

STATE OF SOUTH CAROLINA	)	
	)	
COUNTY OF CHARLESTON	)	
	)	
MARSH WALK ASSOCIATES	)	
	)	
TO	)	MASTER DEED
	)	
MARSH WALK HORIZONTAL	)	HORIZONTAL PROPERTY REGIME
PROPERTY REGIME	)	

This Master deed is made, published and declared by Marsh Walk Associates (hereinafter referred to as "Developer"), a limited partnership, organized and existing under the laws of the State of South Carolina, this 1st day of June, 1984.

ARTICLE I. ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME.

The purpose of this Master Deed is to establish, pursuant to the Horizontal Property Act of the State of South Carolina, Chapter 31 of the South Carolina Code of Law, 1976, (hereinafter referred to as "The Act") a horizontal property regime to be known as Marsh Walk Horizontal Property Regime (hereinafter referred to as the "Regime"). The land and improvements to be submitted to the provisions of The Act and to the terms of this Master Deed are described in their totality in Article III as the Condominium Property. Developer by filing of record this Master Deed publishes and declares that the Condominium Property shall be owned, occupied, used, conveyed, encumbered, leased, and improved in accordance with the provisions of The Act and in accordance with the covenants, restrictions, encumbrances, and obligations as set forth or incorporated by reference in this Master Deed, all of which shall be deemed to be covenants and obligations running with the land.

ARTICLE II. DEVELOPMENT PLAN.

Section 1. Developer intends to develop the Master Tract hereafter designated and shown in Exhibit "A" in phases, which are referred to and described in this Master Deed as Phase I and II. The units in Phase I consisting of 32 Villas have been completed and are hereby submitted to condominium ownership and to provisions of this Master Deed and the Horizontal Property Act of the State of South Carolina. The maximum number of units within each phase of development and the estimated dates by which Developer will elect whether or not it will proceed with and/or submit each phase, shall be as set forth in Exhibit "A". Phase II may hereafter be incorporated as a part of this Regime by amendment to this Master Deed in accordance with Article XIII.

Section 2. Developer hereby reserves the right in its sole discretion to elect to develop and to submit to this Regime, as provided in Article XIII, any, all, or portions of Phase II, if it so desires. The Owners by purchasing and accepting a Villa hereby acknowledge that construction and dedication by the Developer of the additional phases contemplated hereby shall diminish the percentage of ownership in the Common Elements as described and provided herein and in other applicable portions of this Master Deed.

ARTICLE III. THE CONDOMINIUM PROPERTY.

Section 1. Land. Developer owns in fee simple the tract of land consisting on Phase I, which contains 1.826 acres, described in Exhibit "B" of this Master Deed, said land being more particularly shown as Marsh Walk Horizontal Property Regime, Phase I, on a plat recorded in the RMC Office for Charleston County, South Carolina, in Plat Book BA, Page 169, a copy of said plat being designated herein as Exhibit "C". The property so described and designated is hereby made subject to all utility easements and rights-of-way which appear of record in the RMC Office for Charleston County, South Carolina, to easements and rights-of-way hereafter granted for installation, operation, and maintenance of electric and telephone distribution lines and accessory equipment and to easements now or hereafter granted to any Public Service District or utility company for the installation, operation, and maintenance of water, gas and sewer lines and accessory equipment.

Section 2. Buildings and Villas. Developer has constructed, upon the land described in Exhibit "B" of this Master Deed, five (5) two-level buildings enclosing four (4) condominium units each and two (2) three-level buildings enclosing six (6) condominium units each (hereinafter referred to as "Villas"). The basic type of Villa in Phase I of the Regime is a two-bedroom, two-bath Villa. The seven buildings included in Phase I committed to condominium ownership hereby are designated as Buildings 1, 2, 3, 4, 5, 6 and 7. Buildings 1 and 2 are attached and include units numbered 2059 through 2066. Buildings 3 and 4 are attached and include units numbered 2001 through 2008. Buildings 5, 6 and 7 are attached and include units numbered 2009 through 2024. Buildings 1, 2, 3, 4 and 5 contain two living floors over covered parking. Buildings 6 and 7 contain three three living floors over covered parking. The site locations of the buildings in Phase I and the location and floor plans of the Villas within those buildings are shown and contained in Exhibit "C" attached hereto and incorporated herein. The Villas are more particularly described in Exhibit "D" attached hereto and incorporated herein. For the purpose of identification, all Villas in the buildings located in the Horizontal Property Regime are identified numerically and are delineated and described in the exhibits attached hereto. No Villa bears the same number as does any other Villa. Said number is also the identifying number as to the Villa owner's undivided share of the common elements, vote, common surplus and obligation for common expenses and other assessments. Said buildings and Villas therein and other improvements are constructed substantially in accordance with such plot plans, descriptions and surveys.

Section 3. Common Elements. The Common Elements, all of which shall be general, (as defined in the Act), of the entire Condominium Property, exclusive of the Villas, as shown on the Plans contained in Exhibit "C" of this Master Deed, shall include without limitation the following:

- 3.1 The land upon which the buildings enclosing the Villas are situated; the foundations; roofs; perimeter walls; load-bearing interior walls and partitions; slabs; supporting structure between floor levels in the same building; halls; lobbies; stairways; pipes, wires, conduits, air ducts, and public utility lines, including the space actually occupied by the above; and all easements, rights, and hereditaments appurtenant to the Land described in Exhibit "B" and shown on the Plat contained in Exhibit "C".

