

ORIGINAL

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Carmen T. Mullen, Circuit Court Judge

Case No. 2013-001757

Daniel A. Gregorie,..... Appellant,

v.

Spring Island Club,..... Respondent.

RECORD ON APPEAL

John P. Qualey, Jr., Esq.
P.O. Box 10
Hilton Head Island, SC 29938
(843) 785-3525
Attorney for Appellant

David S. Black, Esq.
Howell, Gibson & Hughes, P.A.
Post Office Box 40
Beaufort, South Carolina 29901
(843) 522-2401
Attorney for Respondent

RECEIVED

MAY 16 2014

SC Court of Appeals

INDEX

Order of Carmen T. Mullen, Circuit Court Judge, dated and filed on June 25, 2013....	2
Plaintiff/Appellant's Notice of Motion and Motion to Reconsider filed on July 13, 2013.....	9
Plaintiff/Appellant's Memorandum in Support of Plaintiff's Motion for Summary Judgment.....	15
Complaint and Exhibits attached thereto.....	179
Answer.....	187
Transcript of Record (Summary Judgment Hearing), Dated April 15, 2013.....	191
Affidavit of Daniel A. Gregorie.....	215

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

) IN THE COURT OF COMMON PLEAS
)
) CIVIL ACTION NO: 2011-CP-07-02788

DANIEL A. GREGORIE,

Plaintiff,

vs.

SPRING ISLAND CLUB,

Defendant.

ORDER

THIS MATTER COMES BEFORE ME on cross-motions for summary judgment, more specifically, on Plaintiff's Motion for Summary Judgment filed August 2012 and on Defendant's Motion for Summary Judgment filed December 2012. Present at the time of hearing on April 15, 2013 were John P. Jack Qualey, Jr. for Plaintiff; and David S. Black for Defendant.

11 JUN 25 04 10 50
CLERK OF COURT
BEAUFORT COUNTY, S.C.

Plaintiff's Complaint seeks declaratory relief for a judicial determination with respect to the dispute between the parties as to the effectiveness of Plaintiff's attempt to resign his membership in the Spring Island Club via letter dated May 31, 2011, thus attempting to avoid certain financial obligations associated with said membership.

Defendant's Answer, among other things, denies that Plaintiff has the right to resign his Club membership, based upon the clear and unambiguous provisions

of the "Membership Documents" for Spring Island Club, which documents include, but are not limited to, (1) the "Spring Island Club Plan for the Offering of Equity Memberships" a/k/a "Membership Plan" or "Club Plan" or "the Plan"; (2) the "Spring Island Club By-Laws" a/k/a "Club By-Laws" or "By-Laws"; (3) the "Spring Island Club - General Club Rules" a/k/a "Club Rules"; (4) all Amendments to the Club Plan; and (5) all Amendments to the Club By-Laws. Defendant asserts that Plaintiff, as a member of Spring Island Club, is bound by the terms and conditions of the various Membership Documents.

The underlying facts are undisputed. Plaintiff purchased a home on Spring Island located at 110 Spring Island Road, with TMP # R600 016 000 0008 0000. Plaintiff joined the Spring Island Club as a Social Member in 1996. Plaintiff maintained his social membership until 1998, at which time he converted it to a golf membership. Plaintiff was a member in good standing from 1996 until May 31, 2011, at which time he transmitted a letter to the Spring Island Club in which he attempted to resign his membership effective immediately, and thereafter stopped paying his financial obligations associated with said membership. The Spring Island Club, through its legal counsel, Walter J. Nester, III, sent a letter dated June 10, 2011 in response to Plaintiff with respect to his attempted resignation, advising Plaintiff, among other things, that his attempted resignation was not effective unless and until the homesite or residential unit associated with such membership is sold. The response letter sent on behalf of Spring Island Club included references to the Membership Documents in support of the Club's

position. Subsequent to his receipt of the Club's letter dated June 10, 2011, Plaintiff ceased paying the dues and fees associated with his Club membership. At the time of his attempted resignation on May 31, 2011, Plaintiff still owned the property on Spring Island with which his Club membership is associated, and still owns that property on Spring Island today.

Both parties agree that this matter presents only issues of law to be decided by the Court with respect to the interpretation of the Membership Documents, as it relates to the effectiveness, or ineffectiveness, of the Plaintiff's letter of attempted resignation dated May 31, 2011.

The first Motion considered by the Court was Plaintiff's Motion for Summary Judgment. Plaintiff's counsel submitted a Memorandum in support of the Motion including numerous attachments. Plaintiff's counsel argued that Plaintiff's May 31, 2011 letter of resignation should be deemed effective, because the pertinent documents (i.e. - the Subscription Agreement; the Club Rules & Regulations; and the Plan) do not contain any provision which restricts or limits a member's right to resign his/her membership. Plaintiff also argued that the obligation of a member to sell one's homesite or residential unit associated with such membership before the member may resign his/her membership is a restriction which was "buried" or concealed within the Membership Documents. Plaintiff further argued that he should not be bound by said restriction/limitation, as there

13 JUN 25 PM 1:50
JENNIFER A. ROSS, CLERK
BEAUFORT COUNTY, N.C.
CLERK OF COURT

was no such restriction or limitation in the Plan documents at the time that Plaintiff joined the Club in 1996.

The second Motion considered by the Court, which was essentially considered contemporaneously with the first, was Defendant's Motion for Summary Judgment. Defendant asserts that Plaintiff, as a member of Spring Island Club, is subject to the Club's "Membership Documents", which documents include, but are not limited to, the "Membership Plan"; the "Club By-Laws"; the "Club Rules"; all Amendments to the Club Plan; and all Amendments to the Club By-Laws. Plaintiff's initial commitment to a Club membership, the "Subscription Agreement" which he signed on September 21, 1996, references (in paragraph 3) the use of the Club facilities "subject to the rules and regulations of the Club..." and states (in paragraph 6) that "This Subscription Agreement is offered in accordance with the Plan for the Offering of Membership in the Spring Island Club dated as of February 20, 1990 and amended May 21, 1992."

13 JUN 25 PM 1:50
CLERK OF COURT
SOUTH CAROLINA
JUDICIAL DEPARTMENT
COLUMBIA, S.C.

The Membership Plan specifically referenced, provided, and incorporated various other documents including the Club's Certificate of Incorporation; By-Laws; and General Club Rules (see "Operation of Club" and "A. Control of Club" on page 19 of the Plan; also see "C. Equity Membership Privileges" referencing compliance with By-Laws and with General Club Rules on page 9 of the Plan).

The 1992 version of the By-Laws (i.e. – the amended By-Laws dated May 21, 1992) for the Club, a Not-For-Profit South Carolina Corporation, provided for resignation of memberships in accordance with Section 4.6, which begins on page 7. The amended By-Laws dated May 21, 1992 also prescribed, in paragraph 16.1 on page 22, the circumstances under which the By-Laws may be altered, amended, or repealed or new By-Laws adopted. Similarly, subsequent amendments of the By-Laws also prescribed the circumstances under which the By-Laws may be altered, amended, or repealed or new By-Laws adopted. In accordance with said provisions of the amended By-Laws, a duly called and constituted annual meeting of the Club was held on April 26, 2011, at which a quorum was present, and during which a majority of the votes cast amended the By-Laws by adoption and/or approval of the "Third Amendment to the By-Laws of the Spring Island Club", a signed copy of which is attached hereto; and also amended the Plan by adoption and/or approval of the "Fifth Amendment to Spring Island Club Plan for the Offering of Equity Memberships dated April 1998", a signed copy of which is attached hereto. Both of the subject Amendments became effective on the date of the 2011 Annual Meeting during which they were adopted and approved, April 26, 2011.

Defendant asserts that, at the time Plaintiff attempted to resign his membership, the subject Amendments had been in effect for over one (1) month. Defendant does not claim that Plaintiff can never resign his Club membership; rather, that Plaintiff is bound by, and must comply with, the terms and conditions within the

Membership Documents in order for his resignation to be effective. Defendant vigorously opposed Plaintiff's argument that the subject restrictions and/or limitations were concealed from Plaintiff by Defendant or that the subject provisions were "buried" or were inconspicuous within the Membership Documents. To the contrary, the very first numbered page of the Plan contains a heading entitled "Carefully Review All Documents", under which it advises prospective members to '...carefully read this Membership Plan and all of the attached or referenced exhibits, collectively the "Membership Plan"...'.

Defendant asserted without challenge that proper Notice of the April 26, 2011 Annual Meeting was sent out to the Club members, including Plaintiff; and that said Notice of the annual meeting dated March 25, 2011 enclosed copies of the proposed Amendments to both the Plan and to the By-Laws that were to be discussed and voted on at the upcoming Annual Meeting. The copies of the subject Amendments (Fifth Amendment to the Plan; and Third Amendment to the By-Laws) reflect that both Amendments were approved by a vote of 238 in favor of the approval of the Amendments, with just 23 votes opposed, a ratio of approximately 10-1 in favor of approval. Those Amendments clearly require, among other things, that a member's Spring Island homesite or residential unit be sold before the member may resign the membership associated with that property, and before the membership can be placed on the Membership Resale List.

BASED UPON the pleadings in this matter, the clear and unambiguous documents provided to the Court and/or referenced herein, the uncontroverted facts, and the arguments presented by counsel at the time of hearing, I hereby find and declare that Plaintiff, as a Member of Spring Island Club on April 26, 2011, at which time the subject Amendments to the Plan and to the By-Laws were approved and/or adopted by the Club, is bound by the provisions within those Amendments. Accordingly, Plaintiff's attempt to resign his Spring Island Club membership via letter dated May 31, 2011 is not effective. Based on the foregoing, it is hereby ordered, adjudged, and decreed that Plaintiff's Motion for Summary Judgment is hereby **DENIED**; and that Defendant's Motion for Summary Judgment is hereby **GRANTED**.

IT IS SO ORDERED.



Carmen T. Mullen
Presiding Judge, 14th Judicial Circuit

JERIL ANN ROSENBAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

13 JUN 25 PM 1:50

June 25, 2013

Beaufort, SC

) IN THE COURT OF COMMON PLEAS
) FOURTEENTH JUDICIAL CIRCUIT -
) CASE NO.: 2011-CP-07-2788

)

)

)

)

)

)

)

)

)

)

)

13 JUL -8 PM 2:45
JERIL ANN ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

In granting Defendant's Motion for Summary Judgment, the Court relied upon certain Amendments of the Plan and of the By-laws in reaching the conclusion that Plaintiff's resignation as a member of the Club was not effective. However, the Subscription Agreement pursuant to which Plaintiff purchased the membership in question states, in Paragraph 5 thereof, that it "contains the entire contract between the Subscriber and the Club, and no agent or representative of the Club or any other person has any power to change or alter the terms of this

9

subscription.” This provision expresses the clear and unmistakable intention of the parties that the terms of the Subscription Agreement not be subject to change without the consent of both parties. The Subscription Agreement also states, in Paragraph 6 thereof, that it is “offered in accordance with the Plan for Offering of Membership in the Spring Island Club dated as of February 20, 1990 and amended May 21, 1992.” Clearly, the only version of the Plan which applied to Plaintiff’s membership is the Plan that was in effect at the time he purchased such membership, and it describes the membership offered to Plaintiff and which he purchased. It does not contain any restrictions on the right of a member to resign as a member of the Club, and the section thereof entitled “RESTRICTIONS ON TRANSFER OF MEMBERSHIP” explicitly recognizes the right of a member to resign, because it states (beginning on Page 13 thereof): “Therefore, except as noted, any member of the Club who resigns from the Club (emphasis added) must offer to convey his membership to the Club.” It goes on to explain how a resigning member’s membership is to be paid for by the Club, but it does not contain any provisions whatsoever limiting the right of a member to resign. It only addresses the procedure for transfer of a member’s membership and payment for such membership.

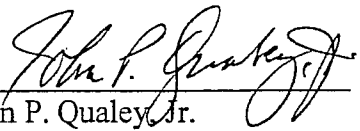
Plaintiff believes that the Court has disregarded the fact that any amendment to the Plan would only apply to memberships sold pursuant to such amended versions of the Plan, not to previously sold memberships. In addition, the Plan which applied to Plaintiff’s membership contains no provisions allowing it to be amended, so the Amendment to the Plan dated April 26, 2011, was not allowed under the terms of the Plan applicable to Plaintiff’s membership and therefore had no effect on Plaintiff’s membership or his right to resign as a member of the Spring Island Club.

With regard to the Court's reliance on the April 26, 2011, Amendment of the By-laws in determining that the Plaintiff's attempt to resign as a member of the Spring Island Club was not effective, Plaintiff urges the Court to reconsider its ruling, because, as asserted in Plaintiff's proposed Order for Summary Judgment, the By-laws of the Club in effect at the time Plaintiff purchased the membership in question is not the only document which applies to Plaintiff's membership. As stated above, the Subscription Agreement, the Club Rules, and the Plan of Offering of Membership all apply to Plaintiff's membership, and the Amendment of the By-laws does not affect Plaintiff's rights under such other applicable documents, none of which impose a limitation on Plaintiff's right to resign as a member of the Club. Plaintiff had the right to rely on the provisions of the Subscription Agreement, the Club Rules, and the Plan of Offering of Membership regarding his membership rights (including the right to resign), and the Amendment of the By-laws in and of itself does not limit Plaintiff's rights under the other applicable agreements.

Plaintiff believes and asserts that the Court's interpretation of the effect of the By-laws disregards the effect of the Subscription Agreement, the Club Rules, and the Plan of Offering, all of which allow Plaintiff to resign as a member without any ongoing obligation to pay dues and assessments, and that the Court has instead incorrectly relied upon the provisions of the Amendment of the By-laws despite the absence of any assertion that as a matter of law the By-laws provisions supersede the provisions of the other documents when they are in conflict. Plaintiff also asserts that any conflict between the governing documents (the Subscription Agreement, Club Rules and Plan on the one hand, and the By-laws on the other) should be interpreted in Plaintiff's favor, not in favor of the Defendant, because the Defendant and its predecessors in control of the Club drafted the documents in question.

Accordingly, the Court is urged to reconsider its ruling in this matter, and, in doing so, to deny Defendant's Motion for Summary Judgment, and to grant Plaintiff's Motion for Summary Judgment.

QUALEY LAW FIRM, P.A.

By: 
John P. Qualey, Jr.
Attorney for Plaintiff
P. O. Box 10
Hilton Head Island, SC 29938
(843) 785-3525
(843) 785-3526 (fax)

July 4, 2013
Hilton Head Island, SC

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

DANIEL A. GREGORIE,

Plaintiff,

v.

SPRING ISLAND CLUB,

Defendant.

IN THE COURT OF COMMON PLEAS

Case No: 2011-CP-07-2788

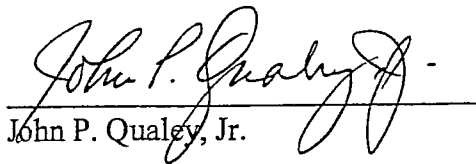
13 JUL 13 PM 2:45
JEAN ANN ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

CERTIFICATE OF MAILING

This is to certify that I have this date mailed a copy of the Plaintiff's Notice of Motion and Motion to Reconsider to:

David S. Black, Esq.
P.O. Box 40
Beaufort, SC 29902

Said Notice of Motion and Motion to Reconsider was mailed via the United States Postal Service with adequate postage thereon.


John P. Qualey, Jr.

July 4, 2013
Hilton Head Island, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

DANIEL A. GREGORIE,

Plaintiff,

vs.

SPRING ISLAND CLUB,

Defendant.

IN THE COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT

CASE NO.: 2011-CP-07-02788

**MOTION AND ORDER INFORMATION
FORM AND COVERSHEET**

13 JUL -8 PM 2:45
JERRI ANN ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

Plaintiff's Attorney:

John P. Qualey, Jr., Bar No. 4602

Address:

P.O. Box 10, Hilton Head Island, SC 29938

Phone: 785-3525 Fax 785-3526

E-mail: jack.qualey@qualeylaw.com Other: _____

Defendant's Attorney:

David S. Black, Bar No. _____

Address:

P.O. Box 40, Beaufort, SC 29901

Phone: 522-2400 Fax 522-2401

E-mail: dblack@hghpa.com Other: _____

☒ **MOTION HEARING REQUESTED** (attach written motion and complete SECTIONS I and III)

☐ **FORM MOTION, NO HEARING REQUESTED** (complete SECTIONS II and III)

☐ **PROPOSED ORDER/CONSENT ORDER** (complete SECTIONS II and III)

SECTION I: Hearing Information

Nature of Motion: Motion to Reconsider

Estimated Time Needed: 1 hour

Court Reporter Needed: ☒ YES / ☐ NO

SECTION II: Motion/Order Type

☒ Written motion attached

☐ Form Motion/Order

I hereby move for relief or action by the court as set forth in the attached proposed order.

John P. Qualey Jr.
Signature of Attorney for ☒ Plaintiff / ☐ Defendant

July 4, 2013

Date submitted

SECTION III: Motion Fee

☒ PAID - AMOUNT: \$ 25.00

☐ EXEMPT:

(check reason)

☐ Rule to Show Cause in Child or Spousal Support

☐ Domestic Abuse or Abuse and Neglect

☐ Indigent Status ☐ State Agency v. Indigent Party

☐ Sexually Violent Predator Act ☐ Post-Conviction Relief

☐ Motion for Stay in Bankruptcy

☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)

☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions

Name of Court Reporter: _____

☐ Other: _____

JUDGE'S SECTION

☐ Motion Fee to be paid upon filing of the attached order.

☐ Other: _____

JUDGE CODE _____

Date: _____

CLERK'S VERIFICATION

Collected by: _____ Date Filed: _____

☐ MOTION FEE COLLECTED: \$ _____

☐ CONTESTED - AMOUNT DUE: \$ _____

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	Case No: 2011-CP-07-2788
	)	
DANIEL A. GREGORIE,	)	
	)	
Plaintiff,	)	PLAINTIFF'S MEMORANDUM IN SUPPORT
vs.	)	OF HIS MOTION FOR SUMMARY JUDGMENT
	)	
SPRING ISLAND CLUB,	)	
	)	
Defendant.	)	
	)	

The Plaintiff, by and through his undersigned counsel, hereby submits this Memorandum in Support of His Motion for Summary Judgment. On August 28, 2012, Plaintiff filed a Motion for Summary Judgment, and Plaintiff submits this brief in support of its Motion for Summary Judgment. Plaintiff directs the Court's attention to the following evidentiary materials: (a) Defendant's Answers to Plaintiff's Interrogatories, dated September 29, 2008, a copy of which is attached hereto as Exhibit "A;" and (b) Plaintiff's Affidavit, dated April 9, 2013, a copy of which is attached hereto as Exhibit "B."

I. BACKGROUND

Plaintiff purchased a membership in the Spring Island Club in 1996, pursuant to a Subscription Agreement. On May 31, 2011, Plaintiff submitted his resignation as a member of the Club to the Membership Director. On June 10, 2011, the Defendant's attorney, Walter Nester of the McNair Law Firm, wrote to Plaintiff and informed him, among other things, that his resignation was not effective and that he remained obligated to pay dues and assessments associated with such membership.

Plaintiff asserts in his Complaint that the membership documents which he signed do not restrict his right to resign as a member of the Club, and that he is not obligated to pay

assessments or dues subsequent to the date of his resignation (May 31, 2011). Defendant asserts that Plaintiff is obligated to pay such dues and assessments until his home is sold to a buyer who agrees to purchase a golf membership, or, if the buyer elects not to purchase a golf membership, until it is reissued to another purchaser after being placed on the Club's resale list. Defendant has continued to send invoices to Plaintiff for dues and assessments in connection with such membership, and the most recent invoice, dated February 28, 2013, is in the amount of \$46,618.24.

II. LEGAL STANDARD

Rule 56, SCRCP, requires the entry of summary judgment when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. *See Fleming v. Rose*, 350 S.C. 488, 494, 567 S.E.2d 857, 860 (2002). Although the moving party bears the initial burden of demonstrating the absence of a genuine issue of material fact, "this initial responsibility may be discharged by 'showing' — that is, pointing out to the trial court — that there is an absence of evidence to support the nonmoving party's case." *Baughman v. Am. Tel. & Tel. Co.*, 306 S.C. 101, 115, 410 S.E.2d 537, 545 (1991). Once the moving party makes this demonstration, the opposing party "must, under Rule 56(e), do more than simply show some metaphysical doubt as to the material facts but must come forward with specific facts showing that there is a *genuine issue for trial*." *Id.* (emphasis in original); *Midland Mut. Life Ins. Co. v. Harrell*, 331 S.C. 394, 397, 503 S.E.2d 189, 190 (Ct. App. 1998). The nonmoving party must specifically set forth such facts, "as would be admissible in evidence," to show that a true jury issue exists. *See* S.C. R. Civ. P. 56(e).

The purpose of summary judgment is to expedite disposition of cases which do not require the services of a fact finder. *Dawkins v. Fields*, 354 S.C. 58, 580 S.E.2d 433 (2003); *George v. Fabri*, 345 S.C. 440, 548 S.E.2d 868 (2001). Under South Carolina law, where "plain,

palpable and indisputable facts exist on which reasonable minds cannot differ," summary judgment in favor of the moving party is proper. *Williams v. Chesterfield Lumber Co.*, 267 S.C. 607, 610, 230 S.E.2d 447, 448 (1976).

III. ARGUMENT

On September 21, 1996, Plaintiff signed the "Subscription Agreement" attached hereto as Exhibit "C," which is made a part hereof by reference, pursuant to which Plaintiff agreed to purchase a membership in Spring Island Club (the "Club") for Ten Thousand Dollars (\$10,000.00). Said Subscription Agreement provides, among other things, that it: (1) "contains the entire contract between the Subscriber and the Club"; (2) "is subject to the rules and regulations of the Club and the category of membership selected by the Subscriber;" and (3) "is offered in accordance with the Plan for the Offering of Membership in the Spring Island club dated February 20 1990 and Amended May 21, 1992." Section II of the rules and regulations of the Club (the "Club Rules"), which are attached as Exhibit f to the Defendant's Answers to Interrogatories, provide, in pertinent part, that Plaintiff has the right to resign membership in the Club by providing written notice of resignation to the Membership Director, at which time the resigning member is liable for any charges, fees or dues then outstanding in connection with the member's account. There are no other requirements for resignation contained in the Club Rules. Pursuant to such provisions of the Club Rules, on May 31, 2011, Plaintiff provided written notice of the resignation of his membership to the Membership Director of the Club, a copy of which is attached hereto and made a part hereof as Exhibit "D."

Defendant, by and through its attorney Walter J. Nester, III, Esq., responded to Plaintiff's resignation from the Club by the letter attached hereto as Exhibit "E," dated June 10, 2011, pursuant to which Plaintiff was notified that: (a) his resignation from the Club was not effective

until such time as his homesite or residential unit associated with such membership is sold; and (b) that Plaintiff's membership is subject to the Plan for the Offering of Equity Memberships for Spring Island and the Bylaws of the Spring Island Club. Mr. Nester also stated that: "As further set forth in the Plan, until such membership is, in fact, reissued, the resigning member remains obligated to pay the dues and assessments associated with such membership."

The Plan for the Offering of Memberships for Spring Island (the "Plan") to which Mr. Nester refers must not be the same as the Plan for Offering of Membership referred to in Plaintiff's Subscription Agreement. The relevant Plan is dated February 20, 1990 and was amended on May 21, 1992. It is attached as Exhibit 1 to the Defendant's Answers to Interrogatories. It contains no provisions which require the ongoing payment of dues and assessments associated with a resigning member's membership. There are also no other provisions in the Plan, or for that matter in any other of the documents which Mr. Nester claims apply to Plaintiff's membership, that stipulate that his resignation from the Club is "not effective until such time as his homesite or residential unit associated with such membership is sold."

The Bylaws of the Club, which Mr. Nester said applied to Plaintiff's membership and which are attached as Exhibit g to the Defendant's Answers to Interrogatories, contain a provision making the resigning member "liable for payment of any dues, fees and assessments accruing to his membership until his or her membership shall be reissued" (Section 3.6.1), but such provision conflicts with the clear and unambiguous provisions of the Club Rules and of the Plan. The Club Rules make it clear that a member can resign without any liability for future dues or assessments, and the Plan makes no mention whatsoever of any ongoing liability for such dues, fees or assessments. The Subscription Agreement signed by Plaintiff to purchase the membership in question (Exhibit "B" to this Brief) only refers to the Club Rules and to the Plan,

and the Plaintiff had the reasonable expectation that only those documents would apply to his right to resign his membership and would contain any substantive provisions requiring that he pay dues and assessments even after he has resigned his membership and no longer has the right to any membership privileges.

Defendant takes the position that the Bylaws of the Club apply to Plaintiff's membership and that the Bylaws provision makes Plaintiff liable for payment of dues and assessments even after he has resigned, but the Court has the right to determine whether in the case of conflicting provisions such as these the inconsistency should be construed in Plaintiff's favor and against the party which drafted such documents as a matter of law and public policy. Plaintiff was never informed by the Club that he would not have the right to resign from the Club and thereby cease to incur dues or assessment obligations following such resignation. Such an unusual and onerous obligation should have been clearly disclosed to Plaintiff in the Subscription Agreement and in the Plan, but instead it was contained in a provision of the Bylaws, which most laymen would expect to contain only the rules for self-governance by the corporation, such as electing of directors, meetings of the membership, etc. The Plaintiff, as a lay person, had the reasonable expectation, which he was entitled to rely upon, that any substantive provision limiting his right of resignation and imposing such an onerous ongoing liability for payment of assessments/dues after he has resigned would be contained in the rules and regulations of the Club (which instead provide that he has the right to resign as long as his account is paid in full as of the effective date of his resignation) or in the Plan (which is silent on the subject of liability for assessments/dues following resignation). Clearly, either document could have and should have contained the provision in question, but that would have meant calling it to Plaintiff's attention, and what other reason could there have been for omitting it from the Plan but including it in the Bylaws which

were in effect at the same time? Plaintiff asserts that the Defendant intentionally concealed such provision and is therefore not entitled to assert that Plaintiff is liable for such ongoing assessments/dues. Furthermore, Plaintiff was represented by counsel when he purchased the membership in question, but the attorneys who represented the Plaintiff in such transaction also represented the seller of the membership, and such attorneys did not advise Plaintiff of the Bylaw provision in question, as confirmed in Plaintiff's Affidavit attached hereto as Exhibit "B."

Defendant's Answer, a copy of which is attached hereto as Exhibit "F," states that "the documents at issue are clear and unambiguous on their face, fully enforceable, and the Plaintiff, having executed the same knowingly and freely is bound by the terms and conditions thereof and his Complaint should be dismissed." The Defendant has thus admitted that the documents referred to by the Plaintiff in support of his position are correct. However, as stated above, the principal applicable documents, being the Subscription Agreement, the Club Rules, and the Plan are completely silent as to the alleged obligation to pay assessments/dues following resignation. So, there is an unambiguous conflict between the Subscription Agreement, the Club Rules and the Plan on the one hand and the Bylaws on the other hand. The Plaintiff did not knowingly and freely agree to the provision contained in the Bylaws and should not be bound by it, because that provision could have and should have been contained in the Subscription Agreement, the Club Rules, or in the Plan. Clearly, the Defendant does not have "clean hands" for having concealed the Bylaws provision from Plaintiff.

Furthermore, Defendant's refusal to accept Plaintiff's resignation of his membership has caused and will continue to cause Plaintiff to incur damages in the form of membership dues, assessments, and other charges which the Defendant continues to bill to Plaintiff's account. To

date, Defendant has billed Plaintiff in the amount of \$46,618.24 for dues and assessments, as shown in Exhibit "G" attached hereto.

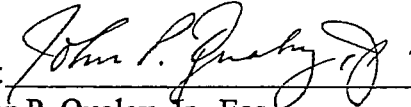
Summary judgment should be granted to Plaintiff as to the declaratory relief he seeks and a judicial determination be made that: (a) his resignation as a member of the Club was effective as of May 31, 2011; and (b) that all obligations to pay assessments or dues in connection with such membership ended on such date, because there is no genuine issue as to any material fact and because Plaintiff has complied with the resignation procedures contained in the Club Rules and in the Plan.

IV. CONCLUSION

For the foregoing reasons, the Court should grant Plaintiff's Motion for Summary Judgment and enter judgment as a matter of law in Plaintiff's favor on Plaintiff's claim that his resignation as a member of Spring Island Club was effective on May 31, 2011, and that he is not obligated to continue to pay assessments, dues and other charges to the Defendant in connection with such membership after May 31, 2011, as alleged in his Complaint.

WHEREFORE, Plaintiff respectfully moves that the Court enter an Order granting him Summary Judgment as to the Plaintiff's claims asserted in the Complaint.

QUALEY LAW FIRM, P.A.

By: 

John P. Qualey, Jr., Esq.
Attorney for Plaintiff
Post Office Box 10
Hilton Head Island, SC 29938
(843) 785-3525
(843) 785-3526 (fax)

April 10, 2013
Hilton Head Island, South Carolina

EXHIBIT "A"

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT) IN THE COURT OF COMMON PLEAS
) CIVIL ACTION NO: 2011-CP-07-02788

DANIEL A. GREGORIE,)
)
) Plaintiff,)
) DEFENDANT'S ANSWERS TO
vs.) PLAINTIFF'S INTERROGATORIES
)
SPRING ISLAND CLUB,)
)
) Defendant.)

TO: JOHN P. QUALEY, JR., ESQUIRE, ATTORNEY FOR PLAINTIFF:

Defendant Spring Island Club, reserving the right to supplement and/or amend as appropriate, hereby answers the Interrogatories propounded by the Plaintiff as follows:

GENERAL OBJECTIONS

- A. To the extent these Interrogatories can be construed as calling for information that is subject to a claim of privilege including, without limitation, attorney-client privilege and attorney work product, Defendant claims such protection and objects to these Interrogatories.
- B. To the extent these Interrogatories seek information beyond the scope of discovery as provided by the South Carolina Rules of Civil Procedure, Defendant objects to these Interrogatories.
- C. Responses are made expressly subject to these general objections and the specific objections to specific Interrogatories below. In responding, Defendant does not waive any objection as to the competency, relevancy

or admissibility of the statements made or documents provided in response to the discovery.

- D. Defendant has not completed its investigation of the facts relating to this case, has not completed discovery, and has not completed its preparation for any trial that may be held in this case. These responses are limited and are based upon information currently known to Defendant and are given without prejudice to Defendant's rights to produce evidence based upon subsequently discovered facts.
- E. To the extent that the Interrogatories call for information regarding events occurring on dates outside time periods relevant to this litigation, Defendant objects to the Interrogatory as beyond the scope of discovery and further objects to the relevancy and admissibility of such statements.

ANSWERS TO INTERROGATORIES

1. Give the names and addresses of persons known to the Defendant or counsel to be witnesses concerning the facts of the case and indicate whether or not written or recorded statements have been taken from the witnesses and indicate who has possession of such statements.

ANSWER:

- a) Daniel A. Gregorie
Post Office Box 541
Castine, ME 04421

No written or recorded statements.

Daniel A. Gregorie is the Plaintiff in this matter, and is expected to testify regarding his knowledge of the facts and circumstances surrounding the matters described in his Complaint.

- b) Craig J. Simonson (Chief Financial Officer)
c) Kathy Willis (Administrative Assistant)

EXHIBIT ⁻²⁻ "A"

- d) and/or other representatives of Spring Island Club to be designated.

No written or recorded statements.

Spring Island Club is the Defendant in this matter. The representatives of Spring Island Club are expected to testify regarding their knowledge of the facts and circumstances surrounding the matters described in Plaintiff's Complaint.

DEFENDANT RESERVES THE RIGHT TO CALL AS WITNESSES ANY AND ALL PERSONS LISTED IN THE PLAINTIFF'S ANSWERS TO INTEROGATORIES, WITHOUT FURTHER NOTICE TO THE PLAINTIFF.

2. Set forth a list of photographs, plats, sketches or other prepared documents in possession of the Defendant that relate to the claims or defenses in the case.

ANSWER:

Upon information and belief, Defendant is not in possession of any such photographs, plats, or sketches. Defendant, reserving the right to supplement, is in possession of the following documents, copies of which are attached hereto and/or provided separately via electronic transmittal (as pdf files):

- a. blank Spring Island Club Membership Repurchase Agreement [4 pages];
- b. Notice of Combined Annual Meeting of Spring Island Property Owners' Association and Spring Island Club and documents related thereto for the April 26, 2011 meeting, including Exhibits "A"; "B-1"; and "B-2" thereto [18 pages];
- c. May 23, 2011 correspondence from Susan Neilson, Spring Island Membership Committee Chair [3 pages];
- d. Document entitled "Spring Island Club" including Q & A; and Amendments to Spring Island POA and Club Governing Documents [29 pages] {note: page #5 and page #6 are omitted, but will be requested and will be provided upon receipt};
- e. Spring Island Club – table of Contents and General Club Rules [9 pages];
- f. Club Plan Rules and FAQ [13 pages];
- g. By-Laws Spring Island Club [23 pages];

- h. Amended and Restated Purchase and Sale Agreement [17 pages];
- i. Spring Island Club Membership Documents [23 pages];
- j. Second Amendment to the Plan of Membership dated the 1st day of January 1995 [3 pages];
- k. First Amendment to the Plan of Membership dated the 21st day of May 1992 [3 pages]; and
- l. Plan for the Offering of Membership in Spring Island Club, dated February 20, 1990, as amended May 21, 1992 [18 pages].

3. List the names and addresses of any expert witnesses whom Defendant intends to use as a witness at the trial or arbitration of the case.

ANSWER: Defendant has not yet retained any experts in this matter but hereby expressly reserves the right to do so and will supplement these Answers at such time

4. For each person known to Defendant or counsel to be a witness concerning the facts of the case, set forth either a summary sufficient to inform the other party of the important facts known to or observed by such witness, or provide a copy of any written or recorded statements taken from such witnesses.

ANSWER: See Defendant's Answer to Plaintiff's Interrogatory #2, above.

5. Identify any written agreement(s) between you and the Plaintiff.

ANSWER: See Defendant's Answer to Plaintiff's Interrogatory #1.

6. If you contend there are any oral agreements between you and the Plaintiff, identify:

- a. The substance of the alleged agreement;
- b. The date when the alleged agreement was made; and
- c. Any and all individuals who were present at the time the alleged agreement was made.

ANSWER: Unknown and/or not contended at this time. Defendant will attempt to gather the requested information, if any; and will supplement this response if/when appropriate.

EXHIBIT ⁻⁴⁻ "A"

7. **Identify the current members of Spring Island Club who entered into the same form of Subscription Agreement as the form signed by Plaintiff (a copy of which is attached as Exhibit "A" to the Complaint) and provide their full names, addresses, email addresses, and telephone numbers.**

ANSWER: Defendant objects to this request as being irrelevant and not calculated to lead to the discovery of admissible evidence. Defendant further objects on the grounds that the request calls for information that is an unnecessary invasion of privacy of members of Spring Island Club. Subject to the foregoing objections, enclosed herewith is a proposed Confidentiality Agreement, the entry of which will facilitate the production of various documents including membership itemization and/or golf membership resale list(s).

