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Section 12-2: Each and every owner of a Lot, Residential Lot, or Property accepting a deed for any Lot in the Property and the Resort subsequent to the recording of this Amendment shall be a member of the Association and be subject to the obligations and duly enacted Bylaws and rules of the Association.

Section 12.3: Each and every owner of a Dwelling Unit, or Apartment, as of the date of this Amendment shall also be considered a member of the Association, and be subject to the obligations of the and duly enacted By-Laws and rules of the Association if said owner accepts such membership by taking either of the following affirmative action: (a) providing a written acknowledgment to the Association that it is a member of the Association; or (b) payment of annual dues to the Association of not less than \$25.00.

Section 12.4: Greenwood shall be entitled to rely upon the membership roster provided by Association to it from time to time for purposes of determining the percentage of Property Owners who are members of the Association.

3. Article VIII of the Restrictive Covenants is amended by the addition of the following sections:

Section 8-11: Miscellaneous Financial and Operational Provisions. Greenwood agrees as follows:

(a) Greenwood has created and will maintain within its corporate structure the Palmetto Dunes Property Owners Division ("PDPOD"), which division will be responsible for collecting the assessments provided for in the Multi-Family Covenants as well as commercial assessments from commercial properties within the Resort, and performing the property maintenance, security and other functions set forth in the Multi-Family Covenants to be performed by Greenwood. Sources of income for the PDPOD annual operating budgets shall include, but not be limited to, Owners' Maintenance Fees, Commercial Community Fees, Contract Income and Miscellaneous Income in the same manner as those items are included within the PDPOD 2002 Budget, as well as any new sources of income generated in the exercise of rights under the Multi-Family Covenants or with respect to the Transition Property as described below in Section 8-12. Gate Access Income will be included within the PDPOD budget as set forth in that certain Settlement Agreement by and between Greenwood and the Association dated concurrently with this Amendment.

(b) All assessments included within the PDPOD income, including within the categories described in Subparagraph (a) above which comprise the PDPOD annual budget, will be maintained in a separate operations account, a separate capital projects account and a separate reserve/emergency clean-up fund account. All such accounts shall be with a commercial bank and all such accounts and to

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the extent practical, shall be interest bearing with any interest thereon and funds allocable to such accounts will be deposited, maintained and disbursed separately and apart from the accounts and funds of Greenwood and its affiliates.

(c) Greenwood will provide to the Association monthly internal financial reports and reasonable access to source documents for such financial reports. "Source documents" shall mean not only invoices and other back-up documents and information, but also normal financial reports, such as balance sheets, profit and loss statements and comparison of actual to budget.

(d) Greenwood and the Association have agreed that there shall continue to be a Property Owners Communications Committee ("POCC") acting under the auspices of the PDPOD, and which will include, as Members, at least three (3) Members of the Board of Directors of the Association, rotating at the direction of the Association, two (2) representatives of the commercial property owners within the Resort, and at least three (3) representatives of Greenwood, as determined by Greenwood from time to time. Greenwood and the Association will use the POCC to improve the governance of the Resort and the effectiveness of supporting operations by providing a forum for the parties in interest to discuss performances, finances, priorities and plans. In addition, Greenwood and the Association will use the POCC as a mechanism to air complaints, disagreements and other matters of importance before discussing any matter with the press or any other media.

(e) The annual management fee collected by Greenwood from the PDPOD will not exceed One Hundred Thirty Thousand and No/100 (\$130,000.00) Dollars, without the consent of the Association; provided, however, that such annual fee shall be subject to adjustment (i) beginning January 1, 2003 by a cost of living factor equal to the percentage increase or decrease, if any, in the Consumer Price Index of the United States Department of Labor, as published in the *Wall Street Journal* column "Money Rates" between September 30<sup>th</sup> (or the closest business day) of the previous calendar year and September 30<sup>th</sup> (or the closest business day) of the calendar year before that, and (ii) for any additional responsibilities assumed by Greenwood at the request of or with the consent of the Association (such as, e.g., a special capital project outside the scope of normal Resort requirements or the planned infrastructure improvements) as negotiated with the Association.

(f) The name and type of entity of the PDPOD may be changed by Greenwood in its sole discretion; however, any such change implemented by Greenwood shall be subject to the terms and conditions of this Amendment. The name Palmetto Dunes Community Services Division (abbreviated to "PDCSD") has been an alternate name change agreed upon by Greenwood and Association.

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Section 8-12: Transition Agreement. Under the terms and conditions of a Settlement Agreement by and between Association and Greenwood, dated concurrently with this Amendment, the Association and Greenwood have expressed their mutual intent to enter into definitive documentation ("Transition Agreement") under the terms and condition of which Greenwood shall convey to the Association, for no consideration, certain Common Properties subject to the Multi-Family Covenants as agreed upon (the "Transition Property") and the Association will assume all of the future rights and obligations of Greenwood under the Multi-Family Covenants (all of the foregoing constituting the "Transition"). Both Greenwood and Association have agreed to utilize reasonable efforts to conclude, within the time frame set forth in the Settlement Agreement, a Transition Agreement which will define the rights, liabilities and obligations of each of Association and Greenwood.

