

BEAUFORT COUNTY

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

1985 FEB 12 PM 2 34

SKULL CREEK VILLAGE NORTH DOCK)
PARTNERSHIP, LTC., an Alabama)
Limited Partnership)

TO

MASTER DEED ESTABLISHING
HORIZONTAL PROPERTY
REGIME

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

417 8035 198
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At Hilton Head Island, County of Beaufort, State of South Carolina, on this 30th day of January, in the year of our Lord One Thousand Nine Hundred and Eighty-five, Skull Creek Village North Dock Partnership, Ltd., an Alabama Limited Partnership, with its principal place of business on Hilton Head Island, South Carolina, hereinafter referred to as "Sponsor", does hereby declare:

FIRST: PROPERTY

That subject to the matters set forth in ARTICLE TWENTY-SEVENTH hereof and the other provisions set forth hereinafter, Sponsor is the sole owner of the property described in Exhibit "A" attached hereto and made a part hereof which is more particularly shown on the plat thereof, said plat being designated as Exhibit "B" and being attached hereto and made a part hereof and being recorded in the office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 32 at Page 215.

SECOND: PROPERTY; REGIME

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

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HILTON HEAD ISLAND, S. C.

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

THIRD: IMPROVEMENTS

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

FOURTH: DEFINITIONS

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

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

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

(c) Association means the Council of Co-Owners as defined by the Act, and also means the Villages of Skull Creek (I) Dock Owners' Association, the corporate form by which the Council of Co-Owners shall operate the Regime and shall have the same

connotation as the term "Council of Co-Owners" as used in the Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(u) Sponsor means Skull Creek Village North Dock Partnership, Ltd., an Alabama Limited Partnership, with its principal place of business located on Hilton Head Island, South Carolina, and its successors and assigns.

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

FIFTH: BOAT SLIPS/BOUNDARIES

(a) General Description:

That the Property includes the real property as described in Exhibit "A" together with one (1) floating dock system with twelve (12) finger piers containing a total of twenty-nine (29)

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

(b) Boundaries:

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

(ii) The vertical or perimetric boundaries of each Boat Slip, extended to an intersection with the upper and lower boundaries include the outer surface of the finger pier itself, and an extension of a line midway between finger piers, and are as shown on the plans attached as Exhibit "C". All vertical planes of each Boat Slip shall extend to intersections with each other.

(c) Maintenance, Alteration and Improvement.

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

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

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

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

(iii) Neither the Boat Slip owner or the Association shall make alterations in any portion of a Boat Slip, nor remove any portion of such, nor make any additions to them or do anything that would jeopardize the safety or soundness of the Boat Slip or its adjoining contiguous Boat Slip, or impair any easement without first obtaining approval in writing from the Board of Directors of the Association. With respect to the common elements, after completion of the improvements included in the common elements contemplated by this Declaration, and unless otherwise reserved herein by Sponsor, there shall be no alteration to the common elements without prior approval in writing by the owners of not less than seventy-five (75%) percent of the common elements except as provided by the By-Laws. Any such alteration or improvement shall not interfere

with the rights of any Boat Slip owners without their consent.

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

SIXTH: AREA COMPRISING PROPERTY

That the Property, as originally constituted, has a total of 0.020 acres of land and approximately 8,006 square feet of floating dock system.

SEVENTH: BOAT SLIP TYPES

Of the total of twenty-nine (29) Boat Slips, there are twenty-four (24) Boat Slips which face west towards Skull Creek. Each of these Boat Slips shares a finger pier with another Boat Slip. The finger piers extend approximately thirty (30') feet out from the floating dock. There is approximately thirty-four (34') feet between finger piers, all as shown on Exhibit "C". These twenty-four (24) finger pier Boat Slips are numbered consecutively, from north to south, 101 through 124. These Boat Slips can accommodate a boat of approximately thirty-five (35') feet in length with the intent that the boat would not extend more than approximately six (6') feet out into Skull Creek past the end of the finger pier.

The remaining five (5) Boat Slips face landward and are located on the opposite side of the floating pier from the finger pier Boat Slips. These Boat Slips are approximately 70' in length. These landward Boat Slips can accommodate larger boats of approximately forty-five (45') feet and are not separated by finger piers but the boundaries are marked on the decking of the floating dock; provided, however, that Sponsor expressly reserves the right to construct additional improvements for these five (5) Boat Slips in the form of finger piers, or the like. These five (5) Boat Slips are numbered from south to north, as Boat Slips 125, 126, 127, 128 and 129.

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

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

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HILTON HEAD ISLAND, S. C.

EIGHTH: COMMON ELEMENTS

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

A. The General Common Elements are as follows:

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

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

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

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

B. The Limited Common Elements are as follows:

Those areas which are reserved for the exclusive use of a Boat Slip to which they are adjacent to the exclusion of other Boat Slips, and include the owner's lock box which is appurtenant to the Boat Slip and which may be accessible only to the owner of the Boat Slip to which the lock box is assigned. The Co-Owner shall be allowed to place his name, the boat's name and insignia of the owner or the club on the lock box in his exclusive possession. For purposes of maintenance, repair and assessments, a limited common element shall be construed and treated as a common

element under this Declaration. The lock box is bolted to the dock and is not to be moved by the Owner.

NINTH: PERCENTAGE OF INTEREST OF BOAT SLIPS

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

TENTH: ADMINISTRATION OF THE REGIME

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

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

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

ELEVENTH: HORIZONTAL PROPERTY REGIME CONSTITUTED

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

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in addition the specified undivided interest in the common elements of the Property.

TWELFTH: SPONSOR SUBJECT TO MASTER DEED

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

THIRTEENTH: COMMON ELEMENTS NOT PARTITIONED

That the common elements shall remain undivided and no co-owner shall bring any action for partition and/or division except as provided in the By-Laws in case of destruction of two-thirds (2/3) or more of the Property and the Co-Owners decide not to reconstruct the Property.

FOURTEENTH: COMMON ELEMENTS NOT SEVERABLE FROM BOAT SLIPS

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

FIFTEENTH: PROVISIONS AND COVENANTS APPLICABLE TO BOAT SLIPS

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

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herein shall limit the rights of Skull Creek Development Company, its successors or assigns, as set forth in the aforesaid Declaration. The Boat Slips shall also be conveyed subject to the recorded plat and plans of the Property and amendments thereto.

SIXTEENTH: USE RESTRICTIONS

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

(b) That each Boat Slip shall be used only as a mooring and permanent dockage for boats and accessories thereto. No live-aboard shall be permitted.

(c) In order to maintain a community of congenial owners who are financially responsible and thus protect the value of the Boat Slips, it is the intent of the Sponsor herein that the Boat Slips are intended for the private use of residents of The Villages of Skull Creek. Only owners of property in The Villages of Skull Creek shall be enabled to own a Boat Slip hereunder. Accordingly, there is a restriction that a Boat Slip may only be conveyed by a Boat Slip owner to an individual or entity who is an owner of property within The Villages of Skull Creek; provided, however, that a tenant within property in The Villages of Skull Creek may lease a Boat Slip from a Boat Slip owner. For purposes of this restriction, The Villages of Skull Creek is defined as all of that certain real property particularly described on Exhibit "G" attached hereto and incorporated herein. In the event that a current Boat Slip owner sells his property within The Villages of Skull Creek and does not sell his Boat Slip to the third party purchaser but retains his Boat Slip, the Boat Slip Owner's use of the Slip shall be prohibited and said owner shall only be permitted to sell or lease the Slip to another owner or tenant as described herein. Provided, however, that nothing in this section is

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intended to relieve said selling owner from his obligations to the Regime for periodic assessments and common expenses more fully described in this Master Deed and By-Laws.

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

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

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

EIGHTEENTH: ALL USERS OF PROPERTY SUBJECT TO MASTER DEED

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

NINETEENTH: ASSESSMENTS SUBORDINATE TO MORTGAGEE TAKING TITLE

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

TWENTIETH: INSURANCE

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

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TWENTY-FIRST: RECONSTRUCTION AND REPAIR

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

TWENTY-SECOND: CONDEMNATION

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

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

TWENTY-THIRD: EASEMENT FOR ENCROACHMENT

If any portion of the common elements now encroaches upon any Boat Slip or if any Boat Slip now encroaches upon any other Boat Slip or upon any portion of the common elements, or if any such encroachment shall occur hereafter as a result of (a) settling or shifting of the Boat Slips, (b) alteration or repair to the common elements made by or with consent of the Board of Directors, or (c) as a result of repair or restoration of the improvements or any Boat Slip damaged by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the building or buildings stand.

TWENTY-FOURTH: OTHER REGIME EASEMENTS

Each Boat Slip Owner shall have an easement in common with the Owners of all other Boat Slips to use all common elements, if

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

TWENTY-FIFTH: SEVERABILITY

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

TWENTY-SIXTH: REPRESENTATIONS/WARRANTIES

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

**TWENTY-SEVENTH: SOUTH CAROLINA COASTAL COUNCIL
AUTHORIZATION/RESERVATION**

Pursuant to the requirements of Section 27-31-100 of the Act, as amended, notice is hereby given by the Sponsor that this Declaration concerns real property which contains submerged land. Notice is hereby given of the restriction that all activities on or over and all uses of the submerged land or other critical areas are subject to the jurisdiction of the South Carolina Coastal Council. This jurisdiction includes, but is not necessarily limited to, the requirement that any activity or use of the area in question must be authorized by the South Carolina Coastal Council. It is further noted that an owner is liable to the extent of his ownership for any damages to, any inappropriate or unpermitted uses of, and any duties or responsibilities

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concerning any submerged land, coastal waters or any other critical areas. It is further noted that construction of the improvements was made pursuant to a valid South Carolina Coastal Council permit (Permit No.82-3C-022), a copy of which is attached hereto as Exhibit "H" and incorporated herein (and a valid Department of The Army Permit by the same identifying number) and that such improvements are subject to the terms and conditions of said permit. Further, any conveyance of a Boat Slip or of an interest in the Common Elements herein is made expressly subject to the rights of the State of South Carolina, the jurisdiction of the Coastal Council and any other governmental agency, both state and federal, which may now or hereafter have jurisdiction over the submerged lands or the use of the Property. Sponsor has caused said South Carolina Coastal Council Permit and Department of the Army Permit to be assigned to the Association as evidenced by those Assignments which are attached hereto as Exhibit "I" and are incorporated herein and made a part hereof.

TWENTY-EIGHTH: 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.

TWENTY-NINTH: GENDER AND NUMBER

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

THIRTIETH: APPLICABLE LAW

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

THIRTY-FIRST: CAPTIONS

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

THIRTY-SECOND: EXHIBITS

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

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

IN WITNESS WHEREOF, SKULL CREEK VILLAGE NORTH PARTNERSHIP, LTD., through its general partners, has executed this Master Deed, and the appropriate corporate seals affixed hereto this 30th day of January in the year of Our Lord One Thousand Nine Hundred and Eighty-Five and in the Two Hundred and Ninth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

SKULL CREEK VILLAGE NORTH DOCK
PARTNERSHIP, LTD., an Alabama
Limited Partnership (SEAL)

By: The Delta Group, its General
Partner

Cary Griffin

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

Carlene B. Kilsore

By: R. Vance Fulkerson
RVF, Inc., General Partner
R. Vance Fulkerson,
President

Roy F. Briggs
(Witness)
Deborah A. ...
(Notary Public)

By: Citiguar Corporation, its
General Partner

By: Jane E. Miller

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says, that s/he saw the within named SKULL CREEK
VILLAGE NORTH DOCK PARTNERSHIP, LTD., by THE DELTA GROUP, its
General Partner sign the within Master Deed, and that said
General Partner, seal said Deed, and as its act and deed, deliver
the same and that s/he with CARLENE B. KILSOR
witnessed the execution thereof.

Cary Griffin

SWORN to before me this 30
day of January, 1985

Carlene B. Kilsore (L.S.)
Notary Public for South Carolina
My Commission Expires: 1-28-87

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

STATE OF ALABAMA)
COUNTY OF Jefferson)

PROBATE

PERSONALLY appeared before me ROY F. BRAGG
who, on oath, says, that s/he saw the within named SKULL CREEK
VILLAGE NORTH DOCK PARTNERSHIP, LTD., by CITIGUAR CORPORATION,
its General Partner sign the within Master Deed, and that said
Corporation by said officers, seal said Deed, and as its act and
deed, deliver the same and that s/he with DEBORAH
G. GRAY witnessed the execution thereof.

Roy Bragg

SWORN to before me this 6th
day of February, 1985

Deborah G. Gray (L.S.)
Notary Public for Alabama
My Commission Expires: 5/2/87

NOTARY PUBLIC - STATE OF ALABAMA
COMMISSION EXPIRES 5/2/87

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

INDEX OF EXHIBITS AND ATTACHMENTS

- Exhibit "A" - Description of Property and Easements.
- Exhibit "B" - As-Built Plat (survey) of Property.
- Exhibit "C" - Site Plans and Plans of Improvements.
- Exhibit "D" - Engineer's Certificate.
- Exhibit "E" - By-Laws of the Villages of Skull Creek Dock Horizontal Property Regime (I).
- Exhibit "F" - Percentage of Undivided Interest in The Common Elements.
- Exhibit "G" - Description of Real Property Comprising The Villages of Skull Creek (for purposes of §16(c).
- Exhibit "H" - Copy of South Carolina Coastal Council Permit No.82-3c-022
- Exhibit "I"-1 - Acknowledgement of Transfer of Permit Rights - South Carolina Coastal Council
- Exhibit "I"-2 - Assignment of Permit Rights - Department of the Army

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EXHIBIT "A"VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)LEGAL DESCRIPTION OF PROPERTY

All that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, having and containing 0.020 acres, more or less, being shown and described on a plat entitled "Villages of Skull Creek Dock Horizontal Property Regime (I), Hilton Head Plantation, Hilton Head Island, Beaufort County, South Carolina", which plat was prepared by Sea Island Engineering, Inc., and certified to by Benjamin Wilson, R.L.S. (S.C.) #5424, said plat being dated January 4, 1985, and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 32 at Page 115. Said property is more particularly described as follows, to-wit:

To find the Point of Beginning, commence at the point labeled "Point of Commencing" which point is located at the control monument SC-2, South Carolina State Plane Coordinates N 146,839.936, E 2,078,235.154; proceeding from said Point of Commencing N29°44'32"E for a distance of 1,777.79 feet to a concrete monument which marks the Point of Beginning located at South Carolina State Plane Coordinates N 148,383.532, E 2,079,117.114; proceeding from said Point of Beginning N33°10'18"W for a distance of 20.63 feet to a point; thence proceeding N71°03'44"E for a distance of 45 feet to a point; thence proceeding S18°56'16"E for a distance of 20 feet to a point; thence proceeding S71°03'44"W for a distance of 39.93 feet to the point which marks the Point of Beginning.

