

Exhibit "B"

10/27/88

STATE OF SOUTH CAROLINA)

AGREEMENT AND CONDITIONAL
ASSIGNMENT OF RIGHTS

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COUNTY OF BEAUFORT)

This Agreement and Conditional Assignment of Rights ("Agreement") is entered into this 14th day of ~~September~~ ^{October}, 1988, by and between Sea Pines Associates, Inc. (hereinafter referred to as "SPA"), Sea Pines Plantation Company, Inc. (hereinafter referred to as "SPPC"), Association of Sea Pines Plantation Property Owners, Inc. and The Advisory Board, (hereinafter referred to as "ASPPPO"), and Community Services Associates, Inc. (hereinafter referred to as "CSA").

WHEREAS, the parties to this Agreement wish to clarify certain understandings among themselves as to the Irrevocable Trust Agreement dated August 1, 1976.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The following sets forth certain functions ascribed to the original parties to the Irrevocable Trust Agreement:

A. Grantor

1. Assigned all cash from collected assessments on hand, receivables, and future assessments to the Trustees in 1976 at inception of Trust.
2. On or before October 1st each year submits to the Advisory Board and the Trustees a General Community Fund Budget for the following calendar year.
 - (a) Budget shows month by month anticipated expenditures of same nature as those services previously rendered plus others mutually agreed to by Grantor, and majority of Advisory Board.
 - (b) Budget must be finalized by December 31st.
 - (c) Budget cannot call for expenditures in excess of 85% of annual receipts estimated for budgeted year. The 85% figure can be increased upon mutual agreement of Grantor and majority of Advisory Board.
 - (d) Grantor can adjust budget from time to time within such limitations.

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Exhibit "B"

11. SPA, SPPC, CSA, and ASPPTO hereby agree to share the rights and duties created by the Trust as follows: SPA and SPPC hereby conditionally assign to CSA their rights under the Irrevocable Trust Agreement upon the terms and conditions hereinafter set forth and provided for so long as this Agreement is in force and effect Grantor in said Trust Agreement shall hereafter mean CSA.

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A. The assignment of rights by SPA and SPPC to CSA hereunder is fully conditioned upon the full and complete performance by CSA, of the fulfillment of all of its duties and obligations hereunder and upon the default or failure of CSA to fully perform any of its duties, responsibilities or obligations hereunder all rights assigned hereby to CSA shall automatically revert back to SPA and SPPC and this agreement shall be null and void with neither party having any further obligations to the other.

B. Budget

1. As Assignee of the rights set forth hereinabove, CSA shall have responsibility for preparation of the Budget subject, at all times, to the following three (3) conditions:

(a) CSA shall consult with SPPC in preparation of the Budget and the final Budget shall not be completed until after CSA has received SPPC's recommendations (suggestions and comments) for the Budget which shall be delivered or communicated to CSA on or before September 1st each year.

(b) SPPC shall have the right to dictate, at its sole discretion, the budgeting of 15% of the 25% of estimated annual assessment receipts for any Community Services, as defined in the 1974 Covenants, that it desires to be performed, and shall incorporate and identify such 15% in the Budget recommendations it submits to CSA. CSA shall be required to include such mandatory 15% expenses in any Budget it submits pursuant to the Trust; such 15% shall be spent toward the rendering of Community Services on Common Properties. Notwithstanding anything to the contrary, such 15% may be spent on properties owned by SPPC provided the purpose or result thereof is to affect master drainage within Sea Pines Plantation.

(c) Throughout any Budget year, SPPC shall have the right to perform any Community Services it deems necessary to protect, preserve, maintain or enhance the Common Properties or the value of its own assets, provided that the Community Services performed are to Common Properties, whether of an emergency nature or simply because such services are not provided for under the current Budget and have not been performed by the

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Community Services Manager after SPPC's request that they be performed. Notwithstanding anything to the contrary, such 15% may be spent on properties owned by SPPC provided the purpose or result thereof is to affect master drainage within Sea Pines Plantation. SPPC shall be reimbursed for the cost of its performance of such services as follows:

(1) SPPC shall have the right to recoup the cost thereof by offset of the same against any Community Services Assessments it is or becomes obligated to pay. At SPPC's request, CSA shall include any such cost not recouped by offset of the current year's assessments from the following year's Trust Budget up to an amount equal to the 15% of the Budget which SPPC has the right to dictate.