8. **Identify all lawsuits and/or litigation or threats of litigation in which you have been involved in which the other parties alleged that the Subscription Agreement signed by such parties and/or the other applicable governing documents of the Club did not restrict the right of such parties to resign their membership(s) in the Club or in which allegations substantially similar thereto were made.**

ANSWER: Defendant objects to this request as being overly broad, ambiguous, and vague. Defendant further objects upon the grounds that the request seeks information that is neither relevant nor calculated to lead to the discovery of admissible evidence. Defendant further objects upon the grounds that, to the extent this request seeks information that is a matter of public record, any such information and/or documentation is accessible to, and obtainable by, Plaintiff. Subject to the foregoing objection, the following cases are collection actions (on contracts) which have been filed by Spring Island Club in Beaufort County, and which are still pending:

- a. Spring Island Club vs. Paul F. Renne
Civil Action No. 2010-CP-07-05637
- b. Spring Island Club vs. George A. Mellon
Civil Action No. 2010-CP-07-05086
- c. Spring Island Club vs. James K. Murphy;
James K. Murphy and Murphy Family Limited Partnership vs.
Spring Island Company, L.P., Spring Island Club, and Spring Island
Realty, LLC
Civil Action No. 2010-CP-07-05092
- d. Spring Island Club vs. Merritt E. Marcus and Judith E. Marcus
Civil Action No. 2010-CP-07-05095

HOWELL, GIBSON & HUGHES, P.A.

By: David S. Black
David S. Black
Post Office Box 40
Beaufort, SC 29901
(843) 522-2400
DBlack@hgghpa.com
Attorney for Spring Island Club

Beaufort, South Carolina

May 31, 2012

CERTIFICATE OF SERVICE

I certify that I served the foregoing Defendant's Answers to Plaintiff's Interrogatories upon the below-listed counsel of record by affixing same with proper postage placing same with the United States Postal Service addressed to counsels' last known address on May 31, 2012.

John P. Qualey, Jr., Esquire
Qualey Law Firm
Post Office Box 10
Hilton Head, SC 29938
Attorney for Plaintiff

By: David S. Black
David S. Black

EXHIBIT ⁶⁻ "A"

SPRING ISLAND CLUB MEMBERSHIP REPURCHASE AGREEMENT

RECITALS

its Members during the time period for which the amount shown in Section 3(b) of the Agreement is calculated.

(d) Club hereby agrees that upon complete performance by Member of all obligations and requirements set forth in this Agreement, Member is released of and shall remain free of any further liability for, or the obligations, rights and privileges of membership in the Club, including the obligation to pay future dues and assessments to the Club.

4. Representations and Warranties of Member.

(a) Member is the owner of the Membership free and clear of any liens, encumbrances or any other matter which may affect title and/or rights in the Membership; and

(b) Member warrants that Member has the full power and legal authority to surrender the Membership and enter into and perform the obligations, terms and conditions set forth in this Agreement; and

(c) Member hereby acknowledges, covenants and agrees to the obligation to pay the dues and assessments invoiced by the Club through and including the date of this Agreement, and to the authority of the Club to pursue repayment of such amounts in the event of a default by Member of any of the terms and conditions of Member under this Agreement.

(d) The representations and warranties provided herein shall survive the full execution of the terms and conditions of this Agreement for a period of three (3) years.

5. Deliveries. Member has been approved by the Club for the membership repurchase contemplated herein and hereby returns this Agreement to the Club together with the payment set forth in Section 3(b) of this Agreement and the original Membership Certificate for the membership being repurchased. The Club shall thereafter execute and return a copy of the fully executed Agreement to the Member. The failure by Member to deliver the payment and original Membership Certificate, or a statement signed by the Member indicating that the Membership Certificate is lost, with this Agreement within thirty (30) days of the date of mailing by the Club shall void the Club's approval of the Member's application for participation in the Membership Repurchase Program.

6. Indemnification. Member hereby waives any action against and agrees to fully indemnify and hold the Club, its Board of Governors, employees, agents and successors and assigns from and against any and all liabilities, actions, suits, proceedings, demands, losses, damages, expenses, claims and costs arising directly or indirectly out of or incident to the Membership and this Agreement, except for a default by the Club of any obligation or agreement under this Agreement.

7. Miscellaneous.

(a) Entire Agreement. This Agreement represents the entire understanding and Agreement between the parties with respect to the subject matter hereof, and supersedes all prior agreements (which are hereby canceled) and all other negotiations, understandings and representations (if any) made by and between such parties.

(b) Governing Law. This Agreement shall be governed, both as to interpretation and performance, by the laws of the State of South Carolina.

(c) Attorneys' Fees. If any legal action or other proceeding, including arbitration, is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default

or misrepresentation in connection with any provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs, incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

(d) Binding Effect. This Agreement shall be binding on the parties and their heirs, legal representatives and assigns.

(e) Severable. If any provision of this Agreement is declared invalid or unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to effectuate the purpose and intent of this Agreement, and the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the durability of enforceability of any such provision in any other jurisdiction.

(f) Venue. Member hereby submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Member further agrees to comply with all requirements necessary to give such court in personam jurisdiction and agrees that service of process may be accomplished by, in addition to other lawful means, certified mail, return receipt requested.

8. Final Agreement. This Agreement represents the final agreement among the parties with respect to the subject matter hereof and may not be contradicted by evidence of prior oral or written, contemporaneous, or subsequent oral agreements among the parties. There are no unwritten oral agreements among the parties.

9. Legal Counsel. Each of the parties acknowledge that they have had the opportunity to seek legal counsel regarding each and every provision of this Agreement and the matters described herein and enter into this Agreement with full knowledge of its terms and effect.

10. Confidentiality. The Member specifically acknowledges and agrees that all negotiations and the terms and conditions of this Agreement are and shall remain confidential and not be disclosed to any person or entity other than Member's legal counsel, if any. Member further acknowledges and agrees that the breach of this confidentiality provision by Member shall void this Agreement and or any other Agreement between the Member and the Club.

11. WAIVER OF RIGHT TO JURY. IN THE EVENT OF ANY ACTION TO ENFORCE THE TERMS AND CONDITIONS OF THIS AGREEMENT, THE PARTIES WAIVE THE RIGHT TO HAVE ANY SUCH CAUSE OF ACTION OR CLAIM TRIED BY A JURY.

[signatures follow]

WITNESSES:

MEMBER:

(signature)

(print name)

SPRING ISLAND CLUB

By: _____

Its: _____

Date: _____

EXHIBIT a

to Exh. A

**NOTICE OF COMBINED ANNUAL MEETING OF
SPRING ISLAND PROPERTY OWNERS' ASSOCIATION
AND
SPRING ISLAND CLUB**

To: Members of Spring Island Property Owners' Association and Spring Island Club

PLEASE TAKE NOTICE pursuant to Section 4.03 of the Spring Island Property Owners' Association ("Association") By-Laws and Section 4.4 of the Spring Island Club ("Club") By-Laws that the Annual Meeting of the Association and the Club shall be held together at the following time and place:

DATE: Tuesday, April 26, 2011
TIME: 9 A.M.
PLACE: Old Tabby Links Golf House
Spring Island, South Carolina

The purposes of this combined Annual Meeting are the election of Directors to the Spring Island Property Owners' Association Board, the election of directors to the Spring Island Club Board, the approval of proposed Board action and amendments to the Club Plan and Club By-Laws (collectively the "Club Governing Documents").

A. Election of Directors to the Association Board.

The three (3) year term for each of the following three (3) Directors are set to expire: William McMahon, Richard Schmaltz, and William Sullivan. As provided in Section 5.01 of the Association By-Laws, the Board shall have one (1) seat filled by a designee of Spring Island Trust and one (1) seat filled by a designee of the Club. Spring Island Trust has appointed Chuck Ford as the Trust's designee. The Club has previously agreed that the Club designee may be elected by the Members of the Association.

The Nominating Committee has nominated a slate of nominees to fill three (3) open positions on the Board. Section 5.07 of the Association By-Laws also allow nominations by written petition of not less than twenty-five (25) Members who are all in good standing, which must be delivered to the Association at least forty-eight (48) hours prior to the date of the annual meeting of the Members. Directors are eligible to serve successive terms if reelected by the Members.

From the slate of nominees listed below, the Members shall elect a total of three (3) directors, each for a three (3) year term. As there are three (3) seats open, each Member shall have a total of three (3) votes. Cumulative voting is prohibited. Therefore, each Member of the Association may cast only one (1) vote per nominee.

SLATE (Recommended by the Nominating Committee):

NOMINEES:

Charles Dunlap	(3 Year Term)
Bert Hand	(3 Year Term)
Charles Manker	(3 Year Term)

B. Election of Club Board of Governors

At the combined Annual Meeting, the Members of the Club shall vote on the traditional practice of authorizing the Board of Directors and the Officers of the Association to serve as the members of the Board of Governors and Officers for the Club, respectively, until the next annual meeting.

C. Approval of Membership Repurchase Program

The Club Plan specifically authorizes the Club to repurchase equity memberships from Equity Members and the Board has unanimously approved the Membership Repurchase Program to do so. The Board has also elected to submit the Membership Repurchase Program to a vote of the Equity Members. Accordingly, the Equity Members shall vote on the proposal to implement the Membership Repurchase Program described in Exhibit "A" to this Notice.

D. Approval of Amendments to the Spring Island Club Governing Documents as set forth in Exhibit "B-1" and Exhibit "B-2" hereto.

To approve amendments to the Club Governing Documents which modify the membership resale list, to authorize the sale of memberships by the Club out of the order on the membership resale list where a selling member procures an approved purchaser for such selling member's resigned membership; require that selling members be in good standing and have sold their associated Spring Island property; and authorize the sale of memberships owned by the Club on a one to one basis with other memberships owned by others and properly listed on the resale list as more particularly described in Exhibit "B-1" and Exhibit "B-2" hereto.

The Board has unanimously accepted the recommendations of the Nominating Committee; unanimously approved the implementation of the Membership Repurchase Program; unanimously approved the amendments to the Club Governing Documents described in Exhibit B-1 and Exhibit B-2; and recommends your vote in favor of these action items.

PLEASE SIGN AND RETURN BOTH THE ENCLOSED ASSOCIATION AND CLUB PROXIES BY FAX (843-987-4170) OR IN THE ENCLOSED STAMPED, ADDRESSED ENVELOPE TO BE RECEIVED NO LATER THAN WEDNESDAY, APRIL 20, 2011 TO ENSURE THAT A REQUIRED QUORUM WILL BE PRESENT. If you attend the meeting, you may withdraw your proxies and vote in person, should you choose to do so. Members may call in to the meeting for the purposes of listening only. Members may not vote by phone nor will attendance by phone count for the purposes of quorum.

[Date]

Mark Solow
Chairman, Spring Island Property Owners' Association
President, Spring Island Club

SPRING ISLAND PROPERTY OWNERS' ASSOCIATION

PROXY

2011 COMBINED ANNUAL MEETING

Meeting Date: April 26, 2011

The undersigned Member of Spring Island Property Owners' Association acknowledges receipt of the Notice of the combined Annual Meeting of the Members of Spring Island Property Owners' Association and Spring Island Club to be held on Tuesday, April 26, 2011. Further, the undersigned Member hereby appoints _____ or Susan Neilson, Secretary of the Association, to be my proxy agent with full power of substitution, and to vote all of the undersigned Member's votes with respect to all matters submitted to the Members of the Association at the combined Annual Meeting, or at any adjournments thereof. The above proxy agent may vote all Association votes held by the undersigned in his or her discretion on the persons to be elected to the Association's Board of Directors, unless otherwise indicated below.

Unless indicated otherwise, your proxy agent shall vote in favor of the slated nominees recommended by the Nominating Committee. As stated in the Notice, all Members have a total of three (3) votes for directors, but only one vote may be cast for any nominee.

Election of Board of Directors

Slate Nominees - (Recommended by the Nominating Committee)

_____ CHARLES DUNLAP (3 Year Term)
_____ BERT HAND (3 Year Term)
_____ CHARLES MANKER (3 Year Term)

DATED: _____, 2011

Member

Please indicate the Spring Island property
you own

Please sign proxy exactly as your name
appears on your deed.

Please print name as it appears on your deed.

When signing as attorney in fact, executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, sign the full corporate name by a duly authorized officer of the corporation. If title is held in the name of two or more persons, only one owner may be the designated Member of the Association and, therefore, that owner should sign as the designated Member. If you own more than one Spring Island property, please complete a proxy for each property owned.

PLEASE RETURN PROXY BY WEDNESDAY, APRIL 20, 2011.

SPRING ISLAND CLUB
PROXY
2011 COMBINED ANNUAL MEETING
Meeting Date: April 26, 2011

The undersigned Member of Spring Island Club acknowledges receipt of the Notice of the combined Annual Meeting of the Members of Spring Island Property Owners' Association and Spring Island Club to be held on Tuesday, April 26, 2011. Further, the undersigned Member hereby appoints _____ or Susan Neilson, Secretary of the Club, to be my proxy agent with full power of substitution, and to vote all of the undersigned Member's votes with respect to all matters submitted to the Members of the Club at the combined Annual Meeting, or at any adjournments thereof. The above proxy holder may vote all Club votes held by the undersigned in his or her discretion unless otherwise indicated below.

1. Authorize the Directors and Officers of the Association to serve as the Board of Governors and the Officers of the Club, respectively, until the next Annual Meeting.

_____ In Favor

_____ Opposed

2. Approval of the Membership Repurchase Program as described in Exhibit "A" to this Proxy.

_____ In Favor

_____ Opposed

3. Approval of the proposed amendments to the Spring Island Club Governing Documents as described in the proposed amendments attached hereto as Exhibit "B-1" and Exhibit "B-2".

_____ In Favor

_____ Opposed

Member

Please sign name as membership is held

DATED: _____, 2011

Please print name

When signing as attorney in fact, executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, sign the full corporate name by a duly authorized officer of the corporation. If title is held in the name of two or more persons, only one owner may be the designated Member of the membership and, therefore, that owner should sign as the designated Member. If you own more than one Spring Island Club membership, please complete a proxy for each membership owned.

PLEASE RETURN PROXY BY WEDNESDAY, APRIL 20, 2011.

BALLOTS FOLLOW TO BE DISTRIBUTED AT MEETING
DO NOT MAIL WITH NOTICE

SPRING ISLAND PROPERTY OWNERS' ASSOCIATION
AND
SPRING ISLAND CLUB
2011 COMBINED ANNUAL MEETING

SPRING ISLAND PROPERTY OWNERS' ASSOCIATION
BALLOT

There are three (3) Board seats to be filled. The Articles of Incorporation and Amended and Restated Covenants do not allow cumulative voting. Therefore, only one vote may be cast for any one nominee.

- Election of Board of Directors. Please vote by placing an "X" for each nominee vote cast. You should have a total of not more than 3 Xs.

Slate of Nominees recommended by the Nominating Committee:

_____	CHARLES DUNLAP	(3 Year Term)
_____	BERT HAND	(3 Year Term)
_____	CHARLES MANKER	(3 Year Term)

DATED: _____, 2011

Member

Please indicate the Spring Island property
you own

Please sign proxy exactly as your name
appears on your deed.

Please print name as it appears on your deed.

When signing as attorney in fact, executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, sign the full corporate name by a duly authorized officer of the corporation. If title is held in the name of two or more persons, only one owner may be the designated Member of the Association and, therefore, that owner should sign as the designated Member. If you own more than one Spring Island property, please complete a proxy for each property owned.

SPRING ISLAND PROPERTY OWNERS' ASSOCIATION
AND
SPRING ISLAND CLUB
2011 COMBINED ANNUAL MEETING

SPRING ISLAND CLUB
BALLOT

1. Authorize the Directors and Officers of the Association to serve as the Board of Governors and the Officers of the Club respectively until the next Annual Meeting of the Club.

_____ In Favor _____ Opposed

2. Approval of the Membership Repurchase Program as described in Exhibit "A" attached hereto.

_____ In Favor _____ Opposed

3. Approval of the proposed amendments to the Spring Island Club Governing Documents as described in the proposed amendments attached hereto as Exhibit "B-1" and Exhibit "B-2".

_____ In Favor _____ Opposed

Member

Please sign name as membership is held

DATED: _____, 2011

Please print name

When signing as attorney in fact, executor, administrator, trustee or guardian, please give full title as such. If the signer is a corporation, sign the full corporate name by a duly authorized officer of the corporation. If title is held in the name of two or more persons, only one owner may be the designated Member of the membership and, therefore, that owner should sign as the designated Member. If you own more than one Spring Island Club membership, please complete a proxy for each membership owned.

EXHIBIT "A"

Spring Island Club Membership Repurchase Program

The Membership Repurchase Program (the "MRP") shall consist of the following elements and requirements.

- The Club may offer to repurchase memberships from members who have sold their Spring Island homesite or residential unit (hereinafter "Property") or never owned Property and want to sell their membership (hereinafter "Unattached Memberships").
- If a member owns more than one membership, the memberships owned in excess of the number of Properties owned shall be considered Unattached Memberships and eligible for the MRP.
- The Board may terminate the MRP at any time, therefore there is no guarantee that the MRP will be available or offered at the time a member seeks to sell their Unattached Membership.
- Initially, the MRP shall be offered to the Unattached Memberships on the sellers waiting list (the "Resale List") as of the MRP's effective date, in the chronological order of the Property sale date. The membership listing date shall be used for the nonproperty owner membership on the Resale List as of December 31, 2010.
- If the Club repurchases the eligible memberships on the Resale List as of December 31, 2010, the estimated dues burden per remaining member ranges from approximately \$300 in 2011 to \$700 in 2015.
- Since each membership repurchased by the Club reduces the number of paying members, the Board retains the discretion to establish a floor or minimum number of issued memberships.
- Terms of the repurchase:
 - Membership account must be current for all dues, assessments and charges.
 - 5 years dues and assessments from the Property sale date must be prepaid; the Board shall determine the prepayment sum.
 - Any remaining Sports Complex Assessment installments must be prepaid in full.
 - Any other contemplated capital assessment must be prepaid in full, which will include the proposed golf assessment.
 - For Unattached Memberships on the Resale List as of the MRP's effective date, the 5 year period is retroactive to the Property sale date.
 - Upon satisfying the above financial terms and return of the Membership Certificate to the Club, the member's privileges are terminated, the member's equity in the membership is forfeited and the member's financial obligations to the Club are discharged.
- Each membership repurchase shall be pursuant to a written agreement between the Club and the member.
- Refunds may be made if amounts prepaid exceed the actual dues and assessments charged.
- A member, if eligible, may apply for a Senior Membership after the Golf or Social Membership is repurchased by the Club pursuant to the MRP.
- Since the Club Plan authorizes the repurchase of Equity Memberships by the Club, a member vote is not required. However, the Board, while unanimously approving the MRP, elected to submit the MRP to a vote of the members.

EXHIBIT "B-1"

**Fifth Amendment
to the
Spring Island Club Plan
For the Offering of Equity Memberships
Dated April 1998**

THIS FIFTH AMENDMENT TO THE SPRING ISLAND CLUB PLAN FOR THE OFFERING OF EQUITY MEMBERSHIPS DATED APRIL 1998 (the "Fifth Amendment") is made this ____ day of _____, 2011 by the Spring Island Club, a South Carolina not-for-profit corporation (the "Club") to amend certain provisions of the Spring Island Club Plan for the Offering of Equity Memberships dated April 1998 (the "Club Plan").

WITNESSETH:

WHEREAS, the Board of Governors (the "Board") has approved a plan (the "Membership Resale Plan") for the repurchase by the Club of resigned memberships (the "Membership Repurchase Program") and changes to the membership resale list maintained by the Club (the "Resale List") in accordance with certain conditions and requirements; and

WHEREAS, implementation of the Membership Resale Plan requires modifications to the Resale List procedures described in the Club Plan; and

WHEREAS, Section 15.2 of the Bylaws of the Club (the "Bylaws") provides that all proposed amendments thereto shall be approved by (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the members at a duly called and constituted annual or special meeting of the members of the Club at which meeting a quorum is present in person or by proxy; and

WHEREAS, at its regularly scheduled meeting held on the 10th day of January 2011, at which meeting a quorum was present, the members of the Board of Governors voted unanimously to approve the amendment described in this Fifth Amendment and authorized submitting the same to a vote of the members of the Club; and

WHEREAS, pursuant to the Notice of Meeting and Quorum provisions of Section 4.4 and 4.5 of the Bylaws, respectively, on the ____ day of March 2011, notice was mailed to the members of the annual meeting to be held on the 26th day of April 2011; and

WHEREAS, included in the notice of the meeting was notice of and a copy of the proposed amendment to the Club Plan; and

WHEREAS, at the annual meeting held on the 26th day of April 2011, at which meeting the quorum requirements were met, the amendment to the Club Plan described hereinbelow was approved by a vote of ____ in favor and ____ opposed out of a total eligible votes of _____, in satisfaction of the approval requirements of the Bylaws.

NOW, THEREFORE, the Club Plan is hereby amended as follows:

1. MEMBERSHIP RESALE LIST.

- The section entitled "Transfer Other Than To Purchaser Of Property" is deleted in its entirety and replaced with the following:

"If a resigned Equity Membership is not being acquired by the buyer of the resigning member's residential unit or homesite in the Community, the resigned membership may be placed on the membership resale list maintained by the Club (the "Resale List") to be reissued. Members may not resign a membership nor shall the same be placed on the Resale List unless and until the homesite or residential unit associated with such membership is sold. A separate Resale List shall be maintained for resigned memberships in each category of membership. Memberships on the Resale List shall be repurchased and reissued on a first-resigned, first-reissued basis subject to the following:

- (i) Every other (1 to 1) membership in the resigned member's category shall be a resigned membership from the Resale List for that category. The other membership shall be a membership owned by the Club from that category.
- (ii) Memberships owned by members not in good standing may not be listed on the Resale List. Memberships that are owned by members initially in good standing but become delinquent, shall be removed from the Resale List.
- (iii) In the event a member with an Equity Membership on the Resale List procures a buyer for an Equity Membership in such member's membership category, provided the buyer satisfies all other criteria of the Membership Plan, the Club shall sell such selling member's Equity Membership to such buyer in accordance with the Membership Plan regardless of the order listed on the Resale List.
- (iv) Any memberships on the Resale List that fail to meet the criteria set forth in this section shall be removed from the Resale List.

The Club is not obligated to repurchase a membership under any other circumstances, but the Club may do so in its sole and absolute discretion. Resignation of an Equity Membership is irrevocable, unless otherwise determined by the Club."

2. Conflict. In the event of any inconsistency between this Fifth Amendment and the Club Plan, this Fifth Amendment shall control. Except as amended or modified by the terms recited herein, the Club Plan, and all terms and conditions thereof shall continue in full force and effect.

3. Definitions. Any term used but not otherwise defined shall have the meaning assigned in the Club Plan.

4. Authority. Except as modified herein, the Club Plan shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the Club has caused this Fifth Amendment to be executed by its duly elected officers the ____ day of _____, 2011.

SPRING ISLAND CLUB
a South Carolina not-for-profit corporation

By: _____
Mark Solow
Its: President

By: _____
Susan Neilson
Its: Secretary

EXHIBIT "B-2"

Third Amendment
to the
Bylaws
of the
Spring Island Club
a South Carolina Not-for-Profit Corporation

THIS THIRD AMENDMENT TO THE BYLAWS OF THE SPRING ISLAND CLUB (the "Third Amendment") is made effective the ____ day of _____, 2011 by the Spring Island Club, a South Carolina not-for-profit corporation (the "Club") to amend certain provisions of the Bylaws of the Club (the "Bylaws").

WHEREAS, Section 15.2 of the Bylaws provides that all proposed amendments thereto shall be approved by (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the members at a duly called and constituted annual or special meeting of the members of the Club at which meeting a quorum is present in person or by proxy; and

WHEREAS, at its regularly scheduled meeting held on the 10th day of January 2011, at which meeting a quorum was present, all of the members of the Board of Governors voted unanimously to approve an amendment described in this Third Amendment and authorized submitting the same to a vote of the members of the Club; and

WHEREAS, pursuant to the Notice of Meeting and Quorum provisions of Section 4.4 and 4.5 of the Bylaws, respectively, on the ____ day of March 2011, notice was mailed to the members of the annual meeting to be held on the ____ day of April 2011; and

WHEREAS, included in the notice of the meeting was notice of and a copy of the proposed amendment to the Bylaws; and

WHEREAS, at the annual meeting held on the ____ day of April 2011, at which meeting the quorum requirements were met, the amendment to the Bylaws described hereinbelow was approved by a vote of ____ in favor and ____ opposed out of a total eligible votes of ____, in satisfaction of the approval requirements of the Bylaws.

NOW, THEREFORE, in accordance with the requirements set forth in the Bylaws for amendment thereof and pursuant to the vote aforesaid, the Club, by and through its undersigned officers does hereby declare that the Bylaws are amended as hereinafter provided:

1. Section 3.6.4 of the Bylaws is deleted in its entirety and replaced with the following:

"3.6.4 The Club shall have no obligation to purchase any Club memberships except as provided herein. A resigned membership meeting the requirements of this Section 3.6.4 shall be placed on the records of the Club for resale/reissuance (the "Membership Resale List") in accordance with this Section 3.6.4. Memberships sold off the Membership Resale List shall be sold on a one-to-one basis with memberships, of the category being purchased, owned by the Club.

Members may not resign a membership nor shall the same be placed on the Membership Resale List unless and until the homesite or residential unit associated with such membership is sold. Memberships on the Membership Resale List may be sold out of order where the member owning such membership procures a purchaser for such membership, except however that such purchaser shall be required to fulfill the qualification obligations set forth in Section 2.1 of these Bylaws."

2. Conflict. In the event of any inconsistency between this Third Amendment and the Bylaws, this Third Amendment shall control. Except as amended or modified by the terms recited herein, the Bylaws, and all terms and conditions thereof shall continue in full force and effect.

3. Definitions. Any and all defined terms used herein shall have the same meaning as set forth in the Bylaws unless otherwise herein defined.

4. Authority. Except as modified herein, the Club Plan shall otherwise remain in full force and effect.

WITNESS the execution of this Third Amendment is effective as of the date first hereinabove written.

SPRING ISLAND CLUB
a South Carolina not-for-profit corporation

By: _____
Mark Solow
Its: President

By: _____
Susan Neilson
Its: Secretary

March 25, 2011

Dear Spring Island Members,

Enclosed are important materials in connection with the upcoming Annual Meeting of the Spring Island Property Owners' Association and the Spring Island Club on April 26 at the Golf House.

This year, in addition to voting for directors to fill open positions on the Spring Island Property Owners' Association and Spring Island Club boards, we will vote on the Membership Resale Plan. This Plan includes revisions to the membership resale list procedures, and introduces a Club program to repurchase memberships from members who have sold their property or never owned property. These proposals were discussed at the Fireside Chats in December and February. Summaries of those presentations are available from Bernie Sigmon at bsigmon@springisland.com.

The Board unanimously approved the Membership Resale Plan and recommends your favorable consideration. We believe that both the repurchase program and changes to the membership resale list will improve our marketing profile, demonstrate that we are able to provide an exit vehicle to some members, and help to deter delinquencies. While each of the proposals is subject to a separate vote, we believe both are needed to address the long standing issues with membership resales. Please keep in mind as you evaluate the repurchase program proposal, that it will involve a cost to all members, and since the Board will have no obligation to repurchase memberships, it can suspend the program any time if it believes the cost is getting too high for the remaining members.

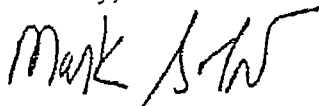
Please execute and return the enclosed proxies to Kathie Willis by FAX (843-987-4170) or in the enclosed envelope no later than Wednesday, April 20, 2011. If you attend the meeting, you may withdraw your proxies and vote in person, if you wish to do so. You may call in to the meeting, but if you do so, you must return the proxies by April 20 in order to be counted in the quorum and to cast your votes.

Should you have any questions, including how to call in to the meeting, please contact Kathie Willis at 843-987-2725. You will also have an opportunity to ask questions about the Membership Resale Plan proposals in advance of the meeting at a special Fireside Chat scheduled for April 6.

EXHIBIT 6
to Exh. A

Thank you for your consideration and participation in these important Spring Island matters.

Sincerely,



Mark Solow
Chairman, Spring Island Property Owners' Association
President, Spring Island Club

Enclosures:

Notice

Exhibit A: Membership Repurchase Program

Exhibit B-1: 5th Amendment to Spring Island Club Plan

Exhibit B-2: 3rd Amendment to Spring Island Club Bylaws

Association Proxy (if you are a property owner)

Club Proxy (if you own a Club membership)

Return Envelope

EXHIBIT 

Q & As about the Membership Repurchase Program

The following Q&As are intended to address some issues that have been raised by the membership about the Membership Repurchase Plan (MRP) and about changes to the membership resale list procedures, which will be voted on by the membership at the Annual Meeting on April 26. Please read all the materials provided on the Spring Island member website and in your Annual Meeting packet about the 2 proposals for a full explanation.

Your Club proxy has 2 parts which are related to the Membership Repurchase Program. While each is subject to a separate vote both are important to improving the resale of memberships. The two parts to be voted are:

1. The "MRP" through which the Board may repurchase a membership not sold with a member's property under certain conditions; and
2. Changes to the manner in which the membership resale list is maintained.

I want to sell my membership with my property. Does the MRP change my ability to do that?

No. The MRP does not apply if you are going to sell your membership to the buyer of your home or lot. In that case, which is usually what happens, the sale of your home/lot and membership occurs in the same way it always has; the MRP does not interfere with that transaction. The MRP only applies if you do not sell your membership with your property.

I am not selling my membership to the person buying my property. How does that work with the MRP?

The MRP is designed for that situation. If you do not sell your membership with your house or lot, you may put the membership on the membership resale list, OR you may request that the Board "repurchase" your membership through the MRP. If the program is still being offered, and the Board grants your request, you would prepay 5 years projected dues, any unpaid Sports Complex assessments and any other pending assessments. You would also surrender your membership and agree to forfeit any equity in the membership if the Club reissues it. Upon satisfying the MRP requirements, you would no longer have any membership obligations or privileges. In essence, by releasing you from all future dues obligations beyond 5 years, the Club is "repurchasing" your membership.

What if the actual amount of future dues and assessments turns out to be less than the amount I have prepaid?

If amounts prepaid exceed actual dues and assessments, refunds shall be made to correct any shortfall.

If I sell my home or lot without my membership, may I put the membership on the membership resale list instead of requesting the MRP?

Yes, the MRP is not required; it is an option to the member. If your membership is not sold with your home or lot, you may want to put your membership on the resale list if you think the Club will reissue (sell) it within some time frame that makes financial sense to you. Or, you may find a buyer for your membership, which is an option not currently available (that buyer has to go through the membership approval process and the membership purchase must go through the Club at the then current price). Until the membership is resold, you continue to be obligated for dues and assessments. Upon the resale of the membership, you would realize 80% of the proceeds.

If I want to use the MRP instead of putting the unsold membership on the membership resale list, why wouldn't the Board grant my request?

The MRP requirements are that the member shall have sold his home or lot and be current on all Club and POA accounts. However, the Board has full discretion to suspend the program in its judgment based on the Club's circumstances at the time and/or if it concludes that the number of remaining memberships is too low. The Board has the right under the program to suspend the program in its sole discretion. Part of the reason for doing so is to provide the Board with the flexibility to not let the MRP impact the budget or dues. If the MRP is not available at the time, you may put your unsold membership on the membership resale list.

In the MRP, what does the Club pay a member when it "repurchases" their membership?

The Club does not pay any monies directly to the member. Instead, the member is relieved of all dues obligations beyond the 5 year period. This forgiveness of dues is what the Club is "paying" the member. This may be thought of as an indirect payment, since the member would not have to pay the dues they otherwise would have had to. Thus, in year 6 if the dues are \$15k the member does not have to pay because they no longer have the membership. If they kept the membership they would have to pay in year 6 and all future years until the membership is sold. The forgiveness is what the Club is "paying" the member.

Why are there 2 items to vote on in the Club Proxy (in addition to the Board election)?

The first vote is on the MRP – whether you support the Club repurchasing memberships from members who did not sell their membership with their property.

The second vote is to amend the Club Bylaws and Club Plan to change the administration of the membership resale list. There are three changes: First, the membership resale list would be limited to memberships that were not sold with the member's property. Second, a membership must be current on financial obligations to be on the list and, third, a membership on the resale list may be sold out of order if the member finds his own

buyer. The membership transaction would be subject to the Board's approval of the buyer and would go through the Club at the then current price.

Do these administrative changes to the membership resale list change my ability to sell my membership with my property?

No. The changes do not interfere with that transaction.

Why does the Club's projected 5 year plan assume 14 memberships will be "repurchased" by the Club?

If the MRP is approved, it will first be offered to the memberships already on the membership resale list that meet the program's criteria. At the time the projection was done, it was estimated that 14 memberships would be eligible from the existing list.

EXHIBIT b
to Exh. A

May 23, 2011

Dear Spring Island Members,

At our recent Annual Meeting, the Members voted to approve the Board's implementation of a Membership Repurchase Program and to amend the Club Plan and Bylaws to change the procedures for the Membership Resale List under the program. The number of Members participating in the vote and the number voting in favor were very high.

We are writing to you now to describe in one letter the four new membership initiatives put in place in the last twelve months, including the two approved at the Annual Meeting. This is intended to serve as a convenient reference now and in the future. This correspondence will also explain the process to be followed should you want to get more information about or participate in these new membership programs.

All of these new membership programs require written application, which will be available from the Membership Administrator Kathie Willis. Some may require additional documentation. Applicants for the Senior Membership, Designated User and Membership Repurchase Program are subject to Board approval. This information is provided to the Members to advise them of the availability of these programs and to provide a general description of some of the requirements of each. Specific details are available from the Club for each program.

Senior Membership

The Members approved a non-equity non-voting Senior Membership in April 2010. The Club Plan and Club Bylaws were amended to add the Senior Membership and the text of the amendments is shown on the Member website www.springisland.com under "Club Info, 2010 Amendments." By way of summary:

- To qualify for a Senior Membership, the applicant must have been a Spring Island Club Member for at least 5 years; be at least 75 years of age; sold all Spring Island real property and memberships; and submitted an application to the Club for approval by the Board.
- The Board set the annual non-refundable dues for each of 2011 and 2012 at \$3,000. These dues may change at the Board's discretion after 2012. The Senior Member shall not be liable for the payment of assessments. The Senior Member shall have full Club privileges, be subject to all user fees and charges, and may resign at any time.
- Senior Memberships are not transferable.
- Senior Memberships are renewable annually and the program may be discontinued at any time at the sole discretion of the Board.

Designated Users

The Plan for the Offering of Memberships in Spring Island, as amended, provides for Designated Users, with a maximum participation level of 10 Designated Users at any one time. You may read the text of the amendment on the Member website www.springisland.com under "Club Info, 2011 Amendments."

The Designated User program provides that property owners who lease their Spring Island residence may designate the tenant to use the Member's Club privileges under certain conditions, which include but may not be limited to:

- The lease must conform to the Association Covenants, which require that the lease be approved by the Board and that the Member shall not occupy the premises during the term of the lease.
- The Club privileges may not be extended to the Designated User until he/she submits a written application, attends an interview and is approved by the Board.
- The Club Member remains responsible for all Club dues, assessments, charges and fees.
- The program may be changed from time to time by the Club. A copy of the requirements for Designated Users is available from the Club.

Membership Repurchase Program (MRP)

The MRP provides for the repurchase by the Club of equity memberships from Members who have sold their Spring Island lot or residence (Property) or never owned Property and desire to sell their membership. If a Member owns more than one membership, the memberships owned in excess of the number of Properties owned may also be eligible for the MRP if the Member qualifies otherwise.