For a more detailed description as to the courses and distances of the above described 0.020 acre parcel, reference is had to the above mentioned plat of record; in case of conflict between this courses and distances description and said plat, said plat shall be controlling.

The property intended to be subjected to the within Master Deed is a portion of the same property previously conveyed by deed of Skull Creek Village-North, Ltd. to Skull Creek Village North Dock Partnership, Ltd. executed January 30, 1985, and recorded February 12, 1985, in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 413 at Page 290.

ALSO, all those improvements affixed to, constructed on and forming a part of the Property as defined in the

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within Master Deed extending from the above described parcel, EXCLUDING, HOWEVER, ANY INTEREST OR OWNERSHIP IN LAND WHICH EXTENDS BEYOND THE MEAN HIGH WATER MARK OF SKULL CREEK TO WHICH TITLE IS VESTED BY LAW IN THE STATE OF SOUTH CAROLINA AND OVER THE NAVIGABLE PORTION OF WHICH THE UNITED STATES GOVERNMENT RETAINS JURISDICTION, and consisting of a wooden walkway shown as a "fixed pier" containing an area of approximately 1,722 square feet, being approximately 108' feet in length and 10' feet in width to the gazebo area; and including the gazebo area; ramp and that area shown on the aforementioned plat as a "floating dock area" said floating dock area having and containing approximately 6,284 square feet, more or less.

The property intended to be subjected to the within Master Deed is a portion of the same property previously conveyed by deed of Skull Creek Development Company to Skull Creek Village North Dock Partnership, Ltd. executed March 9, 1984, and recorded October 10, 1984, in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 405 at Page 228.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress unto the Sponsor herein, its successors, assigns and grantees.

FURTHER, SAVE AND EXCEPT THEREFROM, the right of ingress and egress over and across walkways, ramps, decking, shown on the above described plat Property, said reservation being unto the Sponsor herein, its successors and assigns and grantees.

FURTHER, SAVE AND EXCEPT from the above described Property title to and ownership of all water and utility lines located on said parcel or hereafter installed thereon, together with all pipes, pumps, or other equipment or facilities located thereon, together with an easement to such lines, equipment or facilities to allow for the maintenance, repair or replacement of such lines, facilities or equipment or for the purpose of installing additional lines, equipment or facilities thereon from time to time.

FURTHER, the Sponsor expressly reserves the right to improve the Property by painting, locating boundary lines of the decking, constructing additional finger piers for Boat Slips 125 to 129, and adding limited common elements in the form of additional Owner's lock boxes.

FURTHER, Sponsor expressly reserves the right to install lines, equipment and facilities for utility purposes and to grant easements over the Property for the installation of additional lines, equipment or facilities for utility purposes, from time to time.

FURTHER, Sponsor does likewise reserve unto itself, its successors or assigns the right to grant similar easements for access

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and use up to and including the gazebo area on the fixed pier as described herein to future development of property located within the section of Hilton Head Plantation known generally as The Villages of Skull Creek and specifically to The Villages of Skull Creek Owners' Association.

The above property is submitted to the Village West Horizontal Property Regime subject to all utility easements in favor of Hilton Head Plantation Utilities, Inc., et al of record in the Office of the Clerk of Court for Beaufort County, South Carolina, as well as to those Permitted Encumbrances hereinafter described in this Exhibit "A".

ALSO, EASEMENTS

ALSO, the non-exclusive right of ingress and egress over and across the existing roads within Hilton Head Plantation which remain under the ownership of Hilton Head Plantation Company, Inc. and have not yet been deeded to the Hilton Head Plantation Property Owners' Association, Inc., which roads lie between U. S. Highway 278 and the properties described above, which said easement shall be subject to the terms and conditions of use established from time to time by Hilton Head Plantation Company, Inc.

ALSO, a non-exclusive right to that certain Easement Appurtenant for ingress and egress from Hilton Head Plantation Company, Inc., in favor of The Delta Group, a South Carolina Partnership, dated September 29, 1981, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, on October 2, 1981, in Deed Book 333 at Page 1485.

ALSO, a non-exclusive right to that certain Easement Appurtenant for ingress and egress from Skull Creek Holding Corp. in favor of The Delta Group, a South Carolina General Partnership, dated September 29, 1981, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 333 at Page 1488 on October 2, 1981.

ALSO, a non-exclusive right to that certain Grant of Easement for ingress and egress from Skull Creek Holding Corp. in favor of The Delta Group, a South Carolina General Partnership, dated September 29, 1981, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 333 at Page 1491 on October 2, 1981.

ALSO, the non-exclusive right of ingress and egress over and across all lands of Sponsor, or Skull Creek Holding Corp., lying between the western boundary of the property described hereinabove on Exhibit "A" and the mean high water mark of the Skull Creek.

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ALSO, the non-exclusive right of ingress and egress over and across the roadway easement depicted and described on the plat of record in Plat Book 31 at Page 112.

The within granted easements are hereby intended to be easements appurtenant to the 0.020 acre parcel and improvements affixed thereto, all of which are more particularly described as above, for the use, benefit and to be incident to the ownership of the above described parcel and improvements, as applicable, and any portions thereof, and any condominium located therein or thereon now, or at any time in the future.

SUBJECT TO, PERMITTED ENCUMBRANCES

1. The Declaration of Covenants and Restrictions of Hilton Head Plantation Property Owners' Association and Hilton Head Plantation Company, Inc., recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 211 at Page 1487, as amended in Deed Book 276 at Page 282 and re-recorded in Deed Book 285 at Page 1441, and as further amended in Deed Book 314 at Page 663, Deed Book 323 at Page 581, Deed Book 324 at Page 1239, Deed Book 332 at Page 2033, Deed Book 345 at Page 5, and Deed Book 350 at Page 79. Said Declaration and Addendum were Amended and Restated by Declaration of Covenants and Restrictions of The Hilton Head Plantation Property Owners Association and Hilton Head Plantation Company, Inc. dated March 28, 1983, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 367 at Page 656 on April 19, 1983.
2. That certain NON-EXCLUSIVE EASEMENT AND CONVEYANCE OF RIGHTS from Hilton Head Plantation Company, Inc., to Skull Creek Center and The Citizens and Southern National Bank, Savannah, Georgia, granting certain easement rights for ingress and egress to the OLD FORT PUB SITE which easement was executed February 6, 1976, and recorded February 10, 1976, in the Office of the Clerk of Court, South Carolina, in Deed Book 234 at Page 996.
3. That certain easement from Hilton Head Plantation Company, Inc. to Central Electric Power Co-Operative, Inc., consisting of certain right-of-way containing 1.34 acres as shown in Plat Book 26 at Page 29, which said easement was executed May 6, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, on June 15, 1977, in Deed Book 249 at Page 721.
4. That certain easement from Hilton Head Plantation Company, Inc., to Central Electric Power Co-Operative, Inc., conveying certain rights-of-way as shown in Plat Book 23 at Page 183 which said easement was executed November 3, 1975, and

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recorded on November 13, 1975, in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 232 at Page 1353.

5. That certain Reciprocal Use Agreement between Hilton Head Plantation Company, Inc., and Sea Pines Plantation Company executed October 29, 1975, and recorded December 1, 1975, at 2:30 p.m. in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 232 at Page 2013.
6. Easement from Hilton Head Plantation Company, Inc., to Plantation Cablevision, Inc., conveying a non-exclusive easement along all roadways, utility easements and rights-of-way, which easement was executed November 28, 1978, and recorded December 4, 1978, at 2:30 p.m., in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 273 at Page 1891.
7. That certain Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc., which constitute covenants running with the land of Hilton Head Plantation Company, Inc., known as Class "B" Covenants, dated December 6, 1974, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, on January 6, 1975, in Deed Book 225 at Page 2003.
8. Perpetual easement from Olin T. MacIntosh, Jr., and Fred C. Hack, as Trustees, to the Central Electric Power Co-Operative, Inc., and the Palmetto Electric Co-Operative, Inc., over and to certain portions of a 7,297.04 acre tract, said easement being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 179 at Page 63.
9. Beaufort County Real Property Taxes for the year 1985, a lien but not yet due and payable, and taxes for subsequent years.
10. That certain Declaration of Covenants, Conditions, Restrictions, etc. of Skull Creek Development Company dated May 13, 1983, recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 369 at Page 1299 et seq., as amended by that Assignment of Rights recorded in Deed Book 405 at Page 235 and that Supplemental Declaration recorded in Deed Book 413 at Page 204.
11. Grant of Easement from The Delta Group in favor of Village North Horizontal Property Regime recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 372 at Page 36 on June 24, 1983.
12. Possible outstanding ownership of the State of South Carolina in that portion of the land, or in land lying

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- beneath any fixture thereto, extending beyond the mean high water mark of Skull Creek.
13. Rights and jurisdiction vested in the South Carolina Coastal Council by law and by virtue of the South Carolina Coastal Council Permit No.82-3C-022, including the power of said agency to mandate the removal or modification of any docking facility constructed pursuant to said Permit No.82-3C-022.
 14. Rights of the United States, or other governmental entities, if any, which rights may exist in addition to the right to permit dock construction and regulate uses, vested in the South Carolina Coastal Council and exercised in its issuance of Permit No.82-3C-022, and also, rights of the public and other riparian owners in that portion of the land, or in land lying beneath any fixture thereto, extending beyond the mean high water mark of Skull Creek.
 15. Rights and jurisdiction vested in the United States of America by law and by virtue of The Department of Army Permit No.82-3C-022, including the power of said Department to mandate the removal or modification of any docking facility constructed pursuant to said Permit No.82-3C-022.

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EXHIBIT "C" TO MASTER DEED

VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)

SITE PLANS AND PLANS OF IMPROVEMENTS

Attached are the following plans of the dock facility at The Villages of Skull Creek:

- Sheet 1 - Piling Plan and Fixed Pier Construction Details.
- Sheet 2 - Construction Details.
- Sheet 3 - Floating Dock Modules and Layout Plan.
- Sheet 4 - Floating Dock Construction Details.
- Sheet 4A - Gangplank Attachment Construction Details.
- Sheet 5 - Utilities: Water and Electrical.
- Sheet 6 - Boardwalk Layout and Construction Details.

All plans prepared by Edward Pinckney/Associates, Ltd., Landscape Architects and Planners.

EXHIBIT "D" TO MASTER DEED

VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)

ENGINEER'S CERTIFICATE

This is to certify that the Villages of Skull Creek Dock Horizontal Property Regime (I) consisting of twenty-nine (29) Boat Slips numbered and including 101 through 129 are built substantially in accordance with the site plans and plans of improvements attached to the Master Deed creating said Regime as Exhibit "C", which Master Deed is to be recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, to which Master Deed this Certificate is attached, except for minor variations which are customary in projects of this nature.

By: Steven W. Ray
Steven Ray

S.C.P.E. No. 8180

Certified to this 4th
day of February, 1985.

Carly Smith (L.S.)
Notary Public of South Carolina

My Commission Expires: 11/2/85

EXHIBIT "E"
BY-LAWS
OF
VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)
AND
VILLAGES OF SKULL CREEK (I) DOCK OWNERS' ASSOCIATION

ARTICLE I: NAME AND OFFICE

1.1 Name. This association shall be named "Villages of Skull Creek (I) Dock Owners' Association," hereinafter referred to as the "Association."

1.2 Principal Office. The principal office of the Association shall be located at Hilton Head Island, Beaufort County, South Carolina.

ARTICLE II: MEMBERSHIP AND VOTING

2.1 Membership. The Association shall be composed of all Owners of Boat Slips in the Horizontal Property Regime known as Villages of Skull Creek Dock Horizontal Property Regime (I).

2.2 Voting. At each meeting of the Association, and in all other circumstances where a vote of the Association or its members is authorized or permitted, each Boat Slip Owner shall be entitled to cast the number of votes equal to his percentage of undivided interest in the Common Elements as defined in the Master Deed, unless the provision authorizing such vote shall specifically provide otherwise.

2.3 Joint Members. If any Boat Slip is owned by more than one person, firm or corporation, the Owners shall appoint one person to cast the vote appertaining to the Slip and shall file a written statement with the Board of Directors signed by all the Owners which states that such person has been appointed to cast the vote for the Slip. Any such designation once made may be revoked at any time by any one of the Slip Owners who has signed the statement by filing written notice of such revocation with the Board of Directors. In addition, any such appointment shall be deemed revoked at the time at which the Board of Directors receives notice of the death or judicially declared incompetency of any Slip Owner or upon the conveyance by any Slip Owner of his interest in his Slip. Where no appointment is made, or where an appointment has been made but is revoked and no new appointment is made, the Slip Owners attending any meetings of the Association may, if they act unanimously, cast the vote for that Slip. If joint Owners are unable to agree among themselves how their vote shall be cast, they shall lose their right to vote on the matter in question.

2.4 Proxy. Voting at any meeting of the Association may be in person or by proxy, provided that such proxy is in writing, signed by the Slip Owner or Owners and filed with the Board of Directors of the Association in advance of the meeting at which such vote is taken. Any proxy given by a Slip Owner or Owners, to or in favor of a holder of indebtedness secured by any recorded mortgage or deed of trust upon his Slip shall, upon presentment to the Board of Directors of the Association, be honored by the Association and may not be revoked by the Slip Owner or Owners without the prior written consent of the holder of such indebtedness.

2.5 Others. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association with respect to any Slip held by him in such capacity whether or not the same shall have been transferred to his name, provided that he shall satisfy the Secretary of the Association that he is the executor, administrator, guardian, or trustee holding such Slip in such capacity. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified and acting guardian of their estate voting on their behalf.

2.6 Register. The Board of Directors of the Association shall cause a register to be kept, containing the names and addresses of all members and voting owners of the Association.

ARTICLE III: MEETINGS

3.1 Annual Meeting. The first annual meeting of the Association shall be held at the principal office of the Association on May 15, 1985. Thereafter, the annual meeting of the Association shall be held at the principal office of the Association on the first Wednesday in May. The annual meeting shall be for the purpose of electing directors and for the transaction of any other business brought before the meeting.

3.2 Special Meeting. It shall be the duty of the President of the Association to call a special meeting of the Association as directed by resolution of the Board of Directors of the Association, or upon the written request of not less than one-third of the members of the Association.

