

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

THIS AGREEMENT made and entered into at Fripp Island, Beaufort County, South Carolina, this 27th day of September, 1983 by and between THOMASSON PROPERTIES and THOMASSON BROTHERS, both South Carolina Limited Partnerships, (hereinafter collectively referred to as THOMASSON); and FRIPP ISLAND PROPERTY OWNER'S ASSOCIATION, a South Carolina Non-Profit Corporation (hereinafter referred to as FIPOA).

WITNESSETH:

Whereas, the recorded covenants and restrictions applicable to real property on Fripp Island provide for annual assessments to maintain, landscape and repair private streets and walkways; maintain the beach front in a clean and order condition; provide for insect and pest control; provide for weed control and security, and in general provide those services important to the development and preservation of an attractive overall community and to secure the privacy and general safety of the residential communities, and

WHEREAS, Thomasson Properties acquired certain real property on Fripp Island, Beaufort County, South Carolina, together with the rights as developer from Fripp Island Service Corporation by Deed dated June 30, 1982, recorded in Deed Book 350 at Page 659 of the records of Beaufort County, South Carolina; and Thomasson Properties thereafter conveyed certain real property and its rights as developer to Thomasson Brothers by Deed dated December 27, 1982,

recorded in Deed Book 360 at Page 578 of the records of Beaufort County, South Carolina, with Thomasson Properties remaining as a major developer on Fripp Island, and

WHEREAS, THOMASSON has filed an amendment to such restrictive covenants to provide a uniform assessment for such purposes and by such amendment has reserved the right to transfer and assign its right to collect and enforce such assessments, and

WHEREAS, THOMASSON desires to transfer and assign the rights to collect and enforce such annual assessment and FIPOA desires to accept the responsibility of collecting and enforcing such assessments and administering and supervising the expenditure of these funds for the secure residential communities on Fripp Island.

NOW THEREFORE, it is mutually agreed between the parties:

1. THOMASSON does hereby assign, transfer and set over to FIPOA all of its rights and powers under the amendment to restrictive covenants dated April 1, 1983 to assess, collect and enforce the annual assessment against property owners.

2. FIPOA agrees to and does hereby accept and assume full responsibility for setting such assessment and billing and collecting it; provided, however, that assessment for the year 1983 will be One Hundred Fifty and 00/000 (\$150.00) Dollars for each dwelling unit and Seventy-Five and 00/000

(\$75.00) Dollars for each unimproved lot, to be applied uniformly, including New Haven and the other newer residential subdivisions on Fripp Island.

3. It is agreed that the annual assessment shall not apply to, and FIPOA shall make no effort to levy or collect the same against, open, undeveloped and unplatted property, nor any buildings or improvements which are used principally for administration, management and service. The Golf Club, the Fripp Island Inn and Restaurant, the Tennis Center, and similar amenities used and enjoyed by the residents of Fripp Island, both now existing and hereafter constructed, will pay an annual assessment of TWO HUNDRED AND FIFTY AND NO/100 (\$250.00) Dollars each, with any future increase to be mutually agreed to in writing between the owners of such amenity and FIPOA.

4. It is further agreed that the following provisions shall apply to both existing and future roads, bridges, roadway shoulders, dedicated open spaces, bike paths, exercise trails, beach access and other walkways as well as traffic control and directional signage:

- (a) THOMASSON shall have continuous access to and may, at its discretion, add to or make improvements upon any or all of the aforementioned facilities in accordance with the Master Development Plan or any approved changes thereto for Fripp Island as approved by the Beaufort County Joint Planning Commission.

- (b) THOMASSON shall have continuous access to all existing and future Utilities Rights of Way for the purpose of maintaining, improving and/or expanding said utilities as approved by the appropriate regulator agency and/or the Beaufort County Joint Planning Commission.
- (c) THOMASSON shall also have access to all existing and future roadway shoulders, dedicated open spaces and Utilities Rights of Way for the purpose of installing the facilities and/or equipment required for the distribution of treated effluent. Provided, however, that any such installation and distribution must receive the prior approval of the South Carolina Department of Health and Environmental Control and the Beaufort County Joint Planning Commission. Provided further that any affected area will be restored to its previous condition.

5. FIPOA assumes and agrees to undertake the responsibility and obligation to collect all annual assessments due for past years which are unpaid and past due; provided, however, that THOMASSON having acquired real property on Fripp Island only on July 1, 1982, will not be held responsible for any past due assessments against any of its predecessors in title.