The terms and conditions for each membership repurchase under the MRP include but may not be limited to:

- The Member's account must be current by the time of the application for all dues, assessments and charges through the current year-end, including the full amount of the annual dues and any assessments due for the current full year, in order for the application to be considered by the Board.
- If the Board decides to approve a Member's application for participation in the MRP, it shall determine a pay off sum that will include 5 years prepaid dues and assessments from the Property sale date, any remaining Sports Complex Assessment installments, and any other contemplated capital assessments in full, including the proposed golf assessment.
- For Memberships on the Membership Resale List as of April 26, 2011, the MRP approval date, the 5 year period is retroactive to the sale date of the Spring Island Property.
- Upon satisfying the above financial terms and return of the Membership Certificate to the Club, the Member's privileges are terminated, the Member's equity in the membership is forfeited, and the Member's financial obligations to the Club are discharged.
- Each membership repurchase shall be pursuant to a written agreement between the Club and the Member.
- A Member, if eligible, may apply for a Senior Membership after the Golf or Social Membership is repurchased by the Club pursuant to the MRP.

The Board may terminate the MRP at any time; therefore, there is no guarantee that the MRP will be available or offered at the time a Member seeks to sell their Membership.

Initially, the MRP may be offered to Members with Memberships on the membership resale list as of April 26, 2011 (Resale List) in the chronological order of the Property sale date, or the membership listing date for the nonproperty owner membership on the Resale List. A Member interested in having the Club repurchase their membership and who believes their membership may qualify should contact Membership Administrator Kathie Willis for an MRP application.

EXHIBIT

C

to Exh. A

Applications, together with payment of all dues and charges, must be received by June 30, 2011 to be considered by the Board.

The initial MRP applicants shall be notified of the Board's action within thirty (30) days of June 30, 2011. If approved, the Member shall receive the agreement to be signed, a statement of the payoff sum to be paid, and information about any other steps to be taken to complete the membership repurchase. After the initial membership repurchases have been completed, the membership shall be notified of the status of the program. Future applicants may also then contact Membership Administrator Kathie Willis for more information.

Membership Resale List

The Club Plan and Bylaws, as amended, provide for a Membership Resale List for memberships not sold with a Member's Spring Island property, and memberships purchased without property ownership. You may read the text of the amendments on the Member website www.springisland.com under "Club Info, 2011 Amendments."

In summary, the procedures for the Resale List require that in order for a Member to place and retain their membership on the Resale List, the Member must be in good standing, and have sold the property or never owned property associated with the membership. Memberships owned by the Club shall be sold on a one to one basis with memberships properly listed on the Resale List, and the Club may sell a membership out of the Resale List order where a selling Member procures an approved purchaser and the transfer complies with the Club Plan and Bylaws.

The Membership Resale List shall be maintained by the Membership Administrator, Kathie Willis.

Regards,

Susan Neilson
Membership Committee Chair

EXHIBIT

SPRING ISLAND CLUB

Spring Island Club offers the opportunity to purchase an Equity Membership in the Club. Membership provides the opportunity to belong to a private golf, tennis, swimming, equestrian, boating, and social club that is nestled in a stunning natural wildlife habitat which has been preserved for several generations by private owners. Membership in the Club will include voting privileges as a member of a member-owned club.

1. Q: What is the Spring Island Club?

A: Spring Island Club is a member-owned private club which offers its owner members a unique opportunity to enjoy a peaceful sea island environment as well as the exceptional recreational and social facilities that have been integrated into this natural setting. The Club is situated near the beautiful South Carolina shoreline, approximately 20 miles from Hilton Head Island and 15 miles from Beaufort.

2. Q: What is a member-owned club?

A: A member-owned club permits its members to control their club through the right to vote. The Club Facilities are operated and managed under the direction of a Board of Governors ultimately elected by the members. Major issues are decided by the vote of the members.

3. Q: What benefits are provided by member-ownership?

A: As a result of member control, a member-owned club assumes the characteristics of its membership. The Club experience and lifestyle are enhanced by the heightened interest and participation of member-owners; and the greater continuity in the membership which is found in a member-owned club.

Member-ownership answers the open questions as to what will become of the Club Facilities in the future, by clearly establishing who will own and control the Club Facilities.

4. Q: What facilities will the Club offer?

A: The Club Facilities will consist of the following:

- an 18-hole golf course;

- a driving range and practice facilities;
- 2 tennis courts;
- the Golf House, which includes a golf pro shop, dining room and lounge, men's and women's locker room facilities and a golf cart storage facility;
- a River House complex which will include dining rooms, a gathering room, club offices and a post office;
- the Walker Landing Sports Garden, which includes a swimming pool, a recreation center, Summer House pavilion and related family sports facilities;
- a sporting clays course;
- the Bonny Shore Gazebo;
- equestrian facilities including a 24 stall barn and related paddocks; and
- community dock facilities and a boat ramp.

5. Q: How will the Club acquire the facilities?

A: The Partnership, which is Spring Island Company, L.P., will transfer to the Club the ownership of Club Facilities, in accordance with the terms and conditions of a Purchase and Sale Agreement. In return for the Club's acquisition of the Club Facilities, the Partnership will receive all of the membership contributions from the initial issuance of all of the Equity Memberships which may be issued in the Club.

6. Q: What categories of Equity Membership will be offered by the Club?

A: The Club will offer two categories of Equity Membership: Golf Membership and Social Membership.

7. Q: How many memberships will be available in the Club?

A: The numbers of memberships permitted in each category of Equity Membership are set forth below:

<u>Category</u>	<u>Number of Members</u>
• Golf Membership	350
• Social Membership	60

The Spring Island community was originally planned to include 500 residential homesites. The Spring Island Property Owners Association has acquired from the Partnership parcels of real property upon which 90 of those homesites were to have been located. In accordance with an agreement between the Association and the Partnership, the Association shall have the right to develop and sell up to 10 homesites on the property it purchased from the Partnership. In the event the Association sells one or more of the homesites, the number of Social Memberships permitted in the Club shall be increased so that a Social Membership will be available for each such lot.

8. Q: What are the privileges of a Golf Membership?

A: Golf Members may use all of the golf, tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. Golf Members are not charged greens fees or court fees for use of the golf and tennis facilities, but are required to pay golf cart fees or annual trail fees. Golf Members are entitled to a seven-day sign-up privilege to reserve golf tee times and tennis court times. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

9. Q: What are the privileges of a Social Membership?

A: A Social Membership entitles the member to use all of the tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. In addition, Social Members shall be entitled to play one (1) round of golf per month during the season (February 1 — May 31 and October 1 — November 30) and four (4) rounds of golf per month during the off-season (June 1 — September 30 and December 31 — January 31). Social Members are entitled to a two-day sign-up privilege to reserve golf tee times and are required to pay greens fees and cart fees. Social Members will be entitled to a seven-day sign-up privilege to reserve tennis court times and will not be required to pay court fees. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

10. Q: To whom will memberships be offered?

A: It is planned that Equity Memberships will only be offered to persons who own or acquire a residential unit or homesite in the Spring Island Community. In the unlikely event that the property owners do not acquire all of the equity memberships, the Partnership reserves the right to offer the remaining memberships to persons who do not own property in the Community. Before offering equity memberships to non-owners, the Partnership will first give the Club an opportunity to purchase those memberships as provided in the Plan.

Each person who applies for a membership in the Club will be subject to approval for membership.

11. Q: Will my family members be welcome at the Club?

A: Today's hectic lifestyle leaves most people wishing they could spend more time with their family. The Club has been designed with a family orientation so that all members of the family can participate in the many activities which are available. Each membership is a family membership which allows use of the Club by both spouses, their parents, their children and their spouses. Your immediate family may enjoy use of the Club Facilities upon payment of fees and charges determined by the Club from time to time and in accordance with the Club's General Club Rules.

12. Q: May I invite guests to the Club?

A: Having your friends share your activities is one of the most important benefits of membership in the Club. The Club encourages members to bring guests upon the payment of applicable guest fees and subject to certain restrictions designed to maintain the Club's exclusivity.

13. Q: Will any other types of memberships be offered?

A: Yes. The Club has issued 36 Founder Memberships to persons designated by the Partnership. These Founder Memberships will count against the limit of 350 Golf Memberships, except in the case where a Founder Member sells his or her property in Spring Island and retains his or her membership. In this case, the Founder Member shall become a non-equity Golf Member for the duration of the lifetime of the Founder Member and his or her spouse, or until resignation. The number of Golf Memberships will be increased for the duration of the lifetime of the Founder Member and his or her spouse to allow the purchaser of the Founder Member's property to acquire a Golf Membership.

The Club may also offer a total of 25 Honorary Memberships. The developer will be entitled to hold the Developer Membership until the Turnover Date.

14. Q: Are Equity Members entitled to vote on matters dealing with the Club?

A: Golf, Social and Founder Members will have voting privileges after the Turnover Date. The Partnership will appoint the Club's Board of Governors before the Turnover Date, and the Board will be elected by the Equity Members after the Turnover Date.

15. Q: Will the Club be responsive to its members?
- A: Yes. A Spring Island Club Board of Advisors has been established to act as a liaison and to foster good relations between the members and the management of the Club prior to the Turnover Date. The Board of Advisors will allow the members to provide input into the programs, plans, activities and policies of the Club. The Club may also establish committees so that members can help to plan events, activities and programs.
16. Q: When does the Turnover Date occur?
- A: The turnover of control of the Club to the Equity Members will occur on the earlier of: (a) 75 days after the initial sale of 369 Equity Memberships, (b) an earlier date determined by the Partnership, but only if the Club's accounting firm confirms that the Club has operated without a deficit or loss during the previous 12 months, or (c) the early turnover is approved by a majority vote of the Equity Members.
17. Q: When is turnover anticipated to occur?
- A: It is anticipated that turnover will occur by July, 1999.
18. Q: How do I become a member of the Club?
- A: You must submit a fully completed and executed Application for Membership and Subscription Agreement and a check in U.S. funds for the amount required in the Subscription Agreement.
19. Q: When should I apply for a membership?
- A: Property owners should apply for memberships upon signing a contract to purchase their residential units and homesites in the Community. An Equity Membership will be reserved for each initial retail purchaser of residential units or homesites in the Community until the closing of their purchase of a residential unit or homesite; however, the availability of an Equity Membership in each particular category is subject to availability.
20. Q: Will we pay any additional membership purchase price when control of the Club is turned over to the members?
- A: No. The purchase price of an Equity Membership indicated in your Membership Purchase Agreement represents the full purchase price.

EXHIBIT d
to Ex. A

21. Q: How are membership dues established?
- A: Each year the Board of Governors will determine the amount of dues. The current dues for use of the Club Facilities are set forth on the Schedule of Dues and Charges. The amount of dues and payment schedule for subsequent years is subject to change.
22. Q: Are membership dues prorated?
- A: Yes. Membership dues are prorated for the first year of membership, based upon the date the membership is acquired. In addition, if a resigned membership is reissued during a membership year, any unused dues paid in advance by the resigned member will be refunded to the resigned member.
23. Q: Will operating assessments be made to cover any operating deficits?
- A: Until turnover of control of the Club to the members, the Partnership, will fund any operating deficits of the Club. Thereafter, the Board of Governors will determine if an assessment is necessary to cover an operating deficit, and if so, the assessment will be prorated among the Equity Members in proportion to their dues.
24. Q: May I transfer my membership?
- A: You may arrange for the Club to transfer your membership by resigning your membership so that it may be reissued by the Club. The Club will maintain a buyer's waiting list of persons who desire to acquire each category of membership in the Club, and a waiting list of resigned members who want the Club to reissue their membership.
25. Q: May I arrange for the subsequent owner of my residential unit or homesite to acquire my Equity Membership?
- A: Yes. An Equity Member who owns a residential unit or homesite in the Spring Island community may arrange for the Club to reissue his or her membership to the subsequent purchaser of the resigning member's residential unit or homesite. The purchaser must apply for membership on or before the closing of the sale of property, be approved for membership by the Club and pay the required membership contribution. A transfer of a membership which is associated with the transfer of a residential unit or homesite in Spring Island is not subject to any of the waiting lists.

26. Q: Is my membership contribution refundable?

A: Yes. You are entitled to a refund after your membership has been reissued by the Club to a new member. Upon reissuance of the membership, you will be repaid the greater of: (a) eighty percent (80%) of the amount of the membership contribution then charged and collected for the resigning member's category of membership, or (b) the amount of the membership contribution you previously paid.

27. Q: What should I do if I have additional questions?

A: Complete details about membership opportunities are available from the Membership Director, who can also answer any questions regarding the Club and its operation. For further information, please contact the Membership Director at the Membership Office at:

Spring Island Club
42 Mobley Oaks Lane
Spring Island, SC 29910
(843) 987-2000
or
(800) 242-8175

Amendments to Spring Island POA and Club Governing Documents

The following 2 page list of amendments is intended solely for general information purposes. Copies of the amendments can be obtained from the Spring Island POA/Club office, 843-987-2044. For POA and Club members, the amendments are also available on the member website www.springisland.com at "Club Info". The list includes some but not all of the Spring Island governing documents that may be of interest to prospects and members:

"Covenants"

Amended and Restated Declaration of Covenants and Restrictions For Spring Island and Provisions for the Spring Island Property Owners Association, 2000

"POA Bylaws"

Amended and Restated By-Laws of Spring Island Property Owners Association, 2000

"Club Plan"

Spring Island Club Plan for the Offering of Equity Memberships, 1998

"Club Bylaws"

Spring Island Club Bylaws, 1998

<u>AMENDMENT (date)</u>	<u>SECTION/TOPIC</u>
Covenants	
First Amendment (2010)	Secs. 3-1.05, 3.06 Quorum required for any action authorized at meetings of the POA; and Sec. 5-1.01 Spring Island Trust Board composition
POA Bylaws	
First Amendment (2002)	Sec. 5.07 Nominating Committee
Second Amendment (2002)	Secs. 5.01, 5.03 Board of Directors composition and term of office
Third Amendment (2010)	Secs. 3.04, 4.04 Quorum required for any action authorized at meetings of the POA
Club Plan	
First Amendment (2005)	Associate Memberships; and Sec. D - Refund of Membership Contributions upon Transfer of Membership
Second Amendment (2000)	Sec. A Number of authorized Golf Memberships
Third Amendment (2010)	Senior Membership
Fourth Amendment (2011)	Sec. C Use of Club Facilities by Tenants (Designated Users)
Fifth Amendment (2011)	Sec. D Transfer Other Than to Purchaser of Property (Membership Resale List)

Club Bylaws

First Amendment (2000)

Second Amendment (2010)

Third Amendment (2011)

Sec. 2.2A Number of authorized Golf Memberships

Sec. 2.3D Senior Membership

Sec. 3.6.4 Membership Resale List

Schedule of Charges 7/28/11

Estimated Cost of Ownership 7/28/11

EXHIBIT d
to Exh. A

Adopted March 24, 2005
Annual Meeting

First Amendment
To The
Spring Island Club Plan
For
Offering of Equity Memberships
April, 1998

The Spring Island Plan for Offering of Equity Memberships dated April, 1998 ("Membership Plan") is hereby modified as follows:

I. The Membership Plan is amended to add a new category of memberships which is designated as "Associate Memberships". The Associate Memberships shall have the following characteristics:

- Number - limited to twenty (20) memberships.
- Initial cost - \$25,000.00.
- Dues - Fifty percent (50%) of the full Golf Membership Dues until the Member passes the age of 45 at which time full Golf Membership dues shall be applicable thereafter. When the Associate Member reaches the age of 46 they are required to purchase a Golf Membership at the then prevailing Golf Membership Contribution amount which is available in four equal annual installments with credit being allowed for the \$25,000.00 initial payment.
- Purchase of Property - the Associate Member who has purchased a Golf Membership as provided above must purchase property on Spring Island by the time the Member attains the age of 50 in order to retain Club membership privileges.
- When the Associate Member purchases property on Spring Island, the circumstances of the Club Membership related to the property so purchased shall fall under one of the following categories and give rise to one of the following results;

If the property has a Golf Membership - The Club would purchase the Golf Membership at the then prevailing Golf Membership Contribution amount less the transfer fee to the Club using funds received over time from the Associate Member. The Golf Membership would then be exchanged by the Club for the Associate Membership and the Associate Membership would again be available for sale by the Club.

If the property has a Social Membership - The Club would purchase the Social Membership at the amount of the then prevailing Social Membership Contribution amount less the applicable transfer fee and the Social Membership would be retired. The Club would purchase a Golf Membership from the unsold Golf Memberships of Spring Island Company or from the waiting list of available Golf Memberships for sale at the amount of the then prevailing Golf Membership Contribution amount less the transfer fee and exchange it for the Associate Membership. If there are no Golf Memberships available from Spring Island or from the waiting list, a new Golf Membership would be created and then exchanged for the new Associate Membership. This type of transaction would result in the creation of one additional Golf Membership in the Club.

If the property has no Membership - The Club would purchase a Golf Membership from the waiting list of available Golf Memberships at the amount of the then prevailing Golf Membership Contribution amount less the transfer fee and exchange it for the Associate Membership. If no Golf Memberships were available from Spring Island Company or from the waiting list, one additional Golf Membership would be created and an unsold Social Membership would be purchased from the Spring Island Company and retired.

- If an Associate Member chose to purchase property on Spring Island prior to completing payments for the Golf Membership, the full membership contribution amount for the Golf Membership would be due at the time the property was purchased.
- If an Associate Member chose not to pay the incremental price of a Golf Membership at the age 45 or chose not to purchase property at age 50, the Associate Member would lose the right to use the Club. Any incremental payments towards the Membership Contribution over the initial payment of \$25,000.00 would be refunded. As to the initial payment of \$25,000.00, if the Associate Member discontinues as an Associate Member during the initial five (5) years of participation in the Club, fifty percent (50%) of the initial payment would be refunded and the remaining fifty percent (50%) would be retained by the Club. If the Associate Member discontinues as an Associate Member after the first five (5) years of participation in the Club, or reaches the age of 50 and has not purchased property on Spring Island, one hundred percent (100%) of the \$25,000.00 initial payment shall be retained by the Club. In either case of disassociation as outlined above, the Club could re-issue the discontinued Associate Membership to another eligible third party.

Amendment Number 1:

In summary, the Membership Plan shall be amended to allow:

1. The creation of twenty (20) Associate Memberships.
2. The creation of additional Golf Memberships, if needed, when Associate Members purchase property on Spring Island and there are no Golf Memberships available either from Spring Island or the waiting list. In such event the total number of Spring Island Club Memberships would not increase, but the number of Golf Memberships would increase and the number of Social Memberships would decrease.
3. All prospective Associate Members would have to be approved by the Club Membership Committee and once approved and installed as Associate Members, they would have full golf privileges.

Amendment Number 2:

The section entitled "Refund of Membership Contributions Upon Transfer of Membership" on Page 13 of the Membership Plan is revised effective January 1, 2005 by adding the following additional provision at the end of that Section.

"Notwithstanding the provisions of the preceding paragraph, for all memberships issued subsequent to January 1, 2005, a resigning Equity Member is entitled to a refund after his or her membership has been reissued by the Club to a new member. Upon re-issuance of the membership, the amount to be refunded to the resigning Equity Member is eighty percent (80%) of the amount of the membership contribution then charged for the resigning member's category of membership. The Club will deduct from the amount to be paid to the resigning member any amount which the resigning member owes to the Club."

**Second Amendment
to
Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998
and
First Amendment to Spring Island Club By-Laws**

1. At a duly called meeting of Spring Island Club members on November 22, 2000, at which a quorum was present, the members of the Club adopted the following Second Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998 and First Amendment to Spring Island Club By-Laws:

Second Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998

The Spring Island Plan for Offering of Equity Memberships dated April, 1998 ("Membership Plan") is hereby amended to increase the number of golf memberships from 350 to 375.

First Amendment to Spring Island Club By-Laws

Section 2.2 (A) of the Spring Island Club By-Laws (the "By-Laws") is hereby amended to revise the phrase "three hundred fifty (350) Golf Memberships" to be "three hundred seventy-five (375) Golf Memberships".

2. Documentation of the above amendments was not previously completed. Spring Island Club by its authorized officers hereby executes these amendments in order to properly document the above amendments.

3. Any capitalized term not defined in this document, shall have the meaning assigned in the Membership Plan or the By-Laws.

4. Except as modified herein, the Membership Plan and the By-Laws otherwise shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

EXHIBIT d
to *Ex. A*

IN WITNESS WHEREOF, the Club has caused these amendments to be executed by its duly elected officers as of the date below to be effective retroactively as of the 22nd day of November, 2000.

WITNESS:

Spring Island Club
a South Carolina non-profit corporation

W. B. Smith
Signature of Witness

By: *Mark Solow*
Mark Solow, President

STATE OF SOUTH CAROLINA }
COUNTY OF BEAUFORT }

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 21 day of June, 2010 by Mark Solow, the President of Spring Island Club, a South Carolina non-profit corporation, on behalf of the corporation.

Robert R. Oles
Notary Public for South Carolina
My Commission Expires: 4/7/2000

**Third Amendment
to
Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998
and
Second Amendment to Spring Island Club Bylaws**

At a duly called meeting of Spring Island Club members on April 21, 2010, at which a quorum was present, the members of the Club adopted the following Third Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998 and Second Amendment to Spring Island Club Bylaws:

**Third Amendment to Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998**

The Spring Island Plan for Offering of Equity Memberships dated April, 1998 ("Membership Plan") is hereby amended to add a new category of non-equity memberships which is designated as "Senior Membership". The Senior Membership shall have the following characteristics:

(1) A total of twenty-five (25) Senior Memberships may be issued to persons applying for Senior Membership who are approved by the Board of Governors of the Club and meet the eligibility requirements set forth below:

(2) To be eligible for a Senior Membership, prospective Senior Members must:

(a) be at least 75 years old, or if married, at least one spouse must be at least 75 years old;

(b) be a former Spring Island property owner and must have been a Spring Island Club member for at least 5 years;

(c) have sold their Spring Island property and Spring Island Club membership; and

(d) apply for membership, and admission shall be based upon whether eligibility requirements are met and Senior Memberships are available.

Honorary Members are not eligible for a Senior Membership.

(3) Senior Memberships are by addition to all other memberships permitted to be issued in the Club;

(4) Senior Members shall be permitted to use the Club Facilities on the same basis as Golf Members, except that all guests of Senior Members must be accompanied at all times by a Senior Member or the spouse of a Senior Member.

(5) Senior Members will not pay any membership contribution or capital assessments, but shall pay annual dues in an amount determined by the Board of Governors.

BLUFFTON 4515046 10996400100

EXHIBIT d

to Ech. A

Senior Members also shall pay all other fees and charges incurred by them and their guests at the Club.

(6) Senior Members shall have no voting rights. Senior Memberships shall not count toward the total number of Club Members, and Senior Members shall not be counted for purposes of establishing a quorum.

(7) Senior Memberships will not be assignable or transferable by the Senior Members except upon the death of a Senior Member to a surviving spouse.

(8) Senior Memberships are renewable annually at the Board's discretion, and may be discontinued at any time by determination of the Board.

Second Amendment to Spring Island Club Bylaws

To reflect the addition of the class of Senior Membership, the Spring Island Club Bylaws (the "Bylaws") hereby are amended as follows:

I. Section 2.3 of the Bylaws is hereby amended to add subsection D:

D. Senior Members -

(1) A total of twenty-five (25) Senior Memberships may be issued to persons applying for Senior Membership who are approved by the Board of Governors of the Club and meet the eligibility requirements set forth below.

(2) To be eligible for a Senior Membership, prospective Senior Members must:

(a) be at least 75 years old, or if married, at least one spouse must be at least 75 years old;

(b) be a former Spring Island property owner and must have been a Spring Island Club member for at least 5 years;

(c) have sold their Spring Island property and Spring Island Club membership; and

(d) apply for membership, and admission shall be based upon whether eligibility requirements are met and Senior Memberships are available.

Honorary Members are not eligible for a Senior Membership.

(3) Senior Memberships are by addition to all other memberships permitted to be issued in the Club.

(4) Senior Members shall be permitted to use the Club Facilities on the same basis as Golf Members, except that all guests of Senior Members must be accompanied at all times by a Senior Member or the spouse of a Senior Member.

(5) Senior Members will not pay any membership contribution or capital assessments, but shall pay annual dues in an amount determined by the Board of Governors. Senior Members also shall pay all other fees and charges incurred by them and their guests at the Club.

(6) Senior Members shall have no voting rights. Senior Memberships shall not count toward the total number of Club Members, and Senior Members shall not be counted for purposes of establishing a quorum.

(7) Senior Memberships will not be assignable or transferable by the Senior Members except upon the death of a Senior Member to a surviving spouse.

(8) Senior Memberships are renewable annually at the Board's discretion, and may be discontinued at any time by determination of the Board.

Any capitalized term not defined in this document, shall have the meaning assigned in the Membership Plan or the Bylaws.

Except as modified herein, the Membership Plan and the Bylaws otherwise shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

EXHIBIT d.
to Exh. A

IN WITNESS WHEREOF, the Club has caused these amendments to be executed by its duly elected officers the 21 day of April, 2010.

WITNESSES:

Spring Island Club
a South Carolina non-profit corporation

Wayne B. Smith
Signature of Witness #1

By: Mark G. Solow
Mark Solow, Chair

Steph B. Smith
Signature of Witness #2

Attest: Susan Neilson
Susan Neilson, Secretary

STATE OF SOUTH CAROLINA }
COUNTY OF BEAUFORT }

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 23 day of April, 2010 by Mark Solow and Susan Neilson, the President and Secretary, respectively, of Spring Island Club, a South Carolina non-profit corporation, on behalf of the corporation.

Kathie R. W. Oles
Notary Public for South Carolina
My Commission Expires: 4/7/2020

EXHIBIT B2

**Fourth Amendment
to the
Spring Island Club Plan
For Offering of Equity Memberships Dated April, 1998**

This Fourth Amendment to the Spring Island Club Plan for Offering of Equity Memberships Dated April, 1998 (the "Membership Plan") ("Fourth Amendment") is made the ____ day of November, 2010.

WITNESSETH:

WHEREAS, the Membership Plan provides that tenants or rental guests leasing a member's residence in the Community shall not be permitted to use the Club Facilities unless such tenant or rental guest is an existing Club Member; and

WHEREAS, the Board of Governors has determined that the modification of this restriction is appropriate to provide economic flexibility to Club Members and to further expose potential members to the Club and the Community; and

WHEREAS, the Board of Governors has determined that this Fourth Amendment is not materially adverse to the Equity Members and modification to the Membership Plan may be made without a vote of the Equity Members.

NOW, THEREFORE, the Membership Plan is hereby modified as follows:

1. The section of the Club Plan titled "Use of Club Facilities by Tenants" is deleted in its entirety and replaced with the following:

"USE OF CLUB FACILITIES BY TENANTS"

Tenants or rental guests who are leasing a member's residence in the Community may be granted use privileges to the Club Facilities provided however, the tenant or rental guest is a designated user approved by the Board of Governors and subject to the provisions of the General Club Rules ("Designated User"). There shall be no more than twenty (20) Designated Users at any time. The owner of the membership being used by the Designated User shall remain responsible for any and all dues, assessments and charges and shall retain all voting rights, but shall not be permitted to use any of the Club Facilities. Designated Users shall not have the right to participate in any Club championship tournaments but shall have all other Club use privileges, including guest privileges in accordance with the General Club Rules."

2. Any term used but not otherwise defined shall have the meaning assigned in the Membership Plan.

3. Except as modified herein, the Membership Plan shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the Club has caused these amendments to be executed by its duly elected officers the ____ day of November, 2010.

Mark Solow, President

Susan Neilson, Secretary

**Fifth Amendment
to the
Spring Island Club Plan
For the Offering of Equity Memberships
Dated April 1998**

THIS FIFTH AMENDMENT TO THE SPRING ISLAND CLUB PLAN FOR THE OFFERING OF EQUITY MEMBERSHIPS DATED APRIL 1998 (the "Fifth Amendment") is made effective the 26th day of April, 2011 by the Spring Island Club, a South Carolina not-for-profit corporation (the "Club") to amend certain provisions of the Spring Island Club Plan for the Offering of Equity Memberships dated April 1998 (the "Club Plan").

WITNESSETH:

WHEREAS, the Board of Governors (the "Board") has approved a plan (the "Membership Resale Plan") for the repurchase by the Club of resigned memberships (the "Membership Repurchase Program") and changes to the membership resale list maintained by the Club (the "Resale List") in accordance with certain conditions and requirements; and

WHEREAS, implementation of the Membership Resale Plan requires modifications to the Resale List procedures described in the Club Plan; and

WHEREAS, Section 15.2 of the Bylaws of the Club (the "Bylaws") provides that all proposed amendments thereto shall be approved by (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the members at a duly called and constituted annual or special meeting of the members of the Club at which meeting a quorum is present in person or by proxy; and

WHEREAS, at its regularly scheduled meeting held on the 10th day of January 2011, at which meeting a quorum was present, the members of the Board of Governors voted unanimously to approve the amendment described in this Fifth Amendment and authorized submitting the same to a vote of the members of the Club; and

WHEREAS, pursuant to the Notice of Meeting and Quorum provisions of Section 4.4 and 4.5 of the Bylaws, respectively, on the 25th day of March 2011, notice was mailed to the members of the annual meeting to be held on the 26th day of April 2011; and

WHEREAS, included in the notice of the meeting was notice of and a copy of the proposed amendment to the Club Plan; and

WHEREAS, at the annual meeting held on the 26th day of April 2011, at which meeting the quorum requirements were met, the amendment to the Club Plan described hereinbelow was approved by a vote of 238 in favor and 23 opposed out of a total eligible votes cast of 261, in satisfaction of the approval requirements of the Bylaws.

NOW, THEREFORE, the Club Plan is hereby amended as follows:

1. MEMBERSHIP RESALE LIST.

- The section entitled "Transfer Other Than To Purchaser Of Property" is deleted in its entirety and replaced with the following:

"If a resigned Equity Membership is not being acquired by the buyer of the resigning member's residential unit or homesite in the Community, the resigned membership may be placed on the membership resale list maintained by the Club (the "Resale List") to be reissued. Members may not resign a membership nor shall the same be placed on the Resale List unless and until the homesite or residential unit associated with such membership is sold. A separate Resale List shall be maintained for resigned memberships in each category of membership. Memberships on the Resale List shall be repurchased and reissued on a first-resigned, first-reissued basis subject to the following:

- (i) Every other (1 to 1) membership in the resigned member's category shall be a resigned membership from the Resale List for that category. The other membership shall be a membership owned by the Club from that category.
- (ii) Memberships owned by members not in good standing may not be listed on the Resale List. Memberships that are owned by members initially in good standing but become delinquent, shall be removed from the Resale List.
- (iii) In the event a member with an Equity Membership on the Resale List procures a buyer for an Equity Membership in such member's membership category, provided the buyer satisfies all other criteria of the Membership Plan, the Club shall sell such selling member's Equity Membership to such buyer in accordance with the Membership Plan regardless of the order listed on the Resale List.
- (iv) Any memberships on the Resale List that fail to meet the criteria set forth in this section shall be removed from the Resale List.

The Club is not obligated to repurchase a membership under any other circumstances, but the Club may do so in its sole and absolute discretion. Resignation of an Equity Membership is irrevocable, unless otherwise determined by the Club."

2. Conflict. In the event of any inconsistency between this Fifth Amendment and the Club Plan, this Fifth Amendment shall control. Except as amended or modified by the terms recited herein, the Club Plan, and all terms and conditions thereof shall continue in full force and effect.

3. Definitions. Any term used but not otherwise defined shall have the meaning assigned in the Club Plan.

4. Authority. Except as modified herein, the Club Plan shall otherwise remain in full force and effect.

WITNESS the execution of this Fifth Amendment is effective as of the date first hereinabove written.

SPRING ISLAND CLUB
a South Carolina not-for-profit corporation.

By: _____
Mark Solow
Its: President

By: _____
Susan Neilson
Its: Secretary

EXHIBIT d
to Exh. A

**Second Amendment
to
Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998
and
First Amendment to Spring Island Club By-Laws**

1. At a duly called meeting of Spring Island Club members on November 22, 2000, at which a quorum was present, the members of the Club adopted the following Second Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998 and First Amendment to Spring Island Club By-Laws:

Second Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998

The Spring Island Plan for Offering of Equity Memberships dated April, 1998 ("Membership Plan") is hereby amended to increase the number of golf memberships from 350 to 375.

First Amendment to Spring Island Club By-Laws

Section 2.2 (A) of the Spring Island Club By-Laws (the "By-Laws") is hereby amended to revise the phrase "three hundred fifty (350) Golf Memberships" to be "three hundred seventy-five (375) Golf Memberships".

2. Documentation of the above amendments was not previously completed. Spring Island Club by its authorized officers hereby executes these amendments in order to properly document the above amendments.

3. Any capitalized term not defined in this document, shall have the meaning assigned in the Membership Plan or the By-Laws.

4. Except as modified herein, the Membership Plan and the By-Laws otherwise shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Club has caused these amendments to be executed by its duly elected officers as of the date below to be effective retroactively as of the 22nd day of November, 2000.

WITNESS:

Spring Island Club
a South Carolina non-profit corporation

Wm B. Smith
Signature of Witness

By: Mark Solow
Mark Solow, President

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 21 day of June, 2010 by Mark Solow, the President of Spring Island Club, a South Carolina non-profit corporation, on behalf of the corporation.

Robert R. Oles
Notary Public for South Carolina
My Commission Expires: 4/7/2010

EXHIBIT d
to Exh. A

**Third Amendment
to
Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998
and
Second Amendment to Spring Island Club Bylaws**

At a duly called meeting of Spring Island Club members on April 21, 2010, at which a quorum was present, the members of the Club adopted the following Third Amendment to Spring Island Club Plan For Offering of Equity Memberships dated April, 1998 and Second Amendment to Spring Island Club Bylaws:

**Third Amendment to Spring Island Club
Plan For Offering of Equity Memberships dated April, 1998:**

The Spring Island Plan for Offering of Equity Memberships dated April, 1998 ("Membership Plan") is hereby amended to add a new category of non-equity memberships which is designated as "Senior Membership". The Senior Membership shall have the following characteristics:

(1) A total of twenty-five (25) Senior Memberships may be issued to persons applying for Senior Membership who are approved by the Board of Governors of the Club and meet the eligibility requirements set forth below.

(2) To be eligible for a Senior Membership, prospective Senior Members must:

(a) be at least 75 years old, or if married, at least one spouse must be at least 75 years old;

(b) be a former Spring Island property owner and must have been a Spring Island Club member for at least 5 years;

(c) have sold their Spring Island property and Spring Island Club membership; and

(d) apply for membership, and admission shall be based upon whether eligibility requirements are met and Senior Memberships are available.

Honorary Members are not eligible for a Senior Membership.

(3) Senior Memberships are by addition to all other memberships permitted to be issued in the Club.

(4) Senior Members shall be permitted to use the Club Facilities on the same basis as Golf Members, except that all guests of Senior Members must be accompanied at all times by a Senior Member or the spouse of a Senior Member.

(5) Senior Members will not pay any membership contribution or capital assessments, but shall pay annual dues in an amount determined by the Board of Governors.

Senior Members also shall pay all other fees and charges incurred by them and their guests at the Club.