3.3 Quorum. At any meeting of the Association, sixty-seven percent (67%) of the Slip Owners present in person or by proxy shall constitute a quorum and the concurring vote of those representing a majority, by percentage of undivided interest in the Common Elements, of such Owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provided by law, these By-Laws or the Master Deed.

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3.4 Adjourned Meetings. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Slip Owners present, whether or not a quorum is present, without notice other than the announcement at the meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

3.5 Place of Meeting. All meetings of the Association shall be held at its principal office unless otherwise stated in the call, and all meetings shall be held in the State of South Carolina.

3.6 Notice of Meetings. No notice of the annual meeting need be given if the meeting is to be held on the first Wednesday in May at the principal office of the Association. If any meeting is to be held elsewhere or at a different time, written notice shall be given by the Secretary to each Slip Owner not less than ten (10) days before the meeting; provided that no notice of a meeting need be given to any Owner who has, in writing, waived such notice or who is present at such meeting, in person or by proxy. Written notice shall be effective, whether or not received, if mailed to the last known address of a Slip Owner shown on the books of the Secretary and shall be effective as of the date mailed or delivered. The written ratification by an Owner of any action taken at any meeting shall be equivalent of a waiver of notice of such meeting by the one so ratifying.

ARTICLE IV: BOARD OF DIRECTORS

4.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of Three (3) persons who shall be elected by ballot from the Slip Owners of the Association. Until the first annual meeting of the Association, an interim Board of Directors of three (3) directors shall be selected by the Sponsor. At the first annual meeting of the Association, or at any duly noticed meeting following, the Association may increase the total number of Board members up to a maximum of five (5) members, upon a majority vote, by percentage ownership, of the Association.

4.2 Powers. The Board of Directors shall be vested with the management of all of the affairs of the Association including specifically, but without limitation of the generality of the foregoing, the following powers:

(a) To enforce the provisions of these By-Laws and such other reasonable rules and regulations regarding maintenance, administration and operation of the Boat Slips and the Common Elements (collectively, the "Project") as it may establish from time to time, including the power to mandate compliance with and enforce any rule or regulation which may be established by the South Carolina Coastal Council, or other governmental entities.

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(b) To prepare and submit to the Association estimates of the common expenses of the Project to be payable during each fiscal year of the Association, for administration, maintenance, repair or replacement of the Common Elements and such other common expenses as may be imposed by law, these By-Laws or the Master Deed.

(c) To make assessments upon the Slip Owners for the common expenses of the Project, and to enforce the same by any means provided by law, these By-Laws or the Master Deed.

(d) To determine the amount or amounts of reserves and working capital necessary for proper maintenance, replacement, repair, and operation of the Project and to make assessments on the Slip Owners for such amounts.

(e) To order work which it deems necessary to the operation, maintenance, repair and replacement of the Common Elements, and any additions or improvements thereto, except, however, that the Board of Directors shall not make or order work for the construction or installation of any additional capital improvements which cost in excess of One Thousand and No/100 Dollars (\$1,000.00) without the approval of sixty-seven percent (67%) of the Slip Owners. For purposes of this subparagraph, "additional capital improvements" shall mean any added improvements which are not intended to replace like or similar improvements which have been damaged or destroyed by fire or other casualty or which are no longer functional because of wear and tear or obsolescence. If the damage is due to the negligence of a Slip Owner, then the responsibility of maintenance and repair shall be that of the Slip Owner. In all other instances, the responsibility of reconstruction and repair after casualty (see Article X) shall be that of the Association.

(f) To employ attorneys and accountants and other consultants or specialists as may be reasonably necessary or convenient to the carrying out of the functions or management and administration of the Project, and to authorize and pay for their reasonable compensation as common expenses.

(g) To obtain and maintain the kinds and amounts of insurance for the Project and the Association as required by law, these By-Laws, or the Master Deed, together with liability insurance for the protection of the Association and its members, in such amounts as the Board of Directors may deem appropriate, and such additional kinds or higher amounts of insurance as shall be approved by the Slip Owners holding a majority of the Slips, and to authorize and pay the cost thereof as a common expense.

(h) To bring actions at law or in equity on behalf of two or more of the Slip Owners, as their respective interests may appear, with respect to any cause of action relating to the Common Elements or to more than one Boat Slip.

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(i) To take action as may be necessary or convenient for the collection of all sums assessed against any owner of a Boat Slip for his share of the common expenses, insofar as the same is not inconsistent with law, these By-Laws or the Master Deed; and to incur such expenses and attorney's fees as may be reasonable, necessary or convenient for the accomplishment of such purpose.

(j) To retain or hire such persons, firms or corporations to exercise on behalf of the Board of Directors such activities and functions of management and administration as the Board of Directors shall deem advisable and proper from time to time.

(k) To engage the services of a manager or managing agent, or both, and provide for the compensation thereof. The Board of Directors may delegate to such manager or managing agent the power to contract for services and to employ workers, and other help for the operation and maintenance of the Common Elements, provided that no contract for services or of employment for a period exceeding three (3) months shall be valid unless confirmed by the Board of Directors.

(l) To hold title to Boat Slips when appropriate due to foreclosure of assessment liens pursuant to the Master Deed and By-Laws, or deeds in lieu thereof, and under such other circumstances as the Board of Directors may deem appropriate; and, also, to convey title to any Boat Slips so held by the Association for prices and terms deemed advisable by the Board of Directors.

4.3 Election. The three (3) directors shall be elected at the annual meeting of the Association for one (1) year terms. At the expiration of the term of office of each of the members of initial Board of Directors, his successor shall be elected to serve a term of one (1) year. Each director shall then serve until his successor has been elected. Only Slip Owners are eligible to be elected to the Board, except for the interim Board to be selected by the Sponsor, provided, however, that so long as the Sponsors shall own any Boat Slip within the regime, a representative of the Sponsor who need not be a Slip Owner may serve on the Board if duly elected.

4.4 Removal. Any director may be removed from office at any time, with or without cause, upon the vote of a majority of the Slip Owners at a meeting of the Association, provided that the notice of such meeting shall have stated that such was to be considered, and provided that a substitute director is elected at the same meeting for the then unexpired term of the one so removed.

4.5 Compensation. The directors, as such, shall serve without compensation.

4.6 Organizational Meeting. The first meeting of the newly elected Board of Directors shall be held within thirty (30) days of the date on which they are elected at such place as shall be fixed by the directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the directors shall be present.

4.7 Meetings. The Board of Directors may hold meetings when and in such places in the State of South Carolina as the President shall designate, or, in the case of his absence from the State, incapacity, or death, then as may be designated by either of the other directors.

4.8 Notice of Meetings. The Secretary shall give written notice of each meeting of the Board of Directors (except the organizational meeting mentioned above) to each director at least five (5) days before the meeting. The failure to give notice shall not invalidate any action at a meeting of the Board of Directors at which all of the directors are present. No notice of meeting need be given any director who is at the time incapacitated or absent from the State of South Carolina. The presence of any director at any meeting shall constitute a waiver of any required notice of such meeting.

4.9 Quorum. A majority of the directors shall constitute a quorum for the transaction of business, and in every case the affirmative vote of a majority of the whole Board shall be necessary to the validity of any act of the Board.

4.10 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for funds of the Association furnish fidelity bonds in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Project, including reserves. The premium on such bonds shall be paid by the Association as a common expense.

4.11 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair, the Association shall not be liable for any injury or damage, other than the cost of maintenance and repair, caused by a latent condition in the Common Elements, or any additions or improvements thereto, or caused by the elements, other Slip Owners, or persons.

ARTICLE V: OFFICERS

5.1 Office, Election, and Removal. The Board of Directors shall elect annually, at its first meeting after the annual meeting of the Association, a President, Vice President, Secretary, and Treasurer, each of whom shall serve for the ensuing year and until his successor shall be elected. All such officers shall be elected from among the Board of Directors. The Board of

Directors may elect such other officers as it may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by the Board of Directors. One person may hold more than one office, except that the President shall hold no other office. All officers shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer shall become vacant for any reason, the Board of Directors may elect a successor. The officers, as such, shall serve without compensation unless otherwise determined by the Board of Directors.

5.2 President. The President shall preside over all of the meetings of the Board of Directors and of the Association at which he shall be present. In his absence, the Vice President shall preside. The President shall have the powers and perform the duties customarily incidental to his office and such other powers and duties as may be assigned to him elsewhere in these By-Laws or as may be assigned to him from time to time by the Board of Directors.

5.3 Vice President. During the absence or disability of the President, the Vice President shall exercise all the functions of the President. The Vice President shall also have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

5.4 Secretary. The Secretary shall keep the minute books wherein all resolutions duly passed and all other actions taken at any meeting by the Association and by the Board of Directors shall be recorded. He shall give notice of all meetings of the Association and the Board of Directors. The Secretary shall have the powers and perform the duties customarily incidental to his office and such other powers and duties as may be assigned to him from time to time by the Board of Directors.

5.5 Treasurer. The Treasurer shall oversee and be responsible for all the financial records, books of account, funds and securities of the Association. The books of account shall be kept in accordance with good accounting procedures, which, together with substantiating papers, shall be available for inspection by Slip Owners following reasonable notice to the Treasurer. He shall cause statements to be rendered in such form as often as required by the Board of Directors or the Association. He shall cause a financial statement to be sent to each Slip Owner as soon as practicable after the end of the fiscal year of the Association. He shall have the powers and perform the duties customarily incidental to his office and such other powers and duties as may be assigned to him by the Board of Directors.

5.6 Other Officers. Other officers of the Association shall have such authority and shall perform such duties as the Board of Directors may prescribe.

5.7 Indemnification. The Association shall indemnify and hold harmless each person who shall serve at any time as a director of the Association, or an officer without compensation, from and against any and all claims and liabilities to which such person shall become subject, by reason of his having served as a director or uncompensated officer of the Association, or by reason of any action alleged to have been taken or omitted to be taken by such person. The Association shall reimburse each person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against or be reimbursed for an expense incurred for any claim or liability arising out of his fraud, bad faith or wilful misconduct.

ARTICLE VI: EXPENSES

6.1 Expenses and Assessment. Each Slip Owner shall contribute pro rata toward the common expenses of the Project, including, without limiting the generality of the foregoing, the cost of operation, maintenance, repair, and replacement of all Common Elements, the cost of utilities, taxes and the cost of insurance authorized by the Master Deed, these By-Laws or the Board of Directors, in accordance with the Slip Owner's percentage of interest in the Common Elements, as set forth in Exhibit "F" to the Master Deed. The Board of Directors shall fix a monthly assessment for each Boat Slip in an amount sufficient to provide for all current expenses, a reasonable reserve for future expenses of administration, and such other expenses as are required by these By-Laws or as the Board of Directors may deem proper, subject to adjustment from time to time as the Board of Directors may deem necessary. Such monthly assessment shall be due and payable monthly on the first day of every month without demand, and delinquent accounts shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid. The amounts received shall be held by the Treasurer in trust to be expended for the operation of the regime.

If it shall appear to the Board of Directors that any Slip Owner has utilized a clearly disproportionate amount of the electrical power or other utility service billed to the Association, the Board may, after giving notice and an opportunity to reply to the responsible Boat Slip Owner, levy a special assessment charge to the responsible Owner, and such amount shall be due and collectible in the same manner and as a part of the Slip Owner's regular assessment for common expenses.

6.2 Lien and Foreclosure. The assessments referred to in the preceding paragraph and all interest thereon, together with all costs of collection, attorney's fees and late charges, shall constitute a lien upon each Boat Slip prior to all other liens excepting only (i) for taxes and assessments lawfully imposed by governmental authority against such Slip, and (ii) all sums unpaid on first mortgages of record. Such lien may be foreclosed by suit

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by the Board of Directors or its agents acting on behalf of the Slip Owners, in like manner as a mortgage of real property. In any such foreclosure, the Slip Owner shall be required to pay a reasonable rental for the Slip from the date of filing of the suit until the date of sale of the Slip in foreclosure and, if a part of such suit, the confirmation of such sale. The plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect said rent. The Board of Directors or its agent acting on behalf of the Slip Owners shall have the power to bid on the Boat Slip at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid assessments and interest shall be maintainable against any Slip Owner of record on the date of the assessment levy, without foreclosing or waiving the lien securing the same, and the Association shall have the right to recover all costs and expenses of suit, including reasonable attorney's fees incurred, as a part of any such action.

6.3 Mortgagee's Obligation. Where the mortgagee of a mortgage of record or other purchaser of a Boat Slip obtains title to the Slip as a result of foreclosure of such mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments chargeable with respect to such Boat Slip which became due prior to the acquisition of title to such Boat Slip by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be a common expense and collectible pro rata from all of the Slip Owners, including such acquirer, his successors and assigns.

6.4 Liability of Assignee of Slip. In the case of voluntary assignment of a lease of a Boat Slip, pursuant to which lease the lessee is deemed the owner of such Boat Slip with respect to liability for common expenses, the assignee shall be jointly and severally liable with the assignor for all unpaid assessments against the latter for his share of common expenses up to the time of the conveyance, without prejudice to the assignee's right to recover from the assignor the amounts paid by the assignee therefor. Any assignor or assignee shall be entitled to a statement from the Board of Directors or its agents, as the case may be, setting forth the amount of such unpaid assessments.

ARTICLE VII: RULES AND REGULATIONS

In order to assure the peaceful and orderly use and enjoyment of the Project, and particularly of the Common Elements of the Project, the Board of Directors may from time to time adopt, modify, and revoke in whole or in part such rules and regulations governing the conduct of persons and the operation and use of the Boat Slips and Common Elements as it may deem necessary or appropriate. A copy of such rules and regulations, as adopted, is attached hereto and incorporated herein, and a copy of each amendment, modification, or revocation thereof, shall be delivered by the Secretary promptly to each Slip Owner and shall be binding

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upon all Slip Owners and users of the Boat Slips from the date of delivery.

ARTICLE VIII: MORTGAGEES

8.1 Notice to Association. A Slip Owner who mortgages his Boat Slip shall notify the Association through the management agent, if any, or the President of the Board of Directors in the event there is no management agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Boat Slips."

8.2 Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a Boat Slip, report any unpaid assessments due from the owner of such Boat Slip.

ARTICLE IX: 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 mortgages on five (5) or more Boat Slips, the following insurance, without prejudice of the right of the co-owner to obtain additional individual insurance at his own expense:

9.1 Hazard Insurance. The Board of Directors shall insure the Project, as it may be constituted from time to time, against loss or damage due to fire, windstorm, freeze, lightning and flood, with extended coverage, in an amount not less than the maximum insurable replacement value of the Project as determined by an annual appraisal of the Project 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 Project. All hazard insurance shall cover the entire Project, and liability insurance shall cover all Owners and the Association.

