

MASTER DEED
for
PELICAN WATCH VILLAS HORIZONTAL PROPERTY REGIME

ARTICLE I

IDENTIFICATION

Section 1.01 Name of Regime. The name of the horizontal property regime created and established by this Master Deed is Pelican Watch Villas Horizontal Property Regime ("the Regime"). The Regime consists of the Land described in Section 2.01, the Building described in Section 2.02, the Apartments described in Section 2.03, the general common elements described in Section 2.05 and the limited common elements described in Section 2.06.

Section 1.02 Identification of Owner. Seabrook Island Company, a South Carolina limited partnership, ("the Declarant"), is the fee simple owner of the real estate herein described.

Section 1.03 Exhibits. Attached to this Master Deed are various plot plans and floor plans, which are marked as exhibits and which are to be regarded as integral parts of this Master Deed.

Section 1.04 Council of Co-owners. The Council of Co-owners ("the Council") consists of all persons that own Apartments in the Regime. The Council is charged with maintaining and repairing the general and limited common elements in the Regime and with the administration of the Regime's affairs. The Council shall be governed by this Master Deed and the Bylaws marked Exhibit "A".

ARTICLE II

DESCRIPTION

Section 2.01 Description of Land. The Land being submitted to the Regime created and established by this Master Deed is described as follows:

ALL that certain tract of land containing 1.663 acres, more or less, on Seabrook Island in Charleston County, State of South Carolina, on Seabrook Island Road, bounded now or formerly as follows: North by lands of Seabrook Island Company; East by Seabrook Island Road; South by lands of Beach Club Villas Owners Association; and West by lands of Seabrook Island Company; said tract of land being more particularly described according to plat prepared by E.M. Seabrook, Jr., Civil Engineer and Land Surveyor, on the 3rd day of March, 1981, which plat recorded in Plat Book AS, Page 61, R.M.C. Office for Charleston County, is by reference incorporated herein as part of this description.

Section 2.02 Description of Buildings. The Building which form a part of the Regime created and established by this Master Deed have such size and location as are shown on the plat described in paragraph 2.01.

Section 2.03 General Description of Apartment. The Apartments are those portions of the Regime designated for separate ownership, and have such dimensions and area as are shown in the floor plans marked exhibits B-1, B-2, C-1, and C-2. The vertical boundaries of the Apartments are the unfinished inner surface of the perimeter walls as shown on the floor plans and the horizontal boundaries are the unfinished inner surfaces of the ceilings and floors. Any limited or general common

elements located within the boundaries are not part of the Apartment. Subject to the preceding sentence, all spaces, interior partitions and other fixtures and improvements within the boundaries of an Apartment are a part of the Apartment. All lath, furring, wallboard, plasterboard, plaster, paneling, tile, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are part of the Apartment.

Section 2.04 Number Designation Location of Apartment. The number, designation and location of each Apartment within the Buildings is shown on the elevations marked exhibits B-3, B-4, C-3, and C-4.

Section 2.05 Description of General Common Element. The general common elements consist of the Land described in Section 2.01, the foundations, halls, lobbies, stairways, entrances and exits, roofs, yards, gardens, parking areas, beach walkways, compressor platforms, downspouts, gutters, garbage enclosures, outside lighting, outside showers, and laundry rooms. Insofar as possible, the general common elements are shown graphically and described in detail in words and figures on the plat elevations and floor plans.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of an Apartment, any portion thereof serving more than one Apartment or the general common elements is a part of the general common elements.

Section 2.06 Description of Limited Common Elements. Any attic, shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, compressors, and all exterior doors and windows or other fixtures designed to serve one or more but less than all Apartments, are limited common elements allocated exclusively to such Apartment or Apartments.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of an Apartment, any portion serving only that Apartment is a limited common element allocated solely to that Apartment. Insofar as possible, the limited common elements are shown graphically and described in detail in words and figures in the plat, elevations and floor plans.

