	\$150,000.00	1/88
1	7401	\$150,000.00	1/88
1	7402	\$150,000.00	1/88
1	7403	\$150,000.00	1/88
1	7404	\$150,000.00	1/88
1	7405	\$150,000.00	1/88
1	7406	\$150,000.00	1/88
1	7407	\$150,000.00	1/88
1	7408	\$150,000.00	1/88

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SOUTH CAROLINA
29928

FILED IN DEED - M BOOK 488 PAGE 1650
FILED AT 135000 ON 12/05/84
-1-

6	7437	\$150,000.00	1/88
6	7438	\$150,000.00	1/88
6	7439	\$150,000.00	1/88
6	7440	\$150,000.00	1/88
6	7441	\$150,000.00	1/88
6	7442	\$150,000.00	1/88
6	7443	\$150,000.00	1/88
6	7444	\$150,000.00	1/88
7	7445	\$150,000.00	1/88
7	7446	\$150,000.00	1/88
7	7447	\$150,000.00	1/88
7	7448	\$150,000.00	1/88
7	7449	\$150,000.00	1/88
7	7450	\$150,000.00	1/88
7	7451	\$150,000.00	1/88
7	7452	\$150,000.00	1/88
8	7453	\$150,000.00	1/88
8	7454	\$150,000.00	1/88
8	7455	\$150,000.00	1/88
8	7456	\$150,000.00	1/88
8	7457	\$150,000.00	1/88
8	7458	\$150,000.00	1/88
8	7459	\$150,000.00	1/88
8	7460	\$150,000.00	1/88
9	7461	\$150,000.00	1/88
9	7462	\$150,000.00	1/88
9	7463	\$150,000.00	1/88
9	7464	\$150,000.00	1/88
9	7465	\$150,000.00	1/88
9	7466	\$150,000.00	1/88
9	7467	\$150,000.00	1/88
9	7468	\$150,000.00	1/88
10	7469	\$150,000.00	1/88
10	7470	\$150,000.00	1/88
10	7471	\$150,000.00	1/88
10	7472	\$150,000.00	1/88
10	7473	\$150,000.00	1/88
10	7474	\$150,000.00	1/88
10	7475	\$150,000.00	1/88
10	7476	\$150,000.00	1/88
11	7477	\$150,000.00	1/88
11	7478	\$150,000.00	1/88
11	7479	\$150,000.00	1/88
11	7480	\$150,000.00	1/88

FILED IN DEED - M BOOK 408 PAGE 1651
FILED AT 135000 ON 12/05/84

12	7481	\$150,000.00	1/88
12	7482	\$150,000.00	1/88
12	7483	\$150,000.00	1/88
12	7484	\$150,000.00	1/88
12	7485	\$150,000.00	1/88
12	7486	\$150,000.00	1/88
12	7487	\$150,000.00	1/88
12	7488	\$150,000.00	1/88

1.3 (EXHF-VI)

RECORDED THIS 10th DAY
 OF December 1984
 IN BOOK P PAGE 1208
 FEES, \$ _____
Mary Ann Gray / PCH
 AUDITOR, BEAUFORT COUNTY, S. C.

FILED IN DEED - M BOOK ^{NOS} 408 PAGE 1652
 FILED AT 135000 ON 12/05/84 57495
 BOOK NUMBER 408 PAGES 1585- 1652
 FILING FEE 69.00
 STATE STAMPS .00
 COUNTY STAMPS .00
 TOTAL FEES 69.00
 HENRY JACKSON
 CLERK OF COURT BFT CNTY, SC