- 3.2 Parking facilities located on the Condominium Property, which parking facilities consist of approximately 10,584 square feet and as shown on the Plat contained in Exhibit "C".
- 3.3 All roads, walkways, streetings, paths, trees, shrubs, yards, gardens, and landscaping located upon the land.
- 3.4 All installations outside of the Villas for services such as power, light, telephone and water.
- 3.5 All sewer and drainage pipes excluding those which are property of any Public Service District or utility company.
- 3.6 Other recreational/commercial facilities located upon the Land.
- 3.7 All other elements of the Condominium Property constructed or to be constructed on the Condominium Property, rationally of common use or necessary to its existence, maintenance and safety, and in general all other devices or installations existing for common use.

#### ARTICLE IV. DEFINITIONS.

Certain terms when used in this Master Deed and its exhibits shall have the following meanings unless the context clearly requires otherwise:

(1) "Assessment" means that portion of the Common Expenses which is to be paid by each Villa Owner in proportion to his percentage interest in Common Elements.

(2) "Council of Co-Owners" means the entity responsible for operation and management of the Condominium Property; and shall initially be an incorporated association composed of all Villa Owners, constituting the entity referred to in the Horizontal Property Act (hereinafter referred to as "Council").

(3) "By-Laws" means the rules and procedures prescribed for government of the Council which are attached to this Master Deed as Exhibit "G". All references to "By-Laws" shall be construed to include amendments to the By-Laws duly adopted from time to time.

(4) "Board of Directors" means the body of persons selected, authorized and directed to manage and operate the Condominium Property and the affairs of the Council, as provided by this Master Deed and the By-Laws, (hereinafter referred to as "Board").

(5) "Co-Owners" means a person, firm, corporation, partnership, association, trust or other legal entity, or combination thereof, who owns a Villa within the building. This term is sometimes used throughout this Master Deed interchangeably with the term "Villa Owner".

(6) "Common Elements" means all those portions of the Condominium Property not included within the Villas, and as are more particularly described in Article III, Section 3. This property is sometimes referred to in Exhibit "C" as common area.

(7) "Common Expenses" means the actual and estimated expenses of operating and managing the Condominium Property, including reasonable reserves, as determined by the Board of Directors.

(8) "Common Surplus" means the excess of all receipts of the Council, including but not limited to, assessments, rents, profits, and revenues from the Common Elements, over the amount of Common Expenses.

(9) "Condominium Property" means the Land described in Exhibit "B", the buildings, Villas and other improvements constructed upon the Land, real, personal or mixed, intended for use in connection with this Horizontal Property Regime.

(10) "Horizontal Property Act" means the Horizontal Property Act of the State of South Carolina, Title 27, Chapter 31, Code of Laws of South Carolina, 1976. All references to the "Horizontal Property Act" shall be construed to include any amendments to the Horizontal Property Act adopted and enacted from time to time.

(11) "Land" means the tract of land designated as Phase I Land and described in Exhibit "B", together with all easements and rights appurtenant thereto. If this Master Deed is amended to include any subsequent Phase or Phases in the Condominium Property, the term "Land" shall include both Phase I and the tract or tracts of land designated as Phase II or any subsequent Phase.

(12) "Master Tract" means that certain tract of land designated as Master Tract in Exhibit "A".

(13) "Person" means a natural person, a corporation, partnership, trustee, or other legal entity.

(13) "Phase" means the same as "stage" (of development) as referred to in the Horizontal Property Act.

(14) "Phase I" means the 1.826 acre tract of land ("Land") described in Exhibit "B" as Phase I Land; the five (5) buildings constructed upon the Land covering a ground area of 19,645 square feet, situated and shown on the Plat of the Condominium Property contained in Exhibit "C"; the thirty-two (32) Villas enclosed within such buildings which are described verbally in Articles III, Section 2, and Exhibit "D" of this Master Deed and which are portrayed graphically on the Plans contained in Exhibit "C"; and all other improvements and property, real, personal, and mixed, situated upon or appurtenant to the Land, which are made part of the Regime by this Master Deed.

(15) "Plans" means the floorplans and elevations depicting the design, layout, and dimensions of the Villas, which have been prepared and certified by an architect duly authorized and licensed to practice in the State of South Carolina, and which are contained in Exhibit "C" of this Master Deed.

(16) "Plat" means the physical survey of the completed improvements of which Phase I is composed, prepared by Gifford, Nielson and Williams, Consulting Engineers, showing the dimensions and site locations of the buildings, the thirty-two (32) Villas, the parking areas, roads, walkways, and other improvements in Phase I of the Regime. All reference to the Plat shall be construed to mean the Plat entitled "Marsh Walk Horizontal Property Regime, Phase I", recorded in Plat Book AB, Page 169, RMC Office for Charleston County, South Carolina, a reduced copy of which is contained in Exhibit "C" of this Master Deed.

(17) "Villa" means one of the dwelling units defined in Article III, Section 2, and as described in Exhibit "D" attached hereto. The floor plan and dimensions of each are as shown in the Plans contained in Exhibit "C".

(18) "Villa Owner" means the person or persons owning one or more of the Villas and is sometimes used interchangeably throughout this Master Deed with the term "Co-Owner".

ARTICLE V. MARSH WALK COUNCIL OF CO-OWNERS.

Section 1. Formation. Every Villa Owner shall be a member of the Council of Co-Owners of Marsh Walk Horizontal Property-Regime, which shall be an incorporated association known as "Marsh Walk Council of Co-Owners, Inc.". The Council shall be managed by a Board of Directors elected by and from the Villa Owners, except as may be otherwise provided in the By-Laws.

Section 2. By-Laws. The affairs of the Council and the administration of the Condominium Property shall be governed by the provisions of this Master Deed and the By-Laws of the Council, a copy of which is attached hereto as Exhibit "G". The By-Laws of the Council may be amended from time to time but only in the manner expressly provided in the By-Laws.