6. FIPOA accepts full responsibility and liability (to the extent funds are available) for:

- (a) the maintenance of security on Fripp Island, including operation of the security gate at the entrance to the Island (Security gate will not be relocated nor will any other gate be erected except by mutual agreement);
- (b) maintenance and upkeep of both existing and future paved and unpaved roads on Fripp Island; with particular attention given to Tarpon Boulevard which is the principal thoroughfare on the Island;
- (c) mowing and maintenance of the roadway shoulders, dedicated open spaces, bike paths, exercise trails, beach access walkways, and other walkways;
- (d) mosquito and insect control;
- (e) Chemical treatment of lagoons for weed control; provided however that THOMASSON will pay and reimburse FIPOA for the treatment of lagoons owned by it (constituting approximately fifty (50%) percent of the total lagoon area on Fripp Island);
- (f) The issuance, supervision and control of identification stickers and passes for automobiles and commercial and visitor vehicles; provided further that any change from the present schedule of user fees and charges (copy attached) must be jointly approved in writing by THOMASSON and FIPOA.

(g) The maintenance of all existing and future traffic control signs and lights.

7. THOMASSON hereby assigns, transfers and sets over to FIPOA the non exclusive right to clean up and maintain unkempt lots and charge the owners thereof; with THOMASSON to continue to have and exercise such right and to charge the respective lot owners therefor.

8. FIPOA recognizes and acknowledges that THOMASSON is the principal developer of real property on Fripp Island and operates the exclusive real estate sales and rental agency on Fripp Island. It therefore covenants and agrees that in the operation of the security gate and supervision of security guards, that visitors, prospective purchasers and renters as well as the employees of THOMASSON, contractors engaged in development construction and their employees, vendors and providers of service and materials related to development and to construction, and to other property owners receiving such goods and services, will be courteously treated and assisted and will be referred and directed to the appropriate offices of THOMASSON handling development, real estate sales and/or rentals, or for general information. Accordingly, security will grant the following individuals, businesses and groups admission to the Island issuing the required numbers and types of vehicular passes upon receipt of written authorization by designated officials of THOMASSON:

(a) Individuals:

- (1) Prospective purchasers and renters;
 - (2) Resort rental guests;
 - (3) Visitors;
 - (4) Other public facilities.
- (b) Businesses:
- (1) THOMASSON and employees;
 - (2) Contractors and employees;
 - (3) Vendors and employees;
 - (4) Providers of materials and services;

Unless otherwise specified access to the Island by the persons listed above shall be restricted to normal business hours for the activity in which they are engaged.

- (c) Groups: In the case of any special events, i.e., banquets, groups or club meetings, weddings, private parties, promotional events, etc., THOMASSON will advise security giving a minimum of 48 hours notice of any such event. Such notice will include the place, time, date and a brief description of the event and when possible, ticket, or other identification, and the names, of the persons to be admitted as well as the name of the THOMASSON officials to be contacted for additional information and agreement for compensation for any unusual security expenses.

9. FIPOA recognizes that the success of THOMASSON, as the developers of Fripp Island, is important to the general well being of Fripp Island and its residents and that the developers' success will be beneficial to such residents and to the homeowners offering property on the sales or rental market as well as the developer. FIPOA therefore acknowledges that it is particularly important that the entrance to the Island and Tarpon Boulevard, its main thoroughfare, be maintained at all times; and that all visitors, guests and persons seeking to inspect or obtain information regarding property or units for sale or rent, must be courteously received. Accordingly, FIPOA agrees to place emphasis on general grounds maintenance of the entire Island with special attention to the entrance and Tarpon Boulevard and its adjoining shoulders and open areas, to the extent funds are available, as well as the manner in which guests are received, in order to help preserve the reputation of the Island as a "pristine and hospitable Island Resort".

10. FIPOA agrees to obtain and maintain in force a policy of public liability insurance in an amount of not less than TEN MILLION (\$10,000,000.00) DOLLARS covering the security guards and all other activities undertaken by it and to make THOMASSON a named insured thereon.

11. FIPOA will attempt to amend its Bylaws to provide that one of the Directors of the Association shall be a representative of THOMASSON. Prior to the amendment of the Bylaws, FIPOA will nominate a representative designated

by THOMASSON its Board of Directors and use its best efforts to see that such nominee is elected.