(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 Slip 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 these By-Laws and to any mortgagee holding mortgages on five (5) or more Boat Slips, it being understood and acknowledged that the distribution of such proceeds shall be controlled by the Horizontal Property Act, the provisions of the Master Deed and these By-Laws.

(b) All hazard insurance policies obtained by the Board of Directors shall provide for the issuance of Certificates of Insurance to each Slip Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the Boat Slip. If a Boat Slip is mortgaged, a Certificate of Insurance shall be issued to the mortgagee bearing a standard mortgage endorsement, if requested.

(c) If obtainable, all hazard insurance policies upon the Project shall include provisions waiving (i) any rights of the insurer to subrogation against the Association, its agents and employees, and against the individual Slip Owners and their servants, agents, and guests; and (ii) any rights of the insurer to contribution from hazard insurance purchased by a Slip Owner.

(d) Each hazard insurance policy shall contain a loss payee provision designating the interest of the various mortgagees as to the various Boat Slips within the Project 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.

(e) The Association is irrevocably appointed as agent for each Slip Owner and for each mortgagee or other lienor of a Boat Slip to adjust all claims for property damage arising under insurance policies purchased by the Association and to execute and deliver releases upon payment of claims. This provision shall not apply to any additional insurance purchased directly by a Slip Owner nor shall it be construed to confer upon the Association any authority with regard to any claims which a Slip Owner may have for personal injury.

9.2 Premiums. All premiums upon insurance policies purchased by the Board of Directors shall be assessed as common expenses to be paid by the Slip Owners through periodic assessment as herein provided.

9.3 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 herein.

9.4 Additional Insurance. Each Slip Owner shall be required to obtain additional insurance on his Boat Slip, at his own expense, of such types and in such amounts as shall be determined by a two-thirds (2/3) vote of the Slip Owners in a duly called meeting of the Association at which a quorum is present. Written notice shall be specifically given that one of the purposes of said meeting is to consider required additional insurance.

ARTICLE X: RECONSTRUCTION AND REPAIR

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

10.1 Reconstruction Plans. Any reconstruction or repair must follow substantially the original plans and specifications of the Project unless two-thirds (2/3) of the Slip Owners and their mortgagees, if any, vote to adopt different plans and specifications and all Slip Owners whose Boat Slips are being reconstructed or repaired unanimously consent to the adoption of such different plans and specifications.

10.2 Estimates. 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.

10.3 Deficiencies. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special assessment by the Slip Owners whose Boat Slips are being reconstructed or repaired in proportion to the damage done to their respective Boat Slips.

10.4 Construction Fund. 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 cost of reconstruction and repair, it shall be distributed to the Slip Owners who paid special assessments in

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proportion to their payments. Any balance remaining after such distribution shall be retained by the Association.

10.5 Negligence. A Slip Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees. A Slip Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by such negligent use, misuse, occupancy or abandonment of a Boat Slip or its appurtenances, or of the Common Elements, by the Slip Owner.

ARTICLE XI: INSURANCE TRUST

In the event of casualty loss to the Project, 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 five (5) or more Slips. The Board of Directors, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this ARTICLE XI, and for the benefit of the Association, the Slip Owners, and their respective mortgagees in the following share:

11.1 Common Elements. 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 Boat Slips.

11.2 Boat Slips. Insurance proceeds paid on account of loss or damage to less than all of the Boat Slips, when the damage is to be restored, shall be held for the benefit of Slip Owners of the damaged Boat Slips and their respective mortgagees in proportion to the costs of repairing each damaged Boat Slip.

11.3 No Restoration. Insurance proceeds paid when the Project is not to be restored shall be held for the benefit of all Slip Owners and their respective mortgagees, the share of each being equal to the undivided share or interest in Common Elements appurtenant to the applicable Boat Slip.

11.4 Certificate of Insurance. In the event a Certificate of Insurance has been issued to a Slip Owner bearing a mortgagee endorsement, the share of the Slip Owner shall be held in trust for the mortgagee and the Slip 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 Slip Owners and their respective mortgagees.

ARTICLE XII: MISCELLANEOUS

12.1 Construction. All provisions of these By-Laws are subject to the provisions of the laws of the State of South Carolina regulating condominiums, the "Horizontal Property Act" as designated in the Master Deed, and to the terms of the Master Deed itself. All ambiguities herein or matters not explicitly stated shall be governed by the terms of the Master Deed, and matters directly inconsistent with the Master Deed shall be deemed modified to conform to the Master Deed. To the extent these By-Laws are more detailed or explicit than the Master Deed they shall be enforceable unless inconsistent with express terms of the Master Deed or violative of the Horizontal Property Act.

12.2 Amendments. These By-Laws may be amended by an affirmative vote of sixty-seven percent (67%), by percentage ownership, of the Slip Owners who are in attendance at any regular or special meeting at which a quorum is present. A proposed amendment shall be submitted to the membership as directed by the Board of Directors, or upon filing with the Secretary a petition signed by at least one-fifth (1/5) of the voting power of the members of the Association.

12.3 Nuisances. No nuisances shall be allowed upon the Project, nor any use or practice that is the source of annoyance to other Slip Owners or which interferes with the peaceful possession and proper use of the Project by its Owners. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Slip Owner shall permit any use of his Boat Slip to make any use of the Common Elements that will increase the cost of insurance upon the Project.

12.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Project nor any part of it; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of Project property shall be the same as the responsibility for the maintenance and repair of the property concerned (see Section 4.2(e) and Article X).

12.5 Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Slip Owner or the Association to comply with the terms of the Horizontal Property Act, the Master Deed, these By-Laws or any rule or regulation adopted pursuant to these By-Laws, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the Court.

12.6 Definitions. The terms used herein shall have the meanings as defined in the Master Deed establishing the Villages of Skull Creek Dock Horizontal Property Regime (I) and the Horizontal Property Act.

12.7 Persons Affected. All Slip Owners, tenants of such owners, employees or owners and tenants, and any other persons that may in any manner use the property are subject to these By-Laws, all rules and regulations promulgated pursuant thereto, as the same may from time to time be amended, the Master Deed and the Horizontal Property Act.

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FILED AT 145738 IN 82 12-85

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EXHIBIT "E"
RULES AND REGULATIONS
OF
VILLAGES OF SKULL CREEK (I) DOCK OWNERS' ASSOCIATION

The following rules and regulations are promulgated by the Villages of Skull Creek I Dock Owners' Association ("Association"), pursuant to the authority to do so set forth in Article VII of the By-Laws of the Association.

These rules are structured so that they have application to either a tenant or owner of a Boat Slip or the guest of either a tenant or an owner.

Rule 1. All pertinent federal, state and local laws, rules and regulations pertaining to marine safety, communication, sanitation, pollution and navigation are applicable within the Skull Creek Dock Basin ("Basin"), and its approaches. By way of illustration, these include but are not limited to, the Inland Navigational Rules Act of 1980 and rules and regulations of the Coast Guard, DHEC, FCC and South Carolina Wildlife and Marine Resources Commission.

Rule 2. The terms and conditions of the South Carolina Coastal Council Permit No. 82-3C-022 shall be fully applicable to the Basin. Violation of the Coastal Council Rules and Regulations are also a violation of these rules and regulations.

Rule 3. Vessel movements within the Basin shall be executed in a courteous, seamanlike manner in observance of the navigational rules. Such movement shall be in a steerageway (no wake). No cruising shall be permitted in the Basin. The operator or owner is responsible for all injury, loss or damage to dock property or the property of others due to negligence or vessel sinking. This facility has been designed and built as an element adjunct to the surrounding residential structures. The Association may deny access to any vessel which it, in its sole discretion, deems aesthetically unpleasing, unseaworthy, incompatible with other vessels present, or any vessel which otherwise detracts from the desired ambiance of the Village of Skull Creek.

Rule 4. No overboard discharge of petroleum products, solid refuse, sewage waste water or other pollutants is permitted. Vessels berthed in the Basin shall not be used as a residence and shall not be occupied more than twenty-four hours in succession.

Rule 5. Pets must be attended at all times. The owner is responsible for removing and disposing of all pet excrement. All refuse shall be placed in sealed plastic bags and deposited in receptacles provided. Fish are to be cleaned only at designated areas.

Rule 6. Swimming or diving in the Basin is prohibited. Fishing and crabbing are permitted only in areas authorized for such activities.

Rule 7. Use of all parking spaces is in common. No owner of a slip shall have an exclusive right to occupy a specific parking space. The Board may require removal of any inoperative vehicle, any unsightly vehicle and any other equipment or item improperly stored in parking spaces. In the event that the same are not so removed upon request, the Association may cause a removal at the risk and expense of the owner thereof.

Rule 8. The Common Elements shall be used exclusively for normal ingress and egress and no obstruction of a place thereon or therein shall be permitted unless improved in advance in writing by the Association. Each Slip Owner shall keep his Boat Slip and the limited Common Element appurtenant thereto in a neat, clean and orderly condition. A Slip Owner shall not cause nor permit materials, tools or litter of any kind to be present in the Common Elements.

Rule 9. No loud, noxious or offensive activity shall be carried on in any Boat Slip or Common Element appurtenant thereto, nor shall anything be done therein which may be or become an annoyance or nuisance to other Slip Owners or become a violation of any law.

Rule 10. Unless specifically authorized in writing by the Association, vessels berthed in the Basin shall not be used for commercial purposes nor shall signs be displayed on any vessel or Boat Slip. Each Slip Owner or tenant covenants to exercise due care in movements in the Basin and in occupation of his Boat Slip and facilities and to vacate in good condition the same, wear and tear by normal use only excepted. In the event of a sinking of a vessel, each Slip Owner or tenant is responsible for its prompt raising and all costs and damages involved. Each Slip Owner or tenant shall indemnify the Association against all claims, damages and liabilities, including attorney's fees, arising from or connected with the Slip Owner or tenant's possession and use of the Boat Slip. Each Slip Owner or tenant is solely responsible for the security of the vessel including securing of mooring lines. The Association retains the right to enter a Boat Slip for the removal of boats during adverse weather which may result in damage to the Boat Slip. Each Slip Owner or tenant is responsible for the acts and omissions of his family, guests and tenants while in the Basin.

Rule 11. Fueling and refueling of all vessels is permitted only in areas designed for such activities. No flammable substances of any type shall be stored on any boat, or any Boat Slip, or in any of the Common Elements, except in places specially designated as storage areas.

EXHIBIT "F" TO MASTER DEED
VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)

PERCENTAGE OF UNDIVIDED INTEREST
IN COMMON ELEMENTS AND VALUE FOR SOUTH CAROLINA
STATUTORY PURPOSES

The percentage of undivided interest in the common elements appurtenant to each Boat Slip in Villages of Skull Creek Dock Horizontal Property Regime (I) are set forth below:

<u>Boat Slip No.</u>	<u>Statutory Value</u>	<u>Percentage of Interest</u>
Units 101-124, inclusive each	\$ 15,000.00	3.30%
Units 125-129, inclusive each	19,000.00	4.16%

Accordingly, the twenty-four (24) smaller Units (101-124) have total value of \$360,000.00 for statutory purposes with a total percentage interest of 79.20%. The five larger Units have a total value, for statutory purposes, of \$95,000.00 with a percentage interest of 20.8%.

The total statutory value of the property in the Regime, for statutory purposes, is \$455,000.00. These valuations are for purposes of the South Carolina Horizontal Property Act only.

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EXHIBIT "G" TO MASTER DEED

VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I)

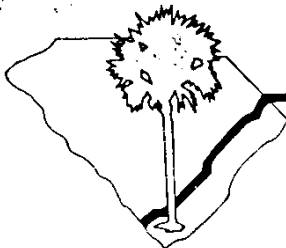
DESCRIPTION OF REAL PROPERTY COMPRISING THE
VILLAGES OF SKULL CREEK (FOR PURPOSES OF SECTION 16(c))

ALL those certain pieces, parcels or tracts of land situate, lying and being within Hilton Head Plantation, on Hilton Head Island, Beaufort County, South Carolina, and being shown and described on a plat entitled "A Plat of Phase II of The Villages Of Skull Creek" a Section of Hilton Head Plantation, Hilton Head Island, Beaufort County, South Carolina, said dated May 16, 1983, and latest revised January 28, 1985, prepared by Sea Island Engineering, Inc., Benjamin Wilson, R.L.S (S.C.) #5424, which plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 32 at Page 213, said plat superceding and replacing that plat recorded in Plat Book 31 at Page 236, said tracts being depicted on said plat as the 8.175 acre area (sometimes referred to as the Phase I or Village-North area) including Parcels A and Parcels B as shown on said plat (and the 11.867 acre area) (sometimes known as Phase II or Village-West).

As of the recording of this Exhibit "G" to the Master Deed, it is noted that a portion of the 8.175 acre Phase I property has been developed and a Master Deed recorded creating The Village-North Horizontal Property Regime and that a portion of the 11.867 acre Phase II parcel has been developed and a Master Deed recorded creating The Village-West Horizontal Property Regime.

For a more specific description as to the courses and distances, metes and bounds to the area in question, reference is had to the above mentioned plat of record.

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South Carolina Coastal Council

James M. Waddell, Jr.
Chairman

H. Wayne Beam, Ph.D.
Executive Director

May 19, 1982

Thomas & Hutton Engineering Co.
c/o Danny Stanley
Post Office Box 14609
Savannah, Georgia 31406

Dear Mr. Stanley:

The South Carolina Coastal Council has reviewed your permit application P/N # 82-3C-022 for a permit to construct a boat docking facility (description of work) located on Hilton Head Island. The Coastal Council has found that the project would have no severe negative impacts on coastal resources, and is not inconsistent with Council policies for the critical areas of the coastal zone.

Two copies of the permit, as issued, are enclosed. Please carefully read the permit and be sure to note if any special conditions are on page four. If you wish to accept the permit as issued, sign and date both copies on page four in the signature block entitled "PERMITTEE". Return one complete signed copy to me.

YOU ARE NOT AUTHORIZED TO COMMENCE WORK UNDER THE PERMIT UNTIL I HAVE RECEIVED A COPY SIGNED AND ACCEPTED BY YOU.

Upon my receipt of the permit signed by you, I will immediately forward to you a permit placard which must be posted on the permit site and which authorizes you to commence work under the permit as issued.

The receipt of this permit does not relieve you of the responsibility of acquiring any other applicable federal or local permits that may be required.

You are notified that a U. S. Army Corps of Engineers permit is also required as stated in P/N # 82-3C-022. To commence work without acquiring this authorization would be in violation of federal law.