(6) Senior Members shall have no voting rights. Senior Memberships shall not count toward the total number of Club Members, and Senior Members shall not be counted for purposes of establishing a quorum.

(7) Senior Memberships will not be assignable or transferable by the Senior Members except upon the death of a Senior Member to a surviving spouse.

(8) Senior Memberships are renewable annually at the Board's discretion, and may be discontinued at any time by determination of the Board.

Second Amendment to Spring Island Club Bylaws

To reflect the addition of the class of Senior Membership, the Spring Island Club Bylaws (the "Bylaws") hereby are amended as follows:

1. Section 2.3 of the Bylaws is hereby amended to add subsection D:

D. Senior Members -

(1) A total of twenty-five (25) Senior Memberships may be issued to persons applying for Senior Membership who are approved by the Board of Governors of the Club and meet the eligibility requirements set forth below.

(2) To be eligible for a Senior Membership, prospective Senior Members must:

(a) be at least 75 years old, or if married, at least one spouse must be at least 75 years old;

(b) be a former Spring Island property owner and must have been a Spring Island Club member for at least 5 years;

(c) have sold their Spring Island property and Spring Island Club membership; and

(d) apply for membership, and admission shall be based upon whether eligibility requirements are met and Senior Memberships are available.

Honorary Members are not eligible for a Senior Membership.

(3) Senior Memberships are by addition to all other memberships permitted to be issued in the Club.

EXHIBIT 2
to Exh. A

(4) Senior Members shall be permitted to use the Club Facilities on the same basis as Golf Members, except that all guests of Senior Members must be accompanied at all times by a Senior Member or the spouse of a Senior Member.

(5) Senior Members will not pay any membership contribution or capital assessments, but shall pay annual dues in an amount determined by the Board of Governors. Senior Members also shall pay all other fees and charges incurred by them and their guests at the Club.

(6) Senior Members shall have no voting rights. Senior Memberships shall not count toward the total number of Club Members, and Senior Members shall not be counted for purposes of establishing a quorum.

(7) Senior Memberships will not be assignable or transferable by the Senior Members except upon the death of a Senior Member to a surviving spouse.

(8) Senior Memberships are renewable annually at the Board's discretion, and may be discontinued at any time by determination of the Board.

Any capitalized term not defined in this document, shall have the meaning assigned in the Membership Plan or the Bylaws.

Except as modified herein, the Membership Plan and the Bylaws otherwise shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Club has caused these amendments to be executed by its duly elected officers the 24 day of April, 2010.

WITNESSES:

Spring Island Club
a South Carolina non-profit corporation

Walter B. Smith
Signature of Witness #1

By: Mark G. Solow
Mark Solow, Chair

Steph B. Smith
Signature of Witness #2

Attest: Susan Neilson
Susan Neilson, Secretary

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 23 day of April, 2010 by Mark Solow and Susan Neilson, the President and Secretary, respectively, of Spring Island Club, a South Carolina non-profit corporation, on behalf of the corporation.

Rebecca E. Wood
Notary Public for South Carolina
My Commission Expires: 4/7/2010

EXHIBIT d
to Exh. A

**Third Amendment
to the
Bylaws
of the
Spring Island Club
a South Carolina Not-for-Profit Corporation**

THIS THIRD AMENDMENT TO THE BYLAWS OF THE SPRING ISLAND CLUB (the "Third Amendment") is made effective the 26th day of April, 2011 by the Spring Island Club, a South Carolina not-for-profit corporation (the "Club") to amend certain provisions of the Bylaws of the Club (the "Bylaws").

WHEREAS, Section 15.2 of the Bylaws provides that all proposed amendments thereto shall be approved by (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the members at a duly called and constituted annual or special meeting of the members of the Club at which meeting a quorum is present in person or by proxy; and

WHEREAS, at its regularly scheduled meeting held on the 10th day of January 2011, at which meeting a quorum was present, all of the members of the Board of Governors voted unanimously to approve an amendment described in this Third Amendment and authorized submitting the same to a vote of the members of the Club; and

WHEREAS, pursuant to the Notice of Meeting and Quorum provisions of Section 4.4 and 4.5 of the Bylaws, respectively, on the 25th day of March 2011, notice was mailed to the members of the annual meeting to be held on the 26th day of April 2011; and

WHEREAS, included in the notice of the meeting was notice of and a copy of the proposed amendment to the Bylaws; and

WHEREAS, at the annual meeting held on the 26th day of April 2011, at which meeting the quorum requirements were met, the amendment to the Bylaws described hereinbelow was approved by a vote of 238 in favor and 23 opposed out of a total eligible votes cast of 261, in satisfaction of the approval requirements of the Bylaws.

NOW, THEREFORE, in accordance with the requirements set forth in the Bylaws for amendment thereof and pursuant to the vote aforesaid, the Club, by and through its undersigned officers does hereby declare that the Bylaws are amended as hereinafter provided:

1. Section 3.6.4 of the Bylaws is deleted in its entirety and replaced with the following:

"3.6.4 The Club shall have no obligation to purchase any Club memberships except as provided herein. A resigned membership meeting the requirements of this Section 3.6.4 shall be placed on the records of the Club for resale/reissuance (the "Membership Resale List") in accordance with this Section 3.6.4. Memberships sold off the Membership Resale List shall be sold on a one-to-one basis with memberships, of the category being purchased, owned by the Club. Members may not resign a membership nor shall the same be placed on the Membership Resale List unless and until the homesite or residential unit associated with such membership is sold. Memberships on the Membership

Resale List may be sold out of order where the member owning such membership procures a purchaser for such membership, except however that such purchaser shall be required to fulfill the qualification obligations set forth in Section 2.1 of these Bylaws."

2. Conflict. In the event of any inconsistency between this Third Amendment and the Bylaws, this Third Amendment shall control. Except as amended or modified by the terms recited herein, the Bylaws, and all terms and conditions thereof shall continue in full force and effect.

3. Definitions. Any and all defined terms used herein shall have the same meaning as set forth in the Bylaws unless otherwise herein defined.

4. Authority. Except as modified herein, the Club Plan shall otherwise remain in full force and effect.

WITNESS the execution of this Third Amendment is effective as of the date first hereinabove written.

SPRING ISLAND CLUB
a South Carolina not-for-profit corporation

By: _____
Mark Solow
Its: President

By: _____
Susan Neilson
Its: Secretary

EXHIBIT d
to Exh. A

SPRING ISLAND CLUB

PREAMBLE

These General Club Rules are established by the Club to protect the Club Facilities and to promote the health, safety, welfare and enjoyment of the Members, their families and guests and all other persons using the Club Facilities. The Club may amend these General Club Rules from time to time.

SECTION I

GENERAL CLUB RULES

1. Alcoholic beverages will not be served or sold, nor permitted to be consumed, on the premises during hours prohibited by law. No alcoholic beverages will be sold or served to any person not permitted to purchase the same under the laws of the State of South Carolina or be sold for off-premises consumption. The Club reserves the right, in its sole discretion, to refuse service to a Member or guest when that Member or guest appears to be intoxicated.

2. All food and beverages consumed on the Club Facilities must be furnished by the Club unless otherwise permitted.

3. Dogs or other pets (with the exception of seeing eye dogs) are not permitted on the Club Facilities, except with the permission of the Club. Where dogs are permitted on the grounds, they must be on a leash. Members are responsible for damage caused by an animal owned by the Member or under the Member's control.

4. All complaints, criticisms or suggestions of any kind relating to any of the operations of the Club or its employees must be in writing, signed and addressed to the Club Manager.

5. Members and their guests may not abuse any of the Club's employees, verbally or otherwise. All service employees of the Club are under the supervision of the Club Manager and no Member or guest shall reprimand or discipline any employee, nor shall a Member request an employee to leave the Club Facilities for any reason. Any employee not rendering courteous and prompt service should be reported to the management of the Club immediately.

6. Children under the age of fourteen (14) must be accompanied by a parent or other adult member while using the Club Facilities.

7. Parking is not permitted at the main entrance of the Club. Violators may be towed at the owner's expense.

8. Violation of any of these rules or conduct in a manner prejudicial to the best interests of the Club will subject the person in violation to disciplinary action by the Club in accordance with these General Club Rules.

9. In no event shall the Club discriminate against any individual because of the individual's race, color, religion, sex, national origin, age, handicap or marital status.

GRATUITIES

1. No cash tipping is permitted with the exception of locker room attendants, golf bag attendants and recreation guides, provided they give the expected service.

2. For the convenience of all members, a gratuity percentage will be added to all food and beverage sales. A member may increase or decrease the gratuity percentage by signing the ticket invoice and changing the amount of the gratuity as the member deems appropriate.

FAMILY USE

Each membership is a family membership. A member's immediate family will be entitled to use the Club Facilities in accordance with the member's category of membership and the Rules and Regulations, as amended from time to time. Members, their spouses, their parents, their children and their spouses shall have access to all Club Facilities, subject to the Rules and Regulations of the Club.

GUEST PRIVILEGES

1. The Club reserves the right, from time to time, to limit the number of unaccompanied guests using the Club Facilities.

2. Guests using the Club facilities must be registered with the Club by the sponsoring member. The Club reserves the right to require identification of each guest.

3. Guests shall be entitled to use the Club Facilities in accordance with the privileges of membership of the sponsoring member.

4. It is the intention of the Club to accommodate guests without inconvenience to the members, therefore, the Club reserves the right to limit the number of guests that may accompany a member on any given day and the number of times a particular guest may use the Club Facilities in any membership year.

5. As stated above, it is the intention of the Club to accommodate guests without inconvenience to the members, therefore, the Club reserves the right to limit guest privileges, from time to time, including restricting guest playing times. Notice of such limitation shall be given by the Club.

7. The Club shall establish guest fees and charges, from time to time, for use of the Club facilities and services. Guest fees for use of any of the Club's facilities and services shall be charged against the sponsoring member's club account and the member shall be responsible for payment of all such charges.

8. The sponsoring member is responsible for the conduct of their guest(s) while at the Club. If the manner, deportment or appearance of any guest is deemed to be unsatisfactory,

the sponsoring member shall, at the request of the Club, cause such guest to surrender the guest card and leave the Club Facilities.

9. The Club may deny, withdraw or revoke a guest's privileges at any time for reasons considered sufficient by the Club in its sole and absolute discretion.

HOURS OF PLAY

The hours of play and golf shop hours shall be posted in the golf shop. The golf shop shall determine when the golf course is fit for play.

PROPER ATTIRE

Members and their guests are expected to dress in appropriate informal or casual attire. The Club will notify the members of any changes in dress policy.

SECTION II

MEMBERSHIP ACCOUNT

1. All food, beverage, merchandise and services charged to the member's club account shall be billed monthly. Each member's club account shall be due and payable within thirty days of the monthly statement.

2. Any member's club account which is not paid within sixty days after the date of the monthly statement shall be considered to be delinquent.

3. If the club account of any member is delinquent, the Club may at its option take whatever action it deems necessary to effect collection. If the Club commences any legal action to collect any amount owed by a member, or to enforce any other liability of a member to the Club, and if judgment is obtained by the Club, the member shall also be liable for all costs and expenses of the legal action and reasonable attorneys' fees (including fees required in connection with appellate proceedings).

4. The Club may establish a one-time late charge for any delinquent account, which will be added to the member's next monthly statement. Past due bills shall also begin to accrue interest ninety days after the date of the statement, per month, at the maximum rate permitted by law from thirty days after the date of the statement until paid in full.

In the event a member's account remains unpaid for a period of sixty days after the date of the monthly statement, membership privileges may be suspended until the amount owed to the Club is paid in full.

5. Credit cards are not accepted at the Club. Guests are permitted to pay for charges and purchases (such as golf shop merchandise) by cash or personal check. Please inform the golf shop in advance if a guest is to be allowed to charge fees or purchases to your account. The Club is unable to reciprocate billing with any other club.

MAILING ADDRESSES

1. Each member shall be responsible for filing with the Membership Office, in writing and on a form provided by the Club, the mailing address and any changes thereto, to which the member wishes all notices and invoices to be sent to the member.
2. A member shall be deemed to have received mailings from the Club ten days after they have been mailed to the address on file with the Membership Office.
3. In the absence of an address filing with the Membership Office, any Club mailing may, with the same effect as described above, be addressed as the General Manager may think is most likely to cause its prompt delivery.

LOSS OR DESTRUCTION OF PROPERTY OR INSTANCES OF PERSONAL INJURY

1. Each member, as a condition of membership, and each guest, as a condition of invitation to use the Club Facilities, assumes sole responsibility for their personal property. The Club shall not be responsible for any loss or damage to any personal property used or stored on the Club Facilities.
2. Each member of the Club shall be liable for any property damage and/or personal injury at the Club, or at any activity or function operated, organized, arranged or sponsored by the Club, caused by the member, or his family or guests, the cost of which shall be charged to the member's club account.
3. Each member shall hold the Club, the Partnership and their directors, officers, employees, representatives and agents harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by the member, resulting therefrom and/or from any act or omission of any such persons, including any such loss, cost, claim, injury, damage or liability sustained or incurred by his family or guests.
4. Should any member bring suit for any claim or matter and fail to obtain judgment therein against it, each member shall be liable to the Club, the Partnership and their directors, officers, employees, representatives or agents for all costs and expenses incurred in the defense of any unsuccessful claim brought by the member against same, including reasonable attorneys' fees.

RESIGNATION, SUSPENSION AND TERMINATION OF MEMBERSHIP PRIVILEGES

1. A member may resign membership in the Club by providing the Membership Director with written notice of his resignation. Notwithstanding any resignation, suspension or termination of membership, the member and the member's spouse shall remain liable for any amounts unpaid on the member's club account, dues and other fees.
2. A membership may be suspended or terminated by the Club if, in the sole judgment of the Club, the member:

- a. fails to meet eligibility for membership;
- b. submits false information on the Application for Membership or Membership Acknowledgment Form;
- c. permits the use of the membership card or club account by anyone other than the member or his family;
- d. exhibits unsatisfactory behavior, deportment or appearance;
- e. fails to pay any amount owed to the Club in a proper and timely manner;
- f. fails to abide by these General Club Rules;
- g. treats the personnel or employees of the Club in an unreasonable or abusive manner;
- h. fails to accompany a guest when using the Club Facilities; or
- i. fails in or refrains from any conduct or obligation which the Club determines to be appropriate for suspension or termination of membership privileges.

3. The Club may at any time restrict or suspend a member's privileges to use any or all of the Club Facilities for any of the causes described above. No such member shall on account of any such restriction or suspension be entitled to any refund of dues or any other fees. During the restriction or suspension, dues and other charges shall continue to accrue and shall be paid in full prior to reinstatement as a member in good standing.

4. Any member of the Club, who has had membership privileges terminated for any reason other than the failure to meet eligibility for membership, shall be eligible for membership or permitted to use the Club Facilities at the discretion of the Club.

SECTION III

GOLF RULES OF PLAY

One of the most cherished traditions of the game is walking the course. Many players agree there is no better way to appreciate the game and the unique characteristics of the course. Therefore, members and guests are asked to be especially considerate of walking players. Because of the use of carts, members should be especially aware of the rights and privileges of all players.

Slow play is often a problem at many clubs, but it is important to remember that the factor which determines whether a following group should play through is the pace of play, not the time it takes to travel the course. If walkers are keeping up the pace of play, they should not be penalized for the extra time they may spend traveling between holes.

However, walkers also are asked to exercise special consideration. Occasions may arise in which walking players may wish to offer a group of riders the opportunity to play through, even though they are not required to do so by the etiquette of golf. Your golfing experience and judgement, along with mutual respect and consideration, should be your best guide.

The Club rules specify that singles and groups of two have no priority over groups of four.

The most important ingredient in the success of the Club is its dedicated members who appreciate the game's traditions and who exercise good judgement, consideration and mutual respect for each other.

HANDICAPS

1. Handicaps are computed under the supervision of the pro shop in accordance with the current USGA Handicap System.
2. All Members and their guests with a USGA approved handicap may participate in Club tournaments. All handicaps submitted may be reviewed by the pro shop.

LIGHTNING POLICY

All play should cease when lightning or the threat of lightning is present. Golf carts are not lightning-proof. You should seek safe shelter immediately.

RAIN CHECKS

If bad weather forces an incomplete game, rain checks for guest greens and cart fees will be credited to a member's account.

CARE OF THE COURSE

Players should not enter any marsh area. It is the player's responsibility to repair ball marks, replaces divots, and rake bunkers. In addition to standard golf cart etiquette, special care should be taken to keep carts off all approaches to greens. These extend out approximately 50 yards from the edges of the greens and may be easily discerned by the different color and texture of the grass.

Please exit green side bunkers at their lowest point, so sod walls are not disturbed. Use walk ramps to enter and exit all tees. Keep golf carts out of all roughs and natural areas. Golf carts are to be kept on the fairways or cart paths at all times.

GOLF CARTS

Golf carts are restricted to the cart paths when in the vicinity of tees and greens. In addition, all members and guests should familiarize themselves with the cart rules outlined earlier under Care of the Course. Only licensed drivers may operate a golf cart. Golfers are encouraged to walk the course and carry their bags at all times.

GOLF SHOP

Members of the Club are encouraged to support the operation of the golf shop, which is owned by the Club and which offers the finest quality golf and casual wear for both men and women and stocks a complete selection of equipment. Items not in the shop's stock may be special ordered.

CLUB REPAIR

The golf shop offers club repair facilities. Club members may arrange for a member of the professional golf staff to perform repairs for a nominal fee. In addition the golf shop will arrange for repairs by skilled local technicians.

LESSONS

Private lessons, playing lessons and video lessons are available by appointment from the Club's golf professionals. Members should contact the golf shop for information on rates and times.

PRACTICE RANGE

1. The practice range is open during normal operating hours as posted in the golf shop.
2. Range balls are for use on the practice range. Range balls may not be used on the golf course.
3. Golf carts are not permitted on any tee area. Parking of golf carts is allowed in designated areas.
4. Balls must be hit from designated areas. No hitting is permitted from the rough or sides of the practice range.
5. Proper golf attire is required at all times on the practice range.
6. Hand bag ball shaggers are not permitted.

GENERAL TENNIS RULES

1. The Rules of Tennis of the U.S.T.A. shall apply at all times, except when in conflict with the local rules or with any of the rules herein.
2. Court reservations may be made by phoning or visiting the pro shop. No standing reservations will be accepted.
3. All players must check in and register at the recreation center ten minutes prior to their court time.

4. At the end of their playing period, players should promptly relinquish their court to the next players.
5. Proper tennis etiquette should be observed at all times. Excessive noise, racquet throwing or profanity will not be permitted at any time. Trash and other litter must be deposited in the proper receptacles.
6. Use of the tennis courts shall be subject to the control of the recreation center at all times. The recreation center shall determine the suitability of the courts for play. Courts will be closed when necessary for maintenance operations, when dictated by safety considerations, or under adverse weather conditions. The recreation center may reserve the courts for special events.

GENERAL POOL RULES

1. Use of the pool at any time is at the swimmer's own risk. Any injuries or accidents should be reported to the attendant immediately.
2. Children ten (10) years and younger must be accompanied by an adult.
3. Children who cannot swim must be accompanied by a parent or guardian at all times while in any of the pool areas.
4. Children must be three years of age and toilet trained to use the pool. Children wearing diapers are not permitted in the pool.
5. Swimming is permitted only during designated hours. The pool is officially closed when a "CLOSED" sign is posted.
6. Running, ball playing and hazardous activity are not permitted in the pool area. Pushing, dunking and dangerous games are prohibited.
7. Diving is not permitted.
8. All persons using the pool area are urged to cooperate in keeping the area clean by properly disposing of towels, cans, cigarettes, etc.
9. MEMBERS MUST COMPLY WITH THE POSTED RULES AT ALL TIMES.

SPRING ISLAND CLUB

Spring Island Club offers the opportunity to purchase an Equity Membership in the Club. Membership provides the opportunity to belong to a private golf, tennis, swimming, equestrian, boating, and social club that is nestled in a stunning natural wildlife habitat which has been preserved for several generations by private owners. Membership in the Club will include voting privileges as a member of a member-owned club.

1. Q: What is the Spring Island Club?

A: Spring Island Club is a member-owned private club which offers its owner members a unique opportunity to enjoy a peaceful sea island environment as well as the exceptional recreational and social facilities that have been integrated into this natural setting. The Club is situated near the beautiful South Carolina shoreline, approximately 20 miles from Hilton Head Island and 15 miles from Beaufort.

2. Q: What is a member-owned club?

A: A member-owned club permits its members to control their club through the right to vote. The Club Facilities are operated and managed under the direction of a Board of Governors ultimately elected by the members. Major issues are decided by the vote of the members.

3. Q: What benefits are provided by member-ownership?

A: As a result of member control, a member-owned club assumes the characteristics of its membership. The Club experience and lifestyle are enhanced by the heightened interest and participation of member-owners; and the greater continuity in the membership which is found in a member-owned club.

Member-ownership answers the open questions as to what will become of the Club Facilities in the future, by clearly establishing who will own and control the Club Facilities.

4. Q: What facilities will the Club offer?

A: The Club Facilities will consist of the following:

- an 18-hole golf course;

- a driving range and practice facilities;
- 2 tennis courts;
- the Golf House, which includes a golf pro shop, dining room and lounge, men's and women's locker room facilities and a golf cart storage facility;
- a River House complex which will include dining rooms, a gathering room, club offices and a post office;
- the Walker Landing Sports Garden, which includes a swimming pool, a recreation center, Summer House pavilion and related family sports facilities;
- a sporting clays course;
- the Bonny Shore Gazebo;
- equestrian facilities including a 24 stall barn and related paddocks; and
- community dock facilities and a boat ramp.

5. Q: How will the Club acquire the facilities?

A: The Partnership, which is Spring Island Company, L.P., will transfer to the Club the ownership of Club Facilities, in accordance with the terms and conditions of a Purchase and Sale Agreement. In return for the Club's acquisition of the Club Facilities, the Partnership will receive all of the membership contributions from the initial issuance of all of the Equity Memberships which may be issued in the Club.

6. Q: What categories of Equity Membership will be offered by the Club?

A: The Club will offer two categories of Equity Membership: Golf Membership and Social Membership.

7. Q: How many memberships will be available in the Club?

A: The numbers of memberships permitted in each category of Equity Membership are set forth below:

<u>Category</u>	<u>Number of Members</u>
• Golf Membership	350
• Social Membership	60

The Spring Island community was originally planned to include 500 residential homesites. The Spring Island Property Owners Association has acquired from the Partnership parcels of real property upon which 90 of those homesites were to have been located. In accordance with an agreement between the Association and the Partnership, the Association shall have the right to develop and sell up to 10 homesites on the property it purchased from the Partnership. In the event the Association sells one or more of the homesites, the number of Social Memberships permitted in the Club shall be increased so that a Social Membership will be available for each such lot.

8. Q: What are the privileges of a Golf Membership?

A: Golf Members may use all of the golf, tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. Golf Members are not charged greens fees or court fees for use of the golf and tennis facilities, but are required to pay golf cart fees or annual trail fees. Golf Members are entitled to a seven-day sign-up privilege to reserve golf tee times and tennis court times. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

9. Q: What are the privileges of a Social Membership?

A: A Social Membership entitles the member to use all of the tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. In addition, Social Members shall be entitled to play one (1) round of golf per month during the season (February 1 – May 31 and October 1 – November 30) and four (4) rounds of golf per month during the off-season (June 1 – September 30 and December 31 – January 31). Social Members are entitled to a two-day sign-up privilege to reserve golf tee times and are required to pay greens fees and cart fees. Social Members will be entitled to a seven-day sign-up privilege to reserve tennis court times and will not be required to pay court fees. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

10. Q: To whom will memberships be offered?

A: It is planned that Equity Memberships will only be offered to persons who own or acquire a residential unit or homesite in the Spring Island Community. In the unlikely event that the property owners do not acquire all of the equity memberships, the Partnership reserves the right to offer the remaining memberships to persons who do not own property in the Community. Before offering equity memberships to non-owners, the Partnership will first give the Club an opportunity to purchase those memberships as provided in the Plan.

Each person who applies for a membership in the Club will be subject to approval for membership.

11. Q: Will my family members be welcome at the Club?

A: Today's hectic lifestyle leaves most people wishing they could spend more time with their family. The Club has been designed with a family orientation so that all members of the family can participate in the many activities which are available. Each membership is a family membership which allows use of the Club by both spouses, their parents, their children and their spouses. Your immediate family may enjoy use of the Club Facilities upon payment of fees and charges determined by the Club from time to time and in accordance with the Club's General Club Rules.

12. Q: May I invite guests to the Club?

A: Having your friends share your activities is one of the most important benefits of membership in the Club. The Club encourages members to bring guests upon the payment of applicable guest fees and subject to certain restrictions designed to maintain the Club's exclusivity.

13. Q: Will any other types of memberships be offered?

A: Yes. The Club has issued 36 Founder Memberships to persons designated by the Partnership. These Founder Memberships will count against the limit of 350 Golf Memberships, except in the case where a Founder Member sells his or her property in Spring Island and retains his or her membership. In this case, the Founder Member shall become a non-equity Golf Member for the duration of the lifetime of the Founder Member and his or her spouse, or until resignation. The number of Golf Memberships will be increased for the duration of the lifetime of the Founder Member and his or her spouse to allow the purchaser of the Founder Member's property to acquire a Golf Membership.

The Club may also offer a total of 25 Honorary Memberships. The developer will be entitled to hold the Developer Membership until the Turnover Date.

14. Q: Are Equity Members entitled to vote on matters dealing with the Club?

A: Golf, Social and Founder Members will have voting privileges after the Turnover Date. The Partnership will appoint the Club's Board of Governors before the Turnover Date, and the Board will be elected by the Equity Members after the Turnover Date.

26. Q: Is my membership contribution refundable?

A: Yes. You are entitled to a refund after your membership has been reissued by the Club to a new member. Upon reissuance of the membership, you will be repaid the greater of: (a) eighty percent (80%) of the amount of the membership contribution then charged and collected for the resigning member's category of membership, or (b) the amount of the membership contribution you previously paid.

27. Q: What should I do if I have additional questions?

A: Complete details about membership opportunities are available from the Membership Director, who can also answer any questions regarding the Club and its operation. For further information, please contact the Membership Director at the Membership Office at:

Spring Island Club
42 Mobley Oaks Lane
Spring Island, SC 29910
(843) 987-2000
or
(800) 242-8175

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

THIS AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT is executed this ____ day of _____, 1998 by and between SPRING ISLAND COMPANY, L.P. ("Seller"), a South Carolina Limited Partnership, whose address is 42 Mobley Oaks Lane, Spring Island, South Carolina 29910 and SPRING ISLAND CLUB ("Buyer"), a South Carolina not-for-profit corporation, whose address is 42 Mobley Oaks Lane, Spring Island, South Carolina 29910.

WITNESSETH:

WHEREAS, Seller (as defined in paragraph 1 herein) owns or intends to construct the Club Facilities (as defined in paragraph 1 herein); and

WHEREAS, Buyer (as defined in paragraph 1 herein) wishes to purchase from Seller and Seller wishes to sell to Buyer the Club Facilities (as defined in paragraph 1); and

WHEREAS, Seller (formerly known as Spring Island Development Company, L.P.) and Buyer previously executed a Purchase and Sale Agreement dated January 20, 1990 (the "Purchase and Sale Agreement"); and

WHEREAS, Seller is the current owner of the Club Facilities, and Seller and Buyer desire to amend and restate the Purchase and Sale Agreement as follows;

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS.

Certain terms and words as used in this Agreement shall be defined as follows:

(a) Assets — that certain real and personal property to be sold by Seller to Buyer and to be purchased by Buyer from Seller more particularly described as the Club Facilities, including the Property (as defined herein) the Equipment (as defined herein), and the Supplies (as defined herein).

(b) Buyer — Spring Island Club, its permitted successors and assigns.

(c) By-Laws — Buyer's Certificate of Incorporation, By-Laws and General Club Rules, as the same may be amended from time to time.

(d) Closing — the conveyance of the Assets from Seller to Buyer.

(e) Closing Date — that day upon which the Closing shall occur to be determined in accordance with paragraph 4(a) herein. The Closing Date is referred to as the "Turnover Date" in some of the Plan Documents.

(f) Club Facilities — the following facilities and such other recreational facilities as the Buyer shall own, operate or sponsor from time to time, together with all equipment appurtenant or related thereto.

- an 18-hole golf course;
- a driving range and practice facilities;
- 2 tennis courts;
- the Golf House, which includes a golf pro shop, dining room and lounge, men's and women's locker room facilities and a golf cart storage facility;
- a River House complex which will include dining rooms, a gathering room, club offices, and a post office;
- the Walker Landing Sports Garden, which includes a swimming pool, a recreation center, Summer House pavilion and related family sports facilities;
- a sporting clays course;
- the Bonny Shore Gazebo;
- equestrian facilities including a 24 stall barn and related paddocks; and
- community dock facilities and a boat ramp.

(g) Community — the residential community known as Spring Island.

(h) Developer Member — as defined in the Club's By-Laws.

(i) Equipment — all machinery, equipment and other personalty owned by Seller and used at or in conjunction with the operation and maintenance of the Assets.

(j) Founder Member — as defined in the Club's By-Laws.

(k) Golf Member — as defined in the Club's By-Laws.

(l) Plan Documents — the Spring Island Club Plan for the Offering of Equity Memberships, Certificate of Incorporation, By-Laws, General Club Rules and this Agreement.

(m) Property — those certain parcels of real property containing the Club Facilities lying and situated in Beaufort County, South Carolina, owned by Seller and more particularly described in Exhibit 1 attached hereto.

(n) Seller — Spring Island Company, L.P., a South Carolina Limited Partnership, its successors and assigns. Seller was formerly known as Spring Island Development Company, L.P.

(o) Social Member — as defined in the Club's By-Laws.

(p) Spring Island — that parcel of real property lying and situated in Beaufort County, South Carolina known as Spring Island.

(q) Supplies — all cleaning, repair and maintenance products, including those products related to golf and tennis and other materials used in the operation, repair and maintenance of the Assets.

2. PURCHASE AND SALE.

(a) Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller the Assets upon the terms and conditions set forth herein.

(b) At Closing, Seller will execute and deliver to Buyer:

(i) A Special Warranty Deed as to the real property conveyed;

(ii) A Bill of Sale as to the personalty conveyed; and

(iii) An assignment of any of the Assets not covered by the instruments described in paragraphs 2(b)(i) and (ii) herein.

3. PURCHASE PRICE.

(a) As consideration for the conveyance of the Assets to Buyer, Buyer agrees to pay to Seller the proceeds received by the Buyer prior to the Closing Date from the initial sale of three hundred fifty (350) Golf Memberships to be issued in the Club (including all Founder Memberships) and sixty (60) Social Memberships. In the event the Club issues up to ten (10) additional Social Memberships, Buyer agrees to pay to Seller the proceeds received by the Club from the initial issuance of each of the additional Social Memberships issued.

Upon the resale of an Equity Membership by the Club, the proceeds from the resale of the membership shall be retained by the Club.

(b) Buyer agrees to pay those portions of the purchase price set forth in paragraph 3(a) to Seller within forty-five (45) days of receipt of same from the members to be credited by Seller to payment of the purchase price.

(c) Prior to Closing, Buyer and Seller will agree to an equitable and reasonable allocation of the full purchase price among the Assets.

(d) In the event that prior to the Closing Date all of the Golf Memberships and Social Memberships, offered and available for sale by the Buyer are not sold by the Buyer, then the Buyer shall transfer all of such unsold memberships to Seller as further and additional consideration for the transfer of the Assets and Seller shall own such memberships and said ownership shall be reflected in the books and records of Buyer, and Seller may market and sell such memberships in whatever manner it deems appropriate, subject only to approval of applicants by the Seller. Any such memberships retained by Seller shall not be subject to dues or assessments so long as they are still owned by Seller and such memberships shall not be subject to the payment of any transfer fee or the 20% differential customarily received by the Buyer on the reissuance of memberships.

4. CLOSING.

(a) Closing (also known as the Turnover Date) shall occur at the earlier of the following:

(i) seventy-five (75) days after the date that three hundred sixty-nine (369) Equity Memberships offered for sale by the Buyer, inclusive for purposes of this calculation of the Founder Memberships, are subscribed to and are issued and outstanding and the subscribers thereof accepted for membership in Buyer and make the membership contributions to Buyer as required from time to time; or

(ii) any earlier date designated in the Seller's sole and absolute discretion; provided the Buyer has operated without an operating deficit during the immediately preceding twelve (12) month period, as determined by the Buyer's regular accountants, in accordance with generally accepted accounting principles, consistently applied, but specifically excluding any depreciation and amortization expense.

The Closing Date may also occur on an earlier date if the Equity Members approve the earlier Closing Date by a majority of the votes eligible to be cast by the Equity Members.

(b) Buyer and Seller will notify one another in writing upon the occurrence of either of the events set forth in paragraphs 4(a)(i) or (ii) herein.

(c) On the Closing Date, the following events shall occur:

(i) the Seller shall deliver to the Buyer the resignations of all of the members of the Board of Governors designated by the Seller;

(ii) the Seller shall relinquish management and control of the Club Facilities to the Equity Members of the Club, except as otherwise set forth in this Agreement;

(iii) the Buyer shall pay to the Seller the book value of all food, beverage, supply and inventories and prepaid contracts used in the operation of the Club Facilities on hand on the Closing Date, the value of which shall be determined in accordance with generally accepted accounting principles, consistently applied. On the Closing Date, the Seller shall cause the Buyer to acquire the inventory from the Seller. The Buyer shall obtain a third party working capital loan (if necessary) to fund the purchase of the food, beverage, supply and maintenance inventories and prepaid contracts. In this event, the Buyer shall be responsible for all payments, including interest expense, of the third party working capital loan. The Seller shall have no responsibility or liability for repayment of these funds; and

(iv) the Equity Members shall accept management and control of the Club Facilities and agree that neither the Club, nor any of its members, shall make any claims against the Seller or its directors or officers for the operation and management of the Club Facilities prior to the Closing Date other than for a material violation of the obligations set forth in the Plan Documents.

The Closing shall take place at the office of the attorney for the Seller at 10:00 a.m. local time or at such other time and place as the parties may agree in writing.

5. ASSUMPTION OF LIABILITIES.

(a) Subject to the limitations set forth herein, Buyer agrees that on the Closing Date it will assume and agree to pay and perform in a timely fashion all of the liabilities, obligations and debts related to any or all of the Assets, including but not limited to the rights of any individuals to use or occupy any of the Assets provided such rights exist as of the Closing Date, and provided further that said liabilities, obligations and debts were incurred by Seller in the normal course of business. Buyer will execute and deliver to Seller at Closing an Assumption Agreement relating to the liabilities, obligations and debts so assumed. Buyer agrees to indemnify and hold harmless the Seller from any and all loss, cost, damage and injury including attorneys fees and paraprofessionals fees which Seller might suffer in the event Buyer fails to timely pay and perform all the liabilities, obligations and debts assumed by Buyer pursuant to this paragraph 5(a).

(b) Notwithstanding anything to the contrary in paragraph 5(a) herein, Buyer will not assume:

(i) any mortgages or liens encumbering any of the Assets; and

(ii) any liabilities or expenses of Seller incurred in connection with consummating the transaction contemplated herein except as may be set forth herein.