Section 3. Voting. For each Villa owned, one person (who shall be the Villa Owner if only one person owns the Villa) shall be designated and known, and is hereinafter referred to, as the "Voting Member". If a Villa is owned by more than one person, the Co-Owners of said Villa shall designate one of them as the Voting Member or in the case of a corporation, partnership or trust Villa Owner, an officer, partner, trustee, or employee thereof shall be the Voting Member. In any case, the designation of the Voting Member shall be made as provided by and subject to the provisions and restrictions set forth in the By-Laws of the Council. The vote of each Voting Member shall not be divisible. Any motion shall carry if it receives the affirmative vote of a simple majority of Voting Members, unless a different majority is specified in this Master Deed or in the By-Laws. By reason of all of the Villas having an equal value with relation to the property as a whole, there shall be appurtenant to each Villa one vote which shall be voted by the Voting Member on all matters relating to the Council or the Condominium Property upon which a vote is taken. Additional phases may be added to the Regime as herein provided; however, each additional Villa added by such phase(s) shall likewise have an equal value with each of the Villas already included in the Regime and by reason thereof, whether any additional phases are added or not, there shall be appurtenant to each Villa one vote which shall be voted by the Voting Member of that Villa. The proportionate representation for voting purposes and the percentage of the undivided interest in the Common Elements provided in Exhibit "E" shall not be altered without the acquiescence of the Villa Owners expressed in an amendment to this Master Deed as provided in Article XII, except as otherwise provided in Article XIII with regard to the amendment of this Master Deed to admit any, all, or portions of the proposed phases of development into this Regime.

Section 4. Binding Effect. All agreements, decisions, and resolutions legally made by the Council in accordance with the provisions of this Master Deed and the By-Laws shall be binding upon all Villa Owners. A copy of such agreements shall be made available at the office of the Council for review by each Co-Owner.

Section 5. Board of Directors. The responsibility for administration of the Condominium Property may be delegated by the Council to the Board of Directors.

ARTICLE VI. VILLAS: OWNERSHIP AND USE.

Section 1. Ownership of Villas. Each Villa, together with its undivided interest in the Common Elements, shall constitute a separate parcel of real property; and each Villa Owner shall be entitled to exclusive ownership and possession of his Villa, subject to (i) the provisions of this Master Deed and the easements, restrictions, covenants, and encumbrances set forth herein; (ii) utility easements and survey set forth in Article III hereof; (iii) the By-Laws of the Council, as they may be amended from time to time, together with the regulations and resolutions that may be adopted by the Council or its Board of Directors pursuant to the By-Laws; and (iv) the Horizontal Property Act of the State of South Carolina. Notwithstanding the foregoing, nothing contained in this Master Deed shall be construed to restrict the Developer or any successor in interest to the Developer from selling and/or conveying any Villa in this or future phases under any plan of multiple use, interval ownership or time-sharing arrangement.

Section 2. Legal Description. Each Villa may be sufficiently described for purposes of deeds, mortgages, leases, and other conveyances by referring to its designated unit number and by reciting that it is part of "MARSH WALK HORIZONTAL PROPERTY REGIME" as established by this Master Deed. The conveyance of an individual Villa shall be deemed to convey the undivided interest in the Common Elements appurtenant to that Villa. The ownership of an undivided interest in Common Elements appurtenant to a Villa shall be inseparable from the Villa, and no such undivided interest may be conveyed or encumbered except as an appurtenance to the Villa.

Section 3. Maintenance and Repair. In addition to the rights and obligations of each Villa owner regarding the use of Villas as set forth in the By-Laws attached hereto as Exhibit "G", every Villa Owner shall be responsible at his own expense for maintaining, repairing and decorating all walls, ceilings, floors and other elements of his Villa as described in Exhibit "D". However, no Villa Owner shall make structural modifications or alterations to his Villa, without obtaining the prior written approval of the Board of Directors. Written notice of any intended modifications shall be given to the Board of Directors, setting forth details and requesting approval. The Board of Directors shall consider the request and decide whether approval shall be granted. Failure of the Board of Directors to approve or disapprove such modification within sixty (60) days after being submitted in writing shall constitute approval. Nothing in this section shall relieve any Villa Owner from obtaining approval for alterations required by other applicable covenants or restrictions. No Villa Owner shall undertake to modify any portion of the Common Elements.

ARTICLE VII. COMMON ELEMENTS: OWNERSHIP AND USE.

Section 1. Ownership of Common Elements. Each Villa Owner shall own as an appurtenance to his Villa an undivided interest in Common Elements as specified in Exhibit "E" under the column captioned "Phase I Only". All the Villas, which are identical in size and specifications, have an equal value with relation to the total value of the Condominium Property as a whole.

In the event this Master Deed is amended to incorporate any subsequent Phase or Phases into the Condominium Property, the Common Elements will be expanded to include the Common Elements of such Phase or Phases, and each Villa Owner in Phase I and any subsequent Phase so included will own as the appurtenance to his Villa an undivided percentage interest in the combined Common Elements of Phase I and any subsequent Phase or Phases so included which is specified in Exhibit "E" under the appropriate columns. The percentage interests specified in these columns represent the percentage of ownership of each Villa Owner in the Common Elements for each Phase in proportion to the total value of the Condominium Property in all Phases. Developer reserves the right to amend Schedule "E" as provided in Article XIII, provided that in any case each Villa Owner shall own a percentage interest in the Common Elements represented by the Value of his Villa in proportion to the total value of the Condominium Property in the Regime, said value to be an equal value for all Villas (for computing percentage interest in Common Elements).

Section 2. No Partition. So long as this Master Deed has not been terminated in accordance with the provisions of Article XIV, and so long as two-thirds (2/3) of the Condominium Property has not been substantially destroyed; and no Villa Owner shall have the right to bring any action for partition or division.