ARTICLE III

BASIC VALUE

Section 3.01 Basic Value of Property. The basic value of the property in the Regime is \$2,400,000.

Section 3.02 Basic Value of Apartments. The basic values of the Apartments are as follows:

| <u>Apartment</u> | <u>Value</u> |
|------------------|--------------|
| 1301 | \$ 100,000 |
| 1302 | 100,000 |
| 1303 | 100,000 |
| 1304 | 100,000 |
| 1305 | 100,000 |
| 1306 | 100,000 |
| 1307 | 100,000 |
| 1308 | 100,000 |
| 1309 | 100,000 |
| 1310 | 100,000 |
| 1311 | 100,000 |
| 1312 | 100,000 |
| 1313 | 100,000 |
| 1314 | 100,000 |

| | |
|------|----------------|
| 1315 | 100,000 |
| 1316 | 100,000 |
| 1317 | 100,000 |
| 1318 | 100,000 |
| 1319 | 100,000 |
| 1320 | 100,000 |
| 1321 | 100,000 |
| 1322 | 100,000 |
| 1323 | 100,000 |
| 1324 | <u>100,000</u> |

\$2,400,000

ARTICLE IV

PERCENTAGE INTEREST

The percentage interests appertaining to the Apartments are as follows:

| <u>Apartment</u> | <u>Percentage Interest</u> |
|------------------|----------------------------|
| 1301 | 4.1666 |
| 1302 | 4.1666 |
| 1303 | 4.1666 |
| 1304 | 4.1666 |
| 1305 | 4.1666 |
| 1306 | 4.1666 |
| 1307 | 4.1666 |
| 1308 | 4.1666 |
| 1309 | 4.1666 |
| 1310 | 4.1666 |
| 1311 | 4.1666 |
| 1312 | 4.1666 |
| 1313 | 4.1666 |
| 1314 | 4.1666 |
| 1315 | 4.1666 |
| 1316 | 4.1666 |
| 1317 | 4.1666 |
| 1318 | 4.1666 |
| 1319 | 4.1666 |
| 1320 | 4.1666 |
| 1321 | 4.1666 |
| 1322 | 4.1666 |
| 1323 | 4.1666 |
| 1324 | 4.1666 |

These percentage interests, as the same may be amended pursuant to Article VII of this Master Deed, shall be applicable whenever this Master Deed, the Bylaws or any exhibit to this Master Deed refers to the percentage interests of Apartment owners.

ARTICLE V

APARTMENT OWNER'S RIGHTS AND OBLIGATIONS

Section 5.01 Use of Apartment and Common Element.
 Subject to this Master Deed and Bylaws, the Apartment owner shall have an undivided ownership interest according to his percentage interest in the limited and general common elements; the exclusive right to use his Apartment; the exclusive right with that of other, but not all Apartment owners to use the limited common elements allocated to such Apartment owners; and the non-exclusive right with that of other Apartment owners to use all general common elements in accordance with the purposes for which they are intended.

Section 5.02 Compliance with Rules and Regulation.
 Each Apartment owner shall comply strictly with the Bylaws and with the administrative rules and regulations adopted pursuant

thereto and with the covenants, conditions and restrictions contained in this Master Deed or the deed to his Apartment.

Section 5.03 Common Expense Liability. The Apartment owners are bound to contribute pro rata according to their percentage interest toward the expenses of administration of the property constituted into the Regime and toward the expenses of maintenance and repair of the general common elements. Expenses for the maintenance and repair of limited common elements shall be assessed against those Apartments to which those elements have been allocated.

Section 5.04 Voting Rights. In all matters on which the Council takes action pursuant to its Bylaws, each Apartment owner shall have a vote equal to his percentage interest.

Section 5.05 Alteration of Apartments. An Apartment owner:

a) may make any improvements or alterations to his Apartment that do not impair the structural integrity or mechanical system or lessen the support, of any portion of the Regime.

b) may not change the appearance of the limited and general common elements or the exterior appearance of an Apartment or any portion of the Regime without permission of the Council.

c) after acquiring an adjoining Apartment, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a limited or general common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of, any portion of the Regime. Removal of partitions or creation of apertures under this paragraph is not an alteration of the Apartment's boundaries.