6. INSPECTION OF CLUB FACILITIES.

As the Club Facilities are completed, the Seller shall have the Club Facilities inspected by independent third party inspectors selected in the sole discretion of the Seller and will obtain a report certifying that these facilities were built in substantial compliance with the plans and specifications as modified by any change orders and applicable governmental regulations. The inspectors will be independent architects or engineers licensed by the State of South Carolina. A second inspection will be conducted immediately prior to the Closing Date, to determine whether the Club Facilities are in good working order. The Seller, will make or cause to be made those repairs indicated in the inspection reports which the Seller, in its sole discretion, deems appropriate and such repairs will be completed with due diligence and in a good and workmanlike manner. After the completion of each inspection and the completion of the repairs, the inspector who originally inspected the Club Facilities shall certify that the repairs have been made in accordance with the report. Other than these inspections, no representation or warranties shall be made regarding the Club Facilities.

7. MAINTENANCE OF CLUB FACILITIES.

Once the Club Facilities have been completed, the Club Facilities will be maintained by the Seller, until the Closing Date, at its sole cost and expense, in good working order, ordinary wear and tear and loss by casualty excepted. Each year in the budget, a capital replacement reserve equal to four percent (4%) of the gross revenues from the operation of the Club Facilities (excluding any membership contributions) shall be established for property and equipment repairs and replacements to the Club Facilities. The members of the Club are responsible for the costs of any capital improvements which they vote to make, and any unbudgeted repairs, maintenance or replacements. Any reserve budgeted in any membership year which remains unused at the end of the year may be used for such property and equipment replacements, extraordinary repairs and capital improvements in future years. Any unused reserves on the Closing Date will be transferred to the Buyer on that date. The Buyer, and not the Seller, is responsible for all capital and extraordinary repairs and replacements, and for any capital improvements, except for those specifically set forth herein.

The budget for operation of the Club Facilities is based upon numerous assumptions with respect to those factors which the Seller deems significant to the operating results and cash flow of the Club, including, but not limited to the following: the number of members of the Club over time; the extent of use of the Club Facilities by members; the dates upon which the Club Facilities are completed and the actual design, size, use and other characteristics of the Club Facilities; and, that management will operate the Club efficiently and without significant deviation from the plan of operations set forth in the budget. The budget reflects the Seller's judgment, based upon present circumstances, of expected conditions and of its expected course of action in managing the Club given the occurrence of the assumptions upon which the budget is based. The actual operating results of the Club achieved during the budget period covered will differ from the budget and the differences may be material.

8. DISCLAIMER OF WARRANTIES.

SUBJECT TO SECTIONS 6 AND 7 HEREOF, THE BUYER HEREBY ACCEPTS, WITHOUT RECOURSE, THE CLUB FACILITIES ACQUIRED OR CONSTRUCTED UNDER THIS AGREEMENT IN THEIR "WHERE IS, AS IS" CONDITION. THE SELLER AND THE BUYER ACKNOWLEDGE AND AGREE THAT NEITHER THE BUYER NOR THE SELLER MAKES ANY REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED, BY FACT OR LAW, WITH RESPECT TO THE CLUB FACILITIES, INCLUDING WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR THE ORDINARY OR ANY PARTICULAR PURPOSE AND REPRESENTATIONS OR WARRANTIES REGARDING THE EXTENT, DESIGN, FITNESS, CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, LOCATION, ADEQUACY OF THE SIZE OR CAPACITY IN RELATION TO THE UTILIZATION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATION OF, OR THE MATERIALS, FURNITURE OR EQUIPMENT WHICH HAS BEEN OR WILL BE USED, IN THE CLUB FACILITIES.

9. STRUCTURAL AND DESIGN CHANGES OF CLUB FACILITIES.

After the Closing Date and as long as the Seller, its affiliates, or their successors and assigns are engaged in any sales and marketing activity of (i) memberships in the Club, (ii) residential units or homesites in the Community, or (iii) December 31, 2005, whichever is later, the Seller will have the right to approve or disapprove all proposed architectural, exterior designs, colors, landscaping plans and the location of any improvements with respect to the Club Facilities and any changes thereof, which approval will not be unreasonably withheld. The Buyer will submit all plans in detail and obtain the written consent of the Seller prior to commencement of any such work.

10. FORCE MAJEURE.

If the construction, operation or maintenance of the Club Facilities is prevented in whole or in part by any law, rule, regulation, order or other action adopted or taken by any federal, state or local governmental authority or by any acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within the control of the Seller, or any affiliated entity, whether or not specifically mentioned herein, the Seller, and any affiliated entity shall be excused, discharged and released from performance to the extent that the performance or obligation is so limited or prevented by the occurrence without liability of any kind.

11. EVIDENCE OF TITLE.

At least forty-five (45) calendar days prior to the Closing, Seller shall deliver to Buyer a commitment to issue Owner's Title Insurance ("Commitment") issued by a qualified title insurer agreeing to issue to Buyer upon recording of the Special Warranty Deed and fulfillment of such other requirements as shall be set forth in the Commitment, an Owner's Title Insurance Policy in the full amount of the portion of the purchase price allocated pursuant to paragraph 3(c) to the real property and improvements which comprise a portion of the Assets, insuring title of the Buyer in such real property and improvements. Upon review of the Commitment, if Buyer finds an exception on the Commitment which renders the title unmarketable, and such exception renders the real property and improvements unsuitable for its intended use as social and recreational facilities, Buyer shall notify Seller in writing of its objections to title within twenty (20) calendar days from the date of receiving the Commitment. Failure of Buyer to deliver to Seller its objection to title as aforesaid within such time period shall constitute the unqualified approval by Buyer of the Commitment and no written approval shall be necessary. Should Buyer deliver to Seller written notice of its disapproval of the Commitment within such time period, Seller shall have sixty (60) calendar days from the date of receipt of any such objection to title to cure any disapproved item; provided, however, that Seller is under no obligation to try to cure any such disapproved item. If Seller fails to cure any such disapproved item within said sixty (60) calendar days and Buyer fails to waive such failure to cure within said time, this Agreement shall terminate and the provisions of paragraph 26(b) herein shall apply.

12. PERMITTED EXCEPTIONS.

The conveyance of the Assets shall be subject to, and the Owner's Title Insurance Policy shall contain exception for, the following liens, encumbrances, qualifications or exceptions, unless discharged at or before the Closing: (i) taxes for the year of the execution and the recording of the Special Warranty Deed; (ii) encroachments, overlaps, boundary line disputes, and other matters which would be disclosed by an accurate survey or inspection; (iii) rights or claims of parties in possession; (iv) such other matters filed or recorded either before or after the date of this Agreement, including but not limited to the Restrictive Covenants for Spring Island; provided, however, none shall render the title unmarketable and the real property and the improvements located thereon unsuitable for their intended use as social or recreational facilities; (v) easements in favor of any utility company or governmental agency, and any homeowners or property owners association on Spring Island; and (vi) the Management Agreement between the Buyer and Seller.

13. SURVEY.

Buyer may have the real property portion of the Assets surveyed at its own expense provided such survey is completed at least thirty (30) days prior to Closing. If such survey, certified by a registered South Carolina surveyor, shows any encroachments on said real property, or shows any violation of any of the covenants and restrictions applicable to said real property, such encroachments shall be treated as an objection to title unless such encroachment is a building constructed by Seller or Seller's successor in title in which case the encroachment will be accepted by Buyer.

14. CLOSING EXPENSES AND PRORATIONS.

(a) At Closing, Seller shall pay the cost of the documentary stamps to be affixed to the Special Warranty Deed, the cost of providing an Owner's Title Insurance Policy insuring title in Buyer and the cost of recording any corrective instruments. Buyer shall pay the cost of recording the Special Warranty Deed. Each party shall bear its own legal expenses.

(b) At Closing, the parties will prorate all sewer and water charges, personal property taxes on personal property being conveyed, wages and payroll taxes of employees, service agreements (if any) and any other charges or expenses of a pro-ratable nature to the extent that these charges or expenses are not included in paragraph 4 of the Management Agreement.

15. LICENSES AND PERMITS.

At Closing, Seller will assign to Buyer, if permissible under South Carolina law, all licenses and permits under which the Seller operates the Club Facilities and any facilities to be constructed on the Property. In the event that South Carolina law should not permit assignment of any or all of the licenses and permits set forth in this paragraph, Buyer shall apply for and obtain its own licenses and permits.

16. RISK OF LOSS.

The Seller shall keep all insurance policies in full force and effect up to and including the Closing Date. In the event of any damage to the Assets by fire or other casualty, this Agreement shall nevertheless remain in full force and effect, without any abatement whatsoever allowed to the Buyer with respect to the purchase price. The Seller shall restore or repair such damage by the Closing Date, in which event, the Seller shall be entitled to receive the proceeds payable under the insurance policies, if any, covering the damage to the Assets.

17. ACCOUNTS RECEIVABLE.

Any accounts receivable applicable to any of the Assets as of the Closing Date shall be the property of the Seller. After the Closing Date, the Buyer will make a good faith effort to collect such accounts receivable on behalf of Seller by taking such commercially reasonable action as is deemed appropriate by the Buyer's Board of Governors. All amounts collected by the Buyer from its members shall be first applied to such accounts receivable belonging to the Seller and will be paid to the Seller at the end of the month in which they are collected.

18. CONDITION OF ASSETS.

The Assets to be sold and conveyed must have received certificates of use and occupancy from the appropriate governmental agencies evidencing completion thereof prior to conveyance to the Buyer. That transfer will be free and clear of any express or implied warranties. Seller makes no representations or warranties regarding the condition or usefulness of any or all of the Assets.

19. OPERATION OF CLUB FACILITIES.

Notwithstanding anything to the contrary herein, prior to the Closing, Seller agrees to maintain, repair and operate the Assets when constructed as provided herein.

20. OBLIGATION TO CONSTRUCT.

Seller agrees to construct and shall be obligated to construct the Club Facilities. Seller shall make all decisions concerning the cost, size, layout, design, composition, construction and all other matters concerning or affecting the above-referenced facilities.

21. OPERATION OF THE ASSETS.

Seller agrees to operate and manage the Assets as more fully set forth in the Management Agreement between Seller and Buyer.

22. USE OF THE CLUB FACILITIES.

Prior to Closing, all members of the Buyer may use any or all of the Club Facilities as and when same are capable of use, subject always to the By-Laws. The compensation to be paid to Seller for the use of the facilities is set forth in the Management Agreement, including but not limited to payment of all real estate taxes applicable to any of the Assets which have accrued since January 1, 1991.

23. FUTURE EASEMENTS AND RESTRICTIONS.

By the Buyer's acceptance of the Property, the Buyer agrees that it may be necessary or desirable for the development of the Community to (i) grant, modify, or enter into easements, agreements, licenses, restrictions, reservations and covenants to portions of the Property, (ii) modify the boundary lines and to plat or replat and grant dedications and rights of way to those portions of the Property, and (iii) take such other action as the Seller may deem reasonably necessary and appropriate to accomplish the foregoing, all in a manner which does not materially adversely affect the use of the Club Facilities. The Buyer agrees to execute and deliver, and will cause the holders of any liens upon or interests in the Property, to execute and deliver, any and all agreements, documents, plats, and instruments which the Seller deems necessary or desirable to accomplish the same, specifically including without limitation deeds reconveying, or leases retransferring, portions of the Property to the Seller, as the case may be or cooperating with the Seller to obtain or modify any current zoning regulations, resolutions, ordinances and other approvals governing the Club Facilities which may be necessary to accomplish the membership use privileges as described in the Plan Documents. The Buyer further agrees to accept such additional conveyances of title or leasehold to land as the Seller or the Association deems necessary or desirable, which conveyances may be subject to the same provisions imposed on the Property pursuant to this Agreement.

24. PROMOTIONAL AND CHARITABLE USE OF THE CLUB FACILITIES.

Prior to the Closing Date, the Seller and its successors and assigns shall have the right to designate individuals, or entities, whether or not employees of the Seller, to use the Club Facilities from time to time, without payment of annual dues or fees. In addition, until the Closing Date, the Seller, its affiliates and their successors and assigns shall have the right to designate persons to use the Club Facilities for the purpose of entertaining prospective purchasers of memberships and residential units or homesites in the Community including, but not limited to, initial retail purchasers, resale purchasers and persons who are involved in special events held at the Club so long as such use does not materially interfere with the rights of the members to use the Club Facilities.

After the Closing Date, the Seller, its affiliates and their successors and assigns shall continue to have the right to designate persons to use the Club Facilities for the purpose of entertaining prospective purchasers of memberships, residential units or homesites in the Community, including the resale purchasers of residential units or homesites in the Community, so long as such use is reasonably related to selling memberships, residential units or homesites in the Community and does not materially interfere with the rights of the members to use the Club Facilities. After the Closing Date, the Seller shall be required to pay the same greens fees, golf cart fees, court fees, and other use fees charged an Equity Golf Member for use of the Club Facilities, but will not be required to pay any membership contributions or initiation fees. The persons designated by the Seller to use the Club Facilities must comply with the Rules and Regulations of the Club. The Buyer shall bill the Seller, its affiliates and assignees, as the case may be, monthly for such charges.

The Seller and its successors and assigns, shall also have the right to hold promotional and other special events, including golf and tennis tournaments at the Club and to promote the Club in advertisements, promotional materials and other promotional media by making reference to the Club and the availability of memberships in the Club.

The Seller shall have the right to assign its rights under this Section, in whole or in part, to the Seller's successors and assigns, including, without limitation, in connection with the brokerage operation for the resale of residential units or homesites in the Community.

25. DEFAULT.

(a) The Seller, in its sole discretion, may terminate this Agreement at such time as any of the following shall occur:

(i) Buyer shall petition or apply to any court for the appointment of a trustee or receiver under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect; or

(ii) An involuntary petition for appointment of a trustee or receiver under any bankruptcy or dissolution law shall be filed against Buyer and Buyer shall fail to discharge such petition within forty-five (45) days of the date such petition is filed; or

(iii) Seller shall fail to control Buyer until the Closing Date.

(b) In the event this Agreement shall terminate pursuant to paragraph 26(a) herein, then Seller will forthwith return any and all monies received by it as payment of purchase price under paragraph 3(b) herein to Buyer and the parties will be relieved of all obligations existing under this Agreement.

26. NOTICE.

All notices, requests, demands or other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly delivered (i) upon receipt if personally delivered or sent by messenger service such as federal express or (ii) five (5) days following the date of deposit in United States mail sent as registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

Buyer: SPRING ISLAND CLUB
42 Mobley Oaks Lane
Spring Island, South Carolina 29910
Attention: President

Seller: SPRING ISLAND COMPANY, L.P.
42 Mobley Oaks Lane
Spring Island, South Carolina 29910
Attention: General Partner

If notices are given by mail as provided above, such notices shall be considered delivered five (5) days following mailing whether or not actually received.

27. TIME OF ESSENCE.

Time shall be of the essence in the performance of the terms and conditions of this Agreement.

28. ASSIGNMENT.

This Agreement shall not be assignable by Buyer without the prior written approval of Seller, which prior written approval Seller may, in its discretion, withhold. This Agreement is freely assignable by Seller.

29. ENCUMBRANCES.

Seller may encumber any of the Assets. Notwithstanding the foregoing, any such encumbrance shall be junior in priority and subordinate to this Agreement and the right of Buyer hereunder, shall not have a principal amount in excess of the purchase price for the Assets as calculated in paragraph 3 herein, and shall be satisfied and discharged in full out of the proceeds realized by Seller upon Closing.

30. GOVERNING LAW.

This Purchase and Sale Agreement shall be construed and enforced under the laws of the State of South Carolina.

31. REAL ESTATE SALES OFFICE.

The Buyer acknowledges that the Seller has reserved the right to conduct a real estate office in the Community for the sale and resale of residential units and homesites at the Community. The Buyer further acknowledges the Seller has reserved the right of access over and use to and from the Property for prospective purchasers of new and resale residential units and homesites in connection with the operation of its real estate office. The parties agree that the real estate office may be located in Walker Landing, immediately south of and adjacent to the Mobley Nature Center and will be owned by Seller. All costs and expenses associated with establishing the real estate office, including constructing, staffing, operating, managing and furnishing the real estate office shall be at the sole cost and expense of the Seller. The Seller shall have the ability to sell its real estate sales operation, in its sole and absolute discretion. The Buyer acknowledges and agrees that no portion of the Property transferred pursuant to this Agreement shall be used for the purpose of operating or maintaining a real estate sales office for the initial sale, resale or lease of any of the residential units or homesites at the Community, except for a real estate sales office (if any) operated and maintained by the Seller, its affiliates and their successors and assigns. Notwithstanding any of the terms and conditions of this Agreement or its exhibits, this provision shall survive the Closing and shall be deemed a covenant running with the Property.

If the Seller ever desires to sell the entire real estate sales office and land to an unrelated party, the Seller shall grant the Buyer a right of first refusal to match any offer the Seller receives from an unrelated purchaser which the Seller desires to accept. The Seller shall provide a copy of any such offer to the Buyer. The members shall have a period of sixty (60) days to accept the offer by a majority vote of the membership, and an additional thirty (30) days to close the transaction. In the event that the members elect not to accept the offer, or if the Buyer does not close the purchase of the real estate sales office within the time period described above, then the Seller shall thereafter be free to sell the real estate sales office to any other party upon any terms and conditions deemed acceptable to the Seller in its sole and absolute discretion.

33. MISCELLANEOUS PROVISIONS.

(a) Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings and representations (if any), including but not limited to the Purchase and Sale Agreement dated January 20, 1990, made by and between such parties.

(b) Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a writing signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought and making specific reference to this Agreement.

(c) Further Assurances. The parties hereby agree from time to time to execute and deliver such further assurances and other transfers, assignments and documents and do all matters and things which may be convenient or necessary to more effectively and completely carry out the intentions of this Agreement.

(d) Brokers. Each of the parties represents and warrants that such party has dealt with no broker or finder in connection with any of the transactions contemplated by this Agreement, and, insofar as such party knows, no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions. The parties each agree to indemnify and hold harmless one another against any loss, liability, damage, cost, claim or expense incurred by reason of any brokerage commission or finder's fee alleged to be payable because of any act, omission or statement of the indemnifying party.

(e) Binding Effect. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors and permitted assigns.

(f) Severability. If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, the provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

(g) Survival. All covenants, agreements, representations and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(h) Waivers. The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, shall not affect the right of that party to require performance of that provision or to exercise any right, power or remedy hereunder, and any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement.

(i) Third Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons or entities other than the parties hereto and their respective legal representatives, successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to

this Agreement. All parties acknowledge that this Agreement does not give any rights to any or all of the members of the Club, and such members are not intended to be third party beneficiaries to this Agreement or any of the provisions herein.

(j) Enforcement Costs. If any action or proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, arbitration costs, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to any other relief to which such party or parties may be entitled) regardless of whether such costs and expenses arise from court proceedings or arbitration proceedings.

(k) Specific Performance. Each of the parties acknowledges that the parties will be irreparably damaged (and damages at law would be an inadequate remedy) if this Agreement is not specifically enforced. Therefore, in the event of a breach or threatened breach by any party of any provision of this Agreement (including, without limitation, the failure of the Seller to transfer control of the management of the Club Facilities to its members or deliver the Club Facilities or the failure of the Buyer to accept transfer of its management or delivery of the Club Facilities), then the other party shall be entitled, as its sole and exclusive remedy, to submit to arbitration for injunctions restraining such breach, without being required to show any actual damage or to post any bond or other security, and/or to a decree for specific performance of the provisions of this Agreement. Under no circumstances shall the Buyer be entitled to monetary damages in connection with the Seller's breach of this Agreement.

(l) Arbitration Procedure. In the event there is a dispute concerning the rights, obligations or remedies of the Seller and the Buyer under this Agreement or the Plan Documents, the matter may be submitted to binding arbitration by either the Seller or the Buyer. The arbitration shall consist of three arbitrators (unless the parties mutually agree to only one arbitrator) as follows: the Seller and the Buyer or the equity members on the Board of Governors shall each select one arbitrator five (5) days after receipt of notice by the other party invoking arbitration. The two arbitrators then shall jointly select the third arbitrator within ten (10) days. All three arbitrators shall be required to be partners or principals of accounting, legal or engineering firms with experience in the country club industry. The decision of two of the three arbitrators shall be deemed to be the decision of the arbitrators and shall be binding on both parties as hereinafter provided. The Buyer or the equity members on the Board of Directors, as the case may be, and the Seller shall each submit a proposal setting forth its proposed resolution of the issue(s) submitted to arbitration within ten (10) days of notice of the selection of the third arbitrator by the first two arbitrators. The decision of the arbitrators, where appropriate, shall take into account the operation of the Club and the Club Facilities in comparison with the operation of other similar clubs in South Carolina. The arbitrators shall investigate the facts and shall hold hearings at which the parties may present evidence and arguments, be represented by counsel, conduct cross examination and have a court reporter present. The arbitrators shall only select one of the resolutions proposed by the parties within thirty (30) days after the date upon which the last party submitted its proposal to the arbitrators. Judgment upon the decision rendered in such arbitration may be entered and enforced by any court having jurisdiction thereof. The arbitration proceeding shall be governed by the rules of the American Arbitration Association then in force and shall take place in

Beaufort County, South Carolina. The prevailing party, as designated by the arbitrators, shall be entitled to recover all costs and reasonable attorney's fees and related costs, fees or expenses of the arbitration.

In the event the Buyer is the prevailing party, the Seller shall be required to pay for all costs, fees and expenses incurred as a result of the arbitration and will not be entitled to pass on such costs, fees or expenses to the Buyer or its members, in the form of increased membership dues and/or user fees.

In the event the Seller is the prevailing party, the Buyer shall be required to pay the costs, fees or expenses incurred as a result of the arbitration from its own funds, or by increasing club fees, and will not be entitled to pass on such costs, fees, or expenses to the Seller, notwithstanding the Seller's obligation to fund operating deficits prior to the Turnover Date. The Buyer in such event may separately assess all outstanding equity members to collect these amounts.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Purchase and Sale Agreement effective as of the date and year on the first page hereof.

SIGNED, SEALED AND
DELIVERED IN THE PRESENCE OF:

SPRING ISLAND COMPANY, L.P.

By: Spring Island
Management Corporation,
its Sole General Partner

By: _____
Its: _____

Attest: _____

SPRING ISLAND CLUB

By: _____
Its: _____

The State of South Carolina
EXECUTIVE DEPARTMENT

25,993
CERTIFICATE OF INCORPORATION
BY THE SECRETARY OF STATE

EXHIBIT "B"

WHEREAS, William L. Bethes, Jr., P. O. Drawer J, Hilton Head, SC 29938
Peter LaMotte, 19 King Shell Lane, Hilton Head, SC 29928

two or more of the officers or agents appointed to supervise or manage the affairs of

- SPRING ISLAND CLUB

which has been duly and regularly organized, did on the 26th day of

January, A. D. 1990, file with Secretary of State a written declaration setting forth:

That, at a meeting of the aforesaid organization held pursuant to the by-laws or regulations of the said organization, they were authorized and directed to apply for incorporation.

That, the said organization holds, or desires to hold property in common for Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members, otherwise than is above stated, nor for the insurance of life, health, accident or property; and that three days notice in the Island Packet, a newspaper published in the

County of Beaufort has been given that the aforesaid Declaration would be filed.

And Whereas, Said Declarants and Petitioners further declared and affirmed:

FIRST: Their names and residences are as above given.

SECOND: The name of the proposed Corporation is Spring Island Club

THIRD: The place at which it proposes to have its headquarters or be located is 23-B Shelter Cove Lane, Ste. 400
Hilton Head Island, SC

FOURTH: The purpose of the said proposed Corporation is to manage the affairs and property of Spring Island Club for the benefit of its members and to carry out all functions of the Spring Island Club

FIFTH: The names and residences of all Managers, Trustees, Directors or other officers are as follows:

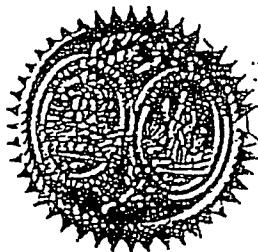
William L. Bethes, Jr.
Peter LaMotte

P. O. Drawer J, Hilton Head, SC 29938
19 King Shell Lane, Hilton Head, SC 29928

Director
Director

SIXTH: That they desire to be incorporated: in perpetuity.

Now, THEREFORE, I JOHN T. CAMPBELL, Secretary of State, by virtue of the authority in me vested, by Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto, do hereby declare the said organization to be a body politic and corporate, with all the rights, powers, privileges and immunities, and subject to all the limitations and liabilities, conferred by said Chapter 31, Title 33, Code of 1976 and Acts amendatory thereto.



GIVEN under my hand and the seal of the State, at Columbia,
this 26th day of January
In the year of our Lord one thousand nine hundred and
90 and in the two hundred and
fourteenth year of the Independence of the
United States of America.

John T. Campbell
JOHN T. CAMPBELL,
Secretary of State.

EXHIBIT h



MEMBERSHIP DOCUMENTS TABLE *of* CONTENTS

Membership Plan

Purchase & Sale Agreement

Certificate of Incorporation

By-Laws

General Club Rules

Frequently Asked Questions

DOCUMENTS IN POCKETS OF BINDER

Schedule of Dues and Charges

Membership Application

Addendum to Application

Subscription Agreement

Membership Acknowledgment Form

EXHIBIT i
to Exh. A

SPRING ISLAND CLUB
PLAN FOR THE OFFERING
OF
EQUITY MEMBERSHIPS

GENERAL DESCRIPTION OF MEMBERSHIP PLAN

PURPOSE OF CLUB

This Membership Plan and its exhibits offer you an opportunity to acquire an equity membership in Spring Island Club, a South Carolina not-for-profit corporation, referred to herein as the "Club." The Club is a private equity membership club which operates and offers access to the golf, tennis, swimming, equestrian, boating, social, fitness and other recreational facilities located in the Spring Island residential community (the "Community") located in Beaufort County, South Carolina.

MEMBERSHIP PRIVILEGES

"Equity Membership" in the Club is an opportunity to belong to a private club. Each "Equity Member" has an ownership interest in the Club and is entitled to vote on matters affecting the Club in accordance with this Membership Plan. Each Equity Member is entitled to use the "Club Facilities" in accordance with the privileges granted by his or her category of membership.

CAREFULLY REVIEW ALL DOCUMENTS

This Membership Plan is a summary of the membership opportunities offered by the Club and is qualified by the definitive information set forth in the attached or referenced exhibits. Every person who desires to purchase a membership in the Club, or owns or purchases a residential unit or homesite within the Community, should carefully read this Membership Plan and all of the attached or referenced exhibits, collectively the "Membership Plan," and should consider seeking professional advice to evaluate these documents.

APPLICATION PROCEDURES

Persons who desire to apply for a membership in the Club must comply with all of the following requirements:

- A. Fully complete and execute the Application for Membership.
- B. Fully complete and execute the Subscription Agreement.
- C. Timely deliver or mail to the Membership Director at the Club: (i) the completed and executed Application for Membership, (ii) the completed and executed Subscription Agreement, and (iii) a check in U.S. funds for the amount required in the Subscription Agreement.

MEMBERSHIP DIRECTOR AVAILABLE TO ANSWER INQUIRIES

Should you have any questions concerning this Membership Plan or the membership opportunities available at the Club, please contact the Membership Director at the Membership Office Monday through Friday, from 9:00 a.m. to 5:00 p.m. at the Club, 42 Mobley Oaks Lane, Spring Island, South Carolina 29910. The Membership Office may be contacted by calling (843) 987-2000 or (800) 242-8175.

RELY ONLY ON WRITTEN INFORMATION PROVIDED

No person is authorized to make any representations or to provide any information with regard to the Club or the memberships in the Club contrary or in addition to the information contained in this Membership Plan. If any such representations are made or information provided, such representations or information should not be relied upon as having been authorized by the Club.

MEMBERSHIPS OFFERED ONLY FOR RECREATIONAL PURPOSES

MEMBERSHIPS ARE BEING OFFERED EXCLUSIVELY FOR THE PURPOSE OF PERMITTING PERSONS ACQUIRING A MEMBERSHIP TO OBTAIN RECREATIONAL USE OF THE CLUB FACILITIES. MEMBERSHIPS SHOULD NOT BE VIEWED OR ACQUIRED AS AN INVESTMENT AND PERSONS PURCHASING A MEMBERSHIP SHOULD NOT EXPECT TO DERIVE ANY ECONOMIC PROFITS FROM MEMBERSHIP IN THE CLUB.

NO FEDERAL, STATE OR OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF THIS MEMBERSHIP PLAN.

Amended July, 1998

TABLE OF CONTENTS

DESCRIPTION OF CLUB FACILITIES	5
EQUITY MEMBERSHIPS	6
A. NUMBER OF MEMBERSHIPS	6
B. ELIGIBILITY FOR MEMBERSHIP	6
General Eligibility Requirements	6
Initial Retail Purchasers of Property	7
Unsold Memberships Reserved	7
Membership Subject to Availability	7
Purchasers of Two or More Residential Units or Homesites	7
Upgrade of Membership	8
Waiting List for Membership	8
Membership Privileges Prior to Closing on Property Purchase	8
Membership Held in Name of Entity	9
Club's Option to Purchase Memberships Offered to Non-Owners	9
C. EQUITY MEMBERSHIP PRIVILEGES	9
Golf Membership	9
Social Membership	10
Additional Rules Regarding Use of Club Facilities	10
Equity Membership Voting Rights	10
Use of Club Facilities by Family Members	10
Use of Club Facilities by Guests	11
Use of Club Facilities by Tenants	11
Exchange of Membership Privileges	11
D. TRANSFER OF EQUITY MEMBERSHIP	11
Transfer of Membership to Club	11
Transfer Upon Sale of Property	11
Transfer Other than to Purchaser of Property	12
Transfer to Family Member	12
Transfer Upon Death	12
Refund of Membership Contribution Upon Transfer of Membership	13
Payment of Dues by Resigned Member	13
Dues Refund	13
Use of Club Facilities by Resigned Member	13
Membership May Be Repurchased by Club upon Sale of Property	14
Membership May Be Repurchased by Partnership	14
E. MEMBERSHIP CONTRIBUTION	14
Membership Contribution	14
OTHER MEMBERSHIP PRIVILEGES AND USE PRIVILEGES	14
Founder Memberships	14
Developer Membership	15
Honorary Memberships	16
Partnership's Right to Designate Individuals to Use Club Facilities	16
Partnership's Right to Use Club Facilities After the Turnover Date	16
Promotional Use of Club Facilities	17

MEMBERSHIP PROCEDURES	17
Application Process.....	17
Review of Application	17
Rights Governed by Membership Plan	17
DUES AND ASSESSMENTS	17
A. MEMBERSHIP YEAR	17
Membership Year.....	17
B. DUES	18
Dues, Fees and Charges	18
C. ASSESSMENTS.....	18
Operating Assessments	18
Capital Assessments	18
Memberships Held by Partnership Are Not Subject to Assessments or Dues	18
PURCHASE AND SALE AGREEMENT	19
A. IN GENERAL	19
Transfer of Club Facilities to Club	19
B. CONSIDERATION FOR TRANSFER OF THE CLUB FACILITIES	19
Consideration for Club Facilities	19
OPERATION OF CLUB	19
A. CONTROL OF CLUB	19
Board of Governors	19
Designation of Governors	19
B. BOARD OF ADVISORS.....	20
Committees	20
C. TURNOVER OF CONTROL.....	20
D. CLUB OPERATIONS.....	20
Club Facilities Maintained in Good Working Order.....	20
Reserves for Capital Replacements.....	21
Independent Inspection of Club Facilities.....	21
Club Accepts Club Facilities As Is	21
MODIFICATION OF MEMBERSHIP PLAN	21
Before Turnover Date	21
After Turnover Date.....	22
SCHEDULE OF EXHIBITS	
Purchase and Sale Agreement.....	Exhibit A
Certificate of Incorporation	Exhibit B
By-Laws.....	Exhibit C
General Club Rules	Exhibit D

DESCRIPTION OF CLUB FACILITIES

CLUB FACILITIES

The "Club Facilities" will consist of the following:

- an 18-hole golf course;
- a driving range and practice facilities;
- 2 tennis courts;
- the Golf House, which includes a golf pro shop, dining room and lounge, men's and women's locker room facilities and a golf cart storage facility;
- a River House complex which will include dining rooms, a gathering room, club offices and a post office;
- the Walker Landing Sports Garden, which includes a swimming pool, a recreation center, Summer House pavilion and related family sports facilities;
- a sporting clays course;
- the Bonny Shore Gazebo;
- equestrian facilities including a 24 stall barn and related paddocks; and
- community dock facilities and a boat ramp.

The Partnership shall have the right, but not the obligation, to expand or add additional facilities to the Club, in its sole discretion.

OWNERSHIP OF CLUB FACILITIES

Spring Island Company L.P., a South Carolina limited partnership and its successors and assigns, referred to herein as the "Partnership", has arranged for the Club to acquire the Partnership's interest in the Club Facilities. As a result, the Club will own the Club Facilities. In consideration for the transfer of the Partnership's interest in the Club Facilities, the Partnership will receive all of the membership contributions from the initial issuance of all of the Equity Memberships. Control of the operation of the Club will initially be retained by the Partnership and will ultimately be turned over to the Equity Members on the "Turnover Date" as hereinafter provided and in accordance with the Purchase and Sale Agreement.

EQUITY MEMBERSHIPS

A. NUMBER OF MEMBERSHIPS

Two categories of Equity Membership are available in the Club: Golf and Social. The number of memberships permitted in each category is:

<u>CATEGORY</u>	<u>NUMBER OF MEMBERS</u>
• Golf Membership	350
• Social Membership	60

The Club has issued 36 Founder Memberships to persons designated by the Partnership. These Founder Memberships will count against the limit of 350 Golf Memberships, except in the case where a Founder Member sells his or her property in Spring Island and retains his or her membership. In this case, the Founder Member shall become a non-equity Golf Member for the duration of the lifetime of the Founder Member and his or her spouse, or until resignation. The number of Golf Memberships will be increased for the duration of the lifetime of the Founder Member and his or her spouse to allow the purchaser of the Founder Member's property to acquire a Golf Membership.

The Community was originally planned to include 500 residential homesites. The Spring Island Property Owners Association ("Association") has acquired from the Partnership parcels of real property upon which 90 of those homesites were to have been located. In accordance with an agreement between the Association and the Partnership, the Association shall have the right to develop and sell up to 10 homesites on the property it purchased from the Partnership. In the event the Association develops and sells one or more of the homesites, the number of Social Memberships permitted in the Club shall be increased so that a Social Membership will be available for each such homesite.

B. ELIGIBILITY FOR MEMBERSHIP

GENERAL ELIGIBILITY REQUIREMENTS

It is planned that Equity Memberships will only be offered to persons who own or acquire a residential unit or homesite in the Community. In the unlikely event that the property owners do not acquire all of the Equity Memberships, the Partnership reserves the right to offer the remaining memberships to persons who do not own property in the Community if the remaining memberships are not acquired by the Club as provided under the heading "Club's Option to Purchase Memberships Offered to Non-Owners." Each person who applies for a membership in the Club will be subject to approval for membership.

INITIAL RETAIL PURCHASERS OF PROPERTY

Each initial retail purchaser of a residential unit or homesite in the Community after the date of this Membership Plan will have until the closing of his or her real estate purchase to acquire an Equity Membership in the Club. The ability to acquire an Equity Membership in any particular category is subject to availability because the number of memberships in each category is limited. Any initial retail purchaser who does not acquire an Equity Membership on or before the closing on the purchase of the property will be entitled to acquire a membership in the Club at a later date only if a membership is then available and not reserved and the applicant is approved for membership.