Sincerely,

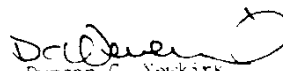

Duncan C. Newkirk
Permit Administrator

EXHIBIT "H"

cc: Senator James M. Waddell, Jr., Chairman
Dr. H. Wayne Beam, Executive Director
Summersall Center, 19 Haddrell Street, Suite 802 • Charleston, South Carolina 29403 • (803) 792-5808

PERMIT NUMBER: 82-3C-022

FILED IN BOOK 415 PAGE 544
MAY 21 1985

PUBLIC NOTICE NUMBER: 82-3C-022

NAME OF APPLICANT: The Delta Group

DATE OF ISSUANCE: May 19, 1982

EXPIRATION DATE: May 19, 1985

SOUTH CAROLINA COASTAL COUNCIL PERMIT

This permit is issued under the provisions of Act 125 of the 1977 South Carolina General Assembly and the Final Rules and Regulations of the South Carolina Coastal Council. Furthermore, this permit authorizes the above named applicant, hereafter called the Permittee, to perform works shown on the sketch hereof and made a part hereof, more particularly described as follows:

County: Beaufort

Location: on Hilton Head Island

Nearest body of water: Skull Creek

Description of project: construct a community boat docking facility.

GENERAL CONDITIONS:

The permittee agrees to the following general conditions:

- 1) That if the activity authorized herein is not completed on or before 19th day of May, 19 85 (three years from the date of issuance of permit unless otherwise specified) this permit, if not previously revoked or specifically extended, shall automatically expire. A request, in writing, for an extension of time shall be made not less than sixty days prior to the expiration date.
- 2) That the structure or work authorized herein shall be maintained in good condition and in accordance with the plans and drawings attached hereto. Failure to maintain the structure in this condition shall be grounds for revocation of the permit.

3.) That every reasonable effort will be made to conduct the work authorized herein in a manner which minimizes, to the fullest extent possible, any adverse impact on fish, wildlife and water quality.

4.) That all activities authorized herein shall, if they involve a discharge or deposit into navigable waters or ocean waters, be at all times consistent with applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to applicable federal, state, and local laws.

5.) That extreme care shall be exercised to prevent any adverse or undesirable effects from this work on the property of others. This permit authorizes no invasion of private property or rights in property.

6.) That this permit is granted subject to the rights of the State of South Carolina in navigable water and shall be subject, further, to the rights for which purposes the waters and submerged land thereunder are held by the State. This permit does not relieve the permittee from the requirement of obtaining a permit from the U. S. Army Corps of Engineers or other applicable federal agency nor from necessity of compliance with all applicable local laws, ordinances, and zoning or other regulations.

✓ 7.) That this permittee, in accepting this permit, covenants and agrees to comply with and abide by the provisions and conditions herein and assumes all responsibility and liability and agrees to save the South Carolina Coastal Council and the State of South Carolina, its employees or representatives, harmless from all claims of damage arising out of operations conducted pursuant to this permit.

✓ 8.) That this permit does not convey, expressly or impliedly, any property rights in real estate or material, nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.

9.) That the permittee shall permit the Council or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to assure that the activity being performed is in accordance with the terms and conditions of this permit.

✓ 10.) That authorization for activities or structures herein shall constitute a revocable license. The Coastal Council may require the permittee to modify or remove activities or structures authorized herein if it is determined by the Council that such activity or structure is in violation of the public health, safety, and welfare. Modification or removal under this condition shall be ordered only after reasonable notice stating the reasons therefore and providing the permittee with opportunity to respond in writing.

11.) That if and when the permittee desires to abandon the activity authorized herein, unless such abandonment is part of a transfer procedure by which the permittee is transferring his interests herein to a third party pursuant to General Condition 12 hereof, he/she must restore the area to a condition satisfactory to the Coastal Council.

12.) That this permit may not be transferred to a third party without prior written notice to the Coastal Council, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit and thereby agreeing to comply with all terms and conditions of this permit.

13.) That the display of lights and signals on any structure or work authorized herein

is not otherwise provided for by law, such lights and special signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.

14.) That the permit placard or a copy of the placard shall be posted in a conspicuous place at the project site during the entire period of work. Display of a placard is not necessary if a permit for the work has been issued by the U. S. Army Corps of Engineers and a Corps placard is posted in a conspicuous place at the site.

15.) That before revocation, suspension, or modification of this permit, the Coastal Council shall provide written notification to the permittee of intention to revoke, suspend, or modify the permit, and the permittee shall be given an opportunity to present a written explanation to the Coastal Council.

16.) That the permittee, upon receipt from the Coastal Council of written notification of intent to revoke, suspend or modify the permit, shall cease all work under this permit. Furthermore, work shall not be resumed under this permit until final disposition of the proceeding has occurred.

17.) That the permittee, upon receipt of a notice of revocation of this permit or upon its expiration before completion of the authorized structure or work, shall, without expense to the Coastal Council and in such time and manner as the Coastal Council or its authorized representative may direct, restore the area to its former condition. If the permittee fails to comply with the direction of the Coastal Council or its authorized representative, the Coastal Council or its designee may restore the affected area to its former condition, by contract or otherwise, and recover the cost thereof from the permittee.

18.) That in issuing this permit, the Coastal Council has relied on the information and data which the permittee has provided in connection with his permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete, or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and the Coastal Council, may, in addition, institute appropriate legal proceedings.

✓ 19.) That any modification, suspension or revocation of this permit shall not be the basis for any claim for damages against the Coastal Council or the State of South Carolina or any employee, agent, or representative of the Coastal Council or the State of South Carolina.

PERMITTEE'S ATTENTION IS DIRECTED TO GENERAL CONDITIONS NUMBERS SIX (6) AND EIGHT (8). BY ACCEPTANCE OF THIS PERMIT, PERMITTEE IS PLACED ON NOTICE THAT THE STATE OF SOUTH CAROLINA, BY ISSUING THIS PERMIT, DOES NOT WAIVE ITS RIGHTS TO REQUIRE PAYMENT OF A REASONABLE FEE FOR USE OF STATE LANDS AT A FUTURE DATE IF SO DIRECTED BY STATUTE.

THE PERMITTEE, BY ACCEPTANCE OF THIS PERMIT AGREES TO ABIDE BY THE TERMS AND CONDITIONS CONTAINED HEREIN (ATTACHMENT 1) AND TO PERFORM THE WORK IN STRICT ACCORDANCE WITH THE PLANS AND SPECIFICATIONS ATTACHED HERETO AND MADE A PART HEREOF. ANY DEVIATION FROM THESE CONDITIONS, TERMS, PLANS, AND SPECIFICATIONS SHALL BE GROUNDS FOR REVOCATION, SUSPENSION OR MODIFICATION OF THIS PERMIT AND THE INSTITUTION OF SUCH LEGAL PROCEEDINGS AS THE COASTAL COUNCIL MAY CONSIDER APPROPRIATE.

CAUTION: Section 15(D) of Act 123 of 1977 allows any person adversely affected by the issuance of a Coastal Council permit to appeal the decision to the full Council by filing a written Notice of Intent to Appeal within 15 days after notification of the permit's issuance. In the event of an appeal of the decision to issue this permit, the Coastal Council reserves the right to order a stay of any use or activity authorized herein pending a final decision by the full Council when, in its judgment, the interests of the public would be best served.

Accepted this 21 day of
May, 1982

Stewart Key
PERMITTEE

ISSUED THIS 21 DAY OF MAY, 1982

STATE OF SOUTH CAROLINA,
COASTAL COUNCIL,
JAMES M. WADDELL, JR., CHAIRMAN

By: James C. Newkirk
JAMES C. NEWKIRK
PERMIT ADMINISTRATOR

ATTACHMENT 1:

The plans submitted by you, attached hereto, show the proposed work to consist of constructing a boat docking facility by installing series of floating docks and arranging them in a manner that will create 69 boat slips. Access to floating docks will be provided by constructing two (2) fixed piers as shown. There will be no service docks, no dispensing of petroleum products or repair facilities. The facility will be for the private use of residents of "The Village on Skull Creek", a proposed residential development. These plans, as submitted, are approved, subject to the following Special Conditions.

SPECIAL CONDITIONS:

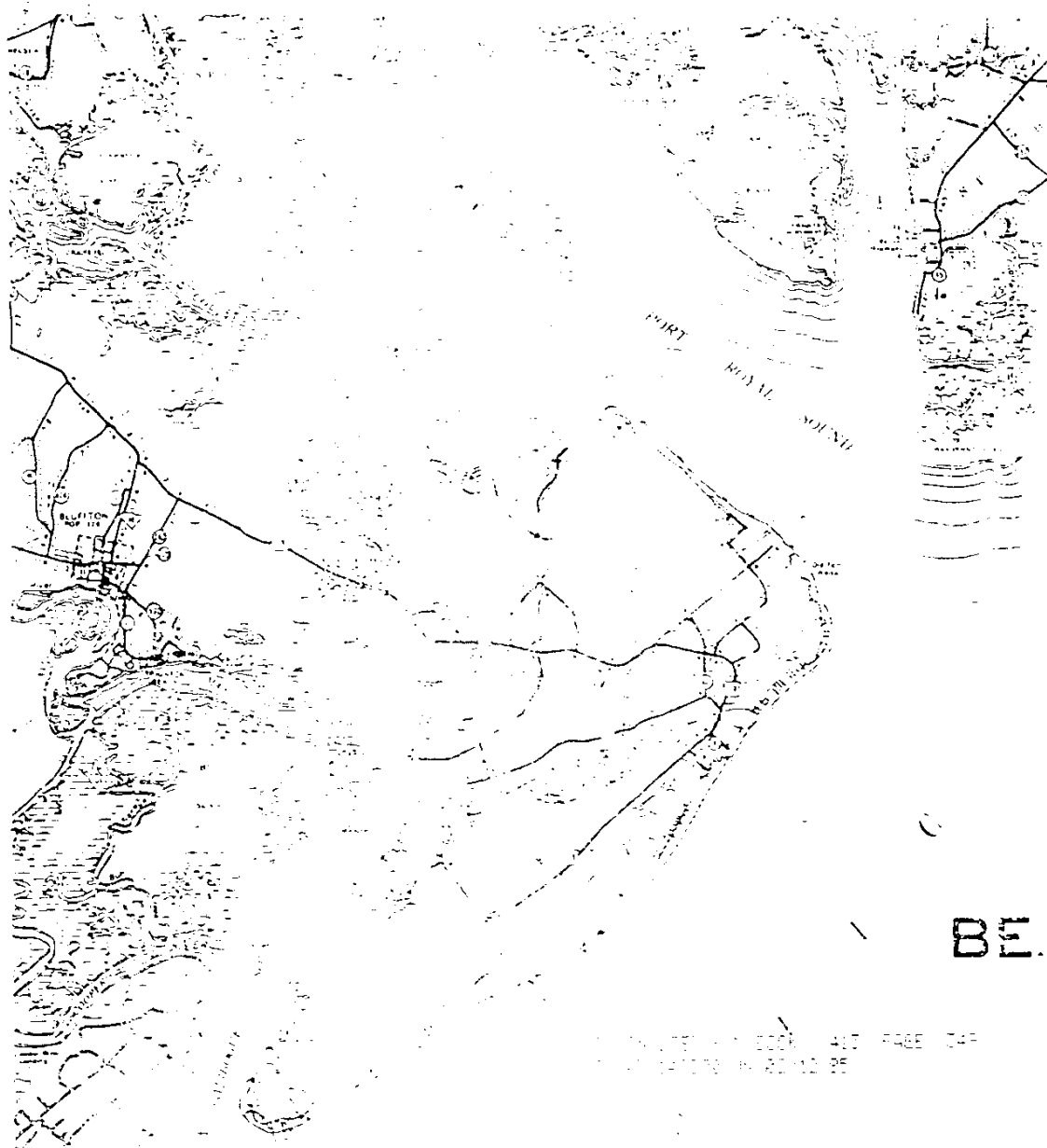
- 1) Provided that the boating facility be constructed in accordance with attachment A.
- 2) Provided that there be no live-aboards on any boat located in the marina.
- 3) Provided that there be no discharge of any waste in the marina or within a 1,000 foot radius of the marina.

Continued

SPECIAL CONDITIONS: (continued)

4) Provided that the closing of shellfish beds is mitigated with a plan approved by the Coastal Council, S.C. Wildlife & Marine Resources Department and S.C. Department of Health & Environmental Control.

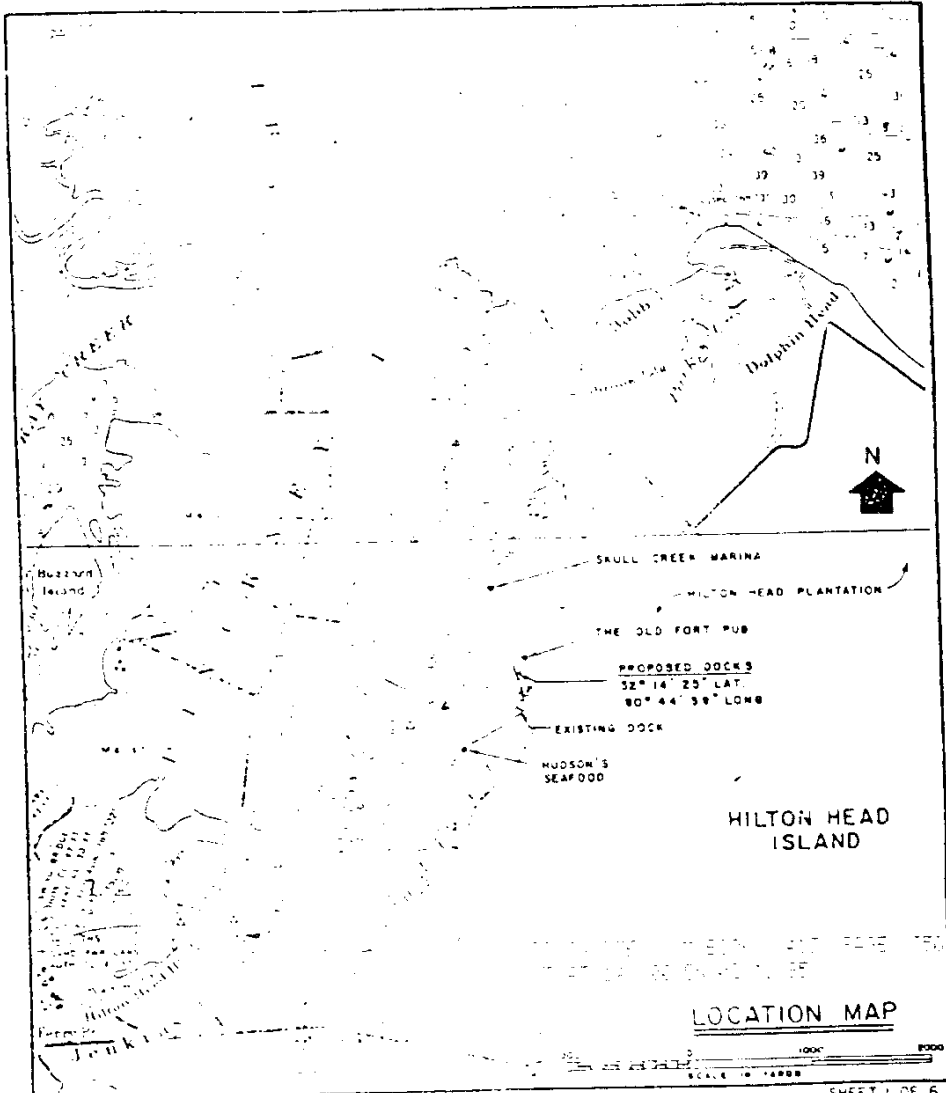
5) Provided that the applicant provide a restroom facility at the marina.