Section 5.06 Easement for Encroachments. To the extent that any Apartment or general and limited common element encroaches on any other Apartment or general and limited common element, a valid easement for the encroachment exists. The easement does not relieve an Apartment owner of liability in case of his willfull misconduct, nor relieve the Declarant or any contractor, subcontractor or material man of liability for failure to adhere to the plots and plans.

Section 5.07 Easements Appurtenant to Apartment Ownership. The Council shall have easements in common with all Apartment owners. Each Apartment owner shall have an appurtenant easement in common with all other Apartment owners to use all pipes, wires, ducts, cables, conduits, utility lines, columns, supporting and sheltering structural members, and other like facilities located in any of the other Apartments or in the general common elements and serving his Apartment. Each Apartment and the general common elements shall be subject to an appurtenant easement in favor of other Apartment owners to use the pipes, ducts, cables, wires, conduits, utility lines, sewer lines and other facilities serving other Apartments or the general common elements and located in each such Apartment. In addition, each Apartment shall be subject to and shall have such appurtenant easements of support and shelter from and over such other Apartments and the general common elements as may be necessary for the quiet enjoyment of such Apartment.

ARTICLE VI

COUNCIL'S RIGHTS AND OBLIGATIONS

Section 6.01 Access to Apartments. The Council has the irrevocable right to have access to each Apartment from time

to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of all general and limited common elements therein, or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the general and limited common elements or to another Apartment or Apartments.

Section 6.02 Administration of Apartments. The care, upkeep and surveillance of the general and limited common elements of the Regime shall be administered by the Council according to its Bylaws. The system of administration adopted by the Bylaws may be modified at anytime by the vote of the Apartment owners representing two-thirds of all the percentage interests, but such modification shall not be operative until recorded in the same office as this Master Deed. The Bylaws, however, may not be amended during the period of Declarant's special rights under Article VII, unless the Declarant consents.

Section 6.03 Right of First Refusal. Any Apartment owner desiring to sell or transfer his Apartment, shall first offer the Apartment for sale to the Council at the same net price and on the same terms at which the highest bona fide offer has been made for the Apartment. The Apartment owner shall, by certified or registered mail, return receipt requested, give the Council written notice of his desire to sell, and the name and address of the person making the highest bona fide offer, and the amount and terms of such offer. Within thirty (30) days after receipt of the notice, the Council may, at its option, after notice to the Apartment owners, purchase the Apartment on behalf of all Apartment owners for the same price and on the same terms. Should the Council fail or refuse within thirty (30) days after receipt of the written notice to exercise its option, the Apartment may then be sold for terms not less beneficial and at a price not less than that for which it is offered to the Council for a period of one hundred twenty (120) days to the person making the offer. The failure of the Apartment owner to sell within one hundred twenty (120) days shall require the owner to repeat the procedure if he wishes to sell his Apartment.

ARTICLE VII

DECLARANT'S RIGHTS AND OBLIGATIONS

Section 7.01 Development in Stages. The Declarant proposes to develop the real estate shown on the master plot plan marked exhibit D, as a single regime, by annexing to the property, in phases either separately or jointly the six (6) parcels of additional real estate shown on the master plot plan.

