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PORTIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION PURSUANT TO THE
SOUTH CAROLINA UNIFORM ARBITRATION ACT, § 15-48-10, S.C. CODE OF LAWS OF
1976, AS AMENDED.

**Declaration of Covenants, Conditions and Restrictions
For
Parkers Island**

10/18/99

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR PARKERS ISLAND

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARKERS ISLAND is made this 26th day of October, 1999, by and among CENTEX HOMES, a Nevada general partnership ("Centex"), GINN-LA PARKERS ISLAND, L.P., a Georgia limited partnership ("Ginn"), PARKERS ISLAND DEVELOPMENT GROUP, LLC, a South Carolina limited liability company ("PIDG") and RIVERTOWNE GOLF, LLC, a Georgia limited liability company ("Golf Course Developer").

WITNESSETH THAT:

WHEREAS, Centex is the owner of certain real property located in the Town of Mount Pleasant, Charleston County, South Carolina, and more particularly described in Exhibit "A" attached hereto ("Centex Tract"); and

WHEREAS, Ginn is the owner of certain real property located adjacent to the Centex Tract more particularly described in Exhibit "B" attached hereto ("Ginn Tract"); and

WHEREAS, PIDG is the owner of certain real property located adjacent to the Centex Tract more particularly described in Exhibit "C" attached hereto ("PIDG Tract"); and

WHEREAS, the Golf Course Developer is the owner of certain real property located in and around the Centex Tract, the Ginn Tract and the PIDG Tract, more particularly described in Exhibit "D" attached hereto ("Golf Course Land") on which the Golf Course Developer intends to construct, own and operate an 18-hole golf course.

WHEREAS, the Centex Tract, the Ginn Tract, PIDG Tract and the Golf Course Land are to be developed as a golf course residential community under the planning ordinances adopted by the Town of Mount Pleasant, Charleston County, South Carolina (the "Parkers Island Community"); and

WHEREAS, Centex, Ginn, PIDG and the Golf Course Developer deem it to be in the best interest of the Centex Tract, the Ginn Tract, the PIDG Tract and the Golf Course Land, to establish covenants, conditions and restrictions to promote efficiencies and to provide a flexible mechanism for the administration and maintenance of community facilities, amenities and services which are for the common use and benefit of all the Owners of the Parkers Island Community.

NOW, THEREFORE, Centex, Ginn, PIDG and the Golf Course Developer hereby declare that the Centex Tract, Ginn Tract, PIDG Tract and the Golf Course Land and any Additional Property, as hereinafter defined, will be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions set forth herein which are for the purpose of protecting the values and desirability of the Parkers Island Community, and which will touch and concern and run with title to, the real properties subjected to this Declaration and which will be binding on and inure to the benefit of all parties having any right, title, or interest in the Centex Tract, the Ginn Tract, the PIDG Tract and the Golf Course Land or any portion thereof, and their respective heirs, successors, successors-in-title, and assigns.

ARTICLE 1. DEFINITIONS

1.1 Definitions. When used in this Declaration, unless the context will prohibit or require otherwise, the following words will have all the following meanings, and all definitions are applicable to the singular and plural forms of any such terms:

(a) "Additional Property" will mean and refer to real property as may be added and made subject hereto as provided in Article 2 hereof.

(b) "Amenity Center" will mean and refer to the recreational facilities constructed, or to be constructed, by the Club Owner pursuant to paragraph 3.2 hereof.

(c) "Amenity Land" will mean and refer to that portion of the Golf Course Land upon which the Amenity Center is constructed.

(d) "Assessment" will mean and refer to the Common Expenses and other charges from time to time assessed against a Lot by the Association in the manner herein provided, and will include annual, special and specific Assessments as provided in Article 7.

(e) "Association" will mean and refer to the Parkers Island Property Owners Association, a South Carolina not-for-profit corporation.

(f) "Board of Directors" or "Board" will mean and refer to the Board of Directors of the Association.

(g) "Builder" will mean any Person who or which purchases one or more Lots for the purpose of constructing improvements for later sale at retail to First Buyers or purchases of one or more parcels of land within the Residential Property for further subdivision, development and/or resale in the ordinary course of such Person's business.

(h) "By-Laws" will mean and refer to the By-Laws duly adopted for the administration and operation of the Association, as may be amended from time to time, a copy of which is attached hereto as Exhibit "E."

(i) "Centex Development Period" means the time period commencing on the date of recording of this Declaration and ending on the earlier of:

(i) December 31, 2005; or

(ii) Three (3) months after the conveyance by Centex, in the ordinary course of business to Persons other than a successor Declarant, property representing ninety (90%) percent of the total number of Equivalent Lots assigned to Centex's Development Parcel; or

(iii) Three (3) months following the date Centex, by an express amendment to this Declaration which is executed and Filed of Record, surrenders its authority to add Additional Property pursuant to Section 2.3(a) below.

(j) "Club" will mean the facilities to be constructed by the Club Owner on the Club Property, including without limitation a golf course, driving range, clubhouse, golf maintenance area, and related golf facilities, but specifically excluding the Amenity Center.

(k) "Club Owner" shall mean and refer to the Golf Course Developer and each of its successors and assigns.

(l) "Club Property" shall mean and refer to the Golf Course Land, less and except the Amenity Land.

(m) "Club Reimbursement" shall mean the amount to be paid annually by the Club Owner to the Association, which shall be equal to 25% of the actually incurred costs of maintenance, repair and replacement of the RiverTowne Country Club Drive roadway (until said road is accepted for maintenance by governmental authority), landscaping and signage, up to a maximum amount of \$8,000 per annum. This amount may be increased by the Association with the consent of the Club Owner, which consent will not be unreasonably withheld, conditioned or delayed. In addition, this amount may be increased by the Association without Club Owner's consent by the same percentage as the increase in the Consumer Price Index (as defined herein) from year to year (subject to a cap of 5% per year) if and only if the Club Owner is advised, in writing, of such increase on or before February 1st of any year. All the actual costs of maintenance, repair and replacement of the RiverTowne Country Club Drive roadway (until said road is accepted for maintenance by governmental authority), and related landscaping costs and expenses shall be maintained under a separate account or sub-account code from the Association's other Common Expenses, and the Association shall make such accounting records available to the Club Owner at reasonable times and upon reasonable notice given for its review and verification of such actual costs.

(n) "Common Areas" will mean and refer to any and all real and personal property now or hereafter deeded or leased to, or which is the subject of a use agreement with, the Association, and wherein the property therein described is specifically designated to be a part of the Common Areas, as well as such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenant, contract or agreement. The Common Areas shall include the areas of the Property for which the Association provides signage and landscape maintenance along the public roads and street shoulders within the Property, and all easement areas for drainage, easements, lagoons, and ponds for which maintenance thereof is not the responsibility of the Club Owner; and may include parking lots, walkways, sidewalks, leisure trails, bike paths, street lighting, signage and other areas and services set aside or provided for the common use and enjoyment of the Owners and Occupants of the Residential Property. The designation of any land and/or improvements as a Common Area will not mean or imply that the public at large acquires any easement of use or enjoyment therein. The Common Areas will also include, upon completion of construction of improvements and conveyance thereof to the Association, the Amenity Center. Common Areas do not and will not, however, include the Club Property. Subject to the rights of the Club Owner and the reservations to Declarants set forth herein, all Common Areas are to be devoted to and intended for the common use and enjoyment of the Declarants, Owners, and their respective guests, and visiting members of the general public (to the extent permitted by the Board of Directors, or required by the terms hereof or of any deed, lease, or use agreement) and subject to the fee schedules, if any, and operating rules adopted therefor; provided, however, neither the Club Owner nor any of the Golf Course Users will be required to pay any fee for use of roads or be impeded in accessing the Club Property.

(o) "Common Expenses" will mean and refer to all liabilities or expenditures made or incurred by or on behalf of the Association, together with all funds necessary for the creation or maintenance of equipment or capital improvement reserves, consistent with the provisions of this Declaration in the fulfillment of its Common Responsibility.

(p) "Common Responsibility" will mean and refer to the Association's duties and responsibilities for maintenance, repair and management of the Common Areas owned or leased by it or over which it has an easement or which are the subject matter of a use or license agreement, including, but not limited to, offsite signage, private streets, storm drainage, landscaping, irrigation, bikeways, boardwalks, and sidewalks. The term "Common Responsibility" also includes the Association's duties and responsibilities for maintenance, repair and management of areas not owned by the Association, but which will, pursuant to this Declaration, or any Supplemental Declaration or contract or agreement, be binding upon the Association. It is anticipated that the Association's Common Responsibilities for property not owned by it will include, but will not be limited to, landscape maintenance and management of street shoulders and signage along the unpaved portions of publicly dedicated rights-of-way (other than those

portions of rights-of-way fronting any Lot for which an Owner is responsible pursuant to Section 5.8 below). Further the term, "Common Responsibility" will include the maintenance, repair and management of lakes, lagoons, wetlands and drainage ways specifically shown and designated on any plat of the Property, or any portion thereof, as the responsibility of the Association, and whether owned by the Association or not, and/or incorporated herein by a Supplemental Declaration.

(q) "Declarant" will mean and refer to each of Centex, Ginn, Golf Course Developer and PIDG, or any successor-in-title to the entire interest of Centex or Ginn or PIDG or Golf Course Developer to the portion of the Property owned by Centex or Ginn or PIDG or Golf Course Developer at the time of the transfer to said successor-in-title, or any party designated in an instrument Filed of Record to succeed to its rights as a Declarant hereunder as to the matters set forth in such writing. "Declarants" will mean and refer to all of said named Persons.

(r) "Declaration" will mean and refer to this Declaration of Covenants, Conditions and Restrictions for Parkers Island and all supplements and amendments Filed of Record from time to time.

(s) "Development Parcel" will mean and refer to one or more pieces, parcels or tracts of property within the Property owned by a Declarant and held for, or conveyed by the Declarant to third parties under covenants and restrictions which permit or require, the division of any such piece, parcel or tract into Lots or smaller Development Parcels. The Centex Tract, the Ginn Tract and PIDG Tract shall each constitute a Development Parcel, each of which may be further divided into smaller Development Parcels.

(t) "Equivalent Lots" shall mean and refer to the number used for the purposes of determining the vote to which a Board member is entitled, calculated as follows:

(i) Until a Development Parcel is subdivided, in whole or in part, into Lots assigned by a Declarant to a Neighborhood, a Declarant's Development Parcel will be assigned the following number of Equivalent Lots:

- (A) The Centex Tract – 386 Equivalent Lots.
- (B) The Ginn Tract – 149 Equivalent Lots.
- (C) PIDG Tract – 275 Equivalent Lots.

Unless more than one Neighborhood shall be formed for each of the Centex Tract, the Ginn Tract and the PIDG Tract, a Development Parcel's Equivalent Lots shall decrease or increase in number at the time the Development Parcel is fully subdivided into Lots and upon such final subdivision, the Development Parcel's Equivalent Lots shall equal the actual number of Lots platted for the Development Parcel. If a Development Parcel is subdivided into one or more smaller Development Parcels and conveyed to a Builder for further subdivision into Lots by such Builder, the Declarant conveying such smaller Development Parcel shall allocate to such smaller Development Parcel the number of Equivalent Lots as such Declarant shall determine. Such Declarant shall give notice to the Association in writing of such assigned Equivalent Lots. Upon each conveyance of smaller Development Parcels the number of Equivalent Lots of the Declarant making such conveyance shall be reduced by the number of Equivalent Lots assigned with any such smaller Development Parcel. Upon recordation of the final subdivision plat for the smaller Development Parcel, the Equivalent Lots for such smaller Development Parcel shall equal the actual number of Lots shown on the final subdivision plat for such smaller Development Parcel. A Development Parcel's Equivalent Lots shall decrease in number as the Development Parcel is subdivided into Lots, and with respect to a Development Parcel, the term "Equivalent Lots" shall mean, from time to time hereunder, the number assigned, as above provided, reduced by the aggregate number of Lots subdivided from the Development Parcel and assigned to the Neighborhood Association pursuant to section 1.1(s)(ii) below. A Development Parcel shall no longer have any Equivalent Lots assigned to it, and the owner thereof shall no longer have the right to subdivide the remainder of the Development Parcel, if there is any, upon the earlier to occur of (1) when the total of all Lots subdivided from the Development Parcel plus the total number of Lots

approved by governmental authority for subdivision equals the maximum number of Equivalent Lots set forth above, or (2) the date the owner of the Development Parcel relinquishes any remaining Equivalent Lots assigned to the Development Parcel in an instrument Filed of Record, by such Development Parcel owner.

(ii) A Neighborhood Association will have one (1) Equivalent Lot for each Lot made a part of the Neighborhood by the filing of a Neighborhood Declaration or by a supplemental declaration thereto.

(u) "Filed of Record" will mean and refer to the act of filing a writing in the applicable public records, currently being the Charleston County R.M.C. Office, as will give legal notice to the world of the matters set forth in the writing so filed.

(v) "First Buyer" shall mean and refer to the initial Owner of the Lot acquiring same for his personal use and not for the purpose of constructing a residence and selling same in the ordinary course of his business. A First Buyer specifically excludes a Builder acquiring any portion of the Residential Property for further development, construction and sale of a residential unit in the ordinary course of business.

(w) "Golf Course Lot" will mean and refer to those Lots within the Residential Property which are adjacent to the fairways, tees and greens of the golf course located within the Club Property.

(x) "Golf Course Users" will mean the members of the Club, their permitted guests and invitees and the Club Owner's lessees, tenants, subtenants, servants, independent contractors, agents, members, guests, invitees, successors and assigns.

(y) "Intended for Use" will mean and refer to the use intended for the applicable parcels within the Property as shown on the Site Plan of the Property prepared by a Declarant, as the same may be revised from time to time by such Declarant, or as set forth in this Declaration, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which a Declarant has conveyed the same.

(z) "Lagoon System" shall mean and refer to the system of lagoons for storm water management to be designed and constructed within the Club Property, the Centex Tract and the Ginn Tract, as more particularly shown on the Lagoon Plan attached hereto as Exhibit "F", as the same may be amended and modified from time to time by the Club Owner, Centex and Ginn.

(aa) "Lot" shall mean and refer to any improved or unimproved portion of the Residential Property upon which a residential unit may be constructed, as such Lot is shown on the Site Plan.

(ab) "Master Association" will mean and refer to the Wando Plantation Master Association, with respect to which the Association is a "Neighborhood Association" pursuant to that certain Declaration of Covenants, Conditions and Restrictions for Wando Plantation Master Association Filed of Record in Book 253 at Page 183, as amended, and to which the Property is subject.

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(ac) "Neighborhood" will mean and refer to the designation made by a Declarant on a Site Plan therefor or in a Supplemental Declaration, and by which the designated portion of the Residential Property developed by a Declarant is subdivided into Lots and is subjected to a Neighborhood Declaration. Initially these will be at least three (3) Neighborhoods developed by the Declarants from among the Centex Tract (River Towne Country Club), the Ginn Tract (under the name "Parkers Landing at River Towne") and PIDG Tract (initially a portion of which will be under the name "The Island," or such other name as shall be required by the Town of Mount Pleasant to be used in lieu thereof); provided, further, however, nothing herein shall prohibit any one of the Declarants from developing more than one Neighborhood within its Development Parcel.

(ad) "Neighborhood Association" will mean an incorporated or unincorporated association of Owners of Lots developed from within a designated Development Parcel, created by or incorporated in ; Neighborhood Declaration to provide for the orderly control, administration, maintenance, and management of common property and governance of such Lots.

(ae) "Neighborhood Declaration" will mean and refer to the instrument or document, and any amendments thereto, which is Filed of Record for one or more Lots, and which creates an unincorporated property owners' association or incorporates therein an incorporated property owners' association for the Lots, and which may impose covenants, conditions, easements, and restrictions for Lots made subject to such writing.

(af) "Occupant" will mean and refer to any Person, including, without limitation, any Owner or guest, invitee, licensee, lessee, tenant, or family member of an Owner, lawfully occupying or otherwise using a Lot.

(ag) "Owner" will mean and refer to one or more Persons, including a Declarant, who, individually or collectively, if more than one, owns fee simple title to any Lot. "Owner" will not refer to any mortgagee (unless the mortgagee has acquired title for other than security purposes) or to any Person or Persons purchasing a Lot under contract (until title is conveyed) unless a purchaser under a contract for deed is so designated an "Owner" pursuant to a Supplemental Declaration Filed of Record by the Declarant developing the Lot.