UNSOLD MEMBERSHIPS RESERVED

All of the unsold Equity Memberships in the Club will be reserved by the Partnership and may be offered to any person which the Partnership deems appropriate, in its sole and absolute discretion. Reserved memberships will not be considered to be available memberships and neither the Partnership nor the Club may be compelled to sell them.

MEMBERSHIP SUBJECT TO AVAILABILITY

IF A PERSON OWNS OR ACQUIRES A RESIDENTIAL UNIT OR HOMESITE IN THE COMMUNITY AND DOES NOT ACQUIRE A MEMBERSHIP IN THE CLUB ON OR BEFORE THE CLOSING OF THEIR PURCHASE OF PROPERTY IN THE COMMUNITY, IT IS UNLIKELY THAT SUCH PERSON OR THE PURCHASER OF SUCH PERSON'S RESIDENTIAL UNIT OR HOMESITE IN THE COMMUNITY WILL BE ABLE TO ACQUIRE A MEMBERSHIP IN THE DESIRED CATEGORY AT A LATER DATE. THE TOTAL NUMBER OF RESIDENTIAL UNITS OR HOMESITES IN THE COMMUNITY MAY EXCEED THE TOTAL NUMBER OF MEMBERSHIPS PERMITTED IN EACH PARTICULAR CATEGORY OF MEMBERSHIP. ACCORDINGLY, EACH PERSON'S RIGHT TO ACQUIRE A MEMBERSHIP IN A PARTICULAR CATEGORY OF MEMBERSHIP WILL AT ALL TIMES BE SUBJECT TO AVAILABILITY. AVAILABLE EQUITY MEMBERSHIPS MAY BE OFFERED TO PERSONS WHO DO NOT OWN PROPERTY IN THE COMMUNITY.

PURCHASERS OF TWO OR MORE RESIDENTIAL UNITS OR HOMESITES

If a person acquires two or more residential units or homesites in the Community, the person should consider acquiring a membership for each residential unit or homesite for which membership privileges are desired, now or in the future.

Persons who acquire two or more contiguous homesites but who construct only one residential unit may desire only one membership. If a membership is not acquired for the contiguous homesite and the contiguous homesite is subsequently sold, then the purchaser of the contiguous homesite must acquire a membership if the purchaser is to be permitted to use the Club Facilities. The purchaser of the contiguous homesite will be able to acquire a membership only if one is available and not reserved by the Partnership.

A person who acquires (or currently owns) two or more homesites may acquire a membership for each homesite. In this case, dues will only have to be paid for one membership and the member may elect inactive dues status for each additional membership acquired for an additional unimproved homesite. Inactive dues status may be elected until the Turnover Date. After the Turnover Date, the Board of Governors, in its sole discretion, shall determine whether dues must be paid for each membership acquired.

UPGRADE OF MEMBERSHIP

All unissued Golf Memberships are reserved for purchasers of property in the Community. If any Golf Memberships are ever made available and are no longer reserved, Social Members may upgrade to a Golf Membership. The upgrading member must pay the then current membership contribution for a Golf Membership. The Social Membership will be resold by the Club and the upgrading member will receive a refund upon resale of the Social Membership as provided in this Membership Plan. The downgrade of a membership will not be permitted by the Club, with the exception of (a) Founder Members who sell their residence in the Community, may downgrade to a Social Membership at that time, and (b) a Golf Member may downgrade to a Social Membership if there is a Social Member who is upgrading to a Golf Membership at that time.

WAITING LIST FOR MEMBERSHIP

If a person desires to acquire a membership in a particular category of membership and a membership is not available in that category, the Club will establish a buyer's waiting list for that particular category of membership. All unissued memberships are reserved for purchasers of property in the Community and are not available to persons on the waiting list. If a membership in the category thereafter becomes available, the membership will be offered to persons on the buyer's waiting list in accordance with the following order of priorities:

First, to Social Members who desire to upgrade to a Golf Membership;

Second, to property owners in the Community who are not members of the Club; and

Third, to all other persons who desire a membership in the Club.

MEMBERSHIP PRIVILEGES PRIOR TO CLOSING ON PROPERTY PURCHASE

The Club may, in its sole discretion, permit a contract purchaser of a residential unit or homesite in the Community to use the Club Facilities prior to actually closing on the residential unit or homesite in the Community upon the payment of the applicable membership contribution, dues and other fees established by the Club. The contract purchaser's right to continue to use the Club Facilities may be conditioned upon the actual closing taking place. If the contract purchaser does not close on the residential

unit or homesite, the Club may, in its sole discretion, terminate the contract purchaser's membership privileges by refunding, without interest, any membership contribution and the unused portion of any dues, fees and charges paid by contract purchaser to the Club.

MEMBERSHIP HELD IN NAME OF ENTITY

For the convenience of members and to facilitate the acquisition of a membership, a member may acquire a membership in the name of a foundation, partnership, trust or other form of legal entity or multiple ownership (collectively, the "entity"). The entity must designate the one individual or family who will have the right to use the Club Facilities. Each individual designated must submit an Application for Equity Membership and will be subject to the approval of the Club. Each individual designated must be an owner, director, officer or beneficiary of the entity and pay the required dues and charges. No person other than the designated user and his or her immediate family will be entitled to use the membership. The entity may change the designated user of the membership one time per membership year. The new designated user must submit an application to the Club and the application shall be subject to the approval of the Club and the payment of the applicable redesignation fee established by the Club from time to time. The Club must be given four weeks' prior written notice of any change in the designated user of the membership.

CLUB'S OPTION TO PURCHASE MEMBERSHIPS OFFERED TO NON-OWNERS

Before offering any Equity Memberships to persons who do not own property in the Community, the Partnership will first offer such memberships to the Club for the same membership contributions which would be charged to non-owners for the memberships. The Club shall have a period of sixty (60) days to purchase these memberships if it desires to do so. In order for the Club to exercise its right to purchase any or all of these memberships, the purchase must be approved by a majority of the votes associated with all memberships which are issued and outstanding at that time. If the Club elects to purchase any such memberships, the Club may either permanently retire the memberships to reduce the number of members in the Club or may hold the memberships for future sale.

C. EQUITY MEMBERSHIP PRIVILEGES

Upon payment of the required fees and by complying with the By-Laws and the General Club Rules described herein, Equity Members will be entitled to the following membership privileges:

GOLF MEMBERSHIP

A Golf Membership entitles the member to use all of the golf, tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. Golf Members are not charged greens fees or court fees for use of the golf and tennis facilities, but are required

to pay golf cart fees or annual trail fees. Golf Members are entitled to a seven-day sign-up privilege to reserve golf tee times and tennis court times. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

SOCIAL MEMBERSHIP

A Social Membership entitles the member to use all of the tennis, swimming, fitness, shooting, equestrian, boating and social facilities of the Club. In addition, Social Members shall be entitled to play one (1) round of golf per month during the season (February 1 – May 31 and October 1 – November 30) and four (4) rounds of golf per month during the off-season (June 1 - September 30 and December 1 – January 31). Social Members are entitled to a two-day sign-up privilege to reserve golf tee times and are required to pay greens fees and cart fees. Social Members will be entitled to a seven-day sign-up privilege to reserve tennis court times and are not required to pay court fees. Fees will be charged for use of the dock facilities, the equestrian facilities, the sporting clays and certain other facilities as determined by the Club from time to time.

ADDITIONAL RULES REGARDING USE OF CLUB FACILITIES

In order to provide for the orderly administration of the Club and the utmost playing pleasure for all members, the Club reserves the right, from time to time to modify the privileges of membership in the Club, including but not limited to, establishing rules or reservation systems governing access, sign-up privileges and starting times with respect to the Club Facilities that exist now or are constructed later.

EQUITY MEMBERSHIP VOTING RIGHTS

Prior to the Turnover Date, the members shall not have any voting privileges unless the Partnership desires to have a membership vote on a particular matter. After the Turnover Date, on all matters to be voted upon by the members of the Club, Golf Members are entitled to one vote per membership and Social Members are entitled to one vote per membership, except that Social Members may not vote on any matters which are primarily related to the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities.

USE OF CLUB FACILITIES BY FAMILY MEMBERS

The immediate family of a member may use the Club Facilities in accordance with the Club's General Club Rules. An Equity Member's immediate family is defined as the member's spouse and their parents, their children and their spouses. The member's immediate family will be entitled to use the Club Facilities subject to such rules and regulations and upon the payment of such fees and charges as the Club adopts to ensure that members may enjoy the Club. The Club may modify these rules and regulations from time to time, in its sole discretion.

USE OF CLUB FACILITIES BY GUESTS

Equity Members may invite guests to use the facilities of the Club upon payment of the applicable guest charges and in accordance with the member's category of membership. Guest use shall be in compliance with the General Club Rules and By-Laws of the Club, which may include restrictions on the number of times a guest may use all or a portion of the Club Facilities.

USE OF CLUB FACILITIES BY TENANTS

Tenants or rental guests who are leasing a member's residence in the Community will not be granted privileges to use any of the Club Facilities unless the tenant or rental guest is a Club member. This policy shall not prevent use of the Club Facilities by a member's houseguests as further defined in the General Club Rules.

EXCHANGE OF MEMBERSHIP PRIVILEGES

Equity Members may arrange through the Club to exchange their membership privileges and respective dues obligations with those of another Equity Member in a different membership category, upon obtaining the approval of the Club. The right to exchange membership privileges will be on a membership year basis and will not affect the exchanging members' rights or obligations to their underlying membership other than the payment of dues for the membership year in which the exchange occurs.

D. TRANSFER OF EQUITY MEMBERSHIP

TRANSFER OF MEMBERSHIP TO CLUB

An Equity Member may transfer a membership only to the Club by resigning the membership and making the membership available to be reissued by the Club. A member who desires to resign his or her membership must give the Club written notice that the membership is available for the Club to reissue. The resale price of the membership shall be established by the Partnership until all of the Equity Memberships have been initially issued, and by the Club thereafter.

TRANSFER UPON SALE OF PROPERTY

An Equity Member who has resigned from the Club may have the resigned membership reissued by the Club to the subsequent purchaser of the resigning member's residential unit or homesite in the Community. The subsequent purchaser must apply for the membership on or before the closing of the sale of the property, be approved for membership by the Club, and pay the then-current membership contribution. This type of transfer may be arranged at any time and is not subject to a waiting list.

TRANSFER OTHER THAN TO PURCHASER OF PROPERTY

If a resigned Equity Membership is not being acquired by the buyer of the resigning member's residential unit or homesite in the Community, the resigned membership will be placed on a seller's waiting list to be reissued. A separate seller's waiting list will be maintained for resigned memberships in each category of membership. Memberships on the waiting list will be repurchased and reissued on a first-resigned, first-reissued basis as follows:

- (i) Prior to the initial sale of all of the Equity Memberships in the resigned member's category of membership, one in every four (1 in 4) memberships issued in that category will be a resigned membership from the seller's waiting list. The other three memberships will be previously unsold memberships.
- (ii) After the initial sale of all of the Equity Memberships in the resigned member's category of membership, every membership issued in that category will be a resigned membership from the seller's waiting list.

The Club is not obligated to repurchase a membership under any other circumstances, but the Club may do so in its sole and absolute discretion. Resignation of an Equity Member is irrevocable, unless otherwise determined by the Club.

TRANSFER TO FAMILY MEMBER

In the event an Equity Member transfers both the property in Spring Island and an Equity Membership to the member's child as a gift, such transfer shall not be deemed to be a resignation of the membership. The Club shall transfer the membership without any transfer fee, to the child, provided that the child acquires ownership of the property and is approved for membership by the Club. No additional payment shall be required by the child to the Club.

TRANSFER UPON DEATH

Upon the death of an Equity Member, the Equity Membership will automatically pass to the surviving spouse of the deceased member without the payment of any additional membership contribution, if the spouse acquires ownership of the member's property in the Community. If the deceased Equity Member is survived by a spouse who has acquired the member's property in the Community, but the spouse does not desire the membership, or if the deceased Equity Member is not survived by a spouse, then the legatee or heir of such Equity Membership, if approved for membership by the Club, will have the right to acquire the deceased Equity Member's membership without the payment of any additional membership contribution if the legatee or heir is acquiring the deceased member's property in the Community. The legatee or heir must make application no later than ninety (90) days after the right to possession of the membership certificate, and pay all dues and assessments for the intervening time period between the date of the Equity Member's death and the date of the application,

in addition to future dues and all other applicable charges. If the legatee or heir does not apply for the Equity Membership within ninety (90) days after acquiring the right to possession of the membership certificate, the membership will be surrendered to the Club, and thereafter, the Club may reissue the Equity Membership on the same basis as any other resigned membership, whereupon the Club shall pay the estate of the deceased Equity Member, upon reissuance of the membership, the amount due as provided in the By-Laws upon a transfer of an Equity Membership.

In the event a deceased Equity Member owns more than one property in the Community and owns an Equity Membership for each property, the deceased Equity Member can leave one property and the associated Equity Membership to his or her surviving spouse and the additional property and the associated Equity Membership to an adult child.

REFUND OF MEMBERSHIP CONTRIBUTION UPON TRANSFER OF MEMBERSHIP

A resigning Equity Member is entitled to a refund after his or her membership has been reissued by the Club to a new member. Upon reissuance of the membership, the amount to be refunded to the resigning Equity Member is the greater of (a) eighty percent (80%) of the amount of the membership contribution then charged for the resigning member's category of membership, or (b) the amount of the membership contribution paid by the resigning member. The Club will deduct from the amount to be paid to the resigning member any amounts which the resigning member owes to the Club.

PAYMENT OF DUES BY RESIGNED MEMBER

A member who has resigned his or her membership in the Club will continue to be obligated to pay all dues and assessments associated with the membership being resigned until the resigned membership is reissued by the Club. Any dues and assessments owed to the Club by a resigned member will be deducted from the amount paid to the resigned member upon the Club's reissuance of his or her membership.

DUES REFUND

If a membership is reissued during a membership year, the resigned member will be entitled to a refund of a pro rata portion of any dues paid in advance for the remainder of the membership year in which the resignation occurs.

USE OF CLUB FACILITIES BY RESIGNED MEMBER

If an Equity Member resigns during a membership year, his or her privileges to use the Club Facilities will continue until the reissuance of the resigned membership by the Club.

MEMBERSHIP MAY BE REPURCHASED BY CLUB UPON SALE OF PROPERTY

If a member other than a Founder Member sells his or her residential unit or homesite in the Community and does not resign his or her Equity Membership, the Club has the right, but not the obligation, to repurchase such member's membership. Upon repurchase, the Club will pay such member the amount to be paid to a resigned member as set forth above.

MEMBERSHIP MAY BE REPURCHASED BY PARTNERSHIP

Until the initial sale of all of the residential units or homesites in the Community, the Partnership has the right (but not an obligation) to repurchase any resigned Equity Membership except where the member arranges for the purchaser of his or her unit or homesite in the Community to acquire his or her membership. The Partnership will pay the then-current membership contribution to the Club for any memberships which it purchases.

E. MEMBERSHIP CONTRIBUTION

MEMBERSHIP CONTRIBUTION

Persons desiring to be members of the Club must pay a membership contribution. The membership contribution for all memberships in the Club will be established by the Partnership from time to time at any level it deems appropriate in its sole discretion, until the initial issuance of all of the Equity Memberships. The membership contribution for memberships which are available for reissuance by the Club will be equal to the membership contribution set by the Partnership for unissued memberships. After the initial sale of all of the Equity Memberships, the membership contribution for memberships will be set by the Board of Governors of the Club from time to time.

OTHER MEMBERSHIP PRIVILEGES AND USE PRIVILEGES

The Club has the following additional membership and use privileges, in addition to the Equity Memberships:

FOUNDER MEMBERSHIPS

Thirty-six (36) Founder Memberships in the Club have been issued to persons designated by the Partnership. Founder Members will have the same use privileges and pay the same dues and fees as Golf Members, and will have the same voting rights as Golf Members.

Founder Members who sell their residential unit or homesite in the Community and purchase another residential unit or homesite in the Community may transfer their

Founder Membership to the new residential unit or homesite and retain all the rights and privileges of their Founder Membership.

Founder Members who sell their residential unit or homesite in the Community have the option to retain their membership, in which case the Founder Membership will become a non-equity Golf Membership which shall continue for the duration of the lifetimes of the Founder Member and his or her spouse, or until resignation. When this occurs, the number of Golf Memberships permitted in the Club shall be temporarily increased to make a Golf Membership available to the purchaser of the Founder Member's property in the Community until the closing of their purchase of the property. This means that the number of Golf Memberships could exceed 350 during the lifetime of the Founder Members and their spouses if some of the Founder Members decide to sell their property and retain their membership. Founder Memberships cannot be sold or transferred by the member.

When the Founder Member's membership is transferred through the Club to the purchaser of his or her residential unit or homesite, the purchaser will be issued a regular Golf Membership which shall have the same rights and privileges as all other Golf Memberships. The special privileges associated with the Founder Membership only apply to the original Founder Member and his or her spouse and will not apply to the transferee or purchaser of the membership. Upon the issuance of a Golf Membership to the purchaser of their residential unit or homesite, the resigning Founder Member shall be entitled to receive eighty percent (80%) of the amount of the membership contribution then charged for a Golf Membership, less any amounts the resigning Founder Member owes to the Club.

Upon the death of a Founder Member, the surviving spouse may continue the Founder Membership for the duration of the spouse's lifetime. If there is no surviving spouse, an heir who is related to the Founder Member by blood or marriage who inherits the Founder Member's property in Spring Island may acquire the Founder Member's membership, upon approval of the heir by the Club, without paying any membership contribution. In this case, the membership of the heir will be a non-equity Golf Membership which shall continue only for the duration of the lifetime of the heir and the heir will not be entitled to any refund with respect to the membership. The non-equity Golf Membership of the heir may not be transferred to the subsequent purchaser of the heir's property in Spring Island. The subsequent purchaser will be able to acquire a Golf Membership only if one is available and the subsequent purchaser is approved for membership.

DEVELOPER MEMBERSHIP

The Partnership, its successors or assigns shall be the Developer Member. The Developer Member may designate all partners and some employees of the Partnership to use the Club Facilities without payment of any membership contribution. Designees of the Developer Membership shall be entitled to the same membership privileges as Golf Members. The Developer Member shall not have voting privileges. Designees may or may not be required to pay dues or user fees, however, they shall be required to

pay for food, beverage and pro shop charges. Certain designees may have limited golf privileges. The Developer Membership will terminate on the Turnover Date, and all membership privileges associated with the Developer Membership shall be canceled.

HONORARY MEMBERSHIPS

A total of twenty-five Honorary Memberships may be issued to persons designated by the Partnership from time to time. These Honorary Memberships are in addition to all other memberships permitted to be issued in the Club and will be available on such terms and conditions as determined by the Partnership from time to time. Honorary Members shall be permitted to use the Club Facilities on the same basis as Equity Golf Members. Honorary Members will not pay any membership contribution, dues or assessments and shall have no voting rights. Honorary Members will not pay any greens fees or court fees for their use of the golf and tennis facilities, but shall be required to pay cart fees and all other fees and charges incurred at the Club. Honorary Memberships will not be assignable or transferable by the Honorary Members. Honorary Membership will continue under the same terms and conditions for a period of three (3) years following the Turnover Date. The continuation of the privileges of Honorary Members after the three year period will be subject to the discretion of the Club's Board of Governors.

After the Turnover Date, the Club shall be entitled to issue up to twenty-five Honorary Memberships to persons designated by the Club from time to time.

PARTNERSHIP'S RIGHT TO DESIGNATE INDIVIDUALS TO USE CLUB FACILITIES

Prior to the Turnover Date, the Partnership and its designees shall have the right to designate persons to use any or all of the Club Facilities, for any purpose and upon such terms and conditions as are determined from time to time by the Partnership. The persons designated by the Partnership shall include, without limitation, persons who are employees of the Club, persons who are prospective purchasers of property in the Community, persons who are prospective members in the Club, and persons who are involved in special events held at the Club. The individuals designated by the Partnership are subject solely to approval by the Partnership. Use of the Club Facilities by the Partnership and its designees may not unreasonably interfere with the members' use of the Club Facilities.

PARTNERSHIP'S RIGHT TO USE CLUB FACILITIES AFTER THE TURNOVER DATE

After the Turnover Date, the Partnership and its designees will have the right to use the Club Facilities for the purpose of entertaining prospective purchasers of residential units or homesites in the Community (including prospective resale purchasers) or unsold Equity Memberships it holds for sale upon payment of the use fees charged accompanied guests of Equity Members.

PROMOTIONAL USE OF CLUB FACILITIES

The Partnership and its designees shall have the right prior to the sale of all residential units or homesites in the Community to hold promotional and other special events, including golf and tennis tournaments at the Club, upon payment of all out-of-pocket costs associated with such events, and at any time to promote and refer to the Club in advertisements and promotional materials by making reference to the Club and the availability of memberships in the Club. Such events will not unreasonably interfere with member's use of the Club Facilities.

MEMBERSHIP PROCEDURES

APPLICATION PROCESS

An applicant must mail or deliver to the Membership Director at the Club a fully completed and signed Application for Membership, Subscription Agreement and a check in U.S. funds for the required membership contribution amount.

REVIEW OF APPLICATION

After the Club has received the required materials, a determination will be made whether the applicant has satisfied the relevant conditions of membership. All applicants for new (previously unissued) memberships must be approved by the Partnership. All applicants acquiring a resigned membership being reissued by the Club must be approved by the Board of Governors. If the application is not acted upon favorably, the applicant's payment will be returned without any interest thereon. The Club is under no obligation to give any reason for denying an application.

RIGHTS GOVERNED BY MEMBERSHIP PLAN

Members of the Club agree to be bound by the terms and conditions of this Membership Plan, as amended from time to time, and irrevocably agree to fully substitute the membership privileges acquired pursuant to this Membership Plan for any present or prior membership privileges or rights to use the Club Facilities.

DUES AND ASSESSMENTS

A. MEMBERSHIP YEAR

MEMBERSHIP YEAR

The Club's "Membership Year" will constitute the 12-month period commencing January 1 and ending on the following December 31.

B. DUES

DUES, FEES AND CHARGES

Membership dues for members are payable annually, in advance or on such other basis as determined from time to time by the Club. The Board of Governors may set the amount of dues at any level deemed appropriate. The current dues for use of the Club Facilities are set forth on the Schedule of Dues and Charges. The amount of dues for subsequent years is subject to change.

C. ASSESSMENTS

OPERATING ASSESSMENTS

Members of the Club will not be assessed for operating deficits prior to the Turnover Date. After the Turnover Date, the Board of Governors of the Club may find it necessary to make assessments, in addition to dues, to cover any operating deficits which may occur. Any assessments to cover operating deficits will be prorated among Equity Members of the Club based on the amount of dues charged each member during the year in which the deficit occurs.

CAPITAL ASSESSMENTS

There will be no assessments for capital expenditures unless a majority of the votes entitled to be cast by Equity Members vote in favor of the capital assessment, except that assessments required to pay unbudgeted repairs, maintenance or replacements do not require member approval. Assessments for capital expenditures on the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities shall be voted upon by the Golf Members and shall be paid by the Golf Members. Social Members shall not pay any assessments for a capital expenditure on the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities. All other assessments for capital expenditures shall be voted upon by all Equity Members of the Club and shall be prorated equally among all Equity Members.

MEMBERSHIPS HELD BY PARTNERSHIP ARE NOT SUBJECT TO ASSESSMENTS OR DUES

The Club will not make any capital or operating assessments or impose any dues or other charges on any Equity Membership during the period while the Equity Membership is held for sale by the Partnership except for Equity Memberships which the Partnership repurchases from the Club for reissuance.

PURCHASE AND SALE AGREEMENT

A. IN GENERAL

TRANSFER OF CLUB FACILITIES TO CLUB

The Partnership will transfer to the Club all of its right, title and interest in the Club Facilities, including the land upon which the Club Facilities are located, and has agreed to fund the costs of constructing and equipping the Club Facilities, in accordance with the terms and conditions of the Purchase and Sale Agreement, a copy of which is attached hereto as Exhibit A.

B. CONSIDERATION FOR TRANSFER OF THE CLUB FACILITIES

CONSIDERATION FOR CLUB FACILITIES

All membership contributions received by the Club from the initial sale of Equity Memberships will be paid to the Partnership as consideration for the conveyance of the Club Facilities by the Partnership. If the Closing Date occurs prior to the initial sale of all of the Equity Memberships permitted to be issued by the Club, the Club will deliver to the Partnership on the Closing Date any unissued Equity Memberships so that such unissued Equity Memberships may be issued to persons designated by the Partnership who will become members of the Club subject only to the approval of the Partnership.

OPERATION OF CLUB

A. CONTROL OF CLUB

BOARD OF GOVERNORS

The Club is governed by a Board of Governors in accordance with the Club's Certificate of Incorporation, By-Laws and General Club Rules attached hereto as Exhibits B, C and D, respectively.

DESIGNATION OF GOVERNORS

Until the Turnover Date, the Partnership will appoint all members of the Board of Governors. After the Turnover Date, all members of the Board of Governors will be elected by the Equity Members.

B. BOARD OF ADVISORS

A Spring Island Club Board of Advisors has been established to serve as a liaison between the management of the Club and the members. The Board of Advisors will meet with the Board of Governors or a representative of Club management on a regular basis to discuss the operation of the Club and the Club Facilities. The Partnership will designate all of the members of the Board of Advisors and will establish their terms of office from time to time. The Board of Advisors will have no duty or power to negotiate or otherwise act on behalf of the members of the Club and shall serve only in an advisory capacity.

COMMITTEES

The Club may establish committees for various purposes, including a Golf Committee, Tennis Committee, House Committee, Buildings and Grounds Committee and Recreation Committee. Each of these committees will consist of members of the Club who will be appointed by the Club management. These committees will meet on a regular basis to provide member input into activities, events and programs related to their particular areas of interest.

C. TURNOVER OF CONTROL

The "Turnover Date" will be the earlier of: (a) 75 days after the initial sale of 369 Equity Memberships, (b) an earlier date determined by the Partnership, but only if the Club's accounting firm confirms that the Club has operated without a deficit or loss during the previous 12 months, or (c) the early turnover is approved by a majority vote of the Equity Members.

D. CLUB OPERATIONS

The Partnership has been engaged by the Club to manage the operation of the Club Facilities until the Turnover Date in accordance with the terms of a Management Agreement, which is available for inspection at the Membership Office. The Partnership reserves the right to engage a professional management company to operate the Club and the Club Facilities.

CLUB FACILITIES MAINTAINED IN GOOD WORKING ORDER

The Club Facilities will be maintained by the Club until the Turnover Date in good working order, ordinary wear and tear excepted. The members of the Club are responsible for the costs of any capital improvements which they vote to make, and any extraordinary repairs, maintenance or replacements.

"Extraordinary repairs or replacements" shall mean repairs or replacements to the Club Facilities which result from unforeseen causes such as hurricanes, fires, wars, Acts of God, and other events beyond the reasonable control of the Partnership or the Club.

RESERVES FOR CAPITAL REPLACEMENTS

A reserve will be established by the Club each year for capital repairs and replacements to the Club Facilities. The amount of this reserve will be equal to four percent (4%) of the gross revenues from the operation of the Club Facilities, excluding any membership contributions.

INDEPENDENT INSPECTION OF CLUB FACILITIES

As the Club Facilities are completed, the Partnership shall have the Club Facilities inspected by independent third party inspectors selected in the sole discretion of the Partnership and will obtain a report certifying that these facilities were built in substantial compliance with the plans and specifications as modified by any change orders and applicable governmental regulations. The inspectors will be independent architects or engineers licensed by the State of South Carolina. A second inspection will be conducted immediately prior to the Turnover Date, to determine whether the Club Facilities are in good working order. The Partnership will make or cause to be made those repairs indicated in the inspection reports which the Partnership, in its sole discretion, deems appropriate and such repairs will be completed with due diligence and in a good and workmanlike manner. After the completion of each inspection and the completion of the repairs, the inspector who originally inspected the Club Facilities shall certify that the repairs have been made in accordance with the report. Other than these inspections, no representation or warranties shall be made regarding the Club Facilities.

CLUB ACCEPTS CLUB FACILITIES AS IS

THE CLUB FACILITIES WILL BE ACQUIRED IN THEIR "WHERE IS, AS IS" CONDITION. THE PARTNERSHIP AND THE CLUB MAKE NO REPRESENTATIONS CONCERNING THE FINAL DESIGN, FITNESS, CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, LOCATION, DATE OF COMPLETION, ADEQUACY OF THE SIZE OR CAPACITY IN RELATION TO THE UTILIZATION OR THE FUTURE ECONOMIC PERFORMANCE OF, OR THE MATERIALS, FURNITURE OR EQUIPMENT WHICH ARE OR WILL BE USED IN, THE CLUB FACILITIES, EXCEPT AS SPECIFICALLY SET FORTH IN THE MEMBERSHIP PLAN.

MODIFICATION OF MEMBERSHIP PLAN

BEFORE TURNOVER DATE

The Partnership reserves the right prior to the Turnover Date to waive or modify the terms of this Membership Plan as long as the waivers and modifications are not materially adverse to the rights of the Equity Members. Any waiver or modification which is materially adverse must be approved by a majority of the votes eligible to be cast by the Equity Members.

AFTER TURNOVER DATE

After the Turnover Date and until the sale of all of the Equity Memberships and the initial sale by the Partnership of all the residential units or homesites now or hereafter included within the Community, the Club may modify the Membership Plan, Certificate of Incorporation and By-Laws; provided, however, that the Club will not modify any of the following without the prior written consent of the Partnership, which approval may be withheld by the Partnership for any reason whatsoever: (a) the eligibility to acquire an Equity Membership, (b) the total number of members allowed in any category of membership; (c) the restrictions or limitations on assessment of membership for dues, charges and assessments, (d) the use privileges associated with any category of Equity Membership, (e) the rights associated with the Founder Memberships, (f) the rights and privileges of Honorary Members, or (g) the rights of owners of a unit or homesite in the Community who are Equity Members of the Club to arrange for transfer of memberships to subsequent purchasers of their property.

After the Turnover Date, the Purchase and Sale Agreement may be changed only upon obtaining the Partnership's written consent, which may be withheld by the Partnership for any reason whatsoever.

SECOND AMENDMENT TO THE
PLAN OF MEMBERSHIP
DATED THE 1ST DAY OF JANUARY 1995

This Second Amendment to the Plan of Membership for **SPRING ISLAND CLUB** is effective the 1st day of January, 1995.

The Plan of Membership for the **SPRING ISLAND CLUB** dated February 20, 1990, as amended by virtue of that first Amendment to the Plan of Membership dated May 21, 1995, is hereby further amended in the following particulars:

1. The Section entitled "Offering of Equity Golf and Social Memberships" beginning on Page 3 of the Plan is hereby amended to read as follows:

Equity memberships in the Club will be offered to persons meeting the eligibility requirements for membership. The principal eligibility requirement for membership is that the applicant for membership own a Homesite or Dwelling Unit on Spring Island and be approved for membership by the Club. The number of equity Golf Memberships to be sold will not exceed THREE HUNDRED FIFTY (350) except for the possible Founder's privilege noted above. The Capital Contribution for Golf Memberships is currently FORTY-TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$42,500.00), payable as follows:

(a) Not less than ten percent (10%) cash FOUR THOUSAND TWO HUNDRED FIFTY AND 00/100 DOLLARS (\$4,250.00) accompanying the application. TWENTY-EIGHT THOUSAND TWO HUNDRED FIFTY AND 00/100 DOLLARS (\$28,250.00) on approval of application for membership and TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00) within sixty (60) days of commencement of construction of the permanent clubhouse.

(b) After commencement of construction of the permanent clubhouse FORTY-TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$42,500.00) shall be payable upon subscription to a golf membership.

Persons subscribing to Golf Memberships shall pay dues as described in the Schedule of Dues and Fees for the applicable Club year.

The number of Social Memberships to be sold will not exceed ONE HUNDRED FIFTY (150) except as it might relate to the special Founder's privilege noted above. The Capital Contribution for a Social Membership is currently TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00), payable as follows:

(a) Not less than ten percent (10%) cash, ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00) accompanying the application. SIX THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$6,500.00) on approval of application for membership and TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00) within sixty (60) days of commencement of construction of the permanent clubhouse.

(b) After commencement of construction of the permanent clubhouse TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00) shall be payable upon subscription to a Social Membership.

Persons subscribing to Social Memberships shall pay dues as described in the Schedule of Dues and Fees for the applicable Club year.

2. All other provisions of the Plan of Membership of February 20, 1990, as amended by that certain First Amendment of May 21, 1992 not modified by this Second Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being all of the Members of the Board of Governors of the Spring Island Club, do hereby execute this Second Amendment effective the day and year first above written.

James J. Chaffin, Jr.

James W. Light

James A. Horn

WLBJR:SKK:SIC6A:\NEW\2AMEND.POM

FIRST AMENDMENT TO THE
PLAN OF MEMBERSHIP
DATED THE 21ST DAY OF MAY 1992

This First Amendment to the Plan of Membership for **SPRING ISLAND CLUB** is effective the 21st day of May, 1992.

The Plan of Membership for the **SPRING ISLAND CLUB** dated February 20, 1990, is hereby amended in the following particulars:

1. The Section entitled "Offering of Equity Golf and Social Memberships" beginning on Page 3 of the Plan is hereby amended to read as follows:

Equity memberships in the Club will be offered to persons meeting the eligibility requirements for membership. The principal eligibility requirement for membership is that the applicant for membership own a Homesite or Dwelling Unit on Spring Island and be approved for membership by the Club. The number of equity Golf Memberships to be sold will not exceed THREE HUNDRED FIFTY (350) except for the possible Founder's privilege noted above. The Capital Contribution for Golf Memberships is currently THIRTY FIVE THOUSAND AND 00/100 DOLLARS (\$35,000.00), payable as follows:

(a) FIVE THOUSAND AND 00/100 DOLLARS (\$5,000.00)
payable as a reservation deposit within sixty (60) days of closing of a Homesite on Spring Island.

(b) TWENTY THOUSAND AND 00/100 DOLLARS
(\$20,000.00) payable within sixty (60) days after the opening of the golf course on Spring Island.

(c) TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00)
payable within sixty (60) days after commencement of construction of the permanent clubhouse.

(d) After the opening of the golf course for play but prior to the commencement of construction of the permanent clubhouse (a) and (b) above shall be combined with the requirement that the TWENTY FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) shall be paid within sixty (60) days of the closing for the purchase of a Homesite on Spring

EXHIBIT K
to Exh. A

Island with the remaining TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00) payable as set forth in paragraph (c) above.

(e) After commencement of construction of the permanent clubhouse THIRTY FIVE THOUSAND AND 00/100 DOLLARS (\$35,000.00) shall be payable within sixty (60) days of the closing of a purchase of a Homesite on Spring Island.

Persons subscribing to Golf Memberships shall pay dues as described in the Schedule of Dues and Fees for the applicable Club year commencing upon the opening of the golf course for play.

The number of Social Memberships to be sold will not exceed ONE HUNDRED FIFTY (150) except as it might relate to the special Founder's privilege noted above. The Capital Contribution for a Social Membership is currently TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00), payable as follows:

(a) SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$7,500.00) payable within sixty (60) days after the opening of the golf course.