Section 7.02 Maximum Number of Apartments. The maximum number of Apartments in each phase of additional real estate is as follows:

| | |
|---------|---------------|
| Phase 2 | 12 Apartments |
| Phase 3 | 12 Apartments |
| Phase 4 | 12 Apartments |
| Phase 5 | 12 Apartments |
| Phase 6 | 12 Apartments |
| Phase 7 | 24 Apartments |

Section 7.03 Timetable. The Declarant may annex the additional real estate only in the order the phases are numbered, and may annex phases either separately or jointly in its discretion. The Declarant must elect to annex the phases to the regime created by this Master Deed according to the following schedule of dates:

| | |
|---------|--------------|
| Phase 2 | June 1, 1982 |
| Phase 3 | June 1, 1983 |
| Phase 4 | June 1, 1984 |

| | |
|---------|--------------|
| Phase 5 | June 1, 1984 |
| Phase 6 | June 1, 1985 |
| Phase 7 | June 1, 1986 |

Failure to annex parcels within this timetable shall constitute a forfeiture of Declarant's rights under this article. Nothing herein contained limits the Declarant's right to expressly waive his rights before such dates by executing and recording a statement of such waiver in the office where this Master Deed is recorded, nor its right to develop the additional real estate in any manner, including the establishment thereon of separate horizontal property regimes.

Section 7.04 Additional General and Limited Common Elements. The only common elements on the additional real estate which might increase the proportionate amount of the common expenses payable by existing Apartment owners are: laundry rooms and outside showers.

Section 7.05 Percentage Interest Chart. The percentage interests in the general and limited common elements of each Apartment owner at each stage of proposed development of each Apartment in this Regime, shall be according to the following chart:

| <u>Apartments</u> | <u>Phase</u> | <u>Percentage Interest</u> |
|-------------------|--------------|----------------------------|
| 1301-1324 | 2 | 2.7777 |
| 1301-1324 | 3 | 2.0833 |
| 1301-1324 | 4 | 1.6666 |
| 1301-1324 | 5 | 1.3888 |
| 1301-1324 | 6 | 1.1904 |
| 1301-1324 | 7 | .9259* |

* This is based on phase 7 comprising 24 additional Apartments. If only 23 Apartments are created, the percentage interest for phase 1 Apartments shall be .9346; if twenty-two Apartments, .9434; if twenty-one Apartments .9524; and if twenty Apartments, .9615.

Section 7.06 Use. All Apartments created within additional real estate will be restricted exclusively to residential use.

Section 7.07 Compatibility. All Buildings and Apartments erected upon each portion of additional real estate will be compatible with the other Buildings and Apartments in the Regime in terms of architectural style, quality of construction and principal materials employed in construction, and size.

Section 7.08 Restriction to Apply to New Apartments. All restrictions on this Master Deed affecting use, occupancy, and alienation of Apartments will apply to Apartments within any additional real estate.

Section 7.09 Location of Buildings. To the extent possible, the location of Buildings and other improvements on additional real estate shall be as shown in the master plot plan.

Section 7.10 Limited Common Elements. Any limited common elements created within any additional real estate will be of the same general types and sizes as those within the other parts of the Regime.

Section 7.11 Declarant Not Bound if Property Not Annexed. Any representations made in this Master Deed regarding additional real estate do not apply if the additional real estate is not annexed to the Regime.

Section 7.12 Property Annexed by Amending Master Deed. To add additional real estate pursuant to the option reserved under this article, the Declarant shall prepare, execute, and

record an amendment to this Master Deed that shall contain a plot plan showing the location of the Building and any other improvements, and a set of floor plans of the Building which shall show graphically the dimensions, area, and location of each Apartment therein and the location of general and limited common elements affording access to each Apartment. The plans shall show graphically insofar as possible and describe in detail the common elements in the Building, both limited and general. The plans shall be certified to by an engineer or architect authorized and licensed to practice in this state. Instead of recording new plot plans and floor plans as required, the Declarant may record new certifications by a licensed engineer or architect of plot plans and floor plans previously recorded if those plans show all the improvements required by this section.

Section 7.13 Declarant Owner of All Apartments Created. The Declarant shall be the owner of all Apartments hereby created. The amendment to the Master Deed must assign an identifying number to each Apartment created within the additional real estate and reallocate percentage interests in the Regime.

Section 7.14 Sales Office Rights. The Declarant may maintain in each Building no more than one Apartment, owned by it, as a sales office, management office or model.