(ah) "Person" will mean and refer to a natural person, corporation, partnership, association, trust, limited liability company or other legal entity, or any combination thereof.

(ai) "Property" will mean and refer to, collectively, the Club Property and the Residential Property.

(aj) "Residential Property" will mean and refer to all the land, and all improvements thereto or situate thereon described in Exhibits "A," "B" and "C", and, upon submission to the provisions of this Declaration, will include the Additional Property which may be added pursuant to Section 2.3, together with all improvements thereon.

(ak) "Site Plan" will initially mean and refer to those plats of the Residential Property described in Exhibit "G" and by this reference made a part hereof. From time to time as any subdivision plat of the Residential Property or any portion thereof or any Additional Property as may be submitted to the terms if this Declaration, shall be Filed of Record, such subdivision plat shall be deemed the "Site Plan" for the portion of the Property shown thereon.

(al) "Supplemental Declaration" shall mean and refer to any amendment to this Declaration Filed of Record, which subjects Additional Property to this Declaration or which makes any amendments, modifications or changes hereto.

ARTICLE 2. PLAN OF DEVELOPMENT

2.1 Non-Severability of Rights. The rights, liabilities and obligations set forth herein will attach to and run with the ownership of the Property or any portion thereof, and may not be severed or alienated from such ownership.

2.2 The Plan.

(a) Development of the Property. Centex will develop the Centex Tract, as a Neighborhood of residential Lots, which may be subdivided and conveyed as a smaller number of Development Parcels. The Ginn Tract will be developed as a Neighborhood of residential Lots which may

be subdivided and conveyed as a smaller number of Development Parcels. PIDG will develop PIDG Tract as a Neighborhood of residential Lots which may be subdivided and conveyed as a smaller number of Development Parcels. The Club Owner will develop the Club on the Club Property and the Club Owner will construct the Amenity Center in accordance with paragraph 3.2.

2.3 Additions to Property. Other property which is contiguous or nearly contiguous to the Centex Tract ("Additional Property") may become subject to this Declaration in the following manner:

(a) Addition by Centex. During the Centex Development Period, Centex will have the right, without further consent of the Association, to bring within the plan and operation of this Declaration any Additional Property owned or acquired by Centex during the Centex Development Period, and which is to be added to and become a part of a Centex-developed Neighborhood. Such Additional Property may be subjected to this Declaration as one parcel or as several smaller parcels at different times. The additions authorized under this subsection will be made by a Supplemental Declaration for the Additional Property being Filed of Record, which will extend the operation and effect of the covenants and restrictions of this Declaration to such Additional Property, and which, upon being Filed of Record, will constitute a part of the Residential Property.

(i) The Supplemental Declaration for the Additional Property shall contain the Equivalent Lots assigned to such Additional Property by Centex, which shall not exceed the maximum density permitted by the Town of Mount Pleasant zoning thereof, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient to, in the sole judgment of Centex, the different character, if any, of the Additional Property subjected to this Declaration, but any such modifications will not be materially inconsistent with this Declaration, nor will the modifications have any effect on the Property submitted to the plan and operation of this Declaration at the date hereof.

(ii) The option reserved under this Section 2.3(a) may be exercised by Centex only by the execution of a Supplemental Declaration Filed of Record, together with a revision of or an addition to the Site Plan showing the Additional Property or the portion or portions thereof as are being added by the amendment. Any such Supplemental Declaration will expressly submit the Additional Property or the portion thereof to all or a portion of the provisions of this Declaration, as may be provided therein, and the other covenants, restrictions, conditions and easements as Centex, in its sole discretion, will determine.

(b) Additions by Merger. Upon merger or consolidation of the Association with another association, as provided for in the Bylaws of the Association, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation will effect any provision of this Declaration. Lands which become subject to this Declaration under the provisions of this Section 2.3(b) shall be a part of the Property for purposes of this Declaration.

2.4 Conveyances of Common Areas. All parcels of land referred to herein which are Common Areas will be deeded, leased, or a use or license agreement with respect thereto will be executed, by the Declarant upon whose Development Parcel such Common Area is located, within two (2) years from the date upon which improvements necessary for the use thereof as Common Area shall be completed. At such time as the Association shall be conveyed any Common Area, or shall enter into a lease or use agreement with respect thereto, or, if earlier, the date upon which the improvements necessary for the use thereof shall be completed, the Association will immediately become responsible for the maintenance and operation of such Common Area. It is the purpose of this provision to provide that the Association's responsibility for the maintenance and operation of Common Areas shall commence upon completion of the required improvements, notwithstanding the fact that the Declarant is not obligated to deed, lease or execute a use

or license agreement for the property until two (2) years after the improvements have been completed thereon. The Common Area will be subject to:

- (i) All restrictive covenants and easements Filed of Record at the time of conveyance; and
- (ii) All existing mortgages, provided, however, that in no event will the Association be obligated to assume the payment of principal or interest on any such mortgages; and
- (iii) A right of access by the Declarants, their successors and assigns, over and across the property reasonably necessary for a Declarant's development activities; and
- (iv) All utilities and drainage easements.
- (v) Management Agreement for the Amenity Center, by and between the Association and the Club Owner.

The obligation to make payments of principal and interest in accordance with their due dates on all mortgages affecting the Common Area will continue to be the sole obligation of the mortgagor under the mortgage.

In consideration of the benefits accruing to the Association and to the Owners under this Declaration and in consideration of the covenants and agreements of the Declarants hereunder, the Association hereby agrees to accept title to any property, or to any interest in property, now or hereafter conveyed to it pursuant to the terms and conditions of this Declaration. Upon a deed, easement, lease or other instrument or memorandum of conveyance of a Common Area from a Declarant to the Association being Filed of Record, title or such other interest in property conveyed will vest in and to the Association without the necessity of any further act, deed or approval of any Person.

2.5 Interest Subject to Plan of Development. Every Owner and mortgagee will take title to its Lot or portion of the Property, or hold a security interest with respect thereto, subject to the terms, conditions, covenants and restrictions set forth in this Declaration.

ARTICLE 3. THE PLAN OF DEVELOPMENT OF THE CLUB

3.1 The Club Community. All Persons, including all Owners, hereby acknowledge that the Club does not and will not constitute a Common Area. All Persons, including all Owners, are hereby advised that, except as herein provided, no representations or warranties have been or are made by any Person with regard to the continuing ownership or operation of the Club, including without limitation the golf course and related golf facilities as depicted upon any master land use plan, or marketing display or plat of the Golf Course Land. No purported representation or warranty, written or oral, regarding to the continuing ownership or operation of the Club, including without limitation the golf course and related golf facilities will ever be effective without an amendment hereto executed or joined into by the Club Owner. Further, the ownership and/or operations of the Club may, subject to the terms and conditions hereof, change at any time and from time to time by virtue of, but without limitation, the sale or assumption of operations of the Club to/by any Person. No Owner will have any ownership interest in the Club.

3.2 Amenity Center. The Club Owner is obligated to construct the Amenity Center. Upon completion of the Amenity Center the Club Owner shall convey the Amenity Center and Amenity Land to the Association. The obligation to complete such construction and convey the Amenity Center to the Association shall run with and bind the Club Property. Following the conveyance of the Amenity Center to the Association, the Amenity Center shall be a Common Area of the Association, subject to the Management Agreement executed, or to be executed, by and between the Association and the Club Owner providing for the management of the operations of the Amenity Center. The terms of such Management Agreement shall provide:

(i) The Association will pay to Club Owner an annual management fee as set forth in Exhibit I attached hereto.

(ii) The management fee paid by the Association to the Club Owner shall be the sole consideration payable by the Association for the operation of the Amenity Center. All the costs and expenses of operating and maintaining the Amenity Center will be the responsibility of the Club Owner, including the costs of adequate liability and property insurance in favor of the Association. The Club Owner shall operate and maintain the Amenity Center in a condition comparable to that currently existing at Brickyard and/or RiverTowne in Mt. Pleasant, South Carolina. During the term of the Management Agreement the costs of capital improvements shall be paid by the Club Owner.

(iii) The term of the Management Agreement shall be for a period of ten (10) years.

3.3 Club Memberships. All Owners will have the opportunity to acquire a membership in the Club pursuant to the Club's membership plan and other Club documents at the initiation fees and annual dues existing at the time of application for membership. Attached as Exhibit I is a detail of certain membership rights which will be provided to Owners, and these rights shall be incorporated into the Club documents and must continue to be part of the Club's future membership plans. The initial classes of membership include Resident Individual Associate Membership, Resident Family Associate Membership, Resident Individual Full Membership and Resident Family Full Membership.

(a) Cart Ownership. Owners holding Resident Individual Full Memberships and Resident Family Full Memberships may own and operate golf carts with the payment of an annual trail fee in an amount established by the Club Owner. The Club Owner may impose certain reasonable restrictions on use of Club member-owned golf carts.

(b) Activation of Membership. A First Buyer may elect to acquire a Resident Individual Associate Membership, Resident Family Associate Membership, Resident Individual Full Membership or Resident Family Full Membership at any time within the period which ends at the later of (i) the date which is twelve (12) months following the closing of First Buyer's Lot or (ii) the date which is twelve (12) months following the opening of the Golf Course for play to the public. The First Buyer shall not be required to pay any periodic membership dues until the month in which the First Buyer elects to become a member by signing and submitting an application form therefor provided by the Club, or, if later, the month following completion of construction and the grow-in period of the golf course and the opening of the Club's golf course for play.

(c) Non-resident Memberships. If the Club offers any memberships to Persons not owning a Lot, such memberships shall not confer use of and access to the Club's facilities on terms more favorable than is offered under a Resident Individual Associate Membership, Resident Family Associate Membership, Resident Individual Full Membership or Resident Family Full Membership with comparable rights of use and access, and the initiation fee and dues payable by such non-resident members must be at least twenty percent (20%) higher than those applicable to a Resident Individual Associate Membership, Resident Family Associate Membership, Resident Individual Full Membership or Resident Family Full Membership with comparable rights of use and access.

(d) Dues and Fees. All annual dues, initiation fees, and annual trail fees as outlined in the membership programs described herein may not increase for a period of three (3) years from the day the Club's golf course opens for general play by the public. Thereafter such dues and fees may be increased at the discretion of the Club Owner.

(e) Private/Semi-Private Club. The Club may be a private or semi-private golf facility. If the Club Owner converts, in the exercise of its sole discretion, to a private golf club, initiation fees paid by a then current member shall be credited toward the purchase of a new membership. In no event shall the Club Owner be obligated to remit to a member any compensation other than a credit toward a new membership at conversion.

3.4 Restricted to Use as a Golf Club. The Club Property is and shall be restricted to the construction of and use and operation as a golf course and golf club and related recreational or social activities. The Club Owner will have the right to hold special golf events at the Club which may result in the Club's facilities being unavailable, on a temporary basis, for use by members of the Club.

3.5 Landscaping, Fencing and Signage on the Golf Course. Except as specifically provided below, the Club Owner shall have the right to place landscaping, fencing, signage, and similar improvements at the boundary lines of the Club Property as reasonably necessary to prevent trespass, to regulate play on the Club's golf course and to frame golf holes; provided, however, such landscaping, fencing, or signage, and similar improvements shall not, in the reasonable opinion of the Board, unreasonably obstruct any Lot Owner's view of the Club from the Lot, subject to landscaping and vegetation required for framing holes as suggested by the golf course architect. There shall not be installed any fencing between the Club's golf course and an adjacent Golf Course Lot. Subject to governmental approvals as may be required therefor, the Club Owner shall maintain the area between a Golf Course Lot's boundary line adjacent to the golf course and the golf course playing area.

3.6 Rights of Club Access. The Club Owner, the public using the Club with the permission of the Club Owner, and the Golf Course Users will, at all times, have a right and nonexclusive easement of access and use by vehicles and pedestrian traffic over all roadways, from time to time, located within the Property as is reasonably necessary to travel to or from the Club and, further, over those portions of the Residential Property (whether Common Areas or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Club and its facilities. The within right of access and parking will be free and clear of any toll charges. If the Board should ever adopt any vehicular pass system, the Board shall provide the Club Owner such passes for issuance by the Club Owner, and the Association shall grant unimpeded access to the Club to any vehicle traveling directly to the Club.

3.7 Golf Club Maintenance. The Club Owner will cause the golf course and the other Club facilities to be maintained in a good condition and repair including the cart paths, greens, fairways, tee boxes, bunkers and roughs as to planting, mowing, irrigation, raking, blowing, removal of debris and lake dredging and stabilization. Such maintenance will include winter overseeding of fairways, tee boxes and greens. Furthermore, the Club Owner shall maintain water levels and water quality of lakes and lagoons, as further provided in Sections 3.13 and 4.2 below.

3.8 RiverTowne Country Club Drive Maintenance; Signage. The Association shall, as a Common Expense and subject to the Club Reimbursement, maintain, repair and replace the RiverTowne Country Club Drive roadway (until said road is accepted for maintenance by governmental authority), landscaping and signage. The Club Owner shall, within thirty (30) days of receipt of the Association's statement therefor, pay to the Association the Club Reimbursement.

(a) Unpaid Club Reimbursement; Lien Against Club Property. The Club Reimbursement, together with such interest thereon and costs of collection thereof, as hereinafter provided, are a charge on and a continuing lien against the Club Property in favor of the Association. To evidence a lien for any unpaid Club Reimbursement, the Association shall prepare a written notice of lien setting forth the amount of the unpaid Club Reimbursement, the due date, the amount remaining unpaid, the name of the Club Owner, and a description of the Club Property. Such a notice will be signed and acknowledged by a duly authorized officer of the Association and may be Filed of Record. No notice of lien will be recorded until there is a delinquency in payment of the Club Reimbursement for sixty (60) days or more. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the non-prevailing party will be required to pay the costs and expenses of the proceeding (including reasonable attorneys' fees) and, if the Association is the prevailing party, the costs and expenses will be secured by the lien being foreclosed. The Club Owner will also be required to pay to the Association any Club Reimbursement which will become due during the period of foreclosure, and all the unpaid Club Reimbursements will be secured by the lien being foreclosed. The Association will have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the Club Property. Each such unpaid Club Reimbursement, together with interest, costs

and reasonable attorney's fees will be the personal obligation of the Club Owner at the time when the Club Reimbursement fell due and also of any subsequent owner thereof.

(i) Subordination of the Club Reimbursement Lien. The lien of the Club Reimbursement is subordinate to the lien of any unpaid taxes of and any first mortgage lien upon the Club Property. Sale or transfer of the Club Property will not affect any such lien of the Association. However, the sale or transfer of the Club Property subject to a first mortgage lien, pursuant to a decree of foreclosure under the mortgage or any proceeding or conveyance in lieu of foreclosure thereof, will extinguish the lien of the Club Reimbursement, which became due prior to the sale or transfer. No sale or transfer will relieve the Club Property from liability for any Club Reimbursement thereafter becoming due or from the lien thereof. Notwithstanding anything in this Declaration to the contrary, no amendment, or change or modification of this section will be effective unless the amendment, change or modification is first consented to, in writing, by the holder of the first mortgage lien Filed of Record on the Club Property at the date of such proposed amendment or modification.

3.9 General Easements for the Benefit of the Club.

(a) Flight and Retrieval of Golf Balls. The Club Owner and Golf Course Users will have a perpetual, exclusive easement of access over the Residential Property for the flight and retrieval of golf balls over, across and upon the Residential Property, and for the purpose of retrieving golf balls from bodies of water within the Common Areas, lying reasonably within range of golf balls hit from the Club's golf course. Furthermore, every Golf Course Lot will be subject to the right and easement on the part of registered golf course players and their caddies to enter upon the unimproved portions of a Golf Course Lot to remove a ball or to play a ball, subject to the official rules of the golf course, with such entering and playing not being deemed to be a trespass; provided, after a dwelling or other permanent structure is constructed thereon, such easement will be limited to the recovery of balls only, and not play. Notwithstanding the foregoing, golf course players or their caddies will not be entitled to enter a Golf Course Lot with a golf cart or other vehicle, nor to spend an unreasonable amount of time on any Golf Course Lot, or in any way commit a nuisance while on any Golf Course Lot.