12. It is mutually recognized and acknowledged that THOMASSON herewith assigns its right to assess, collect, obligate and disburse funds (collected as a result of assessing individual property owners), to FIPOA and that FIPOA assumes responsibility to properly account for and disburse those funds. However, both FIPOA and THOMASSON herewith declare their desire to work together in a mutual effort to insure that the maximum possible benefit to all parties concerned is achieved through the expenditure of these funds. Accordingly, FIPOA will prepare an annual income and expense budget of the expenditures necessary for it to carry out its responsibilities and obligations, and showing revenues anticipated from the assessments to be collected. This budget will then be submitted to THOMASSON not less than fifteen (15) days prior to its adoption. THOMASSON shall have fifteen (15) days to review the budget and make recommendations and/or comment thereon. Should any changes to budgeted assessments or allocations become necessary such changes shall be subject to the same notice, review, recommendation, and comment process as the annual budget. In the event that a mutual agreement on the expenditure of these funds cannot be reached, then the parties hereto agree to use the arbitration procedures set forth in Paragraph 15 hereof. All funds collected from lot or unit assessments shall be placed in an account in a bank in Beaufort County, South Carolina, and all payments shall be consistent

with the annual budget as mutually agreed upon by FIPOA and THOMASSON and shall be paid by checks drawn on this account. FIPOA shall furnish to THOMASSON a monthly statement of income and expenditures on or before the 10th day of the following month. Further, FIPOA and THOMASSON mutually agree to reimburse each other for incidental expenses incurred to provide services as specifically requested by FIPOA and THOMASSON.

13. FIPOA agrees to accept title to, and ownership of, the road and bridge system existing and future additions, thereto, the dedicated common areas, open spaces, bike paths, exercise trails, and beach access areas on Fripp Island in the condition which they may then be, when tendered by THOMASSON without monetary consideration. FIPOA will accept all portions or a percentage of the road and bridge system comprising not less than ten (10%) per cent. THOMASSON does herein agree that the entire road and bridge system, as well as all common areas, dedicated open space areas, bike paths, exercise trails and beach access areas shall be conveyed to FIPOA within ten (10) years from the date of this agreement.

Conveyance may be by deed or by assignment of the stock of the corporate entity(s) owning such roads, bridges, common areas, dedicated open spaces, bike paths, exercise trails and beach access areas. Should Fripp Island or any part thereof become an incorporated municipality, then all properties conveyed to FIPOA under the terms of this paragraph shall revert to THOMASSON; and if the transfer has been made by assignment of corporate entity(s) owning such

properties, then such stock shall be reconveyed to THOMASSON by FIPOA upon incorporation.

14. FIPOA will cooperate with and assist THOMASSON as it works towards incorporation of the Fripp Island Sewer System into the Fripp Island Public Service District.

15. In the event there is a dispute or disagreement between the parties regarding any matter covered by this Agreement, then the dissatisfied party shall express such disagreement to the other in writing. If a satisfactory resolution has not been reached within fifteen (15) days after delivery of such written notice, the dissatisfied party shall appoint an arbitrator and give notice thereof, and the other party shall within five (5) days thereafter appoint an arbitrator and notify the dissatisfied party. The two (2) named arbitrators shall appoint a third arbitrator within five (5) days and they shall reach a decision within ten (10) days of the appointment of the third arbitrator, which decision shall be final and binding on both parties.

16. This Agreement shall be binding upon the undersigned, their heirs successor, and assigns.

FRIPP ISLAND RESORT

ROAD USE FEES AND CHARGES

Fripp Island is a privately owned Resort/Residential community. As such, the roads and bridges located on the Island are also privately owned and therefore no public funds are available for their maintenance and repair. Accordingly, unrestricted use of the Road and Bridge system has been granted only to the Island's property owners who share equally in providing the funds needed to effect repairs necessary to maintain the Road and Bridge System through the allocation of funds from the Annual Property Owners Assessment.

However, both the property owners, (represented by the Fripp Island Property Owners Association/FIPOA) and the island's developer/Thomasson Properties and Thomasson Brothers recognize the social and economic desirability of permitting the use of the Road and Bridge System by persons and businesses other than the property owners. They have further agreed that such use should be restricted to specifically approved social and/or business activities and only to those persons and/or businesses that are willing to be assessed, on a pro-rata basis. The funds collected through this assessment, are to be pooled together with those collected from the property owners, and used to repair and maintain the Island's Road and Bridge System.