Section 3. Use of Common Elements. Each Villa Owner shall have the right to use the Common Elements for their intended purposes in common with all other Villa Owners. Each Villa Owner shall have also a non-exclusive easement appurtenant to his Villa for ingress and egress over the Common Elements for access to and from his Villa, which shall extend to the family members, agents, servants, tenants and guests of the Villa Owner. All rights to use and enjoy the Common Elements shall be subject to the provisions of the Horizontal Property Act, this Master Deed, the By-Laws of the Council, and all rules and regulations adopted by the Council or the Board of Directors pursuant to the By-Laws.

3.1 Parking spaces are located within the Common Element parking areas shown and designated in Exhibit "C". No parking spaces shall be assigned to any particular Villa nor shall they be numbered unless mutually agreed to by a majority vote of the Council.

3.2 The Developer shall have the right to use a portion of the Common Elements of the Condominium Property for the purposes of aiding in the sale of units including the right to use portions of the Condominium Property for parking for prospective purchasers and such other parties as the Developer determines. The foregoing rights shall also include the right to erect and display signs, billboards, and placards, store and keep and exhibit same, and distribute audio, visual and/or written promotional material upon the Common Elements of the Condominium Property. Further, the Developer shall have the paramount right and the sole discretion to use any unsold Villa which it owns as a sales office and/or as a model Villa.

Section 4. Operation and Maintenance. The maintenance, repair, replacement, management, operation and use of the Common Elements shall be the responsibility of the Board of Directors, and the expenses incurred for such purposes shall be assessed as Common Expenses.

ARTICLE VIII. COMMON EXPENSES.

Section 1. Enumeration of Expenses. Each Villa Owner shall bear in proportion to his respective interest in the Common Elements the following expenses:

- 1.1 Expenses incurred in operating, maintaining, improving, repairing, and replacing the Common Elements.
- 1.2 Expenses incurred in administering the affairs of the Council including salaries, wages, and any compensation paid to a managing agent for such purpose.
- 1.3 Expense incurred in providing public liability insurance, directors and officers insurance, hazard insurance and flood insurance adequate to cover the Condominium Property, exclusive of Villa contents and furnishings as provided in Article X of this Master Deed.
- 1.4 Contributions to provide sufficient working capital and general reserves to operate the Condominium Property and to administer the affairs of the Council.
- 1.5 Contributions to provide sufficient reserves to make such major repairs or replacements to the Common Elements as may be required from time to time.
- 1.6 Any other costs related to the operation of the Condominium Property or administration of the affairs of the Council which are declared by this Master Deed to be Common Expenses, and any valid charge against the Condominium Property as a whole.

Section 2. Assessments. All assessments of Common Expenses shall be fixed by the Board as provided in the By-Laws and made payable at such times as the Board determines, but not less frequently than quarterly.

Section 3. Liability of Villa Owner. No Villa Owner may exempt himself from liability for Common Expenses by waiving the use or enjoyment of the Common Elements or abandoning his Villa.

Section 4. Lien Upon Villa. All assessments of the Council for the share of Common Expenses chargeable to any Villa which are unpaid after becoming due shall thereupon constitute a lien against such Villa prior and superior to all other liens except (i) liens for property taxes upon the Villa in favor of any taxing authority, and (ii) mortgage liens duly recorded prior to such delinquency. The assessments may be collected and/or the lien foreclosed by the Board of Directors acting in behalf of the Council in the manner provided in the Act. The Board on behalf of the Council may bring suit for money judgment, a reasonable amount may be added to the sum due for attorney's fees and other costs of collection, including any sums advanced and paid by the Board of Directors for taxes and payments on account of a superior mortgage lien or encumbrance.

Section 5. Sales of Villa. Upon the sale or conveyance of a Villa, all unpaid assessments against a Villa Owner for his pro rata share of Common Expenses shall first be paid out of the



sales price or by the purchaser or grantee in preference over any other assessments, charges or liens, except the following:

- 5.1 Lien for taxes and special assessments upon the Villa which are unpaid.
- 5.2 Payments due under mortgages upon the Villa which are duly recorded prior to such sale or conveyance.

Section 6. Foreclosure Purchaser. If the mortgagee of a Villa acquires title by foreclosure of its mortgage, or by deed in lieu of foreclosure, or if a purchaser acquires title at a foreclosure sale, such purchaser shall not be liable for the share of Common Expenses assessed by the Council upon the Villa so acquired accruing after the date of recording of such mortgage but prior to the acquisition of title by such foreclosure purchaser, as is provided in The Act. The unpaid assessments accruing during such period shall be deemed Common Expenses collectible from all Villa Owners, including such foreclosure purchaser, his successors, heirs and assigns. The provisions of this Section, however, shall not release any Villa Owner from personal liability for unpaid assessments.

Section 7. Records. The Board, or a managing agent which it employs, shall keep accurate and detailed records, in chronological order, of receipts and disbursements connected with the operation, administration, maintenance, repair, and replacement of the Condominium Property. Such records, together with the vouchers authorizing payment, shall be available for examination by the Villa Owners during reasonable business hours.