(b) Golf Play. The Club Owner, its successors and assigns, Club members, if any, guests, and employees will have a perpetual, non-exclusive easement to do every act necessary and incident to playing golf on the Club Property, including, but not limited to, the creation of usual and common noise levels associated with golf play, and the play while standing out of bounds of a golf ball that lies within bounds as permitted by the rules of golf as are from time to time applicable.

(c) Overspray. The Golf Course Lots are hereby burdened with a nonexclusive easement for overspray of water from the irrigation system serving the Club, as well as overspray of herbicides, fungicides and pesticides. Under no circumstances will any Declarant, the Club Owner, the Association, or Neighborhood Association be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(d) Golf Course Maintenance Easement. There is hereby reserved for the benefit and use of the Club Owner and the Golf Course Users the perpetual, nonexclusive right and easement over and across the Golf Course Lots for maintenance and landscaping, including the creation of noise related to normal maintenance and operation of the golf course and Residential Property, including, but not limited to, the operation of mowing, raking and spraying equipment. This reserved right and easement will permit, but will not obligate the Club Owner and Golf Course Users to go upon any Golf Course Lot to maintain or landscape the area encumbered by such easement. Such maintenance and landscaping will include planting of grass, watering, application of fertilizer, mowing, and the removal of underbrush, stumps, trash or debris, and trees of less than six (6) inches in diameter at a level of four and one-half (4½) feet above the ground level. The area encumbered by this easement will be limited to the portion of each Golf Course Lot within ten (10') feet of those boundary lines of the Golf Course Lot and the Club Property.

(e) Club Facilities' Construction, Maintenance, Repair and Replacement. There is hereby reserved for the benefit and use of the Club Owner and the Golf Course Users the perpetual, nonexclusive right and ingress, egress, access and construction easement over the Property's paved roadways and unpaved roadbeds and over those portions of the Common Areas reasonably necessary to the construction, operation, maintenance, repair and replacement of the Club's facilities. The Club Owner will be responsible for any damage to the paved roads or grade of roadbeds caused by the use of said easements by the Club Owner or Golf Course Users. The use of such easements shall not unreasonably interfere with the construction of the roadways and installation of utilities. Said easements will terminate as to paved roads upon the dedication of thereof and acceptance for maintenance by governmental authority.

(f) Errant Golf Balls. The existence of the within easements shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall a Declarant, the Association or the Club Owner, nor any of their respective appointees, directors, officers, employees, contractors, consultants, shareholders, affiliates, assignees, successors, nominees or agents, be held liable for any damage or injury to person or dwelling, Lot or any improvement thereon resulting from errant golf balls, whether in motion or at rest, which has been driven from the golf course or its environs.

3.10 Encroachment Easements. If, after the construction of the golf course is complete, minor encroachments exist by the golf course onto the Residential Property or the Residential Property onto the golf course, the Association and the Club Owner shall be deemed to have hereby granted to each other easements which shall allow said encroachments to exist, so long as they are not expanded in any way. Further, should any improvement constituting an encroachment ever be abandoned for a period of six (6) months or destroyed, the easement for that particular encroachment shall be terminated. The Association and the Club Owner shall cooperate with each other to locate and accommodate said minor encroachments.

3.11 Cart Path and Irrigation Line Easements.

(a) There is hereby reserved for the exclusive benefit of the Club Owner and Golf Course Users temporary non-exclusive easements, on, under, across and through the Property (and the Additional Property, when acquired), for the construction, maintenance and use of cart paths and irrigation lines between noncontiguous portions of the Club Property. The Club Owner may gravel or pave such cart paths areas pending installation of the roadways by Centex. Said easement shall terminate upon dedication of the rights of ways, which dedication shall establish a permanent easement for said construction, maintenance and use of said cart paths and irrigation lines.

(b) There is further reserved for the exclusive benefit of the Club Owner and Golf Course Users perpetual, exclusive easements for vehicular and pedestrian ingress and egress and for use, operation, repair and maintenance of irrigation lines over, through and under the areas defined as "Access Easements" on the Site Plan.

3.12 Restrictions and Owners' Assumed Risks Related to the Club's Golf Course.

(a) Golf Course Lot Improvements Within 10' of Golf Course. Owners are prohibited from constructing improvements including, but not limited to, buildings (temporary or permanent), fences, walls, swimming pools, swing sets, sand boxes, and other such playground apparatus and the planting or removal of landscaping and trees within the setback area shown and designated on the Site Plan, but not less than 10 feet from a Golf Course Lot's boundary line adjacent to the Club's golf course without first obtaining the prior written approval of the Club Owner, which the Club Owner may grant or deny in its sole discretion.

(b) Distracting Activity by Owners of Golf Course Lots Prohibited. Owners of Golf Course Lots, as well as their families, tenants, guests, invitees and pets will be obligated to refrain from any actions which would detract from the playing qualities of the Club's golf course or the development of an attractive overall landscaping plan for the Club's entire golf course area. Such prohibited actions will include, but are not limited to, burning materials where smoke will cross the golf course, owning dogs or other pets under conditions which interfere with golf course play due to their loud barking or other actions,

playing of loud radios, televisions, stereos and musical instruments, running, bicycling, skateboarding, walking or trespassing in any way upon the Golf Property, picking up balls or any other similar interference with play.

(c) Assumed Inconveniences and Disturbances by Owners Adjacent to Golf Course. By the acceptance of a deed of conveyance to a Golf Course Lot, each Golf Course Lot Owner acknowledges and agrees that along with the benefits derived from owning property near the Club's golf course, such Owner assumes the risks of (i) the entry by golfers onto Owner's property to retrieve golf balls pursuant to the easement set forth in Section 3.9(a) above (which such entry will not be deemed a nuisance or trespass); (ii) possible overspray in connection with the irrigation and fertilization of the roughs, fairways, greens and tees of the Club's golf course and odors arising therefrom; (iii) noise from golf course maintenance and operation equipment; (iv) disturbance and loss of privacy resulting from golf cart traffic and golfers, and (v) activities associated with lake or lagoon and lagoon edge maintenance. Additionally, each Owner acknowledges and understands that herbicides, fungicides, pesticides and chemicals may be applied to the Club's golf course areas throughout the year, and that treated effluent or other sources of non-potable water may be used for the irrigation thereof.

(d) Assumption of Risks by Owners Adjacent to Golf Course. Each Owner, for himself and his guests and invitees, acknowledges that risks of injury to persons or property are inherent to persons or property located upon or in close proximity to a golf course, and agrees that he assumes all risks resulting therefrom, including but not limited to, claims of negligent design of the golf course, dwellings and negligent construction of improvements or location of improvements. Each Owner, by expressly assuming such detriments and risks, agrees that no Declarant, the Club Owner, the Association, nor their successors or assigns will be liable to any Owner claiming any loss or damage, including, without limitation, indirect, special, or consequential loss or damage arising from personal injury, destruction of, or damage to, property, trespass, or any other alleged wrongdoing or entitlement to remedy based upon, due to, arising from, or otherwise related to the proximity of such Lot to the Club, including, without limitation, any claim arising in whole or in part from the negligence of any Declarant, the Club Owner, the Association, and/or their invitees, agents, servants, successors and assigns, against any and all such claims by any Occupant, including claims of negligent design of the golf course, dwellings and negligent construction of improvements or location of improvements.

3.13 Water Resources. The Club Owner will control and maintain water levels and water quality within all lakes, ponds, lagoons or other such bodies of water located within the Club Property and contiguous to the Club Property and lying within the Centex Tract and the Ginn Tract and from which water is drawn to irrigate all or any portion of the Club. The Club Owner shall have no right to use or draw water from lakes, ponds, lagoons or other bodies of water lying within PIDG Tract. The Club will own all such bodies of water within the Club Property. All other portions of lakes, ponds, lagoons or other such bodies of water located within the Centex Tract and Ginn Tract, including within any of the Additional Property subjected by Centex to this Declaration, will be Common Areas, owned and maintained by the Association, subject to the Club's exclusive right to use and draw water from all such bodies of water for irrigation and use on the Club Property, subject to its obligation to maintain water levels and water quality pursuant to this Section and Section 4.2. Additionally, the Club Owner will own, control and maintain all wells, lines and pipes transmitting water to the bodies of water, and transmitting water from such bodies of water for Club irrigation, regardless of where such bodies of water and transmission lines are located; provided, however, the Club Owner shall not have any such rights with respect to well, lines and transmission pipes located within PIDG Tract.

3.14 Association Easement to the Club. The Association will have the right, but not the obligation, to lease or grant easements over, across or under any Common Area to the Club for use as a portion of the Club's golf courses if such Common Area is adjacent to the Club Property.

3.15 Jurisdiction and Cooperation. The Association and the Club Owner will cooperate to the maximum extent possible in the operation of the Property and the Club. Each will reasonably assist the other in upholding the community-wide standards herein provided.

3.16 Concurrent Development.

(i) THE DECLARANTS AND THE CLUB OWNER ARE OR SHALL BE SEPARATE AND DISTINCT COMPANIES, AND NOT PARTNERS OR JOINT VENTURERS. IN ADDITION, IT IS THE INTENTION OF THE DECLARANTS THAT THE GOLF COURSE AND RELATED GOLF FACILITIES SHALL BE A SEPARATELY OWNED, AND BE SEPARATE AND DISTINCT FROM THE ASSOCIATION AND THE DECLARANTS DEVELOPMENT PARCELS AND NEIGHBORHOODS TO BE DEVELOPED BY THEM. THE GOLF COURSE AND OTHER CLUB FACILITIES SHALL NOT BE PART OF THE COMMON AREA AND NEITHER THE ASSOCIATION NOR ANY LOT OWNER SHALL HAVE ANY RIGHT IN AND TO THE GOLF COURSE OR THE OTHER GOLF FACILITIES CONTAINED WITHIN THE CLUB PROPERTY, INCLUDING THE RIGHT TO ENTER UPON OR USE THE GOLF COURSE FACILITIES, EXCEPT FOR SUCH RIGHTS GRANTED TO THE GENERAL PUBLIC AND ANY MEMBERSHIP RIGHTS IN THE CLUB ACQUIRED BY AN OWNER.

(ii) WHILE THE DECLARANTS HAVE MADE REASONABLE EFFORTS TO ENSURE THAT THE GOLF COURSE AND SWIM AND TENNIS FACILITIES WILL BE DEVELOPED, OWNED AND OPERATED IN THE MANNER DESCRIBED HEREIN, THE CLUB OWNER IS SOLELY RESPONSIBLE TO THE ASSOCIATION FOR THE DEVELOPMENT, CONVEYANCE AND MANAGEMENT OF THE AMENITY CENTER, SUBJECT TO THE TERMS AND CONDITIONS OF SECTION 3.2 ABOVE AND FOR THE DEVELOPMENT OF THE GOLF COURSE, SUBJECT TO THE TERMS AND CONDITIONS OF SECTION 3.3, ABOVE, AND SUBJECT TO THE OBLIGATIONS OF THE CLUB OWNER, AS PROVIDED HEREIN, NO DECLARANT IS GUARANTING TO A LOT OWNER THAT A GOLF COURSE OR GOLF CLUB OR THE AMENITY CENTER WILL BE CONSTRUCTED OR IF CONSTRUCTED WILL CONTINUE TO BE OPERATED WITHIN THE CLUB PROPERTY.

3.17 Right to Enter Club Property. The Club Owner and, with permission of the Club Owner, the Golf Course Users, and the Association pursuant to the easements set forth in Section 4.2(a) below, shall have sole right and authority to enter in and upon the Club Property, and no provision of this Declaration grants, or shall be deemed to grant to any other Person, any such right to enter the Club Property.

ARTICLE 4. PLAN OF DEVELOPMENT OF DRAINAGE AREAS AND LAGOON SYSTEMS

4.1 Wetlands' Certifications and Permits. The terms and conditions of this Article 4 are subject and subordinate to any and all declarations of restrictive covenants Filed of Record in connection with the issuance of any permit and certification issued by the U.S. Army Corps of Engineers and/or the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control.

4.2 Lagoon System. The Club Owner is responsible at the Club Owner's sole cost and expense to repair and maintain that portion of the Lagoon System (including, all piping) located on the Club Property, as well as those portions of the Lagoon System located outside of the Club Property and constituting pumps and transmission lines for the transmission of water for Club Property irrigation, as further provided in Section 3.13 above. Except as provided in the preceding sentence, the Association is responsible, at the Association's sole cost and expense, to repair and maintain that portion of the Lagoon System (including, all drainage piping) located outside of the Club Property. Each party shall maintain such items in a good condition consistent with other comparable residential golf course communities. In addition, Centex will be responsible for the construction and the Association will be responsible for the maintenance of all drainage piping located underneath any roads and the structures associated with such drainage piping, all as shown on the Lagoon Plan. The Association and the Club Owner will cooperate in the maintenance of the entire Lagoon System in order to allow same to operate as one cohesive system. The Club will use good faith efforts to keep the lagoons on both the Club Property and outside the Club Property from which the Club may draw irrigation water or whose water level is maintained, in whole or in part, by a well owned or

controlled by the Club Owner, at the design elevation, except in case of emergency, including drought) and of such water quality to assure safety to person and property as well as an aesthetically pleasing view from surrounding properties.

(a) Lagoon System Easements. Centex and Ginn hereby grant for the benefit of the Association and the Club Owner an easement to develop, construct, repair, replace, operate and maintain the Lagoon System. Without limiting the foregoing, the Club Owner shall have perpetual, appurtenant easements to utilize (and, if necessary, repair, replace and maintain) the Lagoon System and perpetual, appurtenant easements to use all water located within the Lagoon System and the Lagoon System will not be modified, impaired or restricted in any manner without the approval of the Club Owner. Additionally, should either the Association or the Club Owner fail to repair and maintain their respective portion of the Lagoon System (herein, the "Defaulting Party"), and if such failure continues for fifteen (15) days following receipt of written notice from the other party (the "Non-Defaulting Party") of such failure, then the Non-Defaulting Party shall have the right (but not the obligation) to access the unimproved portions of the Defaulting Party's portion of the Property to perform such maintenance and/or repair, at the sole cost and expense of the Defaulting Party. The Defaulting Party will reimburse the Non-Defaulting Party for all costs incurred by the Non-Defaulting Party, together with interest thereon at a rate of 12% per annum, on or before the date five (5) days following receipt of written notice requesting payment and including reasonable evidence confirming the amount claimed. In the event the Defaulting Party fails to reimburse the Non-Defaulting Party on or before the expiration of said five (5) day period, the Non-Defaulting Party shall have the right to lien the Defaulting Party's portion of the Property and foreclose on that lien in accordance with the requirements of local law. These easements shall be exercised in a manner to reasonably minimize inference with the operation of the Defaulting Party's portion of the Property.

ARTICLE 5. PROPERTY RIGHTS AND RESTRICTIONS

5.1 General Property Rights of Owners. Each Lot will, for all purposes, constitute real property which is owned in fee simple and which, subject to the provisions of this Declaration, may be owned, operated, leased, conveyed, transferred, and encumbered the same as any other real property. Each Owner is entitled to the exclusive ownership and possession of his Lot, subject to the provisions of this Declaration, including without limitation, the provisions of this Article 5. The ownership of each Lot subject to this Declaration will include, and there will pass with each Lot as an appurtenance thereto, whether or not separately described, all of the rights and interests in and to the Common Areas as are established hereunder, and subject to the limitations applicable thereto.

5.2 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the rules and regulations established by the Board of Directors in accordance with the terms hereof, every Owner and Occupant, and their respective family, guests, and invitees, will have a nonexclusive right, privilege, and easement of use and enjoyment in and to the Common Areas, to the extent so entitled hereunder, such easement to be appurtenant to and to pass and run with title, subject to the rights, restrictions, reservations, covenants, easements and obligations reserved, granted or alienable in accordance with this Declaration and the rules and regulations promulgated with respect thereto.

5.3 Easements for Declarant. During the period that a Declarant owns any Additional Property made subject to this Declaration, owns any Development Parcel and owns any Lot for sale, the Declarant will have an alienable and transferable right and easement on, over, through, under, and across the Common Areas for selling and development activities, for constructing Common Area improvements in and to the portion of the Residential Property owned by such Declarant, and for installing, maintaining, repairing and replacing other improvements to its portion of Residential Property.

5.4 Easements for Association. There are hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of the manager, to enter upon the Residential Property or any portion thereof in the performance of their respective duties. Except in the event of

emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner directly affected thereby.