(b) The remaining TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$2,500.00) shall be payable within sixty (60) days after commencement of construction of the permanent clubhouse.

(c) The Capital Contribution for memberships subscribed after commencement of the construction of the permanent clubhouse shall be payable in the amount of TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00) at the time of subscription for membership.

Persons subscribing to Social Memberships shall pay dues as described in the Schedule of Dues and Fees for the applicable Club year commencing upon the opening of the golf course for play.

The Schedule of Dues and Fees will be reviewed annually and adopted with the adoption of the annual budget. The Board of the Governors of the Club reserves the right to change the amount of the Capital Contribution for any equity membership annually on a calendar year basis. It is contemplated that the Capital Contribution for such memberships will increase as the amenities of the Club are completed and expanded and as the number of members increases.

Dues may be waived on a year-to-year basis by the Board of Governors in its sole discretion at the request of a Member who owns property on Spring Island which does not have a Dwelling Unit on it and who desires the membership to be dormant.

The Board of Governors of the Club will, in its sole discretion, determine the amount of the Capital Contribution and terms of any offerings of equity memberships in future years. However, the Club does not intend to offer for sale more than THREE HUNDRED FIFTY (350) equity Golf Memberships and ONE HUNDRED FIFTY (150) equity Social Memberships except as it relates to the special provisions pertaining to equity memberships for Founder Members set forth hereinabove.

2. All other provisions of the Plan of Membership of February 20, 1990, not modified by this First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being all of the Members of the Board of Governors of the Spring Island Club, do hereby execute this First Amendment effective the day and year first above written.

James J. Chaffin, Jr.

James W. Light

James A. Horn

WLBJR:REO:SIC6A:\NEW\1AMEND.POM

BLUFFTON 468728v1 109964-00300

EXHIBIT K
to Exh. A

PLAN FOR THE
OFFERING OF MEMBERSHIP
IN
SPRING ISLAND CLUB

DATED FEBRUARY 20, 1990

AS AMENDED

MAY 21, 1992

)

)

)

)

2

:

;

Case No: 2011-CP-07-2788

AFFIDAVIT

I, the undersigned Daniel A. Gregorie, being first duly sworn, depose and say as follows:

1. That the Subscription Agreement signed by me when I purchased the membership in Spring Island Club only refers to the rules and regulations of the Club and to the Plan of Offering of Memberships, and I expected that only those documents would apply to my right to resign my membership and would contain any substantive provisions requiring that I pay dues and assessments even after resigning my membership and no longer having the right to any membership privileges.

2. That at the time I purchased such Spring Island membership, I was never informed by the Club or by my attorney (who also represented the seller of the membership) that I would not have the right to resign from the Club and thereby cease to incur dues or assessment obligations following such resignation.

3. That I have complied with the resignation provisions of the rules and regulations of the Club and of the Plan of Offering of Memberships, and I have paid all dues and assessments billed to me for the period ending May 31, 2011.

EXHIBIT

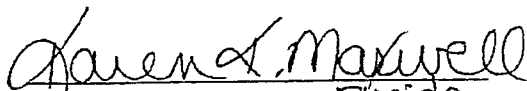
4. That all of the allegations of the Complaint in this matter are accurate.

Signed this 10th day of April, 2013.



DANIEL A. GREGORIE

SWORN TO BEFORE ME
this 10th day of April, 2013.



Notary Public for Maine ~~Maine~~ Florida
My commission expires: _____



EXHIBIT u C u

SUBSCRIPTION AGREEMENT

The undersigned hereby subscribes for a Certificate of Membership as a Social Member in the Spring Island Club, a South Carolina not-for-profit corporation. The undersigned agrees to pay to said corporation \$ 10,000 for the Certificate as follows:

- A. Not less than ten percent (10%) cash (\$1,000) accompanying this application (checks should be made payable to Spring Island Club) and
- B. \$6,500.00 on approval of my application for membership.
- C. The remaining \$2,500.00 shall be payable within sixty days after commencement of construction of the permanent clubhouse.

This subscription is made with the following understandings:

1. This Subscription Agreement is made with the understanding that there will be no more than Three Hundred Fifty (350) Golf Memberships and One Hundred Fifty (150) Social Memberships in the Club. The special privileges of the Thirty Six (36) Founder Memberships could necessitate expansion of the total Membership by up to an additional thirty six (36) memberships. I understand that the Company reserves the right to build additional golf holes in its sole discretion in which event additional membership and/or categories of membership could be developed.

2. This contract is made with the further understanding that until Spring Island Company L.P. calls a meeting of the members pursuant to the By-Laws, the management of the Club will remain in Spring Island Company L.P., its successors or assigns.

3. It is expressly understood that the sole incentive for this subscription contract is the ability to play golf, tennis, and swim, and to use the other facilities of the Club subject to the rules and regulations of the Club and the category of membership selected by the subscriber. The subscriber has no intent or understanding that there is any investment or profit motive involved in this Subscription Agreement, and fully recognizes that it is very likely that the Club will operate at a loss during

EXHIBIT u C u

EXHIBIT "C"

each year until membership participation, dues and assessments are large enough to off-set this loss.

4. The Club may reject this application by refunding all monies paid.

5. This Subscription Agreement contains the entire contract between the Subscriber and the Club, and no agent or representative of the Club or any other person has any power to change or alter the terms of this subscription.

6. This Subscription Agreement is offered in accordance with the Plan for the Offering of Membership in the Spring Island Club dated as of February 20, 1990 and amended May 21, 1992.

DATED this 21st day of September, 1996.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Carol Anne Straubing

Samuel A. Hignier
Subscriber

EXHIBIT "C"

EXHIBIT "D"

DANIEL A. GREGORIE, M.D., MBA
P.O. Box 541, 11 Perkins St.
Castine, Maine 04421
TEL: 513-608-8296 FAX: 415-839-6724 EMAIL: dgregorie@aol.com
May 31, 2011

Kathy Willis
Membership Director
Spring Island Club
174 Callawassie Drive
Okatie, SC 29909

Dear Kathy,

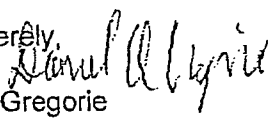
I am writing to inform you that I hereby resign as a member of the Spring Island Club effective on May 31, 2011.

I have reviewed my Subscription Agreement signed on September 26, 1996. The General Club Rules stipulated in that Agreement, specifically Section II thereof, state that I have the right to resign membership in the Club by providing the Membership Director with written notice of such resignation and upon resignation I am "liable for any amounts unpaid on the member's club account, dues and other fees." I believe my account has no balance due. However, please provide me a final billing statement, and I will promptly remit payment in full of any authorized outstanding balance as of May 31, 2011.

As you know, my Spring Island property is for sale, and I therefore reserve and retain the right to have my membership reissued to the purchaser of my property with a refund to me of 80% of the membership contribution (\$100,000.00). I understand that if the purchaser does not elect to acquire the membership, it will be placed on the Club's "seller's waiting list for resigned memberships" for reissue to a third party. At the time of such reissue, 80% of the membership contribution (\$100,000.00) will be refunded to me.

The absence of a prompt response to the contrary will constitute the Club's acknowledgement and confirmation of acceptance of my resignation on the terms specified above.

Sincerely,


Dan Gregorie

cc: Jack Qualey

EXHIBIT "D"

EXHIBIT "E"

MCNAIR
ATTORNEYS

June 10, 2011

Walter J. Nester, III

wnester@mcnair.net
T (843) 785-2171
F (843) 886-5991

Via E-mail and U.S. Mail

Daniel Gregorie, M.D.
PO Box 541
Castine, ME 04421

Re: Spring Island Club – Resignation of Membership

Dear Dr. Gregorie:

This firm serves as legal counsel to the Spring Island Club. We are in receipt of your letter to Ms. Kathie Willis dated May 31, 2011, which has been forwarded by the Club for our review and response.

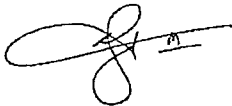
As a preliminary matter, the Club specifically rejects the notion that the failure to respond to the contrary constitutes acceptance of any term or condition set forth in your correspondence and rejects the statements set forth therein unless specifically otherwise agreed to in this correspondence.

As set forth in the Plan for the Offering of Equity Memberships for Spring Island and the Bylaws of the Spring Island Club, resignation of a Club membership is not effective unless and until the homesite or residential unit associated with such membership is sold. As also set forth in the Plan, the reissuance of such membership may occur, as you note, if the purchaser of your Spring Island residence elects to purchase a golf membership. If such purchaser elects not to purchase a golf membership, then upon the sale of your Spring Island residence, the membership shall be placed on the Club's resale list. As further set forth in the Plan, until such membership is, in fact, reissued, the resigning member remains obligated to pay the dues and assessments associated with such membership.

Please contact the undersigned if you have any questions.

Sincerely,

McNAIR LAW FIRM, P.A.



Walter J. Nester III

WJN:dkr

c: Spring Island Club (via e-mail)
Jack Qualey, Esq. (via e-mail)

HILTONHEAD 743853v3

McNair Law Firm, P. A.
Shelter Cove Executive Park
23-B Shelter Cove Lane, Suite 400
Hilton Head Island, SC 29928

Mailing Address
Post Office Drawer 3
Hilton Head Island, SC 29938

mcnair.net

150

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	CIVIL ACTION NO.: 2011-CP-07-2788
COUNTY OF BEAUFORT	)	
DANIEL A. GREGORIE,	)	
	)	
Plaintiff(s),	)	
	)	
v.	)	
	)	
SPRING ISLAND CLUB,	)	ANSWER OF DEFENDANT
	)	SPRING ISLAND CLUB
Defendant(s).	)	
	)	
	)	
	)	
	)	
	)	
	)	

TO: John P. Qualey, Jr., ESQUIRE, as attorney for the PLAINTIFF

COMES NOW the Defendant Spring Island Club, by and through the undersigned counsel who would respectfully answer the Complaint of the Plaintiff as follows:

FOR A FIRST DEFENSE

1. All allegations of the Complaint not hereafter admitted or denied are expressly denied and strict proof is demanded thereof.
2. Upon information and belief, Defendant Spring Island Club expressly admits Paragraphs 1, 2, 3, and 4 of the Plaintiffs' Complaint. Jurisdiction is proper in Beaufort County.
3. Defendant Spring Island Club can neither admit nor deny the allegations as set forth in Plaintiffs' Complaint, Paragraphs 5, 6, 7, 8, and 9, would crave reference to the documents referenced therein as to the terms and conditions thereof.
4. Defendant Spring Island Club denies the allegations as set forth in Paragraphs 10, 11, 12, 13, and 14 of the Plaintiff's Complaint, and strict proof is demanded thereof.

EXHIBIT ^{h F}**FOR A SECOND DEFENSE**

5. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

6. The Plaintiffs' Complaint fails to set forth facts sufficient to state a cause of action as to this Defendant and this Defendant should be dismissed pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, along with all costs, fees and expenses.

FOR A THIRD DEFENSE

7. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

8. The Defendant has strictly complied with all the terms and conditions of the Parties agreements and therefore the Plaintiff's Complaint should be dismissed.

9. The Defendant is further informed and believe that upon dismissal of the Plaintiff's Complaint or a ruling in favor of the Defendant's favor that the Defendant is entitled to any and all amounts then due and owed, if any, under the agreements at issue, including any dues or assessments, and further, for all the costs, fees, and expenses of this action.

FOR A FOURTH DEFENSE

10. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

11. The Defendant is informed and believe the documents at issue are clear and unambiguous on their face, fully enforceable, and the Plaintiff, having executed the same knowingly and freely is bound by the terms and conditions thereof and his Complaint should be dismissed.

FOR A FIFTH DEFENSE

12. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

13. The Plaintiff has owned and maintained the Spring Island Club Membership at issue without question or controversy over an extended period of time.

14. The Plaintiff has enjoyed and exercised the rights and privileges of the Spring Island Club Membership.

15. Upon information and belief, the Plaintiff's claims are barred by the doctrines of laches, waiver, and/or estoppel.

FOR A SIXTH DEFENSE

16. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

17. Upon information and belief, the Plaintiff's claims are barred by the Statute of Frauds.

FOR AN SEVENTH DEFENSE

18. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

19. Defendant Spring Island Club would show that the Plaintiff's allegations are barred by applicable statutes of limitations.

FOR A EIGHTH DEFENSE

20. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

21. Defendant Spring Island Club reserves the right to raise additional defenses which may become available or learned through discovery.

EXHIBIT ¹⁷Fⁿ

WHEREFORE, the Defendant Spring Island Club respectfully requests the Complaint of the Plaintiffs be dismissed and all costs, fees and expenses incurred be assessed against the Plaintiff.

MCNAIR LAW FIRM, P.A.

By: *R. Nicholas Felix*

R. Nicholas Felix
Post Office Drawer 3
Hilton Head Island, SC 29938
(843) 815-2171

ATTORNEY FOR THE DEFENDANT
SPRING ISLAND CLUB

Bluffton, South Carolina

Aug 22, 2011

Daniel Gregorie
P.O. Box 541
Castine ME 04421

06277
MEMBER NO.

Feb 28/13
DATE

AMOUNT PAID \$ _____

Thank You

Please detach and remit with check made payable to Spring Island Club.

DATE	REF. NO.	DESCRIPTION	AMOUNT	SERVICE CHARGE	TAX	TOTAL
Feb28/13	46	Balance Forward				46,040.57
		Finance Charge	577.67	0.00	0.00	577.67
		For questions contact Carrie Barth at (843) 987-3310 or cbarth@pfs-sc.com				
		Totals	577.67	0.00	0.00	46,618.24

06277	577.67	569.35	6,959.43	38,511.79	46,618.24
MEMBER NO.	CURRENT BAL.	30 DAYS BAL.	60 DAYS BAL.	90 DAYS BAL.	AMOUNT DUE

SPRING ISLAND CLUB

EXHIBIT 6

BY-LAWS
SPRING ISLAND CLUB
A Not-For-Profit South Carolina Corporation

ARTICLE ONE

Purpose and Duration of Club

The nature and purpose of Spring Island Club (hereinafter referred to as the "Club") is to own and operate a private golf, tennis, swimming, equestrian, boating, fitness and social club for the recreation, pleasure and benefit of its members and their families and guests. The period of duration of the Club is perpetual.

ARTICLE TWO

Qualification, Classifications and Rights of Members

2.1 Qualification. In order to qualify for membership in the Club the following are required:

2.1.1 Approval. The members of the Club shall be such persons as are admitted to membership pursuant to the provisions of these By-Laws and who shall pay such Membership Contributions, dues, fees and assessments as may be established from time to time. With the exception of the Developer Member as set forth in paragraph 2.3 herein, corporations, partnerships or other legal entities may own membership certificates in the Club but must designate one (1) natural person who shall be admitted to membership and who shall be fully subject to these By-Laws and the Club Rules.

All Spring Island property owners who have filed a timely and complete application, paid all current dues and assessments, provided all financial information, are in compliance with all other covenants, rules and regulations and who have been approved for membership will, on the twenty-fifth (25th) hour after payment of the applicable Membership Contribution, be granted membership in the Spring Island Club.

2.2 Equity Memberships. There shall be two (2) classes of Equity Membership in the Club as follows:

A. Golf Members - Golf Members shall be full equity members. It is contemplated that there shall be no more than three hundred fifty (350) Golf Memberships to be offered inclusive of the Founder Members set forth below except as provided in Article 3.9 hereinafter. Golf Members shall have full golf privileges as well as use of all of the other

facilities of the Club, and, after the "Turnover Date" (as defined hereinafter), shall have full voting rights. Golf Members shall pay an initial Membership Contribution, dues, assessments and user fees as set forth in the Schedule of Dues and Charges.

B. Social Members - Social Members shall be full equity members. It is contemplated that there will be no more than sixty (60) social equity memberships offered. The Social Members shall have the use of all facilities of the Club including limited golf privileges, in accordance with the Membership Plan. Social Members shall have voting rights after the Turnover Date except that Social Members may not vote on any matters pertaining to the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities. Social Members shall pay an initial Membership Contribution, dues and user fees as set forth in the Schedules of Dues and Charges. Social Members shall pay assessments which are not attributable to expenses of the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities.

The Spring Island community was originally planned to include 500 residential homesites. The Spring Island Property Owners Association ("Association") has acquired from the Partnership parcels of real property upon which 90 of those homesites were to have been located. In accordance with an agreement between the Association and the Partnership, the Association shall have the right to develop and sell up to 10 homesites on the property it purchased from the Partnership. In the event the Association sells one or more of the homesites, the number of Social Memberships permitted in the Club shall be increased so that a Social Membership will be available for each such homesite.

In the event additional Social Memberships are issued for the additional homesites, the proceeds from the initial issuance of the additional Social Memberships shall be paid to Spring Island Company, L.P. (the "Partnership").

2.3 Other Memberships.

A. Founder Members - Founder Members shall be a group of up to thirty six (36) equity members who are the initial purchasers of real estate on Spring Island and are participants as Founder Members and Class "A" Limited Partners in the Partnership. Founder Members shall have full golf privileges and use of all of the other facilities of the Club, and shall have all rights of Golf Members and, after the Turnover Date, shall have full voting rights. Founder Members, as investors in the capitalization of the Partnership, have not paid a separate Membership Contribution but their accounts have been credited with the sum of fifteen thousand and 00/100 dollars (\$15,000.00) for purposes of identifying their Membership Contribution to the Club and such allocation shall constitute payment in full of the Founder's Membership Contribution. Founder Members shall pay the same dues, fees and charges as Golf Members.

B. Honorary Members - A total of twenty-five Honorary Memberships may be issued to persons designated by the Partnership from time to time. These Honorary Memberships are in addition to all other memberships permitted to be issued in the Club and will be available on such terms and conditions as determined by the Partnership from time to time. Honorary Members shall be permitted to use the Club Facilities on the same basis as

Equity Golf Members. Honorary Members will not pay any membership contribution, dues or assessments and shall have no voting rights. Honorary Members will not pay any greens fees or court fees for their use of the golf and tennis facilities, but shall be required to pay cart fees and all other fees and charges incurred at the Club. Honorary Memberships will not be assignable or transferable by the Honorary Members. Honorary Membership will continue under the same terms and conditions for a period of three (3) years following the Turnover Date. The continuation of the privileges of Honorary Members after the three year period will be subject to the discretion of the Club's Board of Governors.

C. Developer Member - The Developer Member shall be the Partnership, its successors or assigns, which shall be the only Developer Member. Until the Turnover Date, at which time the Developer Membership shall be canceled, the Developer Member may designate all partners and some employees of the Partnership to use the Club Facilities, and such persons shall have the same use rights as the Golf Members. The Developer Member shall not have any voting privileges. Those persons designated by the Developer Member shall not pay Membership Contributions, and may or may not be required to pay dues or user fees, but shall be responsible to pay for food, beverages and pro shop charges. Certain designated users under the Developer Member category may have limited golf privileges.

2.4 Rights of Membership. Except as specifically stated in these By-Laws, those persons designated by the Developer Member as set forth in Article 2.3 herein and Founder, Golf, Social and Honorary Members shall enjoy the rights and privileges of membership and be subject to the By-Laws and Rules and payment of charges of the Club as established by the Board of Governors. The spouses and immediate family members of all persons designated by the Developer Member, and the spouses and immediate family members of Founder, Golf, Social and Honorary Members may utilize and enjoy such of the Club Facilities as the members may use, subject to limitations on the rights of children as provided in the General Club Rules. "Immediate family members" shall include the member's spouse and their parents, children and their spouses.

2.5 Cancellation of Developer Membership/Turnover of Control of Club. The Developer Membership shall be canceled upon the books and records of the Club, and all rights and obligations incident thereto shall cease and be of no further force or effect, except such rights and obligations as may be specifically reserved, on the "Turnover Date," which shall occur on the earlier of: (a) 75 days after the initial sale of 369 Equity Memberships, (b) an earlier date determined by the Partnership, but only if the Club's accounting firm confirms that the Club has operated during the previous 12 months, or (c) the early turnover is approved by a majority vote of the Equity Members.

2.6 Voting Rights. Prior to the Turnover Date, the Developer Member shall be the sole and only member of the Club entitled to appoint Governors or officers and the members shall have no voting rights whatsoever, unless the Partnership in its sole discretion decides to submit a particular matter to a vote of the Equity Members. Commencing on the Turnover Date and continuing thereafter, the Developer Member shall cease to have the right to appoint governors and officers, and each Founder Member, Golf Member and Social Member shall have one (1) vote in the election of officers and/or governors and upon all matters coming before,

and affecting the Club as below described. No other classes of membership in the Club shall have any right to vote either before or after the Turnover Date.

2.6.1 After the Turnover Date, in electing members to the Board of Governors, at least three fourths (3/4) of such Governors must be Golf Members (including Founder Members, as applicable) and the remaining must be Social Members.

2.6.2 After the Turnover Date, in voting on all other matters coming before a meeting of the membership, Golf Members and Founder Members may vote on all matters. Social Members shall not vote on any matters pertaining to the golf course, golf practice facilities, maintenance facilities or golf cart storage facilities but shall vote on all other matters.

ARTICLE THREE

Admission to Membership

3.1 Qualifications. Equity Memberships shall be offered to persons who own fee simple title to, or a beneficial interest in, a homesite or residential unit located on Spring Island who are approved for membership, and such other persons (including persons who do not own property in Spring Island) who may be approved for membership. In the event of multiple ownership of a homesite or residential unit situated on Spring Island only one (1) such owner per homesite or residential unit may be a Golf Member or Social Member.

All applicants for new (previously unissued) memberships must be approved by the Partnership and all applicants acquiring a resigned membership being reissued by the Club must be approved by the Board of Governors of the Club. The amount and terms of payment of the Membership Contribution shall be determined by the Partnership for all previously unissued memberships and for all resigned memberships being reissued by the Club until all memberships have been initially issued in the Club, and by the Club's Board of Governors for all resigned memberships being reissued by the Club thereafter.

3.2 Application. The application for membership provided by the Club and containing such information as the Club may request, including references, shall be signed by the applicant. The application must be accompanied by the required Membership Contribution (if applicable) or deposit and a Subscription Agreement and must be delivered to the Club.

3.3 Action by the Board.

3.3.1 Where Memberships are Available for Filling. A determination shall be made with respect to a membership applicant on or before the closing on the purchase of the property after receipt of the Application for Equity Membership, Subscription Agreement and

Membership Contribution. In the event of disapproval, the applicant shall be notified by letter and the Membership Contribution or deposit shall be returned to the applicant without interest. Upon approval of an application, an applicant shall immediately be notified by letter of his or her election to membership.

3.3.2 Where No Memberships are Available for Filling. Where no memberships are available for filling, an application will not be considered or acted upon. The applicant shall, instead, be notified by letter that there are no memberships available and the applicant's Membership Contribution or deposit will be returned without interest. The Club, however, reserves the right to establish a buyer's waiting list procedure for consideration and acceptance of an application subject to availability of memberships, upon such terms and conditions as the Club may establish.

3.4 Confidentiality. No reason shall be stated for the rejection of any applicant for membership. Each person who shall have considered the application shall be deemed to have pledged his honor not to disclose any information or discussion relative to the action of himself or of any other person in regard to the application for membership. Such matters are by their nature confidential and will be so treated.

3.5 Membership Certificates.

3.5.1 Every Founder Member and every accepted Golf Member and Social Member who pays the required Membership Contribution for membership shall receive a Membership Certificate. Such certificate shall be in a form approved by the Board of Governors, shall state that the Club is not-for-profit, and shall state that the same are issued subject to the By-Laws of the Club as they now are or may be amended and shall be subscribed by the President or Vice President and Secretary and under the seal of the Club.

3.5.2 Those members not described in paragraph 3.5.1 shall receive such evidence of membership or right to use the Club Facilities as the Board of Governors of the Club shall direct.

3.5.3 Membership Certificates are not redeemable or transferable except as specifically provided by these By-Laws. Whenever any person shall cease to be a member, whether by death, resignation, recall, expulsion or other provisions of these By-Laws, such cessation shall operate to authorize the Treasurer of the Club to effectuate the redemption, cancellation, purchase or sale of the Membership Certificate of such member in accordance with and in the manner prescribed by these By-Laws.

3.6 Resignation and Reissuance of Membership by the Club

3.6.1 Any Golf Member, Founder Member or Social Member may resign from the Club by giving written notice to the Club Secretary. The resigning member shall be liable for payment of any dues, fees and assessments accruing to his membership until his or her membership shall be reissued. The resigning member must surrender his Membership Certificate or other evidence of membership to the Club's secretary upon the date his resignation is to be effective.

3.6.2 Membership Certificates may not be transferred, assigned, pledged or hypothecated except as provided in Article 3 herein.

3.6.3 The Club shall repurchase the membership of a resigning Golf Member, Founder Member or Social Member if and at such time as the Club reissues the membership to a new member. The Club shall not be obligated to repurchase any Golf Membership, Founder Membership or Social Membership until the new member has been admitted and has paid the appropriate and requisite Membership Contribution in full even though the resigning member's resignation has become effective and he has delivered his Membership Certificate to the Club. The amount to be paid to the retiring Golf Member or Social Member, which will be payable only upon payment by the successor member of his Membership Contribution, will be the greater of eighty percent (80%) of the Membership Contribution currently charged by the Club for the particular class of membership held by the resigning member or the Membership Contribution originally paid by the resigning member, less any amount owed to the Club by the resigning member. In the case of a retiring Founder Member, the Founder Member will be paid eighty percent (80%) of the Membership Contribution currently charged for a Golf Membership upon acquisition of a Golf Membership by the subsequent purchaser of the Founder Member's property as provided herein. If a membership is reissued during a membership year, the resigned member will be entitled to a refund of a pro rata portion of any dues paid in advance for the remainder of the membership year in which the resignation occurs.

3.6.4 The Club shall have no obligation to purchase any Club memberships except as provided herein. A resigned membership will be placed on the records of the Club for resale/reissuance in the chronological order in which it is offered to the Club. Prior to the initial issuance of all memberships in the resigning member's category of membership, every fourth membership issued by the Club in that category of membership shall be issued from such list of memberships in the order in which they are presented to the Club.

3.6.5 Notwithstanding the provisions of Article 3.6.4, Golf Members and Social Members may resign their membership and direct the Club to transfer their membership to the purchaser of their homesite or residential unit in Spring Island provided said purchaser shall have applied for membership on or before the closing of the purchase of the property, been approved for admission to the Club and provided further that said purchaser shall have paid to the Club such charges as may be required by the Board of Governors from a new applicant for membership. The procedure for such a transfer shall be as follows:

3.6.5.1 The member must notify the Club in writing: (a) that he is selling his homesite or residential unit; and (b) that the transfer of the Club membership shall become effective following the closing of title on the homesite or residential unit, the acceptance of the purchaser as a member, and payment of the Membership Contribution by the purchaser.

3.6.5.2 The proposed purchaser of a membership must make application and subscription for membership on such forms as shall be prescribed by the Board of Governors.

3.6.5.3 On or before the closing of title to the homesite or residential unit located on Spring Island, the member shall deliver his Membership Certificate to the Secretary of the Club, together with an assignment thereof, properly endorsed by the member. As soon as practical after the purchaser is approved for membership in the Club and pays the requisite amount, the Secretary of the Club shall cancel the Membership Certificate of the selling member and issue a new Membership Certificate to the purchaser.

3.6.5.4 Should the purchaser of the homesite or residential unit not be approved by the Club, then the Club shall treat the selling member as if he were a resigning member under Article 3.6.4.

3.6.6 Those persons designated by the Developer Member under Paragraph 2.3 herein and the Honorary Members shall have no right to transfer their memberships or rights to use the Club Facilities to a third party.

3.7 Transfer Upon Death or Divorce.

3.7.1 Upon the death of an Equity Member, the Equity Membership will automatically pass to the surviving spouse of the deceased member without the payment of any additional membership contribution, if the spouse acquires ownership of the member's property in the Community. If the deceased Equity Member is survived by a spouse who has acquired the member's property in the Community, but the spouse does not desire the membership, or if the deceased Equity Member is not survived by a spouse, then the legatee or heir of such Equity Membership, if approved for membership by the Club, will have the right to acquire the deceased Equity Member's membership without the payment of any additional membership contribution if the legatee or heir is acquiring the deceased member's property in the Community. The legatee or heir must make application no later than ninety (90) days after the right to possession of the membership certificate, and pay all dues and assessments for the intervening time period between the date of the Equity Member's death and the date of the application, in addition to future dues and all other applicable charges. If the legatee or heir does not apply for the Equity Membership within ninety (90) days after acquiring the right to possession of the membership certificate, the membership will be surrendered to the Club, and thereafter, the Club may reissue the Equity Membership on the same basis as any other resigned membership, whereupon the Club shall pay the estate of the deceased Equity Member, upon reissuance of the membership, the amount due as provided in these By-Laws upon a transfer of an Equity Membership.

In the event a deceased Equity Member owns more than one property in the Community and owns an Equity Membership for each property, the deceased Equity Member can leave one property and the associated Equity Membership to his or her surviving spouse and the additional property and the associated Equity Membership to an adult child.

3.7.2 In the event married members are legally separated or divorced, title to the Founder, Golf or Social Membership issued in the name of either spouse, including all rights and benefits given to the holder thereof, shall vest in the spouse who receives the real property located within Spring Island.

3.8 Transfer Fees. The Club may collect from a resigning member a transfer fee of such amount as the Club shall determine from time to time.

3.9 Founder Members Special Provision.

3.9.1 For purposes of restrictions on transfer of membership, except as specifically noted, the Founder Members category is subject to the same restrictions on transfer as the Golf Members and Social Members. However, Founder Members may sell their property on Spring Island and retain their membership in the Club, a privilege unique to Founder Members.

3.9.2 Founder Members who sell their residential unit or homesite in the Community have the option to retain their membership, in which case the Founder Membership will become a non-equity Golf Membership which shall continue for the duration of the lifetimes of the Founder Member and his or her spouse, or until resignation. When this occurs, the number of Golf Memberships permitted in the Club shall be temporarily increased to make a Golf Membership available to the purchaser of the Founder Member's property in the Community until the closing of their purchase of the property. This means that the number of Golf Memberships could exceed 350 during the lifetime of the Founder Members and their spouses if some of the Founder Members decide to sell their property and retain their membership. Founder Memberships cannot be sold or transferred by the member.

3.9.3 When the Founder Member's membership is transferred through the Club to the purchaser of his or her residential unit or homesite, the purchaser will be issued a regular Golf Membership which shall have the same rights and privileges as all other Golf Memberships. The special privileges associated with the Founder Membership only apply to the original Founder Member and his or her spouse and will not apply to the transferee or purchaser of the membership. Upon the issuance of a Golf Membership to the purchaser of their residential unit or homesite, the resigning Founder Member shall be entitled to receive eighty percent (80%) of the amount of the membership contribution then charged for a Golf Membership, less any amounts the resigning Founder Member owes to the Club.

3.9.4 Upon the death of a Founder Member, the surviving spouse may continue the Founder Membership for the duration of the spouse's lifetime. If there is no surviving spouse, an heir who is related to the Founder Member by blood or marriage who inherits the Founder Member's property in Spring Island may acquire the Founder Member's membership, upon approval of the heir by the Club, without paying any membership contribution. In this case, the membership of the heir will be a non-equity Golf Membership which shall continue only for the duration of the lifetime of the heir and the heir will not be entitled to any refund with respect to the membership. The non-equity Golf Membership of the heir may not be transferred to the subsequent purchaser of the heir's property in Spring Island. The subsequent purchaser will be able to acquire a Golf Membership only if one is available and the subsequent purchaser is approved for membership.

ARTICLE FOUR

Members Meeting

4.1 Annual Meeting. There shall be no annual meetings of the members of the Club until after the Turnover Date.

4.2 Date and Place of Annual Meeting. The first annual meeting of the members shall be held within one (1) year after the Turnover Date. Each annual meeting shall be held at such time after the Turnover Date and at such place as the then Board of Governors shall provide.

4.3 Special Meetings. After the Turnover Date, special meetings of the Members may be called by the President, a majority of the members of the Board of Governors, or upon the written request of ten percent (10%) or more of the votes entitled to be voted. Such request shall be submitted to the President and he shall call a special meeting within thirty (30) days of the date he receives such request. Notices of any special meeting must contain a statement of the purpose for which such special meeting is called, and no other business may be transacted at that meeting.

4.4 Notices. The Secretary shall give not less than ten (10) days, but not more than sixty (60) days, prior notice, by mail, prepaid, to all members of the Club, stating the time, place, and purpose of the annual or any special meeting. Notice of any such meeting shall be posted in a conspicuous place at the clubhouse on the date of its mailing to the members.

4.5 Quorum. The presence, either in person or by proxy, of members having one-third (1/3rd) of the votes then entitled to be voted shall constitute a quorum at any meeting of the members.

4.6 Voting Percentage. Except as otherwise provided herein, a majority of the votes cast is necessary for passage of any motion.

4.7 Action Without Meetings. Action may be taken by the members of the Club only at a properly called and noticed annual or special meeting of the members. Action may not be taken by the written consent of the members in lieu of such annual or special meeting.

4.8 Fixing of Record Date. For the purpose of determining the members entitled to notice of or to vote at any meeting of the members, or in order to make a determination of the members for any other proper purpose, the Board of Governors of the Club may fix in advance a date as the record date for any such determination of the members, such date in any case to be no more than sixty (60) days, and not less than ten (10) days, before the date of such meeting. If no record date is fixed for the determination of the members entitled to notice of, or to vote at, a meeting of the members, the business day before the date on which notice of the meeting is mailed shall be the record date for such determination of the members. When determination of the members entitled to vote at any meeting of the members has been made, such determination shall apply to any adjournment of the meeting.

ARTICLE FIVE

Board of Governors

5.1 Number and Qualifications.

5.1.1 Prior to the Turnover Date, the government and administration of the affairs and the property of the Club shall be vested in a Board of Governors consisting of not less than three (3) nor more than nine (9) persons, as appointed from time to time by the Developer Member.

5.1.2 The Board of Governors elected or appointed by the Developer Member from time to time pursuant to Article 5.1.1 herein shall serve until the Turnover Date. At said initial annual meeting, the existing Board of Governors shall resign and the members entitled to vote shall elect a new Board of Governors consisting of not less than five (5) nor more than eleven (11) members of the Club. The Governors elected at the initial annual meeting shall serve as such until the second annual meeting.

5.2 Nominating After the Turnover Date. At a meeting of the Board of Governors held not more than sixty (60) days before the second annual meeting and before every annual meeting thereafter, the Board of Governors shall appoint a Nominating Committee consisting of three (3) voting Members. Members of the Nominating Committee shall serve for a term of one (1) year or until their successors are appointed and qualified. Unless specifically requested by a majority of the Board of Governors, the Nominating Committee shall not nominate candidates to fill any vacancies, occurring by reason of death, resignation, or otherwise, for any unexpired term. The Nominating Committee shall recommend, at least thirty (30) days prior to the second annual meeting and prior to every annual meeting thereafter, the names of members of the Club selected by a majority vote of the committee to be submitted to the Members of the Club at their annual meeting for election to the Board of Governors. Only voting Members may serve as Governors of the Club. Twenty percent (20%) or more of the total of the members who are not on the Nominating Committee nor on the Board of Governors may also nominate candidates for the Board of Governors by petition signed by them and filed with the Secretary at least ten (10) days before the annual meeting. The names of any such nominees, after having been certified by the Secretary or any other officer that they are qualified for election and have been nominated in accordance with the provisions of these By-Laws, shall be posted at a conspicuous place at the Club.

