

FILED IN DEED - M BOOK 488 PAGE 1585
FILED AT 135000 ON 12/05/84

MASTER DEED

FOR

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

Prepared By:

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29938

BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
500	12	B	4	

- 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

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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 DEFINITIONS - M BOOK 408 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 Element 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 perimeter 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 perimeter 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 perimeter 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 of 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-I 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.

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,

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FILED IN DEED - M BOOK 408 PAGE 1603
FILED AT 135000 ON 12/05/84

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 Unit 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

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 5th day of November, 1984 in Plat Book 32 at Page 174.
December

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
FILED AT 135000 ON 12/05/84

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 day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

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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~~ December, 1984 in Plat Book 32 at Page 174.

RE3(A2)

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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~~ December, 1984 in Plat Book 32 at Page 174.

RE3(A2)

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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)

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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.

RE3(A2)

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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 day of ~~November~~, 1984 in Plat Book 32 at Page 174.
December

RE3(A2)

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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~~ December 5th, 1984, in Plat Book 32 at Page 174.

RE1(H1)

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