5.5 Changes in Boundaries: Additions to Common Areas. So long as a Declarant owns any of the Residential Property for development or sale, such Declarant will have an alienable and transferable right, power and easement to make non-material changes to the boundary lines between any Common Area and other property owned by it or to add portions of its property to the Common Areas.

5.6 Easements for Utilities. There is hereby reserved for the benefit of each Declarant so long as such Declarant owns any part of the Residential Property for development or sale in the ordinary course of its business, and thereafter there is reserved for the Association, as their respective interests may appear, and there is hereby reserved for the benefit of the Club Owner, the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other Person, upon, over, under and across all or any portion of, as to a Declarant, the Common Areas located within such Declarant's Development Parcel, and, as to the Club Owner, all or any portion of the Common Area adjacent to the Club Property and through which service is provided or to be provided to the Club Property, for constructing, installing, replacing, repairing, operating, maintaining and using master television antennae and/or television cable systems, security and similar systems, and all utility facilities and services, including, but not limited to, storm sewers and drainage systems, and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by a Declarant and the Club Owner without notice to or consent by the Association for utility easements on, over under and across the said Common Areas. After a Declarant no longer owns any of the Residential Property for development or sale in the ordinary course of its business, the Association may grant the easements of the subject Declarant set forth herein. By virtue of any such easement, it is expressly permissible for a Declarant, the Association after such Declarant no longer owns any of the Residential Property for development or sale in the ordinary course of its business, the Club Owner and any utility company or other supplier or servicer holding such easement and as to the portions of the Residential Property so encumbered, to: (i) erect and maintain pipes, lines, manholes, pumps and other necessary equipment and facilities; (ii) cut and remove any trees, bushes or shrubbery; (iii) grade, excavate or fill; or (iv) take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of the utilities and systems. Except where otherwise provided in a written easement with respect thereto, no building, fence or structure will be erected or paving laid within any utility easement, nor any trees or shrubs planted in the easement, without the written consent of the grantee of the easement or the commission, municipality, utility or other entity controlling such sewer, water, gas or other facilities, as the case may be.

5.7 Development, Sales and Construction Activities of a Declarant. Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, a Declarant and its agents, employees, successors, and assigns are permitted to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the development, completion, improvement, and sale its portion of the Residential Property, including, without limitation, the installation and operation of development, sales and construction trailers and offices, signs and models, provided that the location of any such trailers of any assignees of a Declarant's rights under this Section 5.7 are subject to the Board's prior written approval. The right of a Declarant to maintain and carry on such facilities and activities will include specifically the right of a Declarant to use its developed Lots as models and as offices for the sale or lease of Lots and for related activities.

5.8 Owner's Landscape Maintenance Between Lot Line and Adjacent Paving. Each Owner will be responsible for maintaining on a regular basis the landscaping, if any, and ground cover along the roadside of a Common Area or area of Common Responsibility bordering the Owner's Lot, whether or not such area is a part of the Owner's Lot. Such maintenance will be performed by each Owner within the unpaved area of right-of-way immediately adjacent to a Lot's boundary lot line, and will be of such quality of maintenance as is required to maintain a consistency in appearance and cleanliness. An Owner's responsibility under this Section 5.8 to provide regular maintenance will be fulfilled regardless of whether or not an Owner has constructed improvements upon such property or whether or not the Owner permanently

resides at the Lot.

5.9 Municipal Easement. Police, fire, water, health and other authorized municipal officials, employees and vehicles will have the right of unrestricted ingress and egress to the Common Areas, and any portion thereof, for the performance of their official duties.

5.10 Deemed Grant and Reservation. A conveyance of any portion of the Property subject hereto is deemed to have granted or reserved, as the context will require, all easements set forth in this Declaration.

5.11 Other Rights and Reservations. THE OMISSION OF ANY RIGHT OR RESERVATION IN THIS ARTICLE WILL NOT LIMIT ANY OTHER RIGHT OR RESERVATION WHICH IS EXPRESSLY STATED IN OR IMPLIED FROM ANY OTHER PROVISIONS IN THIS DECLARATION.

5.12 Dock Restriction.

(a) There shall be no more than five (5) docks constructed from Lots in that portion of the Centex Tract described as Tract S on Exhibit A to any marsh or creek area adjacent thereto. Docks shall not be constructed on any other portion of the Centex Tract.

(b) There shall be no more than forty (40) docks constructed from Lots in the Ginn Tract to any marsh or creek area adjacent thereto.

ARTICLE 6. THE ASSOCIATION

6.1 Governance. The Association will not have any members, but will be governed by an appointed Board of Directors, as set forth herein and incorporated in the Articles of Incorporation of the Association. The procedure and administration of the Board of Directors are or will be set forth in the By-Laws of the Association. The Bylaws of the Association may be amended, from time to time, only as provided in the Bylaws. The Board of Directors will constitute the final administrative authority of the Association, and all decisions of the Board of Directors are binding upon the Association, the Residential Property, the Club Property and the Owners. All rights, titles, privileges and obligations vested in or imposed upon the Association are held and performed solely by the Board of Directors.

6.2 Board of Directors. The Board of Directors will consist of that number of members equal to the sum of one (1) appointee for each Neighborhood Association and one (1) appointee for each Development Parcel with allocated Equivalent Lots; provided, however, if the board of directors and officers of a Neighborhood Association may be appointed pursuant to the Neighborhood Declaration by a Declarant who owns a Development Parcel with allocated Equivalent Lots, one member may, in the sole discretion of such Declarant, be a joint appointee to the Board representing the Neighborhood Association and the Development Parcel of such Declarant.

(a) Action of the Board. Except as otherwise provided herein or in the By-Laws, action of the Board shall require the affirmative vote of members of the Board of Directors entitled to vote at a regular or special meeting representing a majority of the total Equivalent Lots at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving such action.

6.3 By-Laws. Each Owner hereby consents and agrees that he and the Neighborhood Association of which he is a member, are bound by the provisions of the By-Laws of the Association, as they may be amended from time to time.

6.4 Rules and Regulations; Grant of Licenses and Concessions. The Board of Directors may make and enforce reasonable rules and regulations governing the use of Lots and Common Areas and non-owned property for which the Association has Common Responsibility, which rules and regulations shall

be consistent with the rights and duties established by this Declaration and shall be uniformly applied to the property. Further, the Board of Directors will have the authority to lease or grant licenses or concessions for portions of the Common Areas; provided that the grants or leases are consistent with the provisions of this Declaration. The Board of Directors will not adopt any rule or regulation which is contrary to and at variance, in whole or in material part, with any right, easement or benefit granted or reserved to any Person, including a Declarant, in this Declaration or in any Neighborhood Declaration, and whose words of grant or reservation expressly prohibit any revocation or amendment thereto without the consent of the affected Person, except with the prior written consent of such Person and subject to the terms and conditions of such consent.

6.5 Indemnification of the Board. The members of the Board of Directors, the officers of the Association as may be elected by the Board, and the managing agent of the Association, if any, are not liable to the Owners or the Neighborhood Associations for any mistake in judgment or acts or omissions which are made in good faith as such persons capacity as director, officer or managing agent. The Association will indemnify and hold harmless those parties against all contractual liabilities to others arising out of agreements made by those parties on behalf of the Owners or the Association unless the agreements are made in bad faith or with knowledge that the same are contrary to the provisions of this Declaration. Each Owner's share of the cost arising from the Association indemnification described above is limited to the Owner's proportionate share as if the same was an assessable Common Expense. All contracts and agreements entered into by the Board of Directors, officers or the managing agent are deemed executed by them as agent for the Association.

6.6 Board of Director's Determination Binding. In the event a disagreement arises between or among Owners and Neighborhood Associations related to the Common Areas or the interpretation and application of this Declaration or the By-Laws of the Association, the review and determination thereof by the Board of Directors is final and binding upon each and every such Owner and Neighborhood Association.

6.7 Management. The Board of Directors may retain a professional management company, professional manager, or full time employee to manage the Common Areas and Common Responsibilities and the operation of the administrative affairs of the Association. The Board of Directors may itself subsequently elect to assume those management responsibilities and in accordance with the terms of any management contract terminate the contract of any professional manager.

6.8 Association's Responsibility.

(a) General. Except as may be herein otherwise specifically provided, the Association will maintain and keep in good repair all portions of the Common Areas and any easement area encumbering properties of Owners for which the Association is responsible under this Declaration, including responsibility prior to transfer to the Association in accordance with Section 2.4, or any Supplemental Declaration, which responsibility will include the maintenance, repair, and replacement of (i) the Association's Amenity Center, (ii) all drainage not under the care of the Master Association or the Club Owner, (iii) walking, ingress and egress easements shown and noted on the Site Plan, and (iv) all private roads and road shoulders (until dedicated public authority), walks, trails, harbors, lagoons, ponds, parking lots, landscaped areas, and other improvements situated within the Common Areas or easements. The Association will not be liable for injury or damage to any Person or property (A) caused by the elements or by any Owner or any other Person, (B) resulting from any rain or other surface water which may leak or flow from any portion of its properties, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair. Nor will the Association be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored in or upon any portion of the Association's properties or any other portion of the Residential Property. No diminution or abatement of Assessments will be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any

law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments being a separate and independent covenant on the part of each Owner.

(b) Work In Behalf of Owners. In the event that the Board determines that: (i) any Owner has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Occupant or Owner, and is not covered or paid for by insurance in whole or in part, then, in either event, the Association, except in the event of an emergency situation, may give such Owner written notice in accordance with Section 10.14 of the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner will have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15)-day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, the Association may provide (but will not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost will be added to and become a part of the Assessment to which such Owner and his property is subject and will become a lien against such property, or, in the case of such work having to be done as a result of a Neighborhood Association's action or inaction, will be added to and become a part of the Assessments for all Owners of Lots within such Neighborhood.

6.9 Insurance.

(a) Acquisition of Property Insurance Coverage. The Board of Directors will obtain on behalf of the Association insurance coverage for the Common Areas and, if the Board in its reasonable judgment so determines, any non-owned property under its Common Responsibility, covering the insurable interest of the Association against loss or damage by fire or other casualty. The insurance will be for the full insurable value (based upon current replacement cost) thereof and the insurance premiums are a Common Expense. Such insurance coverage will be written in the name of, losses under such policies will be adjusted by, and the proceeds of such insurance will be payable to, the Association. The insurance coverage will, if possible, provide that the insurance as to the interest of the Association will not be invalidated by any act or neglect of any Owner.

The coverage will contain an endorsement to the effect that said coverage will not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice to the Association. The insurance policies will contain waivers of subrogation with respect to the Board of Directors, its employees and agents, Neighborhood Associations and their boards of directors, Owners, members of their household and mortgagees, and, if available, the Declarants, and, if available, will contain a replacement clause endorsement.

(i) Reconstruction of the Property. The insurance proceeds will be applied by the Board of Directors on behalf of the Association for the reconstruction or restoration of the damaged Common Area or other areas covered by Association's insurance.

(b) Other Insurance. The Board of Directors will also obtain, on behalf of the Association, comprehensive public liability insurance including liability for injuries or death to persons, and property damage, in such limits as it will deem desirable, and workman's compensation insurance and other liability insurance as it may deem desirable, insuring each Owner, Neighborhood Association and the Association, their officers, members of the Board of Directors, and the Declarants, the manager or managing agent, if any, and their respective employees and agents, if any, from liability in connection with the Common Areas and any non-owned property under Common Responsibility of the Association, and insuring the officers of the Association and members of the Board of Directors from liability for good faith actions. The Board of

Directors may also secure other insurance coverages as it, in the exercise of reasonable judgment, will determine. The premiums for the insurance are a Common Expense.

(c) Appointment of Trustee for Proceeds. The Board of Directors may, at its discretion, retain any bank or trust company to act as Trustee, agent or depository on its behalf for the purpose of receiving or distributing any insurance proceeds. The fee of any trustee is a Common Expense.

ARTICLE 7. ASSESSMENTS AND CHARGES

7.1 Annual Assessments. Assessments are computed and assessed by the Association against all Lots and Development Parcels as follows:

(a) Association Expenses. Assessments are based upon annual estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and discharge of the Common Responsibilities. Such estimated expenses shall include, among other things, the following: expenses of management; taxes and governmental assessments; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a manager (if any); utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve, surplus, and/or sinking fund, the management fee due Club Owner in accordance with paragraph 3.2 above; the amount of assessments charged against the Association and Owners by the Master Association and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners under or by reason of this Declaration.

(b) Annual Budget. The annual Assessments are determined on a calendar year basis. On or before November 1 each year, the Board of Directors will prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget will itemize the estimated Common Expenses of the Association for the upcoming calendar year, anticipated receipts (taking into account the number and type of Lots subject to Assessments at the beginning of the year and the number and type of Lots reasonably anticipated being subject to Assessments during the year), and any deficit or surplus from the prior operating period. The budget will serve as the supporting document for the Assessments for the upcoming calendar year and as the major guideline under which the Association is operated during the annual period.

(i) Sub-budgets. In preparing the annual budget, the Board of Directors shall divide the budget into the following four (4) sub-budgets:

(A) Brick Kiln Parkway Sub-budget. The Common Expenses attributable to the maintenance, repair and replacement of the Brick Kiln Parkway landscaping (the "Brick Kiln Parkway Sub-budget") shall be separately stated in a sub-budget;

(B) Storm Water Maintenance Sub-budget. The Common Expenses attributable to the maintenance, repair and replacement of the storm water drainage systems constituting Common Areas and areas of Common Responsibility of the Association; and

(C) RiverTowne Country Club Drive North of Brick Kiln Parkway Sub-budget. The Common Expenses attributable to the maintenance, repair and replacement of landscaping along RiverTowne Country Club Drive, north of Brick Kiln Parkway (the "RiverTowne Country Club Drive North Sub-budget") shall be separately stated in a sub-budget; and

(D) RiverTowne Country Club Drive South of Brick Kiln Parkway Sub-budget. The Common Expenses attributable to the maintenance, repair and replacement of landscaping along RiverTowne Country Club Drive, south of Brick Kiln Parkway (the "RiverTowne Country Club Drive South Sub-budget") shall be separately stated in a sub-budget; and

(E) Remainder of Budgeted Common Expenses. The remainder of the Association's annual, budgeted Common Expenses, other than those set forth in the Brick Kiln Court Sub-budget, the RiverTowne Country Club North Sub-budget and the RiverTowne Country Club South Sub-budget shall be separately stated in a sub-budget (the "Remaining Common Expense Sub-budget").

(ii) Failure to Adopt Budget. In the event the Board fails for any reason to adopt a budget for the succeeding year, then and until the time it is adopted, the budget and annual Assessments in effect for the then current year will be utilized for the budget for the succeeding year, until a new budget is adopted. The Declarants will estimate the budget for the first year of the Association. At least sixty (60) days following the close of the Association's fiscal year, the Board of Directors will cause an unaudited financial statement of the Association to be prepared by a public accountant licensed to practice in the State of South Carolina, which will be distributed to each Neighborhood Association.

(iii) Capital Expenditure Common Expense. Any Common Expense which is attributable to a capital expenditure and which would increase the annual budget in excess of five (5%) of the previous year's budget will require the affirmative vote of members of the Board of Directors entitled to vote at a regular or special meeting representing at least 67% of the total Equivalent Lots at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the budget.

(c) Assessment Allocation. Budgeted Common Expenses shall be allocated among all Lots and then existing Equivalent Lots assigned to Development Parcels as herein provided.

(i) Brick Kiln Parkway Sub-budget. The Common Expenses of the Brick Kiln Parkway Sub-budget shall be allocated equally among PIDG developed Lots and then existing Equivalent Lots assigned to PIDG's Development Parcel.

(ii) RiverTowne Country Club Drive North Sub-budget. Subject to the Club Reimbursement, the Common Expenses of the RiverTowne Country Club Drive North Sub-budget shall be allocated among all Lots and then existing Equivalent Lots assigned to all Development Parcels.

(iii) RiverTowne Country Club Drive South Sub-budget. Subject to the Club Reimbursement, the Common Expenses of the RiverTowne Country Club Drive South Sub-budget shall be allocated among all Lots other than PIDG's developed Lots and then existing Equivalent Lots assigned to all Development Parcels other than PIDG's Development Parcel.