Section 7.15 Easement Reservation. The Declarant reserves an easement, including a construction easement, through all general and limited common elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising special Declarant rights reserved in this Master Deed.

Section 7.16 Council of Co-owners Control of Board of Administration. Subject to the remainder of this paragraph, the Declarant may appoint and remove members of the Board of Administration of the Council of Co-owners ("Board") for a period not exceeding five years from the date of the first conveyance of an Apartment to a person other than the Declarant. The period of Declarant control terminates no later than sixty days after conveyance of seventy-five percent (75%) of the Apartments to Apartment owners other than the Declarant. The Declarant may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period. Not later than sixty days after conveyance of twenty-five percent (25%) of Apartments to Apartment owners other than the Declarant, not less than twenty-five percent (25%) of the Board shall be elected by Apartment owners other than the Declarant. Not later than sixty days after conveyance of fifty percent (50%) of the Apartments to Apartment owners other than the Declarant, not less than thirty-three and one-third percent (33 1/3%) of the Board shall be elected by Apartment owners other than the Declarant. In determining whether the period of Declarant control has terminated or whether Apartment owners other than the Declarant are entitled to elect members of the Board, the percentage of the Apartments conveyed shall be calculated as if all of the Apartments the Declarant has built or retains on unexpired reservation of the right to build in this Master Deed were included in the Regime.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF MORTGAGEES

Section 8.01 First Refusal. Notwithstanding anything contained in this Master Deed and the Bylaws to the contrary, any right of first refusal granted to the Council shall not impair the rights of a first mortgagee to any Apartment to (1) foreclose or take title to an Apartment pursuant to the remedies provided in the Mortgage; or (2) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor; or (3) sell or lease an Apartment acquired by the mortgagee.

Section 8.02 Assessments. Any first mortgagee obtaining title to an Apartment pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Apartment's unpaid assessments which accrue prior to the acquisition of title to such Apartment by the mortgagee.

Section 8.03 Notices. In addition to any other notices required to be given by the Council to holders of first mortgage liens on Apartments, the following notices shall be provided to all such mortgagees to which the Council has written notice:

(a) Written notice at least thirty (30) days prior to the effective date of any amendment to the Master Deed or the Bylaws.

(b) Written notice of any default by any owner whose Apartment is subject to a mortgage lien, given to such lien holder, of any obligation of such owner provided for in the Master Deed or the Bylaws on which default is not cured within thirty (30) days after the same shall occur.

(c) Written notice at least sixty (60) days prior to the effective date of any decision by the Council to terminate the then current management contract and to assume self-management of the affairs of the Council. Any such action shall not become effective if objected to in writing by such mortgagees of record receiving notice holding mortgage liens on Apartments whose value represents seventy-five percent (75%) of the aggregate of all Apartments then subject to first mortgages of record.

(d) Written notice to mortgagees of record of substantial damage or destruction to the Building.

ARTICLE IX

EMINENT DOMAIN

Section 9.01 Apartments Acquired. If an Apartment is acquired by eminent domain, or if part of an Apartment is acquired by eminent domain leaving the Apartment owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Deed, the award must compensate the Apartment owner for his apartment and its general and limited common element interest, whether or not any general or limited common element interest is acquired. Upon acquisition, unless the decree otherwise provides, that Apartment's entire general and limited common element interest, votes in the Council and common expense liability are automatically reallocated to the remaining Apartments in proportion to the respective interests, votes, and liabilities of those Apartments before the taking, and the Council shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of an Apartment remaining after part of an Apartment is taken under this subsection is thereafter a general and limited common element.

Section 9.02 Part of Apartment Acquired. Except as provided in Subsection 9.01, if part of an Apartment is acquired by eminent domain, the award must compensate the Apartment owner for the reduction of value of the Apartment and its common element interest. Upon acquisition, (1) that Apartment's limited and general common element percentage interest, votes in the Council, and common expense liability are reduced in proportion to the reduction in size of the Apartment, and (2) the portion of limited and general common element interest, votes, and common expense liability divested from the partially acquired Apartment are automatically reallocated to that Apartment and the remaining

Apartments in proportion to the respective interest, votes, and liabilities of those Apartments before the taking, with the partially acquired Apartment participating in the reallocation on the basis of its reduced interests, votes and liabilities.