BE.

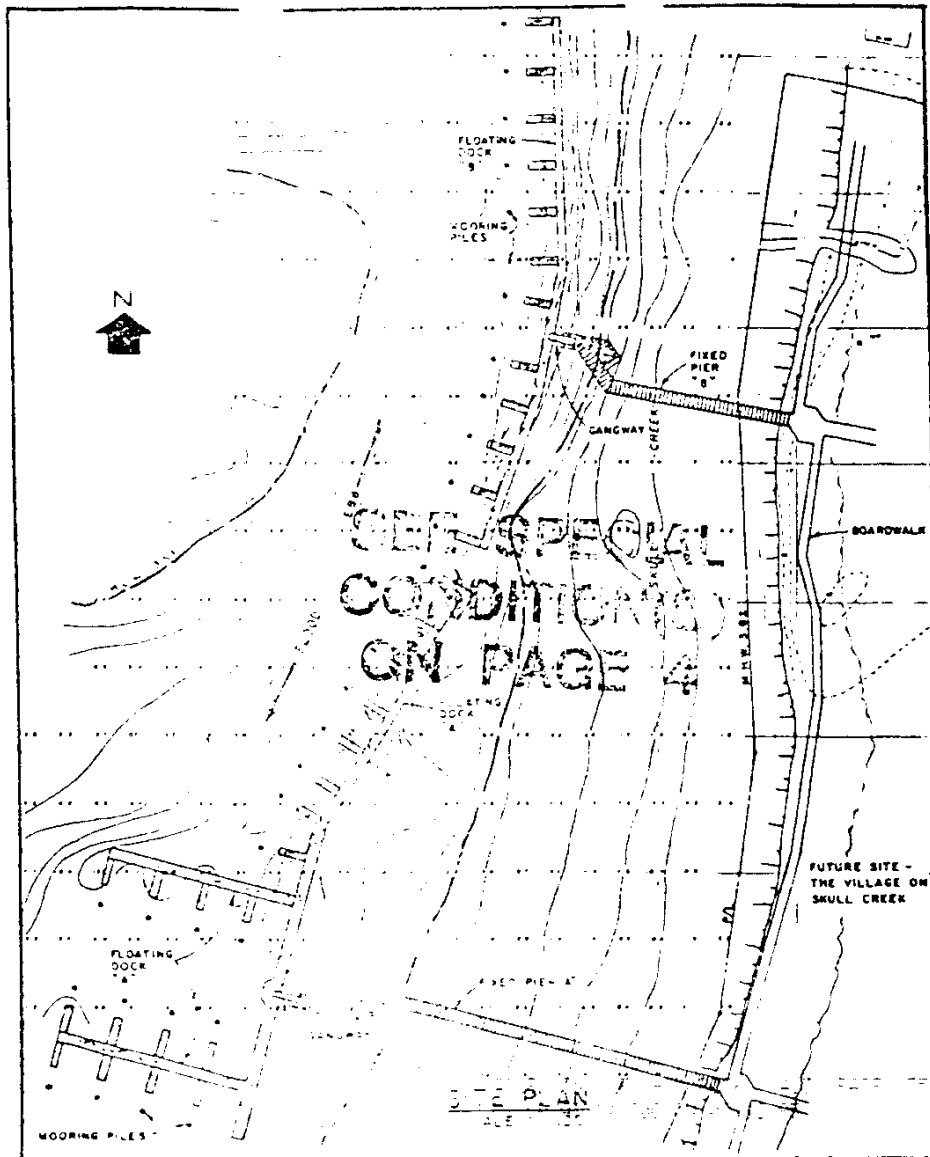
SCALE 1:50,000 410 FEET BAR
 1950 EDITION

PURPOSE	NAVIGATION	SHEET NO. 10
DATE	1950	SCALE
NAME	PORT ROYAL SOUND	STATE
LOCATION	BEAUFORT COUNTY	COUNTY
STATE	SOUTH CAROLINA	CITY
DATE	1950	BY
BY	U.S. NAVY	NO. 1000
NO.	1000	PROFESSIONAL
PROFESSIONAL	NO. 1000	DATE
DATE	1950	BY



SHEET 1 OF 6.

<p>PURPOSE THE VILLAGE ON SKULL CREEK ISLAND DOCKS</p> <p>DATUM MEAN SEA LEVEL</p> <p>NAME AND ADDRESS OF APPLICANT PROPERTY OWNED THE WILTON HEAD PLANTATION, CO PO BOX 1001, PARABELL BRANCH HILTON HEAD ISLAND, SC 29928</p>	<p>AT HILTON HEAD ISLAND COUNTY OF BEAUFORT STATE OF SOUTH CAROLINA</p> <p>APPLICATION BY THE DELTA GROUP 2 CORPUS CHRISTI CIRCLE SUITE 101, PROFESSIONAL BLDG. HILTON HEAD ISLAND, SC 29928 DATE 4 DECEMBER 1981</p>
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SHEET 2 OF 6

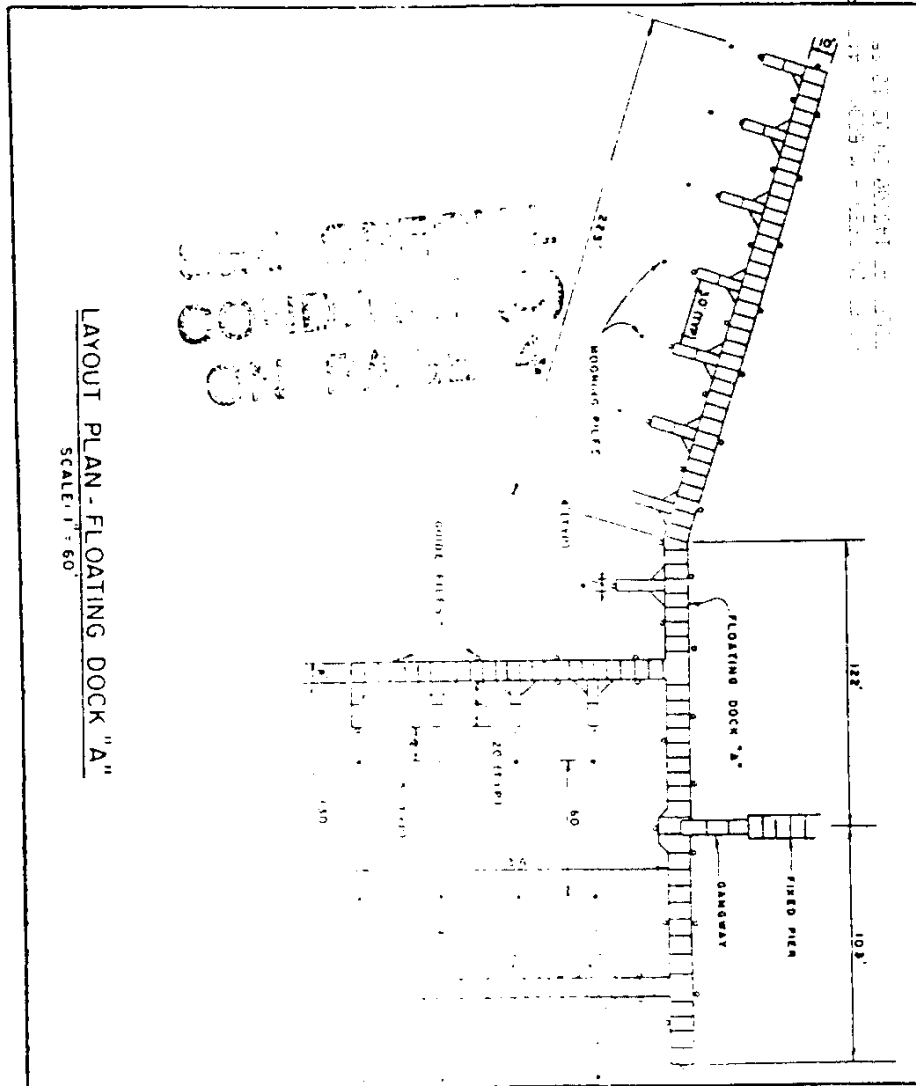
PURPOSE THE VILLAGE ON SKULL CREEK COMMUNITY DEVELOPMENT

DATUM MEAN SEA LEVEL

NAME AND ADDRESS OF APPLICANT
 PROPERTY OWNERS
 THE HILTON HEAD PLANTATION, INC.
 P.O. BOX 1607, FAIR PLAY, SOUTH CAROLINA
 HILTON HEAD ISLAND, SC 29928

AT HILTON HEAD ISLAND
 COUNTY OF BEAUFORT
 STATE OF SOUTH CAROLINA

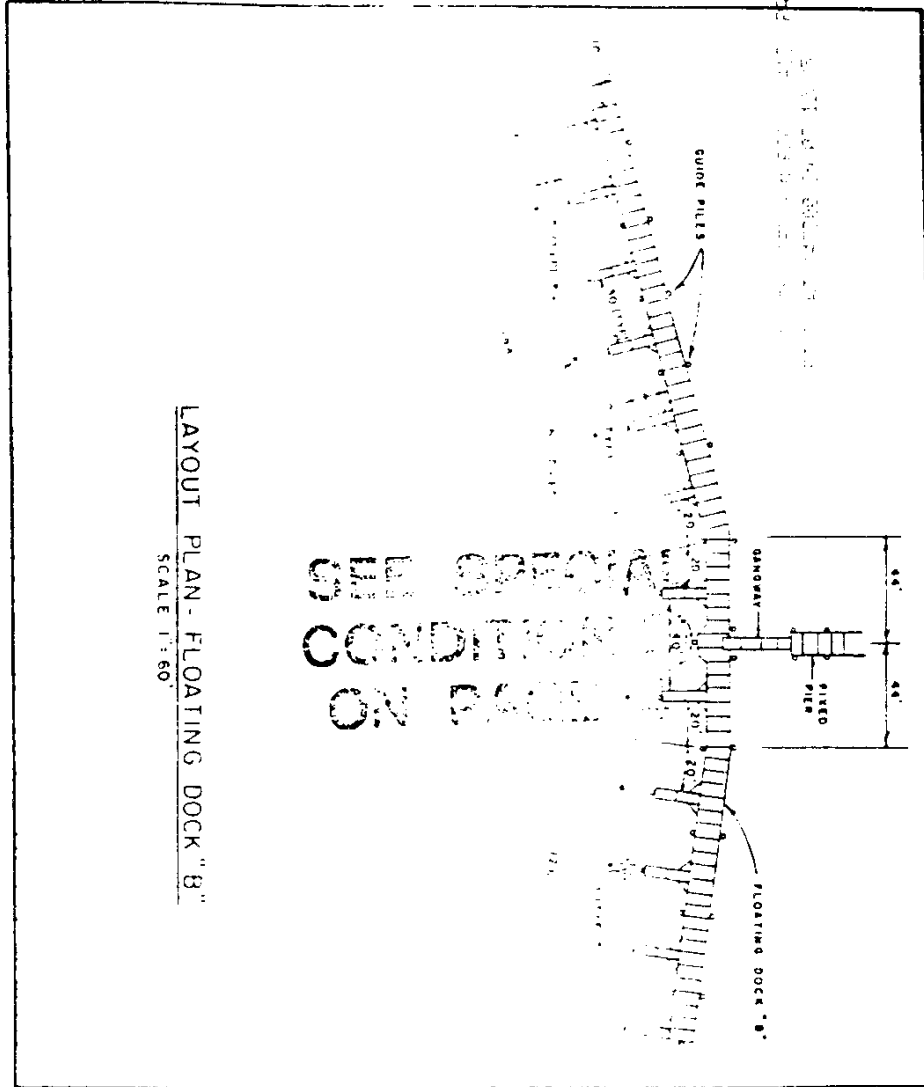
APPLICATION BY:
 THE DELTA GROUP
 2 CORPUS CHRISTI CIRCLE
 SUITE 101, PROFESSIONAL BLDG.
 HILTON HEAD ISLAND, SC 29928
 DATE 04 DECEMBER 1981



LAYOUT PLAN - FLOATING DOCK "A"
SCALE: 1" = 60'

SHEET 2 OF 6

PURPOSE: THE WILCOX CREEK	HILTON HEAD ISLAND
DATUM: MEAN SEA LEVEL	COUNTY OF: BEAUFORT
NAME AND ADDRESS OF PROPERTY OWNER: THE HILTON HEAD P.O. BOX 1607, HILTON HEAD ISLAND, SOUTH CAROLINA	DATE OF: SOUTH CAROLINA
	DESIGNED BY: THE DELTA GROUP 1015 JEFFERSON CHRISTI CIRCLE SUITE 101, PROFESSIONAL BLDG. HILTON HEAD ISLAND, SC 29928
	DATE: DECEMBER 1981