(iv) Storm Water Maintenance Sub-budget. Common Expenses of the Storm Water Maintenance Sub-budget shall be allocated among all Lots other than PIDG's developed Lots and then existing Equivalent Lots assigned to all Development Parcels other than PIDG's Development Parcel.

(v) Remaining Common Expense Sub-budget. Subject to the Club Reimbursement, the Common Expenses of the Remaining Common Expense Sub-budget shall be allocated among all Lots and then existing Equivalent Lots assigned to all Development Parcels.

Except as set forth in Section 7.1(d) below, each Lot and each Development Parcel, but only to the extent of the then existing total Equivalent Lots assigned to the Development Parcel, is responsible for the sum of its allocable shares of the Brick Kiln Parkway Sub-budget, the RiverTowne Country Club Drive North Sub-budget, the RiverTowne Country Club Drive South Sub-budget and the Remaining Common Expense Sub-budget. Furthermore, a Lot is solely responsible for the specific Assessment assessed against the Lot pursuant to the terms hereof.

(d) Declarants' Obligation for Assessments; Subsidies. Anything contained in Section 7.1(c) to the contrary notwithstanding, so long as a Declarant owns any Development Parcel upon which Lots are to be developed or constructed or owns any Lot for sale, the Declarant may exempt itself from the payment of Assessments in accordance with the terms of this paragraph. Furthermore, any Builder acquiring a Lot from a Declarant under a contract for the purpose of development and sale to a First Buyer and which

exempts the Builder from the payment of Assessments will be exempt from the payment of Assessments in accordance with the terms of such contract and this paragraph. Each Declarant exempting itself from the payment of Assessments or who has contracted with a Builder to be exempt from the payment of Assessments hereby covenants and agrees it will annually elect either to pay an amount equal (i) to total Assessment which would otherwise be due and payable for Lots owned by it or by a Builder acquiring the same from it, plus the total Assessments which would otherwise be due and payable if Assessments were payable on the number of then existing Equivalent Lots, or (ii) to pay its "Subsidy Percentage" (as hereinafter defined) of the difference between the amount of Assessments collected on all other Lots not owned by the Declarant or its Builder and the amount of actual expenditures by the Association during the fiscal year, but not in a sum greater than the Assessments the Declarant and its Builder would pay if not exempt therefrom and if Assessments were payable on the existing Equivalent Lots assigned to the Declarant's Development Parcel. Unless a Declarant otherwise notifies the Board in writing at least forty-five (45) days before the beginning of each calendar year, a Declarant will be deemed to have elected for the first year in which Assessments are due, and thereafter to continue paying on the same basis as during the immediately preceding year. Furthermore, so long as a Declarant or a Builder acquiring a Lot from such Declarant owns any Lot for sale or any portion of a Development Parcel upon which Lots are to be constructed, such Declarant may, but will not be obligated to, reduce the Assessment for any year to be paid by Owners of Lots purchasing the same from such Declarant or its Builder provided such Declarant must pay the difference between what is due from an Owner and what is paid by such Owner. Any such reduction and funding by the said Declarant will be a contribution to the Association and not an advance or loan, and will be conspicuously disclosed as a line item in the budget and will be made known to the Owners acquiring Lots from such Declarant or its Builder. The Subsidy Percentages of a Declarant will be equal to its percentage of Equivalent Lots allocated to Declarant-owned Development Parcels and Declarant-owned Lots. The total number of Equivalent Lots allocated to a Declarant's Development Parcels and Lots owned by it shall be the numerator, and the total number of Equivalent Lots allocated to all Development Parcels and all Lots owned by all the Declarants shall be the denominator.

(e) Notice and Payment. The annual Assessments will be made on a calendar year basis in advance. On or before December 1 of each year, the Association will furnish to each Neighborhood Association a copy of the budget and the amount of the annual Assessments for all Lots in the Neighborhood Association for the following calendar year. Each Neighborhood Association will distribute copies of the notice of Assessment and budget to its Owner-members on or before December 15 of each year. The Association may, at its election, send the notices and copies of the budget directly to the Owners. The annual Assessments will be payable by Owners to the Owners' Neighborhood Association in such installments and on or before such dates as shall be established therefor by the Board, and the amount collected by the Neighborhood Association shall be delivered to the Association by the fifteenth day of that month. The failure of the Association to give timely notice of any Assessments as provided herein will not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the Assessment or any other Assessment; but, the date when the payment is due in such case will be fifteen (15) days following the notice of such Assessment which is given to the Owner in the manner provided in this Declaration.

7.2 Special Assessments. Without limiting the types or purposes of special Assessments, the Board of Directors may levy in any year, a special Assessment for the purpose of (1) paying any unbudgeted increase in taxes; (2) for defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas not covered by a reserve or whose reserve amount does not fully cover the cost thereof, including the necessary fixtures and personal property related thereto as well as any insurance policy deductible if the damage is an insured loss; or (3) any other repairs, reconstruction, alterations or improvements due to emergencies or casualties of any type; provided, however, special Assessments shall be divided into sub-budgets in the same manner as is set forth in Sections 7.1(b)(i)(A) through 7.1(b)(i)(E) above, and assessed against Lots and Equivalent Lots in the same manner as is set forth in Sections 7.1(c)(i) through 7.1(c)(v) above. Special Assessments shall be paid at such time and in such installments, if any, as is provided in the notice thereof prepared by the Board of Directors.

7.3 Specific Assessment. The Board of Directors may levy a specific Assessment against any Lot for work performed in behalf of an Owner or Neighborhood Association in accordance with Section 6.8(b) hereof.

7.4 Working Capital and Recreational Amenities Capital Contribution Collected At Closings. Each Owner of a Lot, other than any of the Declarants or a Builder, shall pay to the Association at the closing of such Owner's purchase of a Lot a sum equal to two (2) months of the annual Assessment for working capital (the "Working Capital Contribution"). In addition, each First Buyer shall pay at the closing of the First Buyer's Lot the sum of Three Thousand Seven Hundred Fifty and No/100 Dollars (\$3,750.00) as a "Recreational Amenities Capital Contribution." Such sums are and will remain separate and distinct from annual Assessments and will not be considered advance payments thereof. The Recreational Amenities Capital Contribution of each First Buyer will be transferred and paid over to the Club Owner at the time of closing of the First Buyer's Lot. At the time of such closing, the Association shall, at no cost or expense to any person, execute such acknowledgments, instruments and releases therefor as the closing attorney shall reasonably require. In the event the Club Owner's default prior to substantial completion of the Golf Course in the performance of its obligations to construct the Club or the Amenity Center or provide Club Memberships, as provided in this Declaration, and fails to cure any such default under any applicable cure period provided for such performance, then the Club Owner shall within thirty (30) days of demand by the Association, reimburse the Association an amount equal to all the Recreational Amenities Capital Contributions paid to the Club Owner.

7.5 Creation of the Lien and Personal Obligation for Assessments. Declarants, for each Lot owned within the Residential Property, hereby covenant, and each Owner of any Lot by acceptance of a deed or other conveyance, is deemed to covenant and agree with each other and with the Association to pay to the Association: (a) the Lot's share of Common Expenses as defined herein, which will include reserves deemed necessary or beneficial by the Board of Directors, (b) special Assessments for capital improvements, necessary for reserves or for any other purpose adopted by the Board of Directors, (c) specific Assessments which may be charged against the Lot pursuant to Section hereof 6.8(b), and (d) the Working Capital Contribution and the Recreational Amenities Capital Contribution payable pursuant to Section 7.4 above. The annual, special and specific Assessments, as well as the Working Capital Contribution and the Recreational Amenities Capital Contribution, together with such interest thereon and costs of collection thereof, as hereinafter provided, are a charge on each Lot and are a continuing lien upon each Lot in favor of the Association. The lien for the Working Capital Contribution and the Recreational Amenities Capital Contribution shall attached at the creation of the Lot when the subdivision plat is Filed of Record. To evidence a lien for other sums assessed pursuant to this Section, the Association may prepare a written notice of lien setting forth the amount of the unpaid Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Lot, and a description of the Lot. Such a notice will be signed and acknowledged by a duly authorized officer of the Association and may be Filed of Record. No notice of lien will be recorded until there is a delinquency in payment of the Assessment. Such liens may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of South Carolina. In any such foreclosure, the Owner will be required to pay the costs and expenses of the proceeding (including reasonable attorneys' fees) and the costs and expenses will be secured by the lien being foreclosed. The Owner will also be required to pay to the Association any Assessments against the Lot which will become due during the period of foreclosure, and all the Assessments will be secured by the lien being foreclosed. The Association will have the right and power to bid in at any foreclosure sale, and to thereafter hold, lease, mortgage, or convey the subject Lot. Each such Assessment, together with interest, costs and reasonable attorney's fees will be the personal obligation of the Person who was the Owner of the Lot at the time when the Assessment fell due and also of any subsequent Owner.

7.6 Reserves. Any portion of the Common Expenses collected for a reserve fund or funds, if any, may be placed in an account separate from the general operating account of the Association.

7.7 Statements of Account. Upon payment of a reasonable fee to be set, from time to time by the Board, and upon written request of any Owner, mortgagee, prospective mortgagee, or prospective purchaser of a Lot, the Association will issue a written statement setting forth the following:

(a) The amount of the unpaid Assessments, if any, for the Lot.

(b) The amount of the current annual, special and accrued and unpaid specific Assessment, and the date or dates upon which the current installment thereof becomes due, and whether a Working Capital Contribution and/or Recreational Amenities Capital Contribution is payable on such Lot.

Such a statement is conclusive upon the Association in favor of Persons who rely thereon in good faith. A purchaser of a Lot is jointly and severally liable with the seller thereof for all unpaid Assessments against the Lot up to the time of the grant or conveyance; provided, however, that this provision will not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for the Assessments.

7.8 Effect of Nonpayment of Assessment; Remedies of the Association. Assessments must be paid by an Owner to his Neighborhood Association and by that Neighborhood Association to the Association when due. If the Assessment is not paid to the Association when due, the Association may bring an action at law against the Neighborhood Association or the Owner personally for its collection, or may foreclose the lien therefor against the Owner's Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

7.9 Subordination of the Lien. The lien of the Assessments and the lien of the Working Capital Contribution provided for herein, but not the lien of the Recreational Amenities Capital Contribution, is subordinate to the lien of any unpaid taxes and any first mortgage lien, but is superior to Assessments levied by any Neighborhood Association. Sale or transfer of any Lot will not affect any such lien of the Association. However, the sale or transfer of any Lot which is subject to a first mortgage lien, pursuant to a decree of foreclosure under the mortgage or any proceeding or conveyance in lieu of foreclosure thereof, will extinguish the lien of the Assessments and Working Capital Contribution, but not the lien of the Recreational Amenities Capital Contribution, as to payment thereof, which became due prior to the sale or transfer. No sale or transfer will relieve the Lot from liability for any Assessments or capital contribution thereafter becoming due or from the lien thereof. Notwithstanding anything in this Declaration to the contrary, no amendment, or change or modification of this section will be effective unless the amendment, change or modification is first consented to, in writing, by all holders of first mortgage liens Filed of Record on Lots which are subject to the terms of this Declaration.

7.10 Mechanic's Liens. The Board of Directors may cause to be discharged any Mechanic's Lien or other encumbrance which in the opinion of the Board of Directors may constitute a lien against the Common Areas. Where less than all of the Owners are responsible for the existence of a said lien, the Owners responsible will be jointly and severally liable for the amount necessary to discharge the same, and for all costs and expenses including attorney's fees and court costs incurred by reason of the lien.

7.11 Assessments and the Club Owner. Anything contained herein to the contrary notwithstanding, the Club Owner shall not be responsible for any Assessment, but shall only be responsible for the payment of the Club Reimbursement.

ARTICLE 8. CONDEMNATION

8.1 Condemnation of Common Areas. Whenever all or any part of the Common Areas is taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof, the award or proceeds made or collected for the taking or sale in lieu thereof will be disbursed or held as follows:

(a) If the taking or sale in lieu thereof involves a portion of the Common Areas, then the award is payable to the Association. If the portion of the Common Areas so taken or conveyed was improved in any way, then the Board of Directors may determine whether or not to repair, rebuild, replace or renovate the improvements so taken, on the remaining lands included in the Common Areas which are available therefor, in accordance with plans approved by the Board of Directors. If the awards or proceeds are not

sufficient to defray the cost of the repair and replacement and the deficiency cannot be appropriated from a reserve fund established for such a purpose, the Board of Directors may levy a special Assessment against all Lots, without the necessity of a vote of Association members, such special Assessments to be in an amount sufficient to provide funds to pay the excess cost of repair or reconstruction. Such special Assessments shall be divided into sub-budgets in the same manner as is set forth in Sections 7.1(b)(i)(A) through 7.1(b)(i)(E) above, and assessed against Lots and Equivalent Lots in the same manner as is set forth in Sections 7.1(c)(i) through 7.1(c)(v) above, and additional special Assessments may be made at any time during or following the completion of any repair or reconstruction.

(b) If the taking or sale in lieu thereof includes all or any part of a Lot or other land and also includes any part of the Common Areas, then in the absence of an agreement between the parties, a court of competent jurisdiction will apportion the award or proceeds and the award or proceeds will be disbursed to the Association, the Neighborhood Association and the Owners so affected so as to give just compensation for the land and/or improvements taken.

ARTICLE 9. ALTERNATIVE DISPUTE RESOLUTION & LITIGATION

9.1 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Declarants, the Association, Owners, Neighborhood Associations and any Persons not otherwise subject to the Declaration who agree to submit to this Article 9 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves involving this Declaration or the Residential Property, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes (including those in the nature of counterclaims or cross-claims) between Bound Parties involving the Declaration or the Residential Property (but not matters applicable solely to a Neighborhood Association, Neighborhood Declaration, or the Community covered thereby) including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof (collectively "Claims"), except for "Exempt Claims" under Section 9.2, are subject to the procedures set forth in Section 1.

9.2 Exempt Claims. The following Claims ("Exempt Claims") are exempt from the provisions of Section 1:

(a) any suit by the Association against any Bound Party to enforce any Assessments or other charges hereunder; and

(b) any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and other relief the court may deem necessary in order to maintain the status quo and preserve any enforcement power of the Association hereunder until the matter may be resolved on the merits pursuant to Section 1 below; or

(c) any suit involving a matter which is not an Exempt Claim under (a) or (b) above, but as to which matter the Bound Party against whom the Claim is made waives the mandatory provisions of Section 1 below.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 1, but there is no obligation to do so.

9.3 Mandatory Procedures for Non-Exempt Claims. Any Bound Party having a Claim ("Claimant") against a Bound Party involving this Declaration or the Residential Property, or all or any combination of them ("Respondent"), other than an Exempt Claim under Section 9.2 which the parties have not agreed to submit to arbitration, will not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of the Claim until it has complied with the procedures set forth in Exhibit H of this Declaration, and then only to enforce the results thereof.

9.4 Litigation. No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, will be commenced or prosecuted by the Association unless approved by members of the Board of Directors entitled to vote and representing at least 75% of the total Equivalent Lots at a regular or special meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the proceeding. This Section will not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitations, the foreclosure of liens); (b) the imposition and collection of Assessments; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section will not be amended unless the amendment is approved by the requisite percentage of votes of members of the Board of Directors, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision will apply in addition to the negotiation and arbitration provisions of this Article 9, if applicable.

9.5 Miscellaneous Alternative Dispute Resolution Provisions.

(a) Conflicting Provisions. In the event of any conflict or discrepancy between the terms and conditions set forth in this Article 9 and any term, condition or procedure of the American Arbitration Association, or any remedy allowed at law or in equity, the terms, conditions, procedures and remedies set forth herein will control.

(b) TIME IS OF ESSENCE. All periods of time set forth herein or calculated pursuant to provisions of this Article 9 will be strictly adhered to, TIME BEING OF THE ESSENCE hereof.

ARTICLE 10. GENERAL PROVISIONS

10.1 Time Sharing and Vacation Multiple Ownership Plans. No part of the Property subject to this Declaration, including any improvements thereon or to be built thereon, will be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of this State dealing with that or similar type of ownership, or any time share exchange program which uses a Lot not otherwise registered as Vacation Time Sharing Plan or Vacation Multiple Ownership Plan in its program, without the prior written consent of the Board of Directors, which it may grant or deny in whole, or may grant to some and deny to others, in its sole discretion.