#### ARTICLE IX. RESTRICTION, COVENANTS, EASEMENTS.

Section 1. Covenant to Comply with Restrictions and Obligations. Each Villa Owner by acceptance of a deed to a Villa in the Regime ratifies and covenants to observe on behalf of himself, his heirs and assigns, the following:

- 1.1 This Master Deed, the Regime By-Laws, decisions and resolutions of the Council, Board of Directors, or their representatives, as lawfully amended from time to time, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief.\*\*

Section 2. Developer's Right to Grant Certain Easements. The real property submitted to the Regime herewith to be submitted, is subject to easements for ingress and egress for pedestrians and vehicular purposes, easements for utility services and drains now existing or hereafter granted by the Developer for the benefit of such persons as the Developer designates; and the Developer shall have the right to grant such easements and designate the beneficiaries thereof for such time as is allowed Developer to include additional Phases of development within the Regime as stated in Exhibit "A", attached hereto, and thereafter the Board of Directors shall be empowered to grant such easements. During the period of time the Developer has the right to grant the foregoing easements, the consent and approval of the Council of Co-Owners and the members thereof shall not be required. The right to grant the foregoing easements shall be subject to said easements not structurally weakening the buildings and improvements upon the Condominium Property and not being inconsistent with the full use and enjoyment of the Condominium Property by the Villa Owners nor adversely affecting the security of any mortgagee without its written consent.

\*\*The property is subject to the Covenants and By Laws of the Seabrook Island Property Owners Association and the Multi-Family Protective Covenants of Seabrook Island, recorded with the Charleston RMC Office.

Section 3. Utility Easements. Each Villa Owner shall have a non-exclusive easement to his Villa for the use in common with other Villa owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements located in any other Villa or within the Common Elements and serving his Villa. Each Villa shall be subject to an easement in favor of the owners of all other Villas to use the pipes, wires, ducts, flues, cables, conduits, public utility lines, and other Common Elements serving other Villas which are located in such Villa.

Section 4. Encroachments. There shall be an easement in favor of the Council to the extent any portion of the Common Elements encroaches upon any Villa, and there shall be an easement appurtenant to any Villa to the extent any portion of the Villa encroaches upon the Common Elements or upon another Villa, whether such encroachment presently exists or occurs hereafter as a result of (i) settling or shifting of or reconstruction of the Common Elements made by the Council or with its consent, (ii) repair or reconstruction necessitated by condemnation of any part of the Condominium Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Condominium Property remains subject to the Horizontal Property Act.

Section 5. Right of Access. The Council shall have the right of access to each Villa during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Villa, or for making emergency repairs within the Villa necessary to prevent damage to the Common Elements or to another Villa. This easement and right of access may be exercised by the Board, by its agents and employees, or by a managing agent to whom the responsibility of maintenance has been delegated. Damages resulting to any Villa because of such maintenance or repairs shall be corrected promptly at the expense of the Council.

Section 6. Public Utility Easements. The Condominium Property is subject to utility easements for installation, operation and maintenance of electric and telephone distribution line, and for installation, operations, and maintenance of water and sewer lines. After the period of time allowed the Developer to grant such easements has expired, the Board may grant easements and relocate existing easements for installation of utilities if such easements are beneficial to the operation of the Condominium Property. If the location or nature of any utility easement is of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Council.

#### ARTICLE X. INSURANCE.

Section 1. Hazard Insurance. The Board of Directors or the management agent if authorized by the Board of Directors pursuant to the By-Laws, shall be required to obtain and maintain, blanket property insurance which shall insure for loss or damage due to fire and lightning, with extended coverage, in an amount equal to the maximum insurable replacement value of the Condominium Property as determined by an appraisal which the Board shall make annually. The Board shall have the authority to insure against other hazards and risks as it may deem desirable for protection of the Condominium Property. All hazard insurance shall cover all the buildings and improvements of the Condominium Property, including all of the Villas, the interior partitions and painted surfaces, the carpeting within the Villas, and the

bathroom and kitchen fixtures initially installed therein by Developer, (but not including drapes, wall-covering, fixtures, furniture, furnishings, or other personal property supplied or installed by the Villa Owners), together with all air-conditioning equipment and other service machinery contained therein and covering the interests of the Regime, the Board of Directors and all Villa Owners and their mortgagees, as their interests may appear, each of which policies where appropriate shall contain a standard mortgagee clause in favor of each mortgagee of the Villa which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Board of Directors. Notwithstanding the foregoing, the hazard insurance policies shall be in the forms and amounts satisfactory to mortgagees holding first mortgages covering the Villas, but without prejudice to the rights of the Villa Owners to obtain additional individual Villa insurance at their own expense and for their own benefit.

- 1.1 All hazard insurance policies obtained by the Board shall designate the Board as the named insured as Insurance Trustee for the benefit of all the Villa Owners and their mortgagees collectively, as their respective interests may appear. In the event of loss or damage, all insurance proceeds shall be paid to the Board as Insurance Trustee under the provisions of this Master Deed.
- 1.2 All hazard insurance policies obtained by the Board shall provide for the issuance of Certificates of Insurance to each Villa Owner. Each Certificate shall evidence the issuance of the Master Policy and shall indicate the amount of insurance covering the building within which the respective Villa is located. If a Villa is mortgaged, a Certificate of Insurance shall be issued to the mortgagee(s) bearing a standard mortgagee endorsement, if requested.
- 1.3 If feasible, all hazard insurance policies upon the Condominium Property shall include provisions waiving (i) any rights of the insurer to subrogation against the Council, its agents and employees, and against the individual Villa Owners and their servants, agents and guests, and (ii) any rights of the insurer to contribution from hazard insurance purchased by the Villa Owners upon the contents and furnishings of their Villas.

Section 2. Public Liability Insurance. The Board shall obtain comprehensive public liability insurance with limits and provisions as it deems desirable and as may be obtainable. All such policies shall contain severability of interest clauses or endorsements extending coverage to liabilities of the Council to an individual Villa Owner and to liabilities of one Villa owner to another Villa Owner.

Section 3. Insurance and Fidelity Bonds. The Board is authorized to obtain such additional insurance and for such additional purposes, including Workmens' Compensation if required by law or deemed advisable, to carry out its purposes and/or protect the Regime, the Villa Owners and their mortgagees.