Accordingly, the attached Schedule of Road use Fees and Charges has been established. Modifications to this schedule will be made periodically to accommodate business, social and economic changes, per paragraph 6(f) of the Agreement.

FIPOA

THOMASSON PROPERTIES

THOMASSON BROTHERS

FRIPP ISLAND RESORT

SCHEDULE OF ROAD USE FEES AND CHARGES

Property Owners:

<u>Vehicle Type</u>	<u>Annual Fee</u>
All personal vehicles	Covered by Owners Annual Assessment

Guests of Owners (Personal and Short Term Renters):

<u>Vehicle Type</u>	<u>Annual Fee</u>
All personal vehicles	Covered by Owners and Developers Annual Assessment

Long Term Renters (Over 30 Days):

<u>Vehicle Type</u>	<u>Annual Fee</u>
All personal vehicles	\$5.00

Employees of on Island Businesses:

<u>Vehicle Type</u>	<u>Annual Fee</u>
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All personal vehicles \$5.00*

*This fee covers administrative costs and may be paid by the employer.

Prospective Purchasers, Visitors and *Special Groups:

<u>Vehicle Type</u>	<u>Annual Fee</u>
All personal vehicles	Covered by Developers Annual Assessment

*Groups: In the case of any special events i.e. banquets, group or club meetings, weddings, private parties, promotional events, etc., THOMASSON will provide security with a minimum of 48 hours notice of any such event. Such notice will include the place, time, date and a brief description of the event and when possible, the names, ticket, or other identification of the persons to be admitted as well as the name of the THOMASSON officials to be contacted for additional information.

Fripp Island Resort
Schedule of Road Use Fees and Charges
Page 2

Construction Contractors and Employees:

<u>Vehicle Type</u>	<u>Annual Fee*</u>	<u>Additional Vehicle*</u>
All personal vehicles	\$20	Waived
<u>Commercial vehicles:</u>		
Truck pick-up/Van	\$25 (1-6)	\$ 5 (7+)
Truck Dual tire, Single Axle	\$50 (1-3)	\$10 (4+)
Truck Dual Tire, Dual Axle	\$100 (1-3)	\$20 (4+)

*Fee may be pro-rated on a weekly basis to accommodate short term contracts. (Example – Total fees for five Trucks Dual Tires Dual Axles would be \$340)

Vendors, Providers of Retail Services, Materials and Merchandise:

Vehicle Type

Annual Fee

Personal and commercial

Covered by Owners and
Developers Annual Assessment

Patrons of Marina, Restaurants, Tennis, Golf and Other Public Facilities:

Vehicle Type

Annual Fee

Personal and commercial

Covered by owners and
Developers Annual Assessment

Unless otherwise specified, access to the Island by persons other than property owners and their guests and resort guests shall be restricted to normal business hours for the activity in which they are engaged.

FIPOA
PROPERTIES

THOMASSON
THOMASSON BROTHERS

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

AMENDMENT TO AGREEMENT

WHEREAS, Thomasson Properties and Thomasson Brothers, both South Carolina Limited Partnerships, (hereinafter collectively referred to as Thomasson), and Fripp Island Property Owners' Association, a South Carolina Non-Profit Corporation (hereinafter referred to as FIPOA), did enter into an Agreement dated September 27, 1983, and duly recorded in the Office of the Register of Mesne Conveyances for Beaufort county, South Carolina, in Deed Book 379 at Page 931, and

WHEREAS, the parties hereto are desirous of amending Paragraph Three of said Agreement; now therefore know all men by these presents that in consideration of the mutual advantages to the parties hereto, they do hereby agree to amend Paragraph Three of the hereinabove referenced agreement so that the same shall now read:

PARAGRAPH THREE: It is agreed that the annual assessments shall not apply to, and FIPOA shall make no effort to levy or collect the same against open, undeveloped and unplatted property, nor any buildings, or improvements which are used principally for administration, management and service. The Golf club, The Fripp Island Inn and Restaurant, The Tennis Center, and similar amenities used and enjoyed by the residents of Fripp Island, both now existing and hereinafter constructed, will pay an annual assessments of \$250.00 each as of September 27, 1983, with any future increases or decreases in this amount to be assessed at the same time and on the same percentage basis as any increase or decrease that shall apply to platted lots.

IN WITNESS WHEREOF, the parties hereto have set their Hands and Seals the 8th day of February, in the year of our Lord one thousand nine hundred and eighty-eight and in the two hundred twelfth year of the Sovereignty and Independence of the United States of America.