10.2 Amendments by the Association. Amendments to this Declaration, other than those authorized by Section 10.3 hereof, will require the affirmative vote of members of the Board of Directors entitled to vote at a regular or special meeting representing at least 67% of the total Equivalent Lots at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the amendment to this declaration; provided, however, no amendment to this Declaration will be adopted by the Association which is contrary to and at variance, in whole or in material part, with any right, easement or benefit granted or reserved to any Person, including a Declarant, in this Declaration or in any Neighborhood Declaration, and whose words of grant or reservation expressly prohibit any revocation or amendment thereto, except with the prior written consent of such Person and subject to the terms and conditions of the consent.

(a) Amendments Requiring Consent of Club Owner. In the event any amendment would affect any right or easement of the Club Owner or Golf Course Users provided in this Declaration, such amendment will be valid only upon the consent thereto by the Club Owner and joinder by the Club Owner in the execution of the instrument setting forth such amendment being Filed of Record.

10.3 Amendments Required for Compliance, Title and Lending Purposes. Notwithstanding any other provision herein or in the Bylaws, the Board may amend this Declaration upon the affirmative vote of members of the Board of Directors entitled to vote at a regular or special meeting representing at least

a majority of the total Equivalent Lots at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving the amendment if: (i) the amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which is in conflict therewith; (ii) the amendment is necessary to enable any reputable title insurance company to issue title insurance coverage for any Lots subject to this Declaration; (iii) the amendment is required by a mortgagee to enable it to make mortgage loans on any Lot or other improvements subject to this Declaration; or (iv) the amendment is necessary to enable any governmental agency or reputable private mortgage insurance company to insure mortgages on the Lots subject to this Declaration.

10.4 Amendments to Specific Sections. Subject to any required consent of the Club Owner as provided in Section 10.2(a) above, and notwithstanding any contrary provision herein or in the Bylaws, the Board may amend Section 3.2, 3.3, 3.4, 5.12, 7.4 and 10.4 of this Declaration solely upon the unanimous vote of members of the Board of Directors representing the total number Equivalent Lots then existing.

10.5 Enforcement. Each Owner and Neighborhood Association will comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to this Declaration, as they may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot, if any. A failure to comply with any rule or regulation will be grounds for imposing fines, for instituting an action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by the Board of Directors on behalf of the Association or, in a proper case, by a Neighborhood Association or an aggrieved Owner. Should the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, will be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that a Declarant, the Association, Neighborhood Association or any aggrieved Owner, in addition to all other remedies, may require and will be entitled to the equitable remedy of an injunction to restrain any such violation or omission. Failure of any Person in exercising any right, power or remedy provided herein will not be construed as an acquiescence thereto and will not be deemed a waiver of the right to enforce such right, power or remedy thereafter for the same violation or breach, or for any other violation or breach occurring prior or subsequent thereto. No right of action will accrue in favor of, nor will any action be brought or maintained by, anyone whatsoever against a Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any Person of the provisions of this Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

10.6 Duration. The provisions of this Declaration will run with the land and be binding upon the title to the Property, are binding upon and inure to the benefit of all Owners and Neighborhood Associations, the Declarants, the Association, the Club Owner and all mortgagees, and their respective heirs, executors, legal representatives, successors and assigns, and successors in title, and are and will remain in effect for a period of thirty (30) years following the date of the recording of this Declaration, provided their rights and easements which are stated herein to have a longer duration will have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration will be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods will be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there will be no renewal or extension of this Declaration if, during the last year of an initial thirty (30) year period or the last year of any ten (10) year renewal period, seventy-five percent (75%) of the total votes of all Owners are cast in favor of terminating this Declaration at the end of the then current term. Such voting will be held by referendum by the Neighborhood Associations, and the Owner of each Lot is entitled to cast one (1) vote for each Lot owned. In the event that the Owners vote to terminate this Declaration, an instrument evidencing the termination is Filed of Record, the instrument to contain a certificate wherein the President of the Association swears that the termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any

interest in the Property, by acceptance of a deed or other conveyance thereof, hereby agrees that the provisions of this Declaration will run with the land and be binding upon the title to the land as provided hereby.

10.7 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration are unlawful, void or voidable for violation of the rule against perpetuities, then such provision will continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Edward Kennedy, United States Senator and son of Joseph and Rose Kennedy.

10.8 Interpretation. In all cases, the provisions set forth or provided for in this Declaration will be construed together and given that interpretation or construction which, in the opinion of the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof will be liberally interpreted and, if necessary, they will be so extended or enlarged by implication to make them fully effective. The provisions of this Declaration will be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration is the date it is Filed of Record. The captions of each Article and Section hereof, describing their respective contents, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration will be construed under and in accordance with the laws of the State of South Carolina.

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

10.10 Severability. Whenever possible, each provision of this Declaration will be interpreted in such a manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property is prohibited or held invalid, the prohibition or invalidity will not affect any other provision or the application of any provisions which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

10.11 Rights of Third Parties. This Declaration is recorded for the benefit of the Declarants, the Owners, the Association, the Neighborhood Associations, the Club Owner and their mortgagees as herein provided, and by such recording, no adjoining land owner or third party will have any right, title or interest whatsoever in the Property, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of the Declarants and mortgagees herein provided, the Association will have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

10.12 Notice of Sale, Lease or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Lot, the Owner must promptly furnish to the Association, in writing, the name and address of the purchaser, lessee, mortgagee, or transferee. A Lot purchaser is hereby put on notice of the existence of a lien on a seller's Lot for unpaid Assessments arising prior to closing, and that such liens will follow title to the Lot and be a lien and encumbrance upon the Lot following the closing unless satisfied with delivery of the deed to the purchaser.

10.13 No Trespass. Whenever any Person is permitted by this Declaration to enter upon to correct, repair, clean, maintain, preserve or do any other action within any portion of the Property, the entering thereon and the taking of such action will not be deemed to be trespass.

10.14 Notices. Notices required hereunder are deemed given when in writing and delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners and Neighborhood Associations will be delivered or sent to the addresses designated in writing to the Association, or if no address has been so designated, to the addresses of such Owners' respective Lots. All notices to the Association will be delivered

EX L 336PG584

to its registered office, or to such other address as the Association may from time to time notify the Owners. All notices to a Declarant will be delivered or sent to a such Declarant's registered office as filed with the South Carolina Secretary of State, or to such other address as the Declarant may from time to time notify the Association. Notices to mortgagees will be delivered or sent to the addresses the mortgagees specify in writing to the Association.

10.15 Successors and Assigns. Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein are binding upon and inure to the benefit of the Declarants, the Association, the Neighborhood Associations and Owners and their respective heirs, successors and assigns and successors in title.

10.16 Exhibits. All Exhibits referred to herein as attached hereto are hereby incorporated herein by this reference.

[SIGNATURES ON FOLLOWING PAGES]

EX L 335PG585

IN WITNESS WHEREOF, the duly authorized officers of the undersigned Centex, Ginn, Golf Course Developer and PIDG have executed this Declaration the day and year first above written.

WITNESSES:

[Signature]

Robert B. Masters

CENTEX HOMES, A
NEVADA GENERAL PARTNERSHIP
By: Centex Real Estate Corporation, a
Nevada Corporation, Managing
General Partner

JW

By: [Signature]
Print Name: Kurt Thremer
Title: Division Manager

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within Centex Homes, a Nevada general partnership, by Centex Real Estate Corporation, its general partner by Jay Thremer, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

Robert B. Masters

SWORN TO before me
this 20th day of October, 1999.

Phyllis D. Pinnell
Notary Public for the State of South Carolina
My commission expires: 2/18/2004

BK L 3366586

WITNESSES:

RIVERTOWNE GOLF, LLC,
a Georgia limited liability company
By: Ginn-Parkers Island GP LLC, a
Georgia limited liability company,
Manager

Robert F. Master
John D. Mann

By: Edward R. Ginn, III
Edward R. Ginn, III, Manager

STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within RiverTowne Golf, LLC, a Georgia limited liability company, by Ginn-Parkers Island GP LLC, its Manager, by Edward R. Ginn, III, its Manager, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

Robert F. Master

SWORN TO before me
this 20th day of October, 1999.

Phillip D. Pennell
Notary Public for the State of South Carolina
My commission expires: 2/18/2004

EK L 336PG587

WITNESSES:

GINN-LA PARKERS ISLAND, L.P., A
GEORGIA LIMITED PARTNERSHIP

BY GINN-PARKERS ISLAND GP LLC, a
Georgia limited liability company,

ITS: General Partner

Robert P. Masters

By: Edward R. Ginn, III
Edward R. Ginn, III

Jon J. [Signature]

Its: Manager

STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

PERSONALEY appeared before me the undersigned witness who made oath that (s)he saw the within Ginn-LA Parkers Island, L.P., a Georgia limited partnership, by Ginn-Parkers Island GP, LLC, a Georgia limited liability company, its General Partner, by Edward R. Ginn, III, its Manager, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

Robert P. Masters

SWORN TO before me
this 20th day of October, 1999

Phyllis D. Pennell
Notary Public for the State of South Carolina
My commission expires: 2/18/2004

WITNESSES:

PARKERS ISLAND DEVELOPMENT GROUP, LLC,
A SOUTH CAROLINA
LIMITED LIABILITY COMPANY

BY: Associated Developers, Inc.
ITS: Manager

Gianna A Bramon
Robert Masters

By: [Signature]
Its: President

STATE OF SOUTH CAROLINA }
COUNTY OF CHARLESTON }

PERSONALLY appeared before me the undersigned witness who made oath that (s)he saw the within Parkers Island Development Group, LLC, a South Carolina limited liability company, by Associated Developers, Inc., its Manager, by Henry H. Stepters, its President, sign, seal and as its act and deed, deliver the within written instrument and that (s)he with the other witness witnessed the execution thereof.

Gianna A Bramon

SWORN TO before me
this 20th day of October, 1999

[Signature]
Notary Public for the State of South Carolina
My commission expires: 10-31-2001

**FIRST SUPPLEMENTAL DECLARATION AND
AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR PARKERS ISLAND**

This First Supplemental Declaration and Amendment to the Declaration of Covenants, Conditions and Restrictions for Parkers Island (this "Supplemental Declaration") is made on the date hereinafter set forth by Centex Homes, a Nevada general partnership ("Centex"), Ginn-LA Parkers Island, L.P., a Georgia limited partnership ("Ginn"), and Parkers Island Development Group, LLC, a South Carolina limited liability company ("PIDG"), who are joined in by Parkers Island Property Owners Association, a South Carolina not-for-profit corporation ("Association"). Centex, Ginn and PIDG are herein sometimes collectively referred to as "Declarants", or individually as a "Declarant".

WITNESSETH

WHEREAS, Declarants executed that certain Declaration of Covenants, Conditions and Restrictions for Parkers Island which was recorded in Book L336, Page 555, in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina (the "Declaration"); and

WHEREAS, Section 10.2 of the Declaration provides that the Declaration may be amended by the affirmative vote of members of the Board of Directors entitled to vote at a regular or special meeting representing at least 67% of the total Equivalent Lots at meeting at which a quorum is present.

WHEREAS, Section 1.1 (m) provides that the "Common Areas" for which the Association has or assumes responsibility may include "walkways, sidewalks, leisure trails, bike paths, street lighting, signage and other areas and services set aside or provided for the common use and enjoyment of the Owners and Occupants of the Residential Property" (as those terms are defined in the Declaration). Additionally, Section 1.1(p) provides that the term "Common Responsibility" includes the Association's duties and responsibilities for maintenance, repair and management of areas not owned by the Association, but which will, pursuant to the Declaration, or any Supplemental Declaration or contract or agreement, be binding upon the Association.

WHEREAS, Centex is planning to construct an additional pedestrian walkway within a portion of the right-of-way of RiverTowne Country Club Drive in order to provide additional pedestrian access to the residents of the Parkers Island community, to enhance the appearance of the streetscape along RiverTowne Country Club Drive, and to provide direct pedestrian access for the residents to the Amenity Center (as that term is defined in the Declaration).

WHEREAS, in order to obtain the approval to construct the additional pedestrian walkway, the applicable governmental authorities require the Association to accept the responsibility to maintain, repair and replace the pedestrian walkway, including any repairs made necessary because of damage to the sidewalk improvements caused by the repair, maintenance, operation or replacement of any existing public utility lines currently located beneath the pedestrian walkway.

WHEREAS, pursuant to Section 10.2 of the Declaration, the Board of Directors of the Association approved this Supplemental Declaration which shall confirm and give notice of the Association's obligation to maintain, repair and replace the pedestrian walkway to be constructed by Centex, and the designation of such walkway as an area for which the Association has a "Common Responsibility".

NOW, THEREFORE, the Declaration is hereby supplemented and amended as follows:

1. All terms used in this Supplemental Declaration shall have the same meanings as are set forth for such term by the Declaration. In the event of any conflict between the provisions of this Supplemental Declaration and the provisions of the Declaration, the provisions of this Supplemental Declaration shall prevail unless the context clearly indicates otherwise.

2. Declarants and the Association hereby confirm that the Association's Common Responsibilities for property not owned by the Association (defined in Section 1.1(p) of the Declaration) shall include the additional pedestrian walkway to be constructed by Centex (the "Additional Walkway Improvements") within that portion of the RiverTowne Country Club Drive right-of-way generally delineated on Exhibit "A" attached hereto (the "Additional Walkway Area"). The Association's obligations with respect to the Additional Walkway Improvements (or each separately completed portion thereof, if applicable) shall commence upon Centex's completion of the Additional Walkway Improvements (or each portion, if applicable). If necessary, the Association will join in on the execution of any plats, plans or easements of or for the Additional Walkway Area which may be required so the Association can perform its obligations hereunder or have the right to enter upon the Additional Walkway Area to perform its obligations. The Association's Common Responsibilities with regard to the Additional Walkway Improvements include the obligation to make any necessary repairs or replacements occurring as a result of the repair, maintenance, operation or replacement of any public utility improvements, lines and facilities which may be located within the Additional Walkway Area. The Association acknowledges the current existence of a water main line located within the Additional Walkway Area directly beneath the planned location for the Additional Walkway Improvements. The Association also acknowledges that the Association's acceptance of the obligations set forth in this Supplemental Declaration is a condition to the governmental authorities' approval of Centex's proposal to construct the Additional Walkway Improvements.

3. The expenses attributable to the Association's Common Responsibility for the Additional Walkway Improvements shall be among the Common Expenses allocated to the "RiverTowne Country Club Drive South of Brick Kiln Parkway Sub-budget" referred to in Section 7.1(b)(i)(D) of the Declaration. Those Common Expenses shall include, but shall not necessarily be limited to, maintaining, repairing, replacing, and insuring the Additional Walkway Improvements.

4. Except as may be specifically amended herein, the Declaration shall remain and continue in full force and effect.

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IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Supplemental Declaration was duly authorized in accordance with the Declaration and executed this 15 day of July, 2001

Signed, sealed and delivered in the presence of:

Kathy A Wesley
Preston Jones

Signed, sealed and delivered in the presence of:

Kathy A Wesley
Preston Jones

DECLARANTS:

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation,
a Nevada corporation
Its: Managing General Partner

By: [Signature]
Division President

Attest: [Signature]
Assistant Secretary

(SEAL)

Date: 7/13/01

GINN-LA PARKERS ISLAND, L.P., a Georgia limited partnership

By: GINN-PARKERS ISLAND GP LC, a Georgia limited liability corporation
Its: General Partner

By: [Signature]
Robert F. Masters

Title: V.P. - COO.

Date: 7/13/01

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PARKERS ISLAND DEVELOPMENT GROUP,
LLC, a South Carolina limited liability company

By: ASSOCIATED DEVELOPERS, INC., a
Virginia Corporation
Its: Manager

Signed, sealed and delivered
in the presence of:

W. K. Bell

By: [Signature]
Its: President

Joni R. Marshall

Date: 8/13/01

CERTIFICATE AND JOINDER OF ASSOCIATION

This is to certify that, upon proper notice given a special meeting of the Board of Directors of the Parkers Island Property Owners Association was held on [Date and Year] at [Time]. The purpose of the meeting, as set forth in the notice, was to vote on the proposed supplement and amendment to the Declaration as set forth in the foregoing instrument.

At such meeting, at which a quorum was present, in person or by proxy, a total of _____ votes were cast: _____ votes were cast in favor of the proposed supplement and amendment, and _____ votes were cast against the proposed supplement and amendment. Accordingly, the motion to amend the Declaration as set forth in the foregoing instrument was approved.