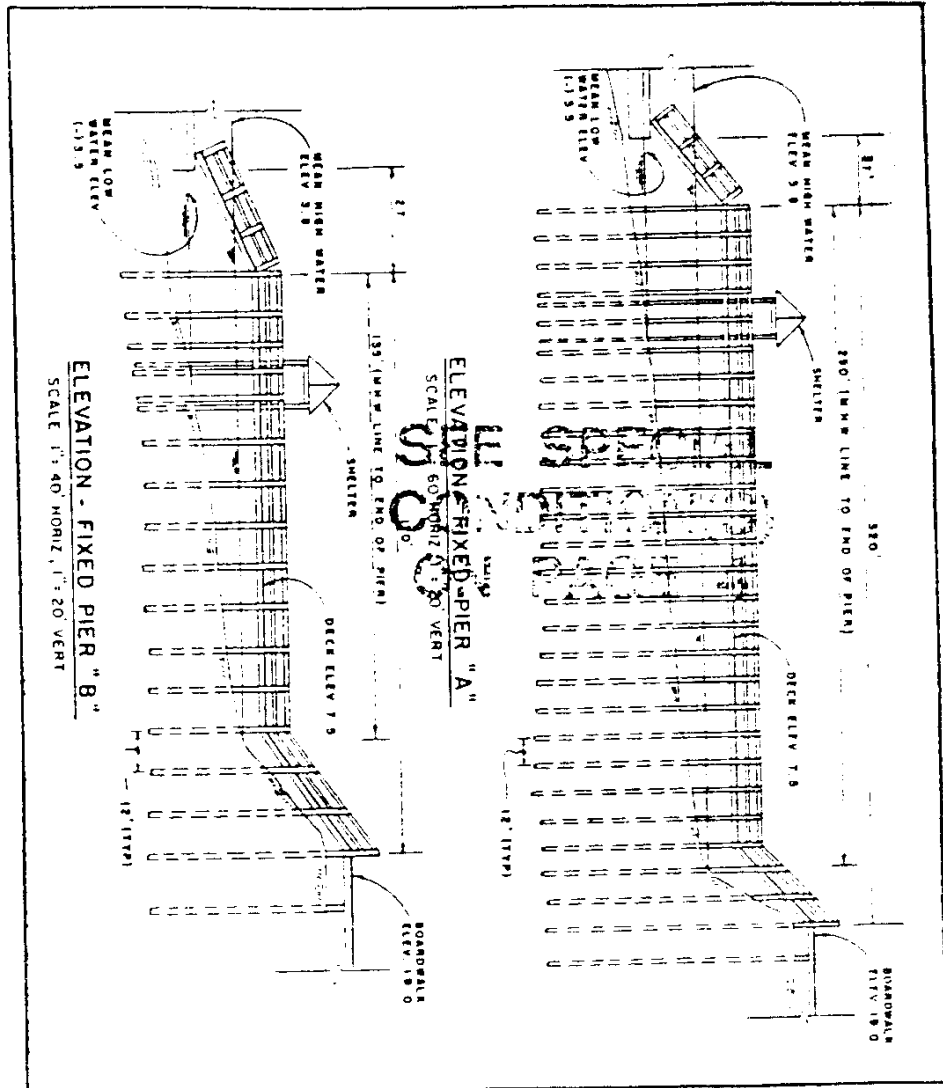


LAYOUT PLAN - FLOATING DOCK "8"
SCALE 1"=60'

IS AN SPECIAL
CONDITION
ON

(SHEET 4 OF 6)

PURPOSE THE VILLAGE OF CREEK COMM	HILTON HEAD ISLAND
DATUM MEAN SEA LEVEL	CITY OF BEAUFORT STATE OF SOUTH CAROLINA
NAME AND ADDRESS OF PROPERTY OWNERS THE HILTON HEAD PLANNING PO BOX 1607, FAIRFIELD HILTON HEAD ISLAND, S.C.	PREPARED BY: THE DELTA GROUP CHRISTOPHER CHRISTI CIRCLE SUITE 101, PROFESSIONAL BLDG HILTON HEAD ISLAND, SC 29928 DATE: 4 DECEMBER 1981



SHEET 2 OF 2

PURPOSE THE VILLAGE ON SKULL CREEK COMMUNITY DOCKS

DATUM MEAN SEA LEVEL

NAME AND ADDRESS OF ADJACENT PROPERTY OWNERS

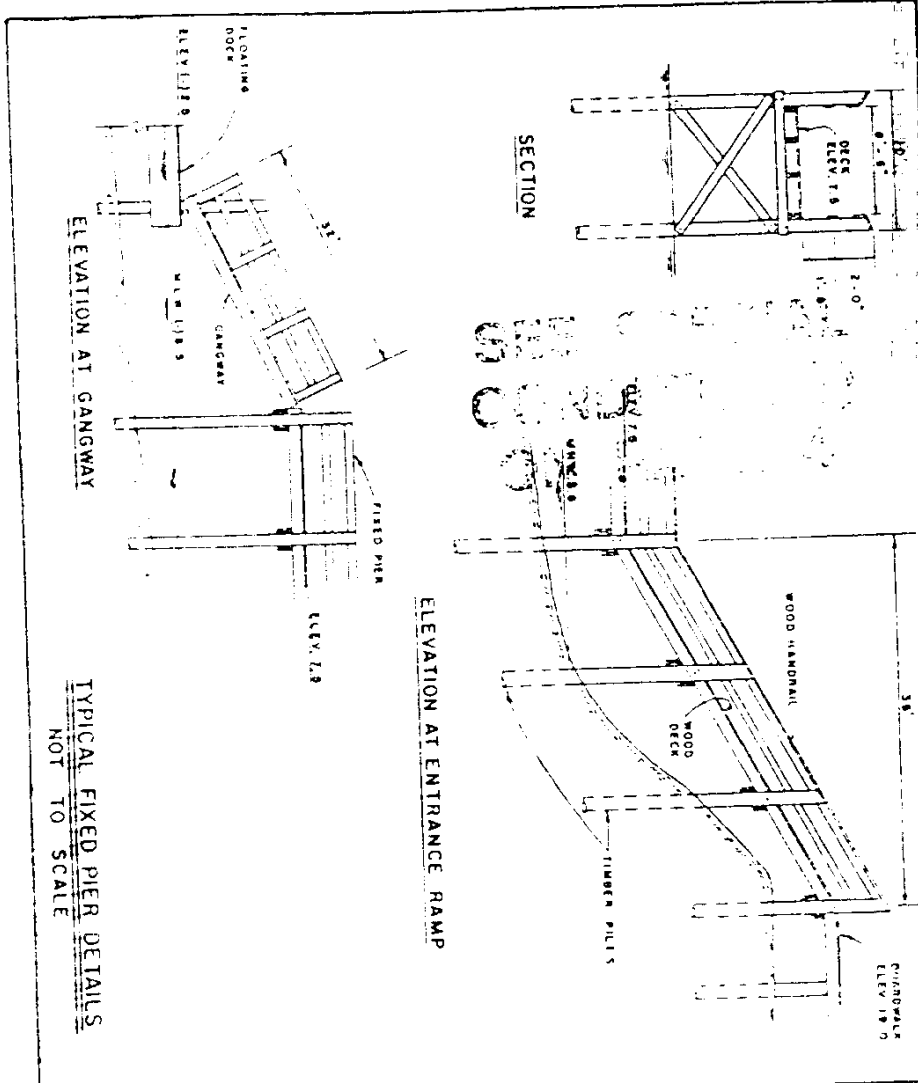
THE HILTON HEAD PLANTATION CO
PO BOX 1607, FAIRFIELD BRANCH
HILTON HEAD ISLAND, SC 29928

AT HILTON HEAD ISLAND
COUNTY OF BEAUFORT
STATE OF SOUTH CAROLINA

APPLICATION BY:

THE DELTA GROUP
2 CORPUS CHRISTI CIRCLE
SUITE 101, PROFESSIONAL BLDG
HILTON HEAD ISLAND, SC 29928

DATE 14 DECEMBER 1981

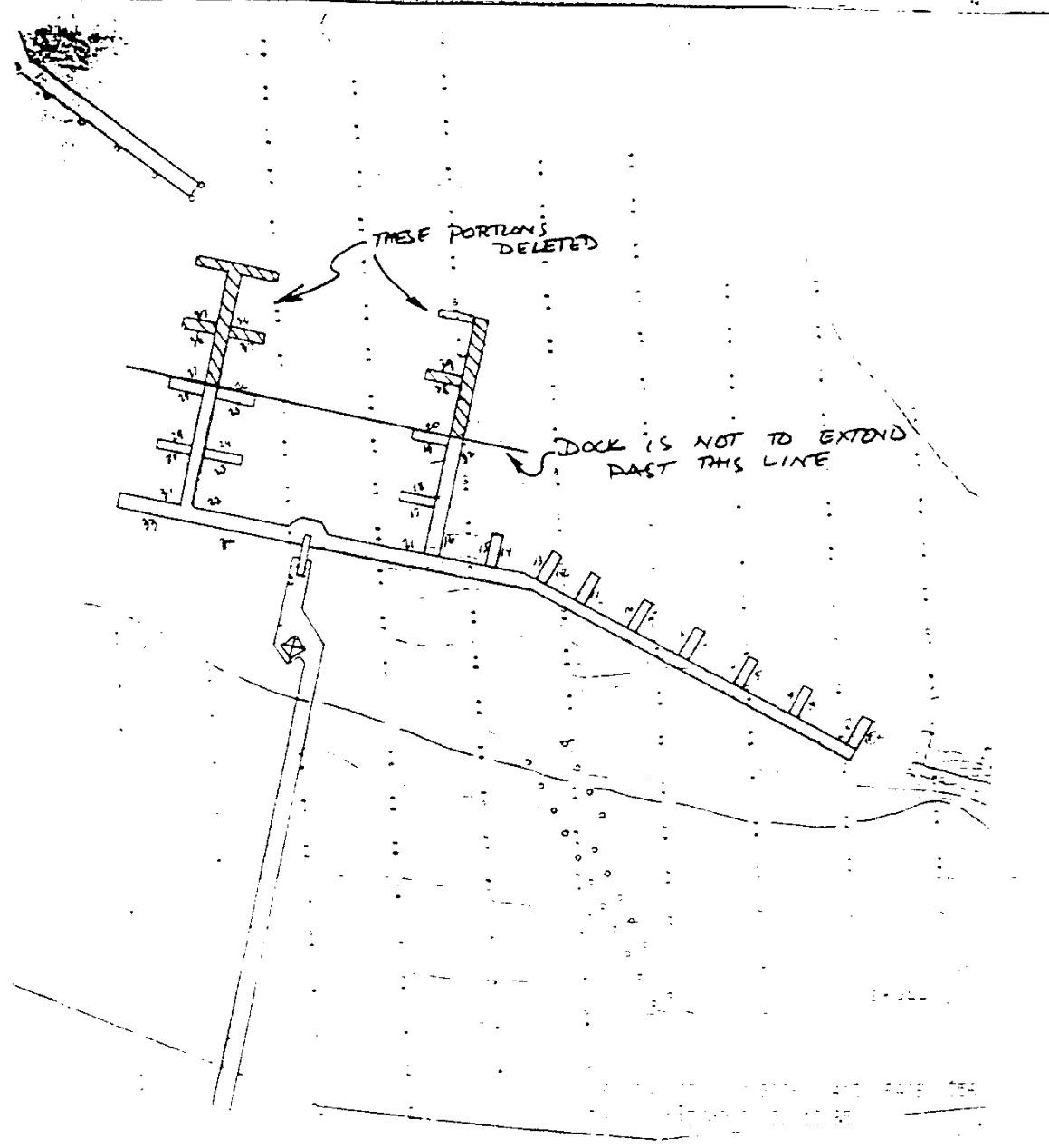


TYPICAL FIXED PIER DETAILS
NOT TO SCALE

SHEET 5 OF 6

PURPOSE THE VILLAGE ON SKULL CREEK COMMUNITY DOCKS
 DATUM MEAN SEA LEVEL
 NAME AND ADDRESS OF ADJACENT PROPERTY OWNERS:
 THE HILTON HEAD PLANTATION CO.
 PO BOX 1607, FAIRFIELD BRANCH
 HILTON HEAD ISLAND, SC 29928

AT: HILTON HEAD ISLAND
 COUNTY OF: BEAUFORT
 STATE OF: SOUTH CAROLINA
 APPLICATION BY:
 THE DELTA GROUP
 2 CORPUS CHRISTI CIRCLE
 SUITE 101, PROFESSIONAL BLDG
 HILTON HEAD ISLAND, SC 29928
 DATE: 14 DECEMBER 1981




ATTACHMENT A


VILLAGES OF SKULL CREEK DOCK
HORIZONTAL PROPERTY
REGIME (I)

By: Skull Creek Village North
Dock Partnership Ltd., an
Alabama Limited Partner-
ship

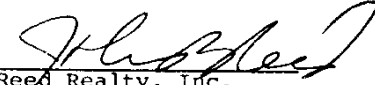
By: The Delta Group, its
General Partner



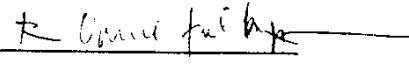
(Witness)



(Witness)


By: 

Reed Realty, Inc.
John P. Reed, President


By: 

RVF, Inc.
R. Vance Fulkerson, President

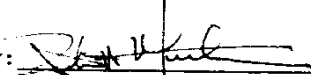
By: Villages of Skull Creek
(I) Dock Owners' Associa-
tion, a South Carolina
Eleemosynary Corporation
to be formed



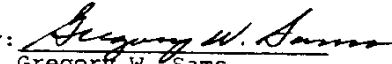
(Witness)



(Witness)

By: 

Peter A. Mortensen,
Petitioner and
Director

By: 

Gregory W. Sams,
Petitioner and
Director

DATE: January 30, 1985

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named THE DELTA
GROUP, by its corporate partners, sign and seal the within
Assignment, and as its act and deed, deliver the same, and that
s/he with Gordon S. Colman witnessed the execution
thereof.



SWORN to before me this
30th day of January, 1985.

Gordon S. Colman
Notary Public for South Carolina
My Commission Expires: 2-10-84

NOTARY PUBLIC - BEAUFORT COUNTY - 400 4955 098
JAN 30 1985 04:30:11 85

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named SKULL CREEK
VILLAGE NORTH DOCK PARTNERSHIP LTD., by its general partners,
sign and seal the within Assignment, and as its act and deed
deliver the same, and that s/he with Gordon S. Colman
witnessed the execution thereof.



SWORN to before me this
30th day of January, 1985.

Gordon S. Colman
Notary Public for South Carolina
My Commission Expires: 2-10-84

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named VILLAGES OF
SKULL CREEK (I) DOCK OWNERS' ASSOCIATION, by its appropriate
officers, sign and seal the within Assignment, and as its act
and deed, deliver the same, and that s/he with Gordon S. Colman
witnessed the execution thereof.

SWORN to before me this
30th day of January, 1985.