Section 4. Premiums. All premiums upon insurance policies purchased by the Board shall be assessed as Common Expenses and paid by the Board.

Section 5. Insurance by Villa Owner. Each Villa Owner shall be responsible for obtaining at his sole expense insurance covering the personal property, decorations and furnishings within his own Villa, and the shall also be responsible for the safety of the premises within his Villa. All such insurance policies shall include, however, provisions waiving (i) any right of the insurer to subrogation to claims against the Council and against individual Villa Owners, as well as their agents, servants, employees, and guests, and (ii) any right of the insurer to contribution or proration because of the master hazard policy.

Section 6. Substitution of Insurance Trustee. The Board 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 Charleston County, South Carolina. Any substitute Insurance Trustee appointed by the Board shall succeed to all of the powers and responsibilities vested in the Board as Insurance Trustee under the terms of this Master Deed.

#### ARTICLE XI. RECONSTRUCTION AND REPAIR.

Section 1. Reconstruction. In the event of casualty loss or damage to the Condominium Property, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Condominium Property in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless two-thirds (2/3) or more of the Condominium Property is destroyed or substantially damaged. If two-thirds or more of the Condominium Property is destroyed or substantially damaged, unless the Villa Owners unanimously agree to reconstruction, the insurance proceeds received by the Board shall be distributed prorata to the Villa Owners and their mortgagees jointly in proportion to their respective interests in Common Elements. If less than two-thirds (2/3) of the Condominium Property is destroyed or substantially damaged, the Condominium Property shall be reconstructed or repaired in the following manner:

- 1.1 Any reconstruction or repair must follow substantially the original plans and specifications of the Condominium Property unless the Villa Owners holding seventy-five (75%) per cent or more of the total interest in Common Elements vote to adopt different plans and specifications and all Villa Owners whose Villas are affected by the alterations and all mortgagees holding first mortgages covering the Villas unanimously consent.
- 1.2 The Board shall promptly obtain estimates of the costs required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for bonds as the Board deems necessary.
- 1.3 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 Villa Owners whose units are directly affected by the damage in proportion to the value of their respective Villas.
- 1.4 The insurance proceeds received by the Board and any special assessments collected to cover a

deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds; and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Villa Owners who paid special assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Council.

Section 2. Insurance Trust. In the event of casualty loss to the Condominium Property, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Council, the Villa Owners, and their respective mortgagees in the following shares:

- 2.1 Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Villas.
- 2.2 Insurance proceeds paid on account of loss or damage to less than all of the Villas, when the damage is to be restored, shall be held for the Villa Owners of the damaged Villas in proportion to the costs of repairing each damaged Villa.
- 2.3 Insurance proceeds paid when the Condominium Property is not to be restored shall be held for the benefit of all Villa Owners, the share of each being equal to the undivided share in Common Elements appurtenant to his Villa.
- 2.4 In the event a Certificate of Insurance has been issued to a Villa Owner bearing a mortgagee endorsement, the share of the Villa Owner shall be held in trust for the mortgagee and the Villa Owner as their interests may appear; provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of the mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Villa Owners and their respective mortgagees pursuant to the provisions of this Master Deed.

Section 3. Adjustment. Each Villa Owner shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Council, subject to the rights of mortgagees of such Villa Owners.

#### ARTICLE XII. AMENDMENTS.

Section 1. By Villa Owners. This Master Deed and the By-Laws of the Council may be amended from time to time by the affirmative vote of the Villa Owners holding two-thirds (2/3) or more of the total interest in Common Elements, provided, however, that no amendment shall alter the dimensions of a Villa or its

appurtenant interest in Common Elements without the written consent of a Villa Owner affected by the proposed alteration. Except as provided for in Article XIII for the inclusion of future Phases of development, duly adopted amendments shall become effective when an instrument setting forth the amendment has been executed and filed of record by the Board of Directors. The provisions of this Master Deed, the By-Laws of the Council, and all covenants, restrictions, encumbrances, and obligations imposed by this Master Deed will be extended to bind and apply to each Villa Owner and each Villa in any subsequent Phase of development included in the Regime pursuant to Article XIII. No amendment shall change the rights and privileges of Developer, its successors and assigns, without the written consent of the Developer, or its successors and assigns.

ARTICLE XIII. AMENDMENT OF MASTER DEED TO INCLUDE SUBSEQUENT PHASES OF DEVELOPMENT.

Section 1. Right to Amend to Include Subsequent Phases of Development. Developer reserves the right to annex one or more parcels of additional property within the Master Tract to the Phase I Land and to incorporate such additional parcel(s) of property into the Regime established hereby. Developer has granted an option to the owners thereof to submit said property to this Regime.) Any such annexations of additional property shall be as hereinafter provided:

- 1.1 Each parcel of property to be so annexed shall constitute one or more Phases of Development of the Master Tract, as hereinabove defined, and shall contain Villas and Common Elements of the same general design and description as set forth herein.
- 1.2 The maximum number of units within each Phase of Development shall be as set forth in Exhibit "A" attached hereto.
- 1.3 The dates by which the Developer (and the owners of proposed Phase II submitting such additional property to the Regime) will elect whether or not they will proceed with each Phase of Development and/or annex such additional property to the Regime, is set forth in Exhibit "A".
- 1.4 A general description of the nature and proposed use of additional Common Elements which the Developer intends to construct in connect with the addition of future Phases of the development to be submitted to condominium ownership appears in other portions of this document and in Exhibit "F" of this Master Deed. Any such Common Elements associated with or constructed solely with any subsequent Phases should not under normal circumstances or under normal course of events be reasonably expected to substantially increase the proportionate amount of the Common Expenses payable by Owners of Villas in any other Phase.
- 1.5 The percentage interest in the Common Elements of each Villa Owner at the conclusion of each Phase of Development shall be as set forth in Exhibit "E".