PARKERS ISLAND PROPERTY OWNERS
ASSOCIATION

By: [Signature]
Gordon Geer
Director and President

Date: 8/18/01

BKE 383PG395

STATE OF SOUTH CAROLINA §
§
COUNTY OF CHARLESTON §

The foregoing instrument was acknowledged before me this 13 day of July, 2001, by Centex Homes, a Nevada general partnership, by Centex Real Estate Corporation, a Nevada corporation, its managing general partner, by JAY THROWER, its Division President

Jean M Brunson
Notary Public
My Commission Expires January 25, 2005.
My Commission Expires:
JEAN M BRINSON
Typed, Printed or Stamped Name of Notary Public

STATE OF SOUTH CAROLINA §
§
COUNTY OF CHARLESTON §

The foregoing instrument was acknowledged before me this 13 day of July, 2001, by Ginn-LA Parkers Island, L.P., a Georgia limited partnership, by Ginn-Parkers Island GP LLC, a Georgia limited liability company, its General Partner, by ROBERT MASTERS, its VP COO

Jean M Brunson
Notary Public
My Commission Expires January 25, 2005
My Commission Expires:
JEAN M BRINSON
Typed, Printed or Stamped Name of Notary Public

STATE OF SOUTH CAROLINA §
§
COUNTY OF CHARLESTON §

The foregoing instrument was acknowledged before me this 19th day of August, 2001, by Parkers Island, Development Group, LLC, a South Carolina limited liability company, by Associated Developers, Inc., a Virginia Corporation, its Manager.

Carol Lynn Andrews
Notary Public
My Commission Expires: May 31, 2004
CAROL LYNN ANDREWS
Typed, Printed or Stamped Name of Notary Public

383PG396

BKE 383PG396

STATE OF SOUTH CAROLINA §
§
COUNTY OF CHARLESTON §

The foregoing instrument was acknowledged before me this 13th day of August, 2001, by Parkers Island Property Owners Association., a South Carolina not-for-profit corporation by Henry H. Stephens, its President.

Carol Lynn Andrews
Notary Public

My Commission Expires: May 31, 2004

Carol Lynn Andrews
Typed, Printed or Stamped Name of Notary Public

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NO.	REV.	DATE

THOMAS & HUTTON ENGINEERING CO.
 122 HUNTERS HARBOR CT. SUITE 100
 MOUNT PLEASANT, SC 29528 (813) 884-0000
 FAX: (813) 884-0000

RIVERTOWNE COUNTRY CLUB
 MOUNT PLEASANT SOUTH CAROLINA
 SIDEWALK PLAN

JOB NO. 1403708
 DATE: MAY 1, 2008
 DRAWN BY: JMS
 CHECKED BY: JMS
 SCALE: N.E.A.
 SHEET: 1

EXHIBIT A

SIDEWALK TO BE MAINTAINED
 BY PARKERS ISLAND HOA



383P6397

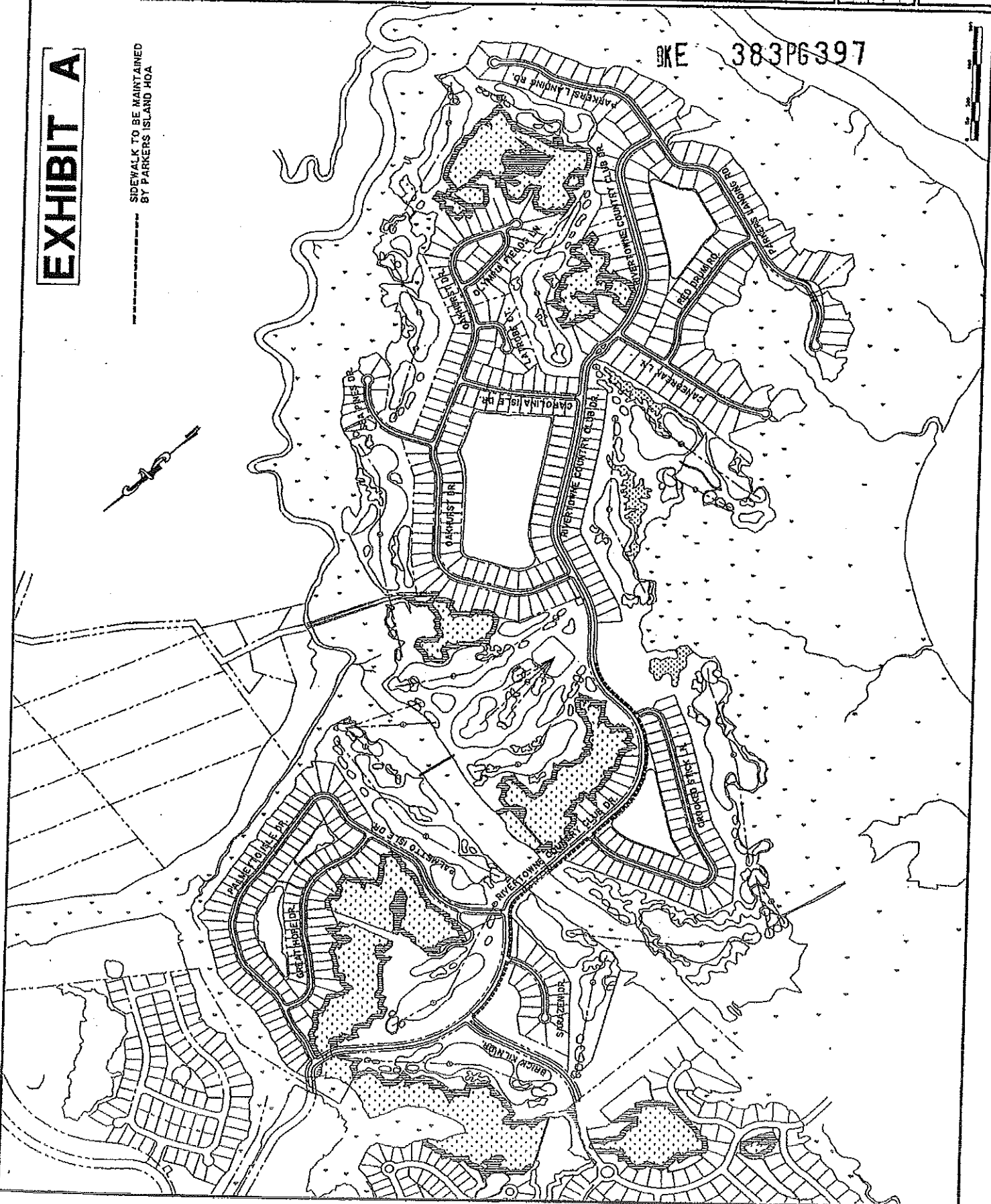


Exhibit E

EX L 336PG801

BYLAWS
OF
PARKERS ISLAND PROPERTY OWNERS ASSOCIATION
A South Carolina Nonprofit Corporation

Pursuant to the provisions of the South Carolina Nonprofit Corporation Act (the "Act"), the Board of Directors of Parkers Island Property Owners Association, a South Carolina nonprofit corporation, hereby adopts the following Bylaws for such corporation.

ARTICLE 1.

NAME AND PRINCIPAL OFFICE

1.1 Name. The name of the nonprofit corporation is "Parkers Island Property Owners Association," hereinafter referred to as the "Association."

1.2 Offices. The principal offices of the Association will be in Charleston County, South Carolina.

ARTICLE 2.

DEFINITIONS

2.1 Definitions. Except as otherwise provided herein or required by the context hereof, all terms defined in the Declaration of Covenants, Conditions and Restrictions for Parkers Island recorded in the office of the Charleston County R.M.C., in Book __, Page __, hereinafter referred to as the "Declaration," will have such defined meanings when used in these Bylaws.

ARTICLE 3.

MEMBERS

3.1 No Members. Pursuant to the Declaration and Article of Incorporation, the Association will not have members.

3.2 Lot Owners. Every Lot Owner will be a member of a Neighborhood Association, Upon the sale of each Lot, the Neighborhood Association of which the Lot is a part will promptly furnish the Association with a copy of the recorded instrument by which ownership of such Lot has been vested in the Owner, which copy will be maintained in the records of the Association.

ARTICLE 4.

BOARD OF DIRECTORS

4.1 General Powers. The property, affairs, and business of the Association will be managed by its Board of Directors (hereinafter sometimes referred to as the "Board".) The Board may exercise all of the powers of the Association, whether derived from law, the Declaration or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, or these Bylaws, or by the Declaration vested in another party. The Board may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers, or those of any officer, as are properly delegable.

4.2 Directors -- Number, Tenure and Qualifications. The Board of Directors will be appointed as provided in the Declaration. The number of members of the Board of Directors will be determined as provided in the Declaration. The Board will constitute the final administrative authority of the Association, and all decisions of the Board of Directors will be binding upon the Association and the Owners. All rights, titles, privileges and obligations vested in or imposed upon the Association will be held and performed by the Board of Directors.

4.3 Regular Meetings. The first meeting of the Board of Directors, whether an annual or a special meeting, will be held within one (1) year from the date of incorporation of the Association. The next annual meeting will be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent annual meetings of the Board of Directors will be held within thirty (30) days of the same day of the same month of each year thereafter at such time as the Board directs. If the day for the annual meeting of the Board of Directors is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday (excluding Saturday and Sunday).

4.4 Special Meetings. Special meetings of the Board may be called by or at the request of any Director. The Director calling a special meeting of the Board may fix any place, within Charleston County, South Carolina, as the place for holding such special meeting. Except as otherwise required by the South Carolina Nonprofit Corporation Act, notice of any special meeting will be given at least two (2) days prior thereto by written notice delivered personally, or mailed to each Director at his registered address, or by facsimile transmission. If mailed, such notice will be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice is given by facsimile transmission, such notice will be deemed to be delivered when the facsimile transmission is sent, subject to the sender retaining a record of its electronic receipt. Any Director may waive notice of a meeting.

4.5 Quorum and Manner of Acting. Directors present and entitled to vote, representing a majority of the the Equivalent Lots, will constitute a quorum at any meeting of the Board. Except as hereinbelow provided or where the Declaration requires a vote of Directors representing higher number of Equivalent Lots, the act of the Directors representing a majority of the Equivalent Lots

represented at any meeting at which a quorum is present will be the act of the Board. The Directors will act only as a Board, and individual Directors will have no powers as such.

(a) Merger or Consolidation. A merger or consolidation of the Association with another association shall require the affirmative vote of the Directors representing sixty-seven percent (67%) of the Equivalent Lots represented at any meeting at which a quorum is present.

4.6 Compensation. No Director will receive compensation for any services that he may render to the Association as a Director; provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Directors.

4.7 Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation will take effect upon delivery. Any Director may be removed at any time for or without cause, by proper action of the Neighborhood Association of which the Director is an appointee.

4.8 Vacancies. If a vacancy occurs on the Board by reason of the death, resignation or removal of a Director, then such vacancy will be filled appointment in the manner such deceased, resigned or removed Director was originally appointed to the Board. Any Director appointed to fill an unexpired term hereunder will serve only for the unexpired term of his predecessor unless reappointed at the end thereof.

4.9 Informal Action by Directors. Any action that is required or permitted to be taken at a meeting of the Board, may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the Directors.

6.6 Telephone Meetings. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. Minutes of the telephone meeting shall be prepared, signed by the Directors attending such telephone meeting, and shall be filed with the minutes of the proceedings of the Board.

ARTICLE 5.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

5.1 Duties. It shall be the duty of the Board of Directors to:

(a) Maintenance, Repair and Replacement. Maintain, replace and repair the Common Area and perform such maintenance, repair and replacement as shall constitute a Common Responsibility of the Association under the Declaration.

- (b) Insurance. Maintain insurance as required by the Declaration.
- (c) Discharge of Liens. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the Owner or Owners responsible for the existence of the lien (after notice and hearing as required by these Bylaws).
- (d) Assessments. Fix, levy, collect and enforce Assessments as set forth in the Declaration.
- (e) Expenses and Obligations. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association.
- (f) Records. Cause to be kept a complete record of all its acts and affairs; keep adequate and correct books and records of account, minutes of proceedings of its committees, and a record of all Owners.
- (g) Supervision. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
- (h) Enforcement. Enforce these Bylaws and the Declaration.
- (i) Review of Financial Records. Review on at least a quarterly basis a current reconciliation of the Association's operating and reserve accounts, the current year's actual reserve revenues and expenses compared to the current year's budget, and an income and expense statement for the Association's operating and reserve accounts. In addition, the Board shall review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts. For purposes herein, "reserve accounts" shall mean monies that the Board has identified for use to defray the future repair or replacement of, or additions to, these major components which the Association is obligated to maintain.
- (j) Reserve Account Withdrawal Restrictions. Provide that at least one (1) Board member's signature is required for the withdrawal of monies for the Association's reserve accounts
- (k) Reserve Account Fund Management. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash-flow requirements or other expenses. The transferred funds shall be restored to the reserve fund within three (3) years of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the Project, delay the

restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds within the time limits required by this section. Any special Assessment to restore a reserve fund is not subject to the limitation imposed by the Declaration.

(l) Reserve Studies. At least every three years the Board shall cause an independent analysis of the reserve component of the operating budget to be conducted to confirm that component replacement costs and useful lives are accurately reflected in the reserve allocation.

5.2 Powers. The Board of Directors shall have power to:

- (a) Manager. Employ an Association manager.
- (b) Borrowing. Borrow money and give as security for the repayment of any such borrowing, a mortgage and/or security agreement on the Common Areas of the Association.
- (c) Adoption of Rules. Adopt rules in accordance with the Declaration.
- (d) Assessments, Capital Contributions, Liens and Fines. Levy and collect Assessments and working capital and recreational amenities capital contributions, and impose fines as provided in the Declaration.
- (e) Enforcement (Notice and Hearing). Enforce these Bylaws and/or the Declaration provided that at least fifteen (15) days' prior notice of any charges (other than Assessment and capital contributions) or potential discipline or fine and the reasons therefor are given to the Owner affected, and that an opportunity is provided for the Owner to be heard, orally or in writing not less than five (5) days before the imposition of the discipline or fine. Such hearing shall be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the Owner as shown on the Association's records.
- (f) Contracts. Contract for goods and/or services in accordance with the Declaration, specifically including, but not being limited to, one or more agreements with the Club Owner for construction and operation of the Amenity Center.
- (g) Delegation. Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association; provided, however, the Board may not delegate the authority to make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an Owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulation promulgated by the Board, or to make a decision to levy monetary fines, impose special Assessments against individual Lots, temporarily suspend an Owner's rights or otherwise impose discipline following any such hearing; to make a decision to levy annual or Special Assessments; or to make a decision to bring

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suit, record a claim of lien, or institute foreclosure proceedings for default in payment of Assessments. Any delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by any such committees, officers, employees or manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

(h) Other Powers. In addition to any other power contained herein or in the Declaration, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in the Act.

ARTICLE 6.

OFFICERS

6.1 Number. The officers of the Association will be a President, a Secretary, a Treasurer, and such other officers as may from time to time be appointed by the Board.

6.2 Election, Tenure, and Qualifications. The officers of the Association will be chosen by the Board annually at the regular annual meeting, or at any subsequent regular or special meeting of the Board. Each officer (whether chosen at a regular annual meeting of the Board or otherwise) will hold office until the next ensuing regular annual meeting of the Board and until his successor is chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more offices, except that the President may not also be the Secretary or the Treasurer. No person holding two or more offices will act or execute any instrument in the capacity of more than one office. No officer need be a Director or an Owner.

6.3 Subordinate Officers. The Board may from time to time appoint such other officers or agents as it may deem advisable, each of whom will have such title, hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. A subordinate officer need not be an Owner or Director.

6.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board. Unless otherwise specified therein, such resignation will take effect upon delivery. Any officer may be removed by the Board at any time, for or without cause.

6.5 Vacancies and Newly Created Offices. If any vacancy occurs in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office is created, such vacancies or newly created offices may be filled by the Board at any regular or special meeting.

6.6 The President. The President will preside at meetings of the Board of Directors. He will sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and will do and perform all other acts and things that the Board may require of him.

6.7 The Secretary. The Secretary will keep the minutes of the Association and will maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board may require him to keep. He will be the custodian of the seal of the Association, if any, and will affix such seal, if any, to all papers and instruments requiring the same. He will perform such other duties as the Board may require of him.