Gordon S. Colman
Notary Public for South Carolina
My Commission Expires: 2-10-84

FILED IN CASE NO. 85-1000 417 PAGE TWO
FILED AT BEAUFORT ON 01-31-85



CSG66M

VILLAGES OF SKULL CREEK DOCK HORIZONTAL PROPERTY REGIME (I), does hereby agree to discharge all such responsibilities and abide by such requirements as are imposed by the aforesaid Permit.

VILLAGES OF SKULL CREEK DOCK
HORIZONTAL PROPERTY REGIME (I)

By: Skull Creek Village North
Dock Partnership, Ltd., an
Alabama Limited Partnership

By: The Delta Group, its General
Partner

By: *John P. Reed*
Reed Realty, Inc.
John P. Reed, President

By: *R. Vance Fulkerson*
RVF, Inc.
R. Vance Fulkerson,
President

By: Villages of Skull Creek (I)
Dock Owners' Association, a
South Carolina Eleemosynary
Corporation to be formed

By: *Peter A. Mortensen*
Peter A. Mortensen,
Petitioner and Director

By: *Gregory W. Sams*
Gregory W. Sams,
Petitioner and Director

Carlene B. Kilgore
(Witness)

Carlene B. Kilgore
(Witness)

Carlene B. Kilgore
(Witness)

Carlene B. Kilgore
(Witness)

DATE: January 30, 1985

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

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named THE DELTA
GROUP, by its corporate partners, sign and seal the within
Assignment, and as its act and deed, deliver the same, and that
s/he with CARLENE B. KILGORE witnessed the execution
thereof.

Cary S. Griffin

SWORN to before me this
30th day of January, 1985

Carlene B. Kilgore (L.S.)
Notary Public for South Carolina
My Commission Expires: 7-28-87

NOTARY PUBLIC STATE OF SOUTH CAROLINA
COMMISSION EXPIRES 7-28-87

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named SKULL CREEK
VILLAGE NORTH DOCK PARTNERSHIP, LTD., by its general partners,
sign and seal the within Assignment, and as its act and deed,
deliver the same, and that s/he with CARLENE B. KILGORE
witnessed the execution thereof.

Cary S. Griffin

SWORN to before me this
30th day of January, 1985

Carlene B. Kilgore (L.S.)
Notary Public for South Carolina
My Commission Expires: 7-28-87

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

CSG66M

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me CARY S. GRIFFIN
who, on oath, says that s/he saw the within named VILLAGES OF
SKULL CRACK (II) DOCK OWNERS' ASSOCIATION, by its appropriate
officers, sign and seal the within Assignment, and as its act and
deed, deliver the same, and that s/he with CARLENE B.
Blaylock witnessed the execution thereof.



SWORN to before me this
30th day of January, 1985

Carlene B. Blaylock
Notary Public for South Carolina
My Commission Expires: 7-28-87

(L.S.)

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

Application No 82-10-022
Name of Applicant The Delta Group
Effective Date MAY 1982
Expiration Date (if applicable) 30 June 1985

DEPARTMENT OF THE ARMY
PERMIT

Referring to written request dated 14 December 1981 for a permit to
(X) Perform work in or affecting navigable waters of the United States, upon the recommendation of the Chief of Engineers, pursuant to Section 10 of the Rivers and Harbors Act of March 3, 1899 (33 U.S.C. 403).

() Discharge dredged or fill material into waters of the United States upon the issuance of a permit from the Secretary of the Army acting through the Chief of Engineers pursuant to Section 404 of the Federal Water Pollution Control Act (86 Stat. 816, P.L. 92-500);

() Transport dredged material for the purpose of dumping it into ocean waters upon the issuance of a permit from the Secretary of the Army acting through the Chief of Engineers pursuant to Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (86 Stat. 1052, P.L. 92-532).

The Delta Group
2 Corpus Christi Circle, Suite 101
Hilton Head Island, South Carolina 29928

is hereby authorized by the Secretary of the Army
to **construct a community boat docking facility**

at **Skull Creek**

XX adjacent to Skull Creek Drive in Hilton Head Plantation, Hilton Head Island, Beaufort County, South Carolina,

in accordance with the plans and drawings attached hereto which are incorporated in and made a part of this permit (on drawings give the number or other definite identification marks.)

entitled: The Village on Skull Creek Community Docks, Hilton Head Island, Beaufort County, South Carolina. Application by: The Delta Group. Sheets 1a-6 of 6, dated 14 December 1981.

Subject to the following conditions:

I. General Conditions

1. That all activities identified and authorized herein shall be consistent with the terms and conditions of this permit, and that any activity not so identified and authorized herein shall constitute a violation of the terms and conditions of this permit which may result in the initiation, suspension or revocation of this permit, in whole or in part, as set forth more specifically in General Conditions II, III, IV, V, and VI. The initiation of such legal proceedings as the United States Government may consider appropriate, and the suspension or revocation of this permit previously identified, suspended or revoked in whole or in part.

PERMITS AND LICENSES SECTION 14 APR 84 9 00SOLTE

PER 1145 Z 3031

b. That all activities authorized herein shall, if they involve, during their construction or operation, any discharge of pollutants into waters of the United States or ocean waters, be at all times consistent with applicable water quality standards, effluent limitations and standards of performance, prohibitions, pretreatment standards and management practices established pursuant to the Federal Water Pollution Control Act of 1972 (P.L. 92-500, 86 Stat. 816), the Marine Protection, Research and Sanctuaries Act of 1972 (P.L. 92-532, 86 Stat. 1052), or pursuant to applicable State and local law.

c. That when the activity authorized herein involves a discharge during its construction or operation, of any pollutant (including dredged or fill material), into waters of the United States, the authorized activity shall, if applicable water quality standards are revised or modified during the term of this permit, be modified, if necessary, to conform with such revised or modified water quality standards within 6 months of the effective date of any revision or modification of water quality standards, or as directed by an implementor on plan contained in such revised or modified standards, or within such longer period of time as the District Engineer, in consultation with the Regional Administrator of the Environmental Protection Agency, may determine to be reasonable under the circumstances.

d. That the discharge will not destroy a threatened or endangered species as identified under the Endangered Species Act, or endanger the critical habitat of such species.

e. That the permittee agrees to make every reasonable effort to prosecute the construction or operation of the work authorized herein in a manner so as to minimize any adverse impact on fish, wildlife, and natural environmental values.

f. That the permittee agrees that he will prosecute the construction or work authorized herein in a manner so as to minimize any degradation of water quality.

g. That the permittee shall permit the District Engineer or his authorized representative(s) or designee(s) to make periodic inspections at any time deemed necessary in order to assure that the activity being performed under authority of this permit is in accordance with the terms and conditions prescribed herein.

h. That the permittee shall maintain the structure or work authorized herein in good condition and in accordance with the plans and drawings attached hereto.

i. That this permit does not convey any property rights, either in real estate or material, or any exclusive privileges; and that it does not authorize any injury to property or invasion of rights or any infringement of Federal, State, or local laws or regulations nor does it obviate the requirement to obtain State or local assent required by law for the activity authorized herein.

j. That this permit may be summarily suspended, in whole or in part, upon a finding by the District Engineer that immediate suspension of the activity authorized herein would be in the general public interest. Such suspension shall be effective upon receipt by the permittee of a written notice thereof which shall indicate (1) the extent of the suspension, (2) the reasons for this action, and (3) any corrective or preventative measures to be taken by the permittee which are deemed necessary by the District Engineer to abate imminent hazards to the general public interest. The permittee shall take immediate action to comply with the provisions of this notice. Within ten days following receipt of this notice of suspension, the permittee may request a hearing in order to present information relevant to a decision as to whether his permit should be reinstated, modified or revoked. If a hearing is requested, it shall be conducted pursuant to procedures prescribed by the Chief of Engineers. After completion of the hearing, or within a reasonable time after issuance of the suspension notice to the permittee if no hearing is requested, the permit will either be reinstated, modified or revoked.

k. That this permit may be either modified, suspended or revoked in whole or in part if the Secretary of the Army or his authorized representative determines that there has been a violation of any of the terms or conditions of this permit or that such action would otherwise be in the public interest. Any such modification, suspension, or revocation shall become effective 30 days after receipt by the permittee of written notice of such action which shall specify the facts or conduct warranting same unless (1) within the 30-day period the permittee is able to satisfactorily demonstrate that (a) the alleged violation of the terms and the conditions of this permit did not, in fact, occur or (b) the alleged violation was accidental, and the permittee has been operating in compliance with the terms and conditions of the permit and is able to provide satisfactory assurances that future operations shall be in full compliance with the terms and conditions of this permit, or (2) within the aforesaid 30-day period, the permittee requests that a public hearing be held to present oral and written evidence concerning the proposed modification, suspension or revocation. The conduct of this hearing and the procedures for making a final decision either to modify, suspend or revoke this permit in whole or in part shall be pursuant to procedures prescribed by the Chief of Engineers.

l. That in issuing this permit, the Government has relied on the information and data which the permittee has provided in connection with his permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Government may, in addition, institute appropriate legal proceedings.

m. That any modification, suspension, or revocation of this permit shall not be the basis for any claim for damages against the United States.

n. That the permittee shall notify the District Engineer at what time the activity authorized herein will be commenced, as far in advance of the time of commencement as the District Engineer may specify, and of any suspension of work, if for a period of more than one week, resumption of work and its completion.

o. That if the activity authorized herein is not started on or before 30th day of April, 19 83 (one year from the date of issuance of this permit unless otherwise specified) and is not completed on or before 30th day of June, 19 85, (three years from the date of issuance of this permit unless otherwise specified) this permit, if not previously revoked or specifically extended, shall automatically expire.

p. That this permit does not authorize or approve the construction of particular structures, the authorization or approval of which may require authorization by the Congress or other agencies of the Federal Government.

q. That if and when the permittee desires to abandon the activity authorized herein, unless such abandonment is part of a transfer procedure by which the permittee is transferring his interests herein to a third party pursuant to General Condition 1 hereof, he must restore the area to a condition satisfactory to the District Engineer.

r. That if the recording of this permit is possible under applicable State or local law, the permittee shall take such action as may be necessary to record this permit with the Register of Deeds or other appropriate official charged with the responsibility for maintaining records of title to and interests in real property.

s. That there shall be no unreasonable interference with navigation by the existence or use of the activity authorized herein.

t. That this permit may not be transferred to a third party without prior written notice to the District Engineer, either by the transferee's written agreement to comply with all terms and conditions of this permit or by the transferee subscribing to this permit in the space provided below and thereby agreeing to comply with all terms and conditions of this permit. In addition, if the permittee transfers the interests authorized herein by conveyance of realty, the deed shall reference this permit and the terms and conditions specified herein and this permit shall be recorded along with the deed with the Register of Deeds or other appropriate official.

11. Special Conditions: (Here list conditions relating specifically to the proposed structure or work authorized by this permit.)

a. That any modification or minor addition to the work shown on the attached plans is authorized provided such modification or addition is required as a precondition to issuance of a permit by the State of South Carolina.

b. That, if the activity hereby authorized, requires certification by the S.C. Coastal Council, the permittee understands that this authorization is not effective until such certification has been issued or waived by the appropriate authority.

ORIGINAL FILED IN 80-417 PAGE 288
FILED IN 80-417 IN 80-11 55

RECORDED THE 19th DAY
OF February 1985
IN BOOK 9 PAGE 126
FEES, \$
Wm A. Gray
Auditor
ADVISOR - BEAUFORT COUNTY, S. C.

The following Special Conditions will be applicable when appropriate

STRUCTURES IN OR AFFECTING NAVIGABLE WATERS OF THE UNITED STATES

a. That this permit does not authorize the interference with any existing or proposed Federal project and that the permittee shall not be entitled to compensation for damage or injury to the structures or work authorized herein which may be caused by or result from existing or future operations undertaken by the United States in the public interest.

b. That no attempt shall be made by the permittee to prevent the full and free use by the public of all navigable waters at or adjacent to the activity authorized by this permit.

c. That if the display of lights and signals on any structure or work authorized herein is not otherwise provided for by law, such lights and signals as may be prescribed by the United States Coast Guard shall be installed and maintained by and at the expense of the permittee.

d. That the permittee, upon receipt of a notice of revocation of this permit or upon its expiration before completion of the authorized structure or work, shall, without expense to the United States and in such time and manner as the Secretary of the Army or his authorized representative may direct, restore the waterway to its former conditions. If the permittee fails to comply with the direction of the Secretary of the Army or his authorized representative, the Secretary or his designee may restore the waterway to its former condition, by contract or otherwise, and recover the cost thereof from the permittee.

e. Structures for Small Boats. That permittee hereby recognizes the possibility that the structure permitted herein may be subject to damage by wave wash from passing vessels. The issuance of this permit does not relieve the permittee from taking all proper steps to insure the integrity of the structure permitted herein and the safety of boats moored thereto from damage by wave wash and the permittee shall not hold the United States liable for any such damage.

MAINTENANCE DREDGING

a. That when the work authorized herein includes periodic maintenance dredging, it may be performed under this permit for _____ years from the date of issuance of this permit (ten years unless otherwise indicated).

b. That the permittee will advise the District Engineer in writing at least two weeks before he intends to undertake any maintenance dredging.

DISCHARGES OF DREDGED OR FILL MATERIAL INTO WATERS OF THE UNITED STATES

a. That the discharge will be carried out in conformity with the goals and objectives of the EPA Guidelines established pursuant to Section 404(b) of the FWPCA and published in 40 CFR 230.

b. That the discharge will consist of suitable material free from toxic pollutants in other than trace quantities.

c. That the fill created by the discharge will be properly maintained to prevent erosion and other non point sources of pollution, and

d. That the discharge will not occur in a component of the National Wild and Scenic River System or in a component of a State wild and scenic river system.

DUMPING OF DREDGED MATERIAL INTO OCEAN WATERS

a. That the dumping will be carried out in conformity with the goals, objectives, and requirements of the EPA criteria established pursuant to Section 102 of the Marine Protection, Research and Sanctuaries Act of 1972 published in 40 CFR 220.228.

b. That the permittee shall place a copy of this permit in a conspicuous place in the vessel to be used for the transportation and or dumping of the dredged material as authorized herein.

This permit shall be effective on the date of the District Engineer's signature.

Permittee hereby accepts and agrees to comply with the terms and conditions of this permit.

Steven W. Ray
PERMITTEE
The Delta Group

5/16/82
DATE

BY AUTHORITY OF THE SECRETARY OF THE ARMY
Jerry T. Hines
BERNARD E. STALMAN, LTC.

19 MAY 1982
DATE

DISTRICT ENGINEER
U.S. ARMY CORPS OF ENGINEERS
JERRY T. HINES
Major Corps of Engineers
District Engineer

BK C

TRANSFEREE

DATE

2-30 022