- 1.6 Each exercise of Developer's rights under this Article XIII, Section 1, shall be made pursuant to an amendatory declaration filed by Developer in accordance with the Horizontal Property Act and with Section 2 of this Article XIII.

Section 2. Amendatory Declaration The amendatory declaration referred to in Section 1.6 above (i) shall contain a plot plan and architect's or engineer's certificate for the Phase or Phases of Development then being annexed to this Regime; (ii) shall set forth the number and type of Villas contained in such Phase or Phases; and (iii) shall set forth the area of the land being annexed, separately setting forth the area covered by buildings containing Villas and that covered by Common Elements. Upon the filing of such amendatory declaration:

- 2.1 The "Condominium Property" will thereafter include all Condominium Property previously included in the Regime and the land and improvements and appurtenant rights constituting the Phase or Phases of Development then being annexed.
- 2.2 The Common Elements will thereafter include all Common Elements previously included in the Regime as well as all Common Elements constituting a portion of the Phase or Phases of Development then being annexed. Undivided ownership of all such Common Elements will be apportioned among all Villa Owners in accordance with percentage amounts set forth in Exhibit "E" in the appropriate column thereof.
- 2.3 All Villas in the Regime as previously constituted and in the Phase of Development then being annexed shall be Villas in the Regime, and all owners thereof shall be Villa Owners hereunder.
- 2.4 The Council will be expanded to include as members all Villa Owners in the Regime.
- 2.5 The provisions of this Master Deed, the By-Laws of the Council, and all covenants, restrictions, encumbrances and obligations imposed by this Master Deed will be extended to bind and apply to each Villa Owner and each Villa in the Phase or Phases of Development then being annexed, the intent being that thereupon all Villa Owners, and all property then included under this Master Deed shall constitute one single Horizontal Property Regime under the Horizontal Property Act.

Section 3. Reservations. Developer hereby reserves unto itself, its successors and assigns, the following rights/options to be exercised at its sole discretion:

- 3.1 The right to change the number of Villas or the type of Villas in any Phase of Development not then yet annexed to the Regime, to amend Exhibit "E" hereto and the percentage interests of ownership of Common Elements contained therein accordingly to effect such changes, and then to include any such Phase of Development as so modified in the Regime in accordance with Sections 1 and 2 of this Article XII.

- 3.2 To construct upon the property to be annexed to the Regime sales, rental project, and Regime management offices to be owned by Developer and under its control so long as any Villa in any subsequent Phase remains unsold, after which period said offices will be conveyed by Developer and accepted by the Council without charge.

Section 4. Constructive Consent. Each Purchaser of a Villa by acceptance of a deed subject to the terms of this Master Deed shall be deemed to have consented to the powers of amendment reserved in this Article by Developer. Each mortgagee by accepting a mortgage upon a Villa subject to the terms of this Master Deed shall be deemed also to have consented to the powers of amendment reserved by Developer in this Article.

Section 5. Power of Attorney. Each Villa Owner or mortgagee of a Villa shall further be deemed by acceptance of a deed or mortgage to have appointed and empowered Developer his attorney-in-fact to act in his behalf, without further consent, in making, executing, and filing of record any amendments to this Master Deed necessary to incorporate Phase II and any subsequent Phase of Development into this Regime.

Section 6. Recording. No amendments to this Master Deed to incorporate additional Phases shall become effective until recorded in compliance with the Horizontal Property Act.

Section 7. Easement. In the event that for any reason Developer, or its successors or assigns, does not elect to include in the Regime all contemplated Phases of Development, but constructs on the Master Tract Villas constituting another Horizontal Property Regime, then Developer reserves for the Owners of Villas in such other Regime (and their guests, tenants and invitees) an easement for the use and enjoyment, in common with the Villa Owners hereunder and their guests, tenants and invitees, of all of the Common Elements hereunder including, but not limited to, the tennis courts, the swimming pool, and clubhouse, reception/sales center and related facilities, provided:

- 7.1 No more than 66 Villas (including the Villas in this Regime) shall be constructed on the Master Tract and shall have the easement rights described in this Section 7.
- 7.2 The Regime or Regimes enjoying such easement rights shall share with the Regime hereunder the costs of maintaining the Common Elements hereunder, in the following manner:
- 7.2.1 If the Villas of such other Regimes are of the same general design and description as the Villas hereunder, then such Villas shall also be deemed to have equal values in relation to its Condominium Property as a whole, and shall have equal percentages of interests in the Common Elements and the costs shall be shared between Regimes in proportion to the total number of Villas in each Regime.
- 7.2.2 If the Villas of such other Regime are of another general design, then the costs shall be shared in proportion to the total number of square feet in each Regime.



ARTICLE XIV. TERMINATION.

Section 1. Casualty or Condemnation. If two-thirds (2/3) or more of the Condominium Property is substantially destroyed or taken by condemnation, the Condominium Property may be removed from the provisions of this Master Deed and the Horizontal Property Act in accordance with Article XI or Article XII, as the case may be.

Section 2. Voluntary Termination. This Regime may also be terminated, removing the Condominium Property from the provisions of this Master Deed and the Horizontal Property Act, if the record owners of title to the Villas and the record owners of mortgages upon the Villas agree in a written instrument to termination, unanimously or in such percentage as may then be required for termination by the Horizontal Property Act. Termination shall become effective upon recordation of such written instrument, duly executed by the requisite number of Villa Owners and mortgagees.