6.8 The Treasurer. The Treasurer will have the custody and control of the funds of the Association, subject to the action of the Board, and will, when requested by the President to do so, report the state of the finances of the Association at any meeting of the Board. He will perform such other duties as the Board may require of him.

6.9 Compensation. In recognition of the time and effort involved in being an officer of the Association, and in an effort to stimulate participation in the affairs of the Association by Owners, the officers of the Association will receive as compensation a percentage waiver of such Owners' annual Assessment as hereinafter provided; provided further, however, the percentage waiver will apply to only one (1) Lot owned (other than any Lot owned by the Declarant). The officers may be reimbursed for expenses incurred in performance of their duties as officers, and, except as otherwise provided in these Bylaws, may be additionally compensated for services rendered to the Association other than in their capacities as officers. The percentage of waived, annual Assessment, which will be prorated for any year within which an officer does not serve a full year, will be as follows:

<u>Office</u>	<u>Percentage</u>
President	100%
Vice President	25%
Treasurer	100%
Secretary	25%

ARTICLE 7.

COMMITTEES

7.1 Designation of Committees. The Board may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder will consist of up to five (5), but not less than (3) persons. No committee member will receive compensation for services that he may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as

committee members and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members.

7.2 Proceedings of Committees. Each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee will keep a record of its proceedings and will regularly report such proceedings to the Board. The power and authority of each committee will only be to make recommendations to the Board, which will have the final decision whether to take any action or not.

7.3 Committee Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board, the presence of members constituting at least two-thirds of the authorized membership of such committee will constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present will be the act of such committee. The members of any committee designated by the Board hereunder will act only as a committee, and the individual members thereof will have no powers as such.

7.4 Committee Member Resignation and Removal. Any member of any committee designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation will take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it hereunder.

7.5 Committee Vacancies. If any vacancy occurs on any committee designated by the Board, due to disqualification, death, resignation, removal, or otherwise, the remaining members will, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE 8.

INDEMNIFICATION

8.1 Indemnification Against Third Party Actions. The Association will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had

no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, or settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

8.2 Indemnification Against Association Actions. The Association will indemnify any person who was or is a party or to an action or suit by or in the name of the Association to procure a judgment in the Association's favor by reason of the fact that such person is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association; provided, however, no indemnification will be made in respect of any claim, issue, or matter as to which such person will have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought will determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court will deem proper.

8.3 Determination. To the extent that a Director officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or in defense of any claim, issue, or matter therein, he will be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

8.4 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

8.5 Scope of Indemnification. The indemnification provided for by this Article will not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Articles of Incorporation, Bylaws, agreements, vote of disinterested members of the Board of Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article will apply to all present and future Directors, officers, employees, and agents of the Association and will continue as to such persons who cease to be Directors, officers, employees, or agents of the Association and will inure to the benefit of the heirs and personal representatives of all such persons and will be in addition to all other rights to which such persons may be entitled as a matter of law.

8.6 Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a Director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of South Carolina, as the same may hereafter be amended or modified.

8.7 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article will constitute expenses of the Association and will be paid with funds of the Association.

ARTICLE 9.

FISCAL YEAR AND SEAL

9.1 Fiscal Year. The fiscal year of the Association will begin on the 1st day of January each year and will end on the 31st day of December next following, except that the first fiscal year will begin on the date of incorporation.

9.2 Seal. The Board may provide, by resolution, a corporate seal which will be circular in form and will have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal."

ARTICLE 10.

RULES AND REGULATIONS

10.1 Rules and Regulations. The Board may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations.

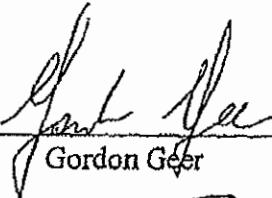
ARTICLE 11.

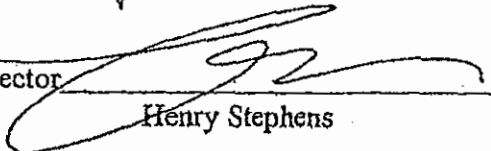
AMENDMENT

11.1 Amendment of Bylaws. These Bylaws may be amended or repealed and new Bylaws adopted by the Directors entitled to vote at a regular or special meeting casting an affirmative vote of at least 67% of the total Equivalent Lots at a meeting at which a quorum is present; provided that any matter which is governed by the Declaration may not be amended except as provided in the Declaration.

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IN WITNESS WHEREOF, the undersigned, consisting all of the Directors of PARKERS ISLAND PROPERTY OWNERS ASSOCIATION have hereunto set their hands and seals this 20th day of October, 1999.

Director  (Seal)
Gordon Geer

Director  (Seal)
Henry Stephens

Director  (Seal)
Robert Masters

EXHIBIT F

Centex and the Golf Course Developer (Club Owner) have agreed on a plan for the components of the Drainage Facilities (and the systems of lagoons), as shown on "Drainage Plan Exhibit," RiverTowne Country Club, prepared by Thomas & Hutton Engineering Co., dated October 1, 1999, as executed and dated as of October 18, 1999 by Centex and the Golf Course Developer with the following descriptions: "Proposed Storm Pipe by Centex", "Lakes By Centex" and "Lakes By Golf Course Developer." In addition to the major components, the Drainage Facilities include major storm pipe collection lines for *golf course and residential feeder lines*, residential storm pipe and inlets and golf course storm pipe and inlets.

The "Centex Drainage Facilities" are the "Proposed Storm Pipe By Centex", "Lake By Centex", major storm pipe collection lines for *golf course and residential feeder lines* and residential storm pipes and inlets.

The Golf Course Drainage Facilities are the "Lakes By Golf Course Developer" and the golf course storm pipes, inlets and feeder lines.

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EXHIBIT G

Conditional Subdivision Plat of Phase 1B and 2 RiverTowne Country Club, prepared by Thomas & Hutton Engineering Company, dated September 1, 1999, consisting of sheets 1-7 (Ginn Tract and Centex Tract).

Phase 1 of Tract C at Parkers Island, prepared by Semon, Whiteside & Associates, Inc., dated March 10, 1999, consisting of sheets 1-18 (Tract X).

Phase 2 and 3 of Tract C at Parkers Island prepared by Semon, Whiteside & Associates, Inc., dated August 30, 1999, consisting of sheets 1-18.

EXHIBIT H

I. Mandatory Procedures for Non-Exempt Claims. Any Claimant with a Claim against a Respondent shall comply with the following procedures.

1.1 Notice. Within a reasonable time after the Claim in question has arisen, and in each event prior to the date when institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitation, Claimant will notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

(a) the nature of the Claim, including applicable date, time, location, Persons involved, Respondent's role in the Claim and the provisions of the Declaration or other authority out of which the Claim arises;

(b) what Claimant wants Respondent to do or not do to resolve the Claim; and

(c) that Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss, in good faith, ways to resolve the Claim.

1.2 Negotiation.

(a) Each Claimant and Respondent (the "Parties") will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation, not later than 30 days following the Notice, unless otherwise agreed by the Parties.

(b) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint an attorney licensed to practice law in the State of South Carolina to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes his or her efforts will be beneficial to the Parties. Such an attorney will have been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments and will not have a conflict of interest with any of the Parties.

1.3 Final and Binding Arbitration.

(a) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiation"), a Claimant will have 30 days within which to submit the Claim to binding arbitration under the auspices and the Commercial Arbitration Rules of the American Arbitration Association; and in accordance with the substantive and procedural laws of the state of South Carolina, except as said rules, procedures and substantive laws are applied otherwise as follows:

(i) Unless the parties mutually set another date, within ten (10) days following Termination of Negotiation, Claimant and Respondent will jointly select one arbitrator, whose decision will be absolutely binding on all Parties; provided, however, if Claimant and Respondent are unable to jointly select one arbitrator within said ten (10)-day period, or on or before any later day set by them by which to select an arbitrator, the arbitrator will be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will be conducted in Mount Pleasant, South Carolina before a neutral person who is a member of the Bar of the State of South Carolina, who has been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in planned real estate developments, and who has no conflict of interest with any Party. The arbitrator may award any remedy or relief that a court of the State of South Carolina could order or grant, including, without limitation, specific performance of any obligation created under this Declaration, or the issuance of an injunction, as well as the imposition of sanctions for abuse or frustration of the arbitration process; provided, however, the arbitrator will have no authority to award punitive damages or

any other damages not measured by the prevailing Party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Declaration.

(ii) In the event Claimant does not submit the Claim to binding arbitration as aforesaid, the Claim is deemed abandoned, and Respondent is released and discharged from any and all liability to Claimant arising out of the Claim; provided, nothing herein will release or discharge Respondent from any liability to a Person not a Party to the foregoing proceedings, or the mandatory requirements of this Paragraph 1 with respect to any subsequently arising new dispute or claim by the Claimant which is identical or similar to the Claim previously deemed abandoned under this Paragraph 1.3(a)(ii).

This Paragraph 1 is an agreement of the Bound Parties to arbitrate all Claims against Respondent, except Exempt Claims, and is specifically enforceable under South Carolina law. The arbitration award (the "Award") is final and binding on the Parties, and judgment upon the Award rendered by the arbitrator may be entered upon it in any court of competent jurisdiction.

2. Allocation of Costs of Resolving Claims.

2.1 Costs of Notice and Negotiation. Each Party will bear all of its own costs incurred prior to and during the proceedings described in Paragraphs 1.1 and 1.2, including the fees of its attorney or other representative. Claimant and Respondent will share equally the costs and expenses of any attorney appointed by the Board pursuant to Paragraph 1.2, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the Board is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses.

2.2 Arbitration Costs. In the event the Claim proceeds to arbitration pursuant to Paragraph 1.3, the "Prevailing Party," as hereinafter defined, will receive from the non-Prevailing Party, all of its costs and expenses, including reasonable expert and attorney's fees, incurred from commencement of selection of the arbitrator under Paragraph 1.3 to the issuance of the Award. Furthermore, the non-Prevailing Party will pay all costs and expenses of the arbitration, including the costs and expenses of any attorney appointed by American Arbitration Association pursuant to Paragraph 1.3, whose compensation will be at a rate equal to his or her then current regular hourly billing rate, unless the American Arbitration Association is able to arrange with the Parties and the arbitrator to agree otherwise, and who will be entitled to receive his or her then customary costs and expenses. The "Prevailing Party" will be determined as follows:

(a) Not less than five (5) days prior to the first meeting with the arbitrator, a Party or Parties may file and serve on the other Party(ies) an offer of settlement, and within three (3) days thereafter the Party(ies) served may respond by filing and serving such Party(ies) its own offer of settlement. An offer of settlement will state that it is made under this paragraph and will specify the amount, exclusive of interest and costs, which the Party(ies) serving the settlement offer is/are willing to agree constitutes a settlement of the Claim.

(b) An offer of settlement is considered rejected by the recipient unless an acceptance, in writing, is filed and served on the Party(ies) making the offer twenty-four (24) hours prior to the first meeting with the arbitrator.

(c) If an offer of settlement is rejected, it may not be referred to for any purpose at arbitration, but may be considered solely for the purpose of awarding costs and expenses of arbitration under Paragraph 1.3.

(d) If Claimant makes no written offer of settlement, the amount of the Claim offered in arbitration is deemed to be Claimant's final offer of settlement under this Paragraph 2.2.

(e) If Respondent makes no written offer of settlement, Respondent's offer of settlement under this Paragraph 2.2 is deemed to be zero.

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(f) The Party(ies) whose offer, made or deemed made, is closer to the Award granted by the arbitrator is considered the "Prevailing Party" hereunder. If the difference between Claimant's and Respondent's offers and the Award is equal, neither Claimant nor Respondent is considered to be the Prevailing Party for purposes of determining the award of costs and expenses of arbitration.

3. Enforcement of Resolution. If the Parties agree to resolve any Claim through negotiation in accordance with Paragraph 1.2 and any Party thereafter fails to abide by the terms of the agreement reached through negotiation, or if, following arbitration, any Party thereafter fails to comply with the Award, then any other Party may file suit or initiate administrative proceedings to enforce the agreement or Award without the need to again comply with the procedures set forth in Paragraph 1. In such event, the Party taking action to enforce the agreement or Award is entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all the Parties jointly and severally) all costs incurred in enforcing the agreement or Award, including, without limitation, attorney's fees and court costs.

EXHIBIT I

Club Owner shall be paid an annual management fee in an amount which is equal to the product of the Amenity Fee (hereinafter defined) and the number of Lots owned by Owners, excluding Declarants and Builders, during such year. As used herein the term Amenity Fee shall mean (i) for the period commencing on the date hereof and expiring on the date which is three (3) years from the date upon which Club Owner shall convey the Amenity Center to the Association, the sum of Three Hundred Fifty and No/100 Dollars (\$350.00) and (ii) for the remaining term of the Management Agreement, the amount determined by Club Owner, which amount shall not be an increase by more than fifteen percent (15%) per annum of the then current fee amount. The amount of an increase shall be determined by Club Owner in its discretion.

The management fee shall be payable monthly in arrears commencing upon the date the Club Owner shall convey the Amenity Center to the Association. The monthly installment of the management fee shall be paid no later than the 10th day of each month.

An example of the calculation of the amount of the monthly installment of the management fee is as follows:

Assumptions: Date of conveyance of Amenity Center to Association	February 1, 2001
Number of Lots on February 2001 owned by Owners excluding Declarants and Builders	160
Number of Lots on in March 2001 owned by Owners excluding Declarants and Builders	175
Amenity Fee	\$350
Installment Due March 1, 2000 ($\$350 \times 160 \div 12$)	\$4,666.67
Installment Due April 1, 2000 ($\$350 \times 175 \div 12$)	\$5,104.17

Exhibit J

MEMBERSHIP PLANS

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1. Each First Buyer's \$3,750 Recreational Amenity Capital Contribution shall be paid to the Club Owner.
2. For First Buyer's, all membership Initiation Fees and Annual Dues are fixed for a period of three (3) years from the date of substantial completion of the Golf Course. Thereafter, Initiation Fees and Annual Dues may be changed from time to time by the Club Owner.
3. All memberships are subject to the rules and regulations of the Club as set forth in the Club Documents. All memberships for Owners will be conditioned on Lot ownership.
4. Each First Buyer shall have a choice of four membership alternatives.
 - A. Resident Individual Associate Membership.
 - (i) Annual - non-equity.
 - (ii) Initiation Fee of \$-0-; Annual Dues of \$1,500, paid monthly.
 - (iii) 35 rounds of golf per year with no green fees, but must pay published cart fee.
 - (iv) 24 hour advance tee time reservations.
 - (v) Such other benefits as may be provided in Club Documents.
 - B. Resident Family Associate Membership.
 - (i) Annual - non-equity.
 - (ii) Initiation Fee of \$-0-; Annual Dues of \$2,500, paid monthly.
 - (iii) 75 rounds of golf per year with no green fees, but must pay published cart fee. Golf rounds are available to the Member's dependent children living at home (with prime time periods limited for unskilled players).
 - (iv) 24 hour advance tee time reservation.
 - (v) Such other benefits as may be provided in Club Documents.
 - C. Resident Individual Full Memberships.
 - (i) Annual - non-equity.
 - (ii) Initiation Fee of \$1,500; Annual Dues of \$2,400, paid monthly.
 - (iii) Unlimited golf rounds per year with no green fees, but must pay published cart fee.
 - (iv) 48 hour advance tee time reservation.
 - (v) Such other benefits as provided in Club Documents.
 - D. Resident Family Full Memberships.
 - (i) Annual - non-equity.
 - (ii) Initiation Fee of \$3,000; Annual Dues of \$3,000, paid monthly.
 - (iii) Unlimited golf rounds per year with no green fees, but must pay published cart fee.
 - (iv) 48 hour advance tee time reservation.
 - (v) Dependent children living at home may play golf, as provided in Member's Children Program (with prime time periods limited for unskilled players).
 - (vi) Such other benefits as provided in Club Documents.
5. All Owners shall have the right to purchase a membership in the Club. For all Owners, other than First Buyers, the costs of such membership will be based on the Initiation Fees and Annual Dues in effect at the time of such Owner's application to the Club for membership. Initiation Fees charged to such Owners shall not exceed 80% of the Initiation Fees charged to non-Parkers Island Community Lot Owners.