Section 9.03 Part of Common Elements Acquired. If part of the common elements is acquired by eminent domain, the award must be paid to the Council. The Council shall divide any portion of the award not used for any restoration or repair of the remaining limited and general common elements among the Apartment owners in proportion to their respective limited and general common element percentage interests before the taking, but the portion of the award attributable to the acquisition of a limited common element must be equally divided among the owners of the Apartments to which that limited common element was allocated at the time of acquisition, or in any manner the Master Deed provides.

ARTICLE X

AMENDMENTS TO MASTER DEED

Section 10.01 General Amendments. Except in cases of amendments that may be executed by the Declarant under Article VII, and except as limited by the Section 10.02, the Master Deed including the plats and plans may be amended only by vote in agreement of Apartment owners of Apartments with at least sixty-seven percent (67%) of the percentage interests. No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.

Section 10.02 Limitations. Except to the extent expressly permitted by this Master Deed, no amendment may alter special Declarant rights, increase the number of Apartments or change the boundaries of any Apartment, or alter general or limited common elements, or change the percentage interest allocated to an Apartment or the use to which an Apartment is restricted, in the absence of the unanimous consent of the Apartment owners, including the Declarant, if affected by the amendment, but not an Apartment owner at the time an amendment is adopted.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Captions: The captions contained in this Master Deed and Bylaws are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Master Deed and Bylaws nor the intent of any provision thereof.

Section 11.02 Gender: The use of the masculine gender shall be deemed to refer to the feminine and neuter gender and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context of the Master Deed and Bylaws so require.

Section 11.03 Waiver: No provision contained in the Master Deed and Bylaws 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 11.04 Invalidity: The invalidity of any provision of the Master Deed and Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Master Deed and Bylaws shall continue in full force and effect.

Section 11.05 Conflict: The Master Deed and Bylaws are intended to comply with the requirements of all applicable laws. In the event of any conflict between the Master Deed and Bylaws and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Master Deed and the Bylaws, this Master Deed shall control.

Section 11.06 Additional Restrictions: The Apartments created by this Master Deed are subject not only to the restrictions and charges contained herein, but also to the Protective Covenants of Seabrook Island dated April 22, 1974, and recorded in the R.M.C. Office for Charleston County in Book M-105, page 194; the Modification thereto dated October 29, 1976, and recorded in the R.M.C. Office for Charleston County in Book Y-110 at page 145; and the Bylaws of the Seabrook Island Property Owners Association recorded in the R.M.C. Office for Charleston County in Book S-109, page 2.

IN WITNESS WHEREOF, this 14th day of March, 1981.

SEABROOK ISLAND COMPANY, A
Limited Partnership

By THISTLE CORP.
Its General Partner

WITNESSED BY:

By W. Russell Campbell
W. Russell Campbell
Its Senior Vice-President

Conner Cogswell
Renie Marie DeCau-Masters

ATTEST:

By Charles H. S. Bridges
Charles H. S. Bridges
Its Assistant Secretary

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

PERSONALLY appeared before me the undersigned witness who, on oath, says that he saw the within named SEABROOK ISLAND COMPANY By THISTLE CORP., ITS GENERAL PARTNER by W. Russell Campbell, its Senior Vice President, sign the within Deed, and Charles H. S. Bridges, its Assistant Secretary, attest the same, and the said Corporation, by said officers, seal said Deed, and, as its act and deed, deliver the same, and that he with the other witness above subscribed witnessed the execution thereof.

Renie Marie DeCau-Masters

SWORN to before me this
14th day of March, 1981.

Conner Cogswell
Notary Public for South Carolina
My Commission Expires: 5/19/86