Section 3. Ownership After Termination. After termination of this Regime, the Villa Owners shall own the Condominium Property as tenants in common in undivided shares and the holders of mortgages and liens upon the Villas shall have mortgages and liens upon the respective undivided common interests of the Villa Owners. The undivided share of each tenant in common shall be the same as his undivided interest in Common Elements prior to termination. Any asset of the Council, any funds held by the Board of Directors, and any insurance proceeds shall also be the property of the former Villa Owners as tenants in common in the same undivided shares as their interests in Common Elements prior to termination. The costs incurred by the Board in connection with termination shall be considered a Common Expense.

Section 4. Partition. After termination, the Condominium Property shall be subject to an action for partition by any Villa Owner or any lienor in which event the net proceeds from the judicial sale shall be divided among all Villa Owners in proportion to their respective interests in Common Elements and paid to each Villa Owner and mortgagee.

ARTICLE XV. MISCELLANEOUS PROVISIONS.

Section 1. Conflicts. This Master Deed is made and declared in compliance with the Horizontal Property Act. In the event of any conflict between this Master Deed and the provisions of the Horizontal Property Act, the provisions of the statute shall control.

Section 2. Invalidity. The invalidity of any provisions of this Master Deed shall not impair the validity, enforceability, or effect of the remaining provisions; and in such event, all other provisions shall continue in full force as if the invalid provisions had not been included.

Section 3. 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.

Section 4. Exhibits. All exhibits to this Master Deed shall be integral part of this instrument.

Section 5. Captions. Captions are inserted in this Master Deed for convenience only and are not to be used to interpret the provisions of this instrument.

IN WITNESS WHEREOF, MARSH WALK ASSOCIATES has caused this Master Deed to be executed in its name by 14 EAST STATE STREET, LTD., a Georgia corporation, its General Partner, this 1st day of June, 1984.

MARSH WALK ASSOCIATES, a South Carolina Limited Partnership

BY: 14 EAST STATE STREET, LTD.  
General Partner

Signed, sealed and delivered in the presence of:

By: [Signature]  
Erwin A. Friedman,  
President

Masha Friedman  
Witness

Attest: [Signature]  
Steven R. Gretenstein,  
Vice President

Reba D. O'Neal  
Notary Public

REBA D. O'NEAL  
Notary Public, Chatham County, Ga.  
My Commission Expires July 27, 1984

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within named MARSH WALK ASSOCIATES, a South Carolina Limited Partnership, by its General Partner, 14 East State Street, Ltd., a Georgia corporation, by Erwin A. Friedman, its President, and Steven R. Gretenstein, its Vice President, sign, seal, and as its act and deed, deliver the within written MASTER DEED, and that (s)he along with the other witness whose signature appears above, witnessed the execution thereof.

Masha Friedman

SWORN to and subscribed before me this 18<sup>th</sup> day of July, 1984.

Reba D. O'Neal  
Notary Public, Chatham County,  
Georgia

My Commission Expires:

REBA D. O'NEAL  
Notary Public, Chatham County, Ga.  
My Commission Expires July 27, 1984

ALL that piece, parcel or tract of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, and containing 1.227 acres, more or less, and shown on a plat dated May 28, 1984, and last revised on JUNE 18, 1984, by Josiah M. Williams, III, Professional Surveyor, recorded in the RMC Office for Charleston County in Plat Book BA at page 169, which plat is expressly incorporated herein by specific reference thereto.

ALSO

ALL that piece, parcel or tract of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, and containing .5171 acre, more or less, and shown on a plat dated May 28, 1984, and last revised on JUNE 18, 1984, by Josiah M. Williams, III, Professional Surveyor, recorded in the RMC Office for Charleston County in Plat Book BA at page 169, which plat is expressly incorporated herein by specific reference thereto.

ALSO

ALL that piece, parcel or tract of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, and shown as the sixty (60') foot right of way designated as Marsh Walk Trace on the Plat of Josiah M. Williams, III, Professional Surveyor, dated May 28, 1984, and last revised on JUNE 18, 1984, and recorded in the RMC Office for Charleston County in Plat Book BA at page 169, which plat is expressly incorporated herein by specific reference thereto.

ALSO

ALL that certain piece, parcel or tract of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, containing approximately 0.028 acre, and being on the eastern side of and adjacent to Marsh Walk Trace, and being bounded on the west by the eastern margin of Marsh Walk Trace for a distance of 37.63 feet, to the south on the tract of land shown as 0.5171 acre, for a distance of 30.72 feet; on the east by a line being extended in a northerly direction from the point marked I.N., for a distance of 33.07 feet to a point on the southern boundary line of the tract of land shown as 1.227 acres; and on the north by a portion of the boundary line of the said 1.227 acres tract for a distance of 36.71 feet, reference being made to the plat by Gifford Nielson and Williams, dated May 28, 1984, and last revised on June 18, 1984, and recorded in the RMC Office for Charleston County in Plat Book BA at page 169. The property herein described being shown on said plat as the westernmost portion of the 1.812 acres parcel shown on said plat of Gifford, Nielson and Williams.

RESERVING, HOWEVER, an easement appurtenant, over, across, and under the premises last described as containing 0.028 acre, and the premises above described as the Marsh Walk Trace 60' right of way for ingress, egress and regress, and utilities, to and from the parcel containing 1.812 acres, more or less, and shown on the plat by Gifford, Nielson and Williams, dated May 28, 1984, last revised June 18, 1984, and recorded in the RMC Office for Charleston County in Plat Book BA at page 169.

THE ABOVE property being the premises conveyed to Marsh Walk Associates by Deed of Seabrook Island Company dated October 31, 1983, recorded in Book N133 at page 111, Charleston RMC Office.