- 2. ASPPFO shall continue its separate corporate existence and the ASPPFO Board shall continue in the role of the Advisory Board as outlined above and therefore shall have approval rights of expenses budgeted in excess of 85% of estimated receipts and spending of receipts exceeding budgeted expenditures.
- 3. CSA and ASPPFO shall have joint approval rights of budgeted services not previously rendered.
- 4. SPPC shall have the right and CSA shall permit SPPC to negotiate and/or bid on performing Community Services as agent for CSA. Any contract for SPPC's performance of such services shall provide for CSA's use of SPPC's administrative services in the preparation of the Budget.

B. Appointment of Trustee

- 1. ASPPFO (as successor to Advisory Board) shall continue to appoint or remove the Corporate Trustee.
- 2. CSA agrees that SPA or SPPC shall have the right at all times to appoint the Individual Trustee.

C. Authority to Transfer Funds

- 1. One (1) signature of CSA as Grantor and signatures of two (2) representatives of ASPPFO shall be required for any transfer of funds as required under the Irrevocable Trust Agreement.

D. SPPC Relinquishment of Rights

SPPC shall relinquish its rights under the Irrevocable Trust Agreement and this Agreement to ASPPFO upon the happening of any of the following; provided, however, that so long as South

Handwritten signatures and initials:
P.C.
C.P.E.
H.S.P.
H.S.P.
D.R.M.

Carolina National Bank holds a mortgage on or title to any of the assets of SPPC, the within provision shall not apply to the right of SPPC to dictate the budget as it relates to 15% of the 85% estimated annual receipts as provided by Paragraph II B(1)(b) hereof:

1. Any filing by SPA or SPPC under any chapter of the Bankruptcy Act with the appointment of a Trustee or Receiver and not a debtor in possession or the adjudication of an involuntary liquidation by any Court against SPA or SPPC pursuant to the Bankruptcy Act.
2. Any take over of more than 50% of outstanding shares of common stock of SPA by any one not agreed to by Consent Resolution of the Board of Directors of SPA.
3. Holding of more than 50% of SPA shares by non-Sea Pines Plantation Property Owners over a period of two (2) consecutive fiscal year ends.
4. The sale, foreclosure judgment or deed in lieu of foreclosure of substantially all of the assets of SPPC within Sea Pines Plantation.

E. CSA Relinquishment of Rights

Should at any time CSA fail to carry out its stated purpose, cease to own the common properties of Sea Pines Plantation, be declared insolvent, bankrupt or its corporate charter be revoked, then in any such events all of the rights and obligations of CSA hereinstated shall automatically and without further documentation be assumed by and accrue to the benefit of ASPPPO but only to the extent that SPPC shall not be entitled to the reversion of any such rights or obligations by virtue of CSA's default pursuant to Paragraph II.A. hereof.

- F. CSA's failure to contract with SPPC for the management of Community Services shall not cause a termination of the within Agreement.
- G. In further consideration of the foregoing, SPA and/or SPPC hereby assigns to ASPPPO any interest it has in the Advisory Board By-Laws by virtue of its assignment from John F. Curry, Trustee in Reorganization.

III. HEADINGS

The Paragraph headings used in this Agreement are for convenience only and are not to be considered or construed as expanding upon or contracting any of the provisions of this Agreement.

Handwritten initials and signatures:
 H.S.P. cpc
 H.R.B.
 J.M.
 P.W.B.
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IV. SEVERABILITY; FURTHER DOCUMENTS

If any term or provision of this Agreement should be determined to be invalid or unenforceable, the parties agree to execute such other and further documents as may be necessary to carry out the intent of such term or provision or to make it valid and enforceable and to carry out the intent of the parties. In such event, all remaining terms and provisions of the Agreement shall remain in full force and effect with or without the affected term or provision, as the case may be.

IN WITNESS WHEREOF, the parties hereto have caused their seals to be set as of the day and year first above written.

WITNESSES:

[Signature]
Lucas R. Lund

SEA PINES ASSOCIATES, INC.

[Signature]
President
[Signature]
Secretary

WITNESSES:

[Signature]
[Signature]

SEA PINES PLANTATION COMPANY, INC.

[Signature]
President
[Signature]
Asst. Secretary

ASSOCIATION OF SEA PINES PLANTATION
PROPERTY OWNERS, INC. AND THE
ADVISORY BOARD

[Signature]
[Signature]

[Signature]
President
[Signature]
Secretary v.p.

COMMUNITY SERVICES ASSOCIATES, INC. 207

Richard Saunders Richard Saunders
President

Howard A. Blair Howard A. Blair
Secretary

We hereby consent to all terms of this Agreement.

INDIVIDUAL TRUSTEE

CORPORATE TRUSTEE, NORTH CAROLINA
NATIONAL BANK, N.A.

Trust Officer

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