4. This Amendment is being filed by Greenwood to further the terms and conditions reached in that Settlement Agreement referenced above, said Settlement Agreement being entered into by Greenwood and Association for purpose of settling a legal action filed in the Court of Common Pleas for Beaufort County, as Case No. 00-CP-07-319, the terms and conditions of the Settlement Agreement and the Order of Dismissal of said litigation being incorporated herein by reference.

5. To clarify, and not in any way to amend, restrict, modify or relinquish any rights of Greenwood, set forth as Exhibit A to this Amendment is a listing of the Dwelling Units and Apartments which are the subject of the original Multi-Family Covenants and which are the subject of this Amendment, the general intent being that all of the Dwelling Units and Apartments in what is generally known as the Mariners Section and the Inverness Section of the Resort are the subject of the Multi-Family Covenants ("Property").

6. Said Exhibit A Property shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to the Multi-Family Covenants as described above and as amended by this Amendment. This Amendment, and the benefits of this Amendment to the Multi-Family Covenants, and the affirmative and negative burdens of same, whether pertaining to items, benefits and the obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern and run with the land and estates in the Property herein described and these Multi-Family Covenants, as amended by this Amendment, are intended to be running covenants and servitudes, burdening and benefitting the parties to this Amendment, their respective successors and assigns, and all persons now or hereafter deriving an interest in the Property. All rights and easements reserved by Greenwood under the Multi-Family Covenants shall continue to be reserved to Greenwood and to the assigns and successors in interest of Greenwood.

7. Ratification. All terms and conditions of the Multi-Family Covenants referenced above, except as modified herein, are hereby ratified and confirmed by Greenwood.

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IN WITNESS WHEREOF, Greenwood, as Declarant, has hereunto set its hand and seal this 21 day of Oct, 2002.

WITNESSES:

GREENWOOD DEVELOPMENT CORPORATION, a South Carolina Corporation

Carlene B. Kilgore  
Carlene B. Kilgore

By: Julian J. Nexsen, Jr.  
Its: President

STATE OF SOUTH CAROLINA )  
BEAUFORT )  
COUNTY OF ~~CHARLESTON~~ )

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 21 day of Oct, 2002, by Greenwood Development Corporation, a South Carolina Corporation, by Julian J. Nexsen, Jr. its President.

Cary S. Griffin  
NOTARY PUBLIC FOR SOUTH CAROLINA  
MY COMMISSION EXPIRES: \_\_\_\_\_  
AFFIX SEAL

CARY S. GRIFFIN  
Notary Public for South Carolina  
My Commission Expires February 14, 2005

JOINDER AND CONSENT

The undersigned Association joins in and consents to this Amendment to the Multi-Family Covenants.

WITNESSES:

PALMETTO DUNES PROPERTY OWNERS ASSOCIATION, INC., a South Carolina Non-Profit Corporation

Michael B. Hardy  
Michael B. Hardy

By: Michael B. Hardy  
Its: Vice President



Schedule of Properties Subject to the Multi-Family Covenants

Horizontal Property Regime	Unit/Apartment Nos.	Total Number of Units/Apartments
Queen's Grant HPR I	82 to 135	54
Queen's Grant HPR II	1 to 81	81
Queen's Grant HPR III	190 to 243	54
Queen's Grant HPR IV	244 to 297	54
Queen's Grant HPR V	136 to 189	54
Ocean Cove Club HPR	1 to 38	38
Palmetto Beach Villas	1 to 17	17
Water Oak	1 to 48	48
Hickory Cove	1 to 52	52
The Moorings	1 through 95 (odd numbers only)	48
St. Andrews Common	1651 to 1682	32
Villas on the Fazio	Phases I and II - Units 1 to 39	39
Fazio III	40 to 58	19
Inverness Village	A-1 to 4; B-5 and 6; C-7 to 9; D-10 and 11	97
Inverness Village II	E-12; E-14 to E-16; F-17 to 20; N-45 to 48; O-49 to 51; P-52 to 55; Q-56 to 58; R-59 to 62	
Inverness Village III	S-63; S-64A and 64-B; S-65; T- 66 to 69; U-70 to 73; V-74 to 77; W-78 to 81; X-82 to 85; Y-86 to 89; Z-90 to 93	
Inverness Village IV	C-21 to 24; H-25 to 28; I-29 to 32; J-33 to 36; K-37 to 40; L-41 to 44; M-44A; M-44B; M-44C and M-44D	
Turnberry Village	201 - 300	100
Centrecourt, Phase I and II	7801- 7836	36
Captain's Walk/Captain's Cove	Units 401 - 500	100
Villamare Phase I - Bldg.1	Units 1101to1110; 1201to1210; 1301to1310; 1401to1410 and 1501to1510	160
Villamare Phase I - Bldg.2	2112 to 2119; 2212 to 2219; 2312 to 2319; 2412 to 2419 and 2512 to 2519	
Villamare Phase I - Bldg.3	3120 to 3133; 3220 to 3233; 3320 to 3333; 3420 to 3433 and 3520 to3533	

**TOTAL****1083 Units/Apts.**