Prior to the second annual members' meeting, the Nominating Committee shall nominate (i) at least three (3) persons to serve as Governors for one (1) year; (ii) at least three (3) persons to serve for two (2) years; and (iii) at least three (3) persons to serve for three (3) years, and annually thereafter the Nominating Committee shall recommend to the members a number of nominees to serve as Governors for a term of three (3) years equal to the number of Governors whose terms expire at the close of the annual meeting.

5.3 Elections. There shall be no cumulative voting. Voting shall either be in person, by proxy or ballot. The number of candidates necessary to fill the vacancies on the Board of Governors receiving the highest number of votes at the annual meeting of the members for each designated term shall be declared elected.

5.4 Fiduciary Duty. Prior to the Turnover Date, the officers of the Club, the Board of Governors and the individual governors thereof and the Developer Member (including its partners) shall owe no fiduciary duty to any of the members of the Club and no cause of action shall lie against any or all of the officers, governors or the Developer Member (including its partners) for breach of any duty owed to the Club or to any of its members. This Article 5.4 shall be of no force and effect commencing with the date of the first annual meeting as provided in paragraph 4.2 herein and continuing thereafter.

ARTICLE SIX

Meetings of Board of Governors

6.1 Prior to the Turnover Date. Prior to the Turnover Date regular or special meetings of the Board of Governors may be held without advance notice to the members at such time and place as shall be determined by the Board of Governors. Telephone meetings or written meetings consented to by a majority of the Board are hereby authorized. The Board of Governors will meet at least annually.

6.2 Subsequent to the Turnover Date. Within ten (10) days after the initial annual meeting of the members as provided in Article 4.2 and every annual meeting of the members thereafter, the Board of Governors shall hold its annual meeting to elect officers and to consider any other matters as may be properly brought before the meeting.

6.3 Quorum. A majority of the Board of Governors at any meeting shall constitute a quorum for the transaction of business.

6.4 Regular Meetings. The Board of Governors shall have a minimum of six (6) regular meetings in each year at such times as the Board of Governors shall determine. Except as expressly provided otherwise herein, a majority of the votes cast is necessary for passage of any motion.

6.5 Special Meetings. Special meetings of the Board of Governors may be called by or at the request of the President or any three governors. The person or persons authorized to call special meetings of the Board of Governors may fix any place as the place for holding any special meeting of the Board of Governors called by them.

6.6 Notice. Notice of any regular or special meeting of the Board of Governors shall be given at least two (2) days previous thereto by written notice to each governor at his or her address as shown by the records of the Club, except that no special meeting of governors may remove a governor unless written notice of the proposed removal is delivered to all governors at least twenty (20) days prior to such meeting. If mailed, such notice shall be deemed to be

delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Notice of any special meeting of the Board of Governors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a governor at any meeting shall constitute a waiver of notice of such meeting, except where a governor attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these By-Laws.

6.7. Action Without Meetings. Any action which may be taken by the Board of Governors, or any committee thereof, may be taken without a meeting if consent in writing setting forth the action taken, signed by all of the governors entitled to vote, or all of the members of the committee, as the case may be, is filled in the minutes of the proceedings of the Board of Governors of the committee. A consent shall have the effect of a unanimous vote.

6.8. Telephonic Meetings. Members of the Board of Governors may participate in any meeting by means of a conference telephone or similar communications equipment. All persons participating in the meeting must be able to hear each other at the same time. Participation by such means will constitute presence in person at the meeting.

ARTICLE SEVEN

Powers of the Board of Governors

7.1. Management of the Club. The Board of Governors shall exercise all powers of the Club, and do all acts and things necessary to carry out the purposes of the Club.

7.2. Duties and Powers. The Board of Governors shall:

1. Elect the officers of the Club;
2. Appoint committees and assign duties;
3. Fill vacancies on the Board of Governors due to the death, resignation, inability to perform duties, or otherwise, until the next election of Governors by the members;
4. Appoint managers and other employees and delegate such authority as is considered management of the Club; necessary for the proper operation and
5. Adopt, alter, amend, or repeal the General Club Rules governing use of the Club and all its facilities by members, their families and their guests;
6. Except as otherwise provided herein, determine the amount of the Membership Contribution for each category of membership and its terms of payment, and the amount of dues, fees, and other charges;

7. Expend funds to the extent of the amount in the Club treasury or owing to the Club; make contracts, or create indebtedness; and borrow money or incur indebtedness for the purposes of the Club, and cause promissory notes, bonds, mortgages or other evidences of indebtedness to be executed and issued;

8. Have the corporate powers generally to do everything permitted to be done by not-for-profit Corporations by law, by statute, by the Certificate of Incorporation, and by these By-Laws;

9. Determine the interpretation or construction of the By-Laws, or any parts thereof, which may be in conflict or of doubtful meaning, and their decision shall be final and conclusive;

10. Have the power to replace any governor who shall fail to attend fifty percent (50%) of the regular meetings of the Board of Governors in any one (1) membership year; and

11. Appoint an Executive Committee to act in the absence of a quorum of the entire Board.

7.3 Issuance of Membership Certificates. The Board of Governors shall have sole authority to issue, cancel, and transfer Membership Certificates and shall have such certificates prepared in form and content consistent with the provisions of the Certificate of Incorporation and the By-Laws of the Club.

7.4 Compensation. No governor shall receive a salary or any other compensation whatsoever as a governor, but shall be entitled to reimbursement for all expenses reasonably incurred in performing any duties pursuant to these By-Laws.

7.5 Action Without Meetings. Any action which may be taken by the Board of Governors, or any committee thereof, may be taken without a meeting if consent in writing setting forth the action to be taken, signed by all the Governors, or all of the members of the committee, as the case may be, is filed in the minutes of the proceeding of the Board of Governors or of the committee. Such consent shall have the same effect as a unanimous vote.

ARTICLE EIGHT

Officers

8.1 Election. The Board of Governors at each annual meeting shall elect a President, a Vice President, a Treasurer and a Secretary, and such other officers as the Board from time to time may determine to be appropriate, to serve for the term of one (1) year and until their successors shall be elected. The officers shall not be liable for the debts of the Club. Subsequent to the Turnover Date, the President, Vice President, Secretary and Treasurer shall be voting Members. Any other officers need not be voting Members. The officers existing as of the Turnover Date shall serve until the initial annual meeting of the members held pursuant to

Article 4.1. herein. At such annual meeting all such officers shall resign and any officers elected thereafter by the Board of Governors shall be members of the Club.

8.2 Duties of Officers. The officers shall have the following duties:

8.2.1 President. The President shall preside at all meetings of the Board and of the members and enforce observance of the provisions of these By-Laws and all rules and regulations of the Club. The President may call special meetings of the Board of Governors, shall be an ex-officio member of all committees, and is empowered to execute all papers and documents requiring execution in the name of the Club.

8.2.2 Vice President. The Vice President shall assist the President in his duties, and in the absence or disability of the President, the Vice President shall perform and carry out all duties and responsibilities of the President.

8.2.3 Secretary. The Secretary shall keep, or cause to be kept, records and minutes of all Board of Governors and membership meetings; and the Secretary shall be responsible for giving all required notices of such meetings. The Secretary shall have custody of the Seal of the Club; and all membership records shall be kept under his supervision.

8.2.4 Treasurer. The Treasurer shall be Chairman of the Finance Committee. He or she shall cause to be collected, held, and disbursed, under the direction of the Board of Governors, all monies of the Club; and it shall be the Treasurer's duty to collect monies due the Club from the issuance of memberships, dues, assessments and fees and all amounts due from others. He or she shall keep or cause to be kept, at the Club, regular books of account and all financial records of the Club, and shall have prepared for and submit to the Board of Governors any proposed budgets and financial statements, when and in the form requested by the Board of Governors. He or she shall deposit or cause to be deposited all monies of the Club in an account or accounts in the Club's name, in a bank or banks designated by the Board of Governors, and shall give a surety bond for faithful performance in the amount directed by the Board of Governors, such surety bond premium to be paid for by the Club. Any other person or persons having access to monies of the Club or its bank accounts shall be similarly bonded.

8.2.5 Other Officers. The Board of Governors may fill vacancies in any office or new office created at any meeting of the Board of Governors.

8.2.6 Duties of Officers. Any officer may be given additional assignments and duties by the Board of Governors.

8.2.7 Removal From Office. Any officer may be removed from office, with or without cause, by a majority vote of the members of the Board of Governors.

ARTICLE NINE

Committees

9.1 Board of Advisors. A Board of Advisors has been established by the Partnership to serve as a liaison between the management of the Club and the members of the Club (the "Board of Advisors") prior to the Turnover Date. The Partnership will designate all members of the Board of Advisors, who shall be Equity Members. Club management shall meet with the Board of Advisors on a regular basis to discuss the operation of the Club Facilities.

9.2. Executive Committee. The Board of Governors, by majority vote, may designate from among its members an Executive Committee. The Executive Committee shall consist of three (3) members and shall have, to the extent not restricted by law, the powers of the Board of Governors during the interval between meetings of the Board of Governors. A quorum shall be a majority of the members of the Executive Committee. Actions and resolutions of the Executive Committee shall require a unanimous vote of the members present.

9.3 Standing Committees

The Club may establish committees from time to time in its sole and absolute discretion. Each year, after the Turnover Date, the President, subject to the approval of the Board of Governors, shall designate the chairman (who shall be a governor) and members of each of the following committees: Membership, Finance, House, Buildings and Grounds, Golf, Tennis, Recreation, Grievance and Legal and By-Laws.

a. The Membership Committee shall investigate all applications for membership and shall report thereon to the Board of Governors with its recommendation as to approval of each application. The Board of Governors shall make the final determination whether to approve or disapprove an application.

b. The Finance Committee shall in general supervise, direct and control all matters pertaining to the Club's finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the annual operating budget, the preparation of the current reports for the Board of Governors on the Club's financial condition and the issuance to members of a condensed quarterly operating statement. The Finance Committee shall have the power, with the approval of the Board of Governors, to direct the General Manager to employ, at the expense of the Club, such clerical aid and assistance as may be necessary to handle the accounts. The account books and vouchers shall at all times be open to the inspection of any member of the Board of Governors.

c. Each of the following committees, subject to the approval of the Board of Governors, shall formulate programs and submit them with recommendations to the Board of Governors for approval. The officers of the Club shall have control of the execution of the programs and recommendations approved by the Board of Governors. Each committee shall act only as a consultant and advisor to the Board of Governors and officers and may not act on behalf of the Club or bind it to any actions.

(i) House Committee

The House Committee shall advise the Board of Governors on matters concerning the interior of all Club buildings, the food and beverage operations of the Club, the social activities and entertainment of members, their families and their guests.

(ii) Buildings and Grounds Committee

The Buildings and Grounds Committee shall advise the Board of Governors on matters concerning the exterior maintenance and repair of all buildings, the supervision of all building construction and the maintenance, repair and supervision of all water and electrical lines and the facilities and equipment used in connection therewith, except those directly related to and concerning the maintenance or repair of the golf course. The trees, lawn, garden and shrubbery area of the Club's grounds which are not within the scope of the Golf Committee and the maintenance, repair and construction of wells, water tanks, pumps, fences and parking lots shall come under the jurisdiction of the Buildings and Grounds Committee. This shall include the maintenance and repair of the Sports Garden along with all related equipment, as well as the pool, the Summer House and the sporting clays range.

(iii) Golf Committee

The Golf Committee shall advise the Board of Governors on matters concerning the employment of a Golf Professional and the scope of the operation of the professional, the promulgation of playing rules for members, their families and their guests, the programming of golfing events for members, their families and their guests and the maintenance of members' handicaps. United States Golf Association rules and regulations shall govern all golf play except where superseded by local rules. The Golf Committee shall also advise the Board of Governors on matters concerning the employment of a Golf Course Manager and the scope of the Golf Course Manager's operations and the maintenance of the golf course, roads, facilities and equipment used in connection therewith. No live trees shall be removed nor shall any alteration be made in the golf course except with the written approval of the Board of Governors. The Club may establish a separate Men's Golf Committee or Subcommittee and a Women's Golf Committee or Subcommittee to advise the Board of Governors on programming of golfing events for men and women, respectively. The Golf Committee may establish a Green Committee as a Subcommittee.

(iv) Tennis Committee

The Tennis Committee shall advise the Board of Governors on matters concerning the possible employment of a Tennis Professional, the scope of operations of the professional, the promulgation of playing rules for members, their families and their guests and the programming of tennis tournaments and events for members, their families and their guests. The Tennis Committee shall advise the Board of Governors on the condition of, and make recommendations concerning the tennis courts and related equipment and facilities.

(v) Recreation Committee

The Recreation Committee shall advise the Board of Governors on matters concerning the scope of operations and programming of all recreational activities except golf and tennis, including equestrian, boating, sporting clays, croquet, fishing, the promulgation of rules for members, their families and their guests and the programming of related activities for members, their families and their guests. The Recreation Committee shall advise the Board of Governors on the condition of, and make recommendations concerning these recreational facilities and the related equipment and facilities.

(vi) Grievance Committee

The Grievance Committee shall consist of five (5) members, three (3) of whom shall be members of the Board of Governors. All written complaints relative to any member's conduct shall be first referred to the Grievance Committee. The Grievance Committee shall perform investigations as it deems necessary and shall present its recommendation to the Board of Governors in executive session. If the Grievance Committee's recommendation of a formal charge is approved by the Board of Governors, the committee shall draft and submit to the Board of Governors a letter of complaint. The Grievance Committee shall have no power of suspension or expulsion, but may have such powers of censure as may be directed by the Board of Governors.

(vii) Legal and By-Laws Committee

The Legal and By-Laws Committee shall be charged with the publication and interpretation of the General Club Rules and any other regulations and By-Laws of the Club and, generally, with all matters of a legal nature pertaining to the Club.

9.4 Ad Hoc Committees. The President, subject to the approval of the Board of Governors, may, from time to time, (i) appoint ad hoc committees, with the powers and composition as the President shall determine, (ii) determine the powers and composition of the committees and the term of committee chairmen and members, and (iii) replace committee chairmen or members at any time, without cause.

9.5 Powers of Committees. The several committees shall act only in an advisory capacity, and the individual members thereof shall have no power or authority. The chairman of each committee may appoint from the members of the committee sub-committees as he or she deems desirable. All sub-committees shall report directly to the committee as a whole, which shall approve, amend or disapprove the report of the sub-committee.

9.6 Terms of Committee Chairmen and Members. Each committee chairman and each member of a committee shall serve until their replacement is designated in Section 9.3 hereof.

ARTICLE TEN

Guest Privileges

10.1 Privileges. Guests of all members may be extended guest privileges subject to conditions specified in this Article, upon written application by the member and approval by the Club, and subject to applicable guest fees, charges, rules, and regulations established from time to time by the Board of Governors (which may include limitations upon the number of times a particular guest may use certain of the Club Facilities during a single year). Guest privileges may be granted, denied, withdrawn, or revoked at any time for reasons considered sufficient by the Board of Governors in their sole and absolute discretion.

10.2 Application. Application forms requesting guest privileges may be obtained from the Club Secretary. Upon approval by the Club, a guest card shall be issued which shall give evidence of the guest's rights and privileges.

10.3 Member Responsibilities. Members are responsible for the deportment of their guests, whether or not the members are in residence. Members are further responsible for the charges of their guests if such charges are not paid within thirty (30) days of billing.

10.4 Use by Developer Member. Prior to the Turnover Date, the Developer Member shall have the right in its sole discretion to allow the use of the Club Facilities for the promotion of sales at Spring Island. Such use may include, but not be limited to, display of advertising material; use of facilities by prospective purchasers, realtors, or referrers; social or limited use memberships; private meetings or parties; and any other use which may promote Spring Island in a constructive and positive manner. After the Turnover Date, the Partnership shall have the same rights to use the Club Facilities for the promotion of sales of its unsold memberships, subject to the payment of applicable use fees and charges, as determined by the Club from time to time.

ARTICLE ELEVEN

Dues and Fiscal Matters

11.1 Amount of Dues. Prior to the Turnover Date, the Board of Governors shall, once a year, set the dues and fees to be charged members and guests for the coming year. At the first annual meeting of the Board of Governors of the Club after the Turnover Date and at each annual meeting of the Board thereafter, the Board will set the dues and fees to be charged to members and guests for the coming year. Such dues and fees will be applied against the Club's operating costs. It shall be the policy of the Club that annual and all other dues, plus other receipts by the Club, shall be sufficient, insofar as possible to project, to meet the annual operating needs of the Club. The dues and other fees, as they are established from time to time by the Board of Governors, shall, insofar as possible, reflect this stated policy. Dues, plus any applicable taxes, shall be due and payable annually, quarterly, or monthly, at the discretion of the Board of Governors. If a membership is reissued during a membership year, the resigned

EXHIBIT 9
to Exh. A

member will be entitled to a refund of a pro rata portion of any dues paid in advance for the remainder of the membership year in which the resignation occurs.

11.2 Deficits. Prior to the Turnover Date, the Developer Member shall pay any amount necessary to operate the Club not covered by dues, fees, charges, membership transfer price differential (i.e., 20%) and other Club revenues from whatever source derived. After the Turnover Date, the Board of Governors may adopt a special assessment to cover any deficits incurred or anticipated in operating the Club. Such assessments shall be levied against Founder, Golf and Social Members only. Assessments for deficits relating to the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities may only be assessed against Founder and Golf Members (excluding Founder Members, if any, who may have converted their membership to a Social Membership).

11.3 Fiscal Year. The Board shall establish and may change the fiscal and budget year of the Club.

11.4 Assessments. An assessment for operation or capital purposes may be levied by the Board of Governors. Failure to pay any such assessment shall subject any member to the same penalties as failure to pay any other indebtedness to the Club. Prior to the Turnover Date, the Board of Governors will not assess the members for capital purposes or operating losses. Assessments for capital expenditures on the golf course, golf practice facilities, maintenance facilities and golf cart storage facilities shall be voted upon by the Golf Members and shall be paid by the Golf Members. Social Members shall not pay any assessments for capital expenditures on the golf course, golf practice facilities, maintenance facilities or golf cart storage facilities. All other assessments for capital expenditures shall be voted upon by all Equity Members of the Club and shall be prorated equally among all Equity Members.

ARTICLE TWELVE

Delinquencies

12.1 Statement. An itemized statement of any dues, assessments and current charges shall be mailed monthly to each member, and any member failing to pay his indebtedness to the Club within thirty (30) days from the date of such statement shall be subject to action as is determined appropriate by the Board of Governors. The failure of any member to pay dues, assessments or charges within the prescribed period shall constitute grounds for the member's suspension or expulsion from the Club.

12.2 Notice of Non-Payment. If payment is not received within sixty (60) days after such notice, the delinquent member's credit and Club privileges may be suspended. An additional notice shall be dispatched to the member by U.S. Mail, Certified, Return Receipt Requested, or by Express Mail, Federal Express or similar commercial delivery service and the cost of dispatching such notice shall be added to the member's account which is due.

12.3 Unpaid Accounts - Expulsion. If the indebtedness billed under Article 12.1 herein is not paid within ninety (90) days after the date of the original statement, the delinquent

member may be expelled. Past due bills shall also begin to accrue interest ninety days after the date of the statement, per month, at the maximum rate permitted by law from thirty days after the date of the statement until paid in full.

12.4 Liens and Actions to Collect Accounts. The Club shall have a lien against each membership for any unpaid dues, assessments or other charges made by any member of the Club or for which the member is responsible, which lien shall also accrue reasonable attorneys' fees incurred by the Club incident to the collection of such dues or other charges, or enforcement of such lien, whether or not legal proceedings are initiated. Upon full payment, the member making payment shall be entitled to be reinstated as a member in good standing of the Club and shall be entitled to a satisfaction of lien to be prepared and recorded at his or her expense. All such liens may be foreclosed by the Club, in any action at law or in equity, or without legal proceedings, after five (5) days prior written notice of intended foreclosure, or after such longer notice as may be deemed appropriate by the Club. The Club may also, at its option, sue to recover a money judgment for unpaid dues, assessments or other charges including court costs and a reasonable attorneys' fee, without thereby waiving the lien securing the same.

No member shall be permitted to create, incur, assume or suffer to exist upon the member's membership any liens and security interests whatsoever except to the extent the lien and security interest represents a purchase money lien and security interest incurred as a result of acquiring the membership.

ARTICLE THIRTEEN

Discipline

13.1 Grounds for Discipline. Any member whose conduct, or having a family member or guest whose conduct, shall be deemed by the Board of Governors to be improper or likely to endanger the welfare, safety, harmony, or good reputation of the Club or of its members, may be reprimanded, fined, suspended, or expelled from the Club by action of the Board of Governors. The Board of Governors shall be the sole judge of what constitutes improper conduct or conduct likely to endanger the welfare, safety, harmony or good reputation of the Club or its members. Reasons for expulsion or suspension may include, without limitation:

- a. failure to meet eligibility for membership;
- b. submission of false information on the application for membership;
- c. submission of false information regarding an application for use privileges for a guest of the member;
- d. unsatisfactory behavior, deportment or appearance including, without limitation, intoxication;

EXHIBIT 9
to Exh. A

- e. use of the member's membership card or Club account by a non-member;
- f. failure to accompany a guest where required when using facilities of the Club;
- g. failure to pay dues, fees, charges or Club accounts in a proper and timely manner;
- h. failure to abide by the rules and regulations as set forth for use of the facilities of the Club;
- i. treatment of the personnel or employees of the Club in an unacceptable manner;
- j. destruction of Club property; or
- k. verbal abuse of the governors, board of advisors or officers of the Club.

13.2 Board Action. Any such member shall be notified of such proposed disciplinary action and shall be given an opportunity to be heard by the Board of Governors to show cause why he or she should not be disciplined in accordance with this Article. If such member desires to be heard, the member must provide a written request for a hearing to the Board of Governors within thirty (30) days of the date of the Club's notice to the member of the proposed action. Upon the Board's receipt of the written request for a hearing, the Board of Governors shall set a time and date (not less than ten (10) days thereafter) for such hearing. While such complaint is being considered by the Board, the member shall enjoy the privileges of the Club to which the member was entitled prior to the complaint.

13.3 Suspension. The Board of Governors, by a majority vote of the Governors present, may suspend a member and/or members of his family and/or his guests from some or all of the privileges of the Club for a period of up to one (1) year. Dues and other obligations shall accrue during such suspension and shall be paid in full when due.

13.4 Resignation - Request by Board. The Board of Governors may, by a majority vote of the Governors present, request the resignation of any member of the Club for cause deemed sufficient by the Board.

13.5 Expulsion. Any member of the Club who has been expelled shall not again be eligible for membership nor admitted to Club property under any circumstances. An expelled member shall be so notified by registered mail. An expelled member or one who has resigned at the request of the Board shall surrender his Membership Certificate for re-issuance to a new member in accordance with these Bylaws. Upon surrender of his Membership Certificate, the Club shall be obligated to pay the member those sums set forth in Article 3.6.3 herein on the conditions set forth therein.

ARTICLE FOURTEEN

Corporate Seal

14.1 Seal. The Corporate Seal of the Club shall be circular in form and shall bear the words "SPRING ISLAND CLUB". The Corporate Seal shall be in the possession of the Secretary and be affixed by him to all documents relating to the official acts of the Club, as authorized by the Board of Governors.

14.2 Club Emblem. The emblem or emblems of the Club shall be of a style and design to be approved by the Board of Governors.

ARTICLE FIFTEEN

Amendments

15.1 Prior to Turnover Date. Prior to the Turnover Date, these By-Laws may be amended by the Partnership, as long as the amendments are not materially adverse to the rights of the Equity Members. Any amendment which is materially adverse must be approved by a majority of the votes eligible to be cast by the Equity Members.

15.2 After the Turnover Date. After the Turnover Date, these By-Laws may be altered, amended, or repealed or new By-Laws may be adopted, only by: (a) a majority vote of all of the members of the Board of Governors, and (b) a majority of the votes cast by the members in person or by proxy at any duly called and constituted annual or special meeting of the members of the Club at which a quorum of the members is present either in person or by proxy. The proposed amendment must be set forth in the notice of the meeting.

15.3 Restrictions on Amendments. After the Turnover Date and until the sale of all of the Equity Memberships and the initial sale by the Partnership of all the residential units or homesites now or hereafter included within the Spring Island community, the Certificate of Incorporation and By-Laws of the Club may not be changed without the Partnership's written consent, which may be withheld by the Partnership for any reason whatsoever. Thereafter, the Club may modify its Certificate of Incorporation and By-Laws in accordance with this Article; provided, however, that the Club will not change its Certificate of Incorporation or By-Laws as they exist as of the Turnover Date with respect to the following without the prior written consent of the Partnership, which approval may be withheld by the Partnership for any reason whatsoever: (a) the eligibility to acquire an Equity Membership, (b) the total number of members allowed in any category of membership; (c) the restrictions or limitations on assessment of membership for dues, charges and assessments, (d) the use privileges associated with any category of Equity Membership, (e) the rights associated with the Founder Memberships, (f) the rights and privileges of Honorary Members, or (g) the rights of owners of a unit or homesite in the Spring Island Community who are Equity Members of the Club to arrange for transfer of memberships to subsequent purchasers.

ARTICLE SIXTEEN

Dissolution

16.1 Dissolution. Upon dissolution, liquidation or final termination of the operations of the Club, its residual assets shall be distributed to the holders of Equity Memberships in proportion to the value of their membership.

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

DANIEL A. GREGORIE,

Plaintiff,

v.

SPRING ISLAND CLUB,

Defendant.

IN THE COURT OF COMMON PLEAS

Case No: 2011-CP-07- 2788

COMPLAINT
(Non-Jury)

2011 JUL -6 AM 10:02
JERRI ANN ROSENBAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

For his Complaint against the above-named Defendant, Plaintiff alleges as follows:

1. Plaintiff is a citizen and resident of the State of Maine.
2. The Defendant is a not-for-profit corporation organized and existing under the laws of the State of South Carolina, and its primary place of business is in Beaufort County.
3. The Court of Common Pleas for Beaufort County, South Carolina, has jurisdiction over this action.
4. Beaufort County is the appropriate venue for this action, because, among other things, all or a substantial part of the acts or omissions that give rise to this action occurred in Beaufort County.
5. On September 21, 1996, Plaintiff signed the "Subscription Agreement" attached hereto as Exhibit "A," which is made a part hereof by reference, pursuant to which Plaintiff agreed to purchase a membership in Spring Island Club (the "Club") for Ten Thousand Dollars (\$10,000.00).
6. Said Subscription Agreement provides, among other things, that it is "subject to the rules and regulations of the Club and the category of membership selected by the subscriber."
7. Section II of the rules and regulations of the Club provide, in pertinent part, that Plaintiff has the right to resign membership in the Club by providing written notice of

resignation to the Membership Director, at which time the resigning member is liable for any charges, fees or dues then outstanding in connection with the member's account.

7. Pursuant to such provisions of the applicable "rules and regulations of the Club," Plaintiff provided written notice of the resignation of his membership to the Membership Director of the Club, a copy of which is attached hereto and made a part hereof as Exhibit "B."

8. Defendant, by and through its attorney Walter J. Nester, III, Esq., responded to Plaintiff's resignation from the Club by the letter attached hereto as Exhibit "C," dated June 10, 2011, pursuant to which Defendant notified Plaintiff that his resignation from the Club was not effective until such time as his homesite or residential unit associated with such membership is sold, which is not supported by the Club documents which apply to Plaintiff.

9. Plaintiff alleges and asserts that the Subscription Agreement attached hereto as Exhibit "A" and the rules and regulations of the Club do not limit Plaintiff's right to resign from membership until such time as the homesite or residential unit associated with such membership is sold, as asserted by Defendant.

10. Defendant has breached the provisions of the governing documents of the Club which apply to Plaintiff's membership, specifically the Subscription Agreement and the rules and regulations of the Club, by refusing to acknowledge Plaintiff's right to resign from membership in the Club, and such breach of the governing documents applicable to Plaintiff's membership has caused and will continue to cause Plaintiff to incur damages in the form of membership dues, assessments, and other charges which the Defendant will bill to Plaintiff's account.

11. Plaintiff alleges that a justiciable controversy exists with regard to Plaintiff's right to resign from membership in the Club, because Plaintiff alleges that he has the unequivocal right to resign such membership pursuant to the Subscription Agreement and the Club's rules

and regulations, but Defendant alleges that he may not resign such membership until his homesite or residential unit associated with such membership is sold.

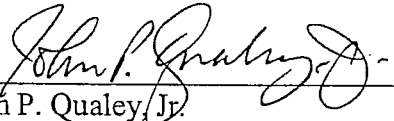
12. Plaintiff also alleges and asserts that any change in the governing documents of the Club which added a limitation to the right of a member to resign only upon the sale of his homesite or residential unit associated with such membership was made without the consent of Plaintiff, and that any such change to the Club documents is not binding on Plaintiff.

13. Plaintiff also alleges and asserts that if there is any ambiguity as to the applicability of other Club documents or if the provisions of any applicable Club documents are inconsistent or ambiguous with regard to Plaintiff's right to resign from membership in the Club without any continuing financial obligations, such ambiguity or inconsistency should be construed in favor of Plaintiff's interpretation thereof and against the party which drafted such documents and provisions as a matter of law and public policy, because Plaintiff was never informed by the Club or by legal counsel for the Club (which also represented him when he acquired his property on Spring Island and his membership in the Club) that he would not have the right to resign from the Club and thereby cease to incur dues or assessment obligations following such resignation. Plaintiff also alleges and asserts that such an unusual and onerous obligation, which Defendant claims is contained within the various Club documents, should have been clearly and consistently disclosed in the Subscription Agreement entered into by Plaintiff (a copy of which is attached hereto as Exhibit "A"), the form of which has been revised on numerous occasions with regard to subsequent applicants for Club Membership.

14. Plaintiff alleges that he is entitled to declaratory relief with regard to the dispute between the parties and to a judicial determination as to the effectiveness of his resignation as a member of the Club as of May 31, 2011, being the date of the letter to Defendant which is attached as Exhibit "B."

WHEREFORE, Plaintiff prays for a declaratory judgment against Defendant pursuant to which it is determined that Plaintiff had the right to resign his membership in the Spring Island Club effective on May 31, 2011, with no further dues or assessment obligations after that date, and for such other and further relief as the Court deems appropriate.

QUALEY LAW FIRM, P.A.

By: 
John P. Qualey, Jr.
Attorney for Plaintiff
32 Office Park Road, Suite 100
Hilton Head Island, South Carolina 29928
(843) 785-3525
(843) 785-3526 fax

June 28, 2011
Hilton Head Island, South Carolina

SUBSCRIPTION AGREEMENT

The undersigned hereby subscribes for a Certificate of Membership as a Social Member in the Spring Island Club, a South Carolina not-for-profit corporation. The undersigned agrees to pay to said corporation \$ 10,000 for the Certificate as follows:

- A. Not less than ten percent (10%) cash (\$1,000) accompanying this application (checks should be made payable to Spring Island Club) and
- B. \$6,500.00 on approval of my application for membership.
- C. The remaing \$2,500.00 shall be payable within sixty days after commencement of construction of the permanent clubhouse.

This subscription is made with the following understandings:

1. This Subscription Agreement is made with the understanding that there will be no more than Three Hundred Fifty (350) Golf Memberships and One Hundred Fifty (150) Social Memberships in the Club. The special privileges of the Thirty Six (36) Founder Memberships could necessitate expansion of the total Membership by up to an additional thirty six (36) memberships. I understand that the Company reserves the right to build additional golf holes in its sole discretion in which event additional membership and/or categories of membership could be developed.

2. This contract is made with the further understanding that until Spring Island Company L.P. calls a meeting of the members pursuant to the By-Laws, the management of the Club will remain in Spring Island Company L.P., its successors or assigns.

3. It is expressly understood that the sole incentive for this subscription contract is the ability to play golf, tennis, and swim, and to use the other facilities of the Club subject to the rules and regulations of the Club and the category of membership selected by the subscriber. The subscriber has no intent or understanding that there is any investment or profit motive involved in this Subscription Agreement, and fully recognizes that it is very likely that the Club will operate at a loss during

each year until membership participation, dues and assessments are large enough to off-set this loss.

4. The Club may reject this application by refunding all monies paid.

5. This Subscription Agreement contains the entire contract between the Subscriber and the Club, and no agent or representative of the Club or any other person has any power to change or alter the terms of this subscription.

6. This Subscription Agreement is offered in accordance with the Plan for the Offering of Membership in the Spring Island Club dated as of February 20, 1990 and amended May 21, 1992.

DATED this 21st day of September, 1996.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Carol Anne Atkinson

Samuel A. Hignier
Subscriber

EXHIBIT "A"

DANIEL A. GREGORIE, M.D., MBA
P.O. Box 541, 11 Perkins St.
Castine, Maine 04421
TEL: 513-608-8296 FAX: 415-839-6724 EMAIL: dgregorie@aol.com
May 31, 2011

Kathy Willis
Membership Director
Spring Island Club
174 Callawassie Drive
Okatie, SC 29909

Dear Kathy,

I am writing to inform you that I hereby resign as a member of the Spring Island Club effective on May 31, 2011.

I have reviewed my Subscription Agreement signed on September 26, 1996. The General Club Rules stipulated in that Agreement, specifically Section II thereof, state that I have the right to resign membership in the Club by providing the Membership Director with written notice of such resignation and upon resignation I am "liable for any amounts unpaid on the member's club account, dues and other fees." I believe my account has no balance due. However, please provide me a final billing statement, and I will promptly remit payment in full of any authorized outstanding balance as of May 31, 2011.

As you know, my Spring Island property is for sale, and I therefore reserve and retain the right to have my membership reissued to the purchaser of my property with a refund to me of 80% of the membership contribution (\$100,000.00). I understand that if the purchaser does not elect to acquire the membership, it will be placed on the Club's "seller's waiting list for resigned memberships" for reissue to a third party. At the time of such reissue, 80% of the membership contribution (\$100,000.00) will be refunded to me.

The absence of a prompt response to the contrary will constitute the Club's acknowledgement and confirmation of acceptance of my resignation on the terms specified above.

Sincerely,


Dan Gregorie

cc: Jack Qualey

EXHIBIT "B"

EXHIBIT C

MCNAIR ATTORNEYS

June 10, 2011

Walter J. Nester, III

wnester@mcnair.net

T (843) 785-2171
F (843) 686-5991

Via E-mail and U.S. Mail

Daniel Gregorie, M.D.
PO Box 541
Castine, ME 04421

Re: Spring Island Club – Resignation of Membership

Dear Dr. Gregorie:

This firm serves as legal counsel to the Spring Island Club. We are in receipt of your letter to Ms. Kathie Willis dated May 31, 2011, which has been forwarded by the Club for our review and response.

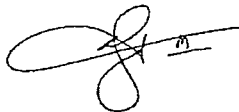
As a preliminary matter, the Club specifically rejects the notion that the failure to respond to the contrary constitutes acceptance of any term or condition set forth in your correspondence and rejects the statements set forth therein unless specifically otherwise agreed to in this correspondence.

As set forth in the Plan for the Offering of Equity Memberships for Spring Island and the Bylaws of the Spring Island Club, resignation of a Club membership is not effective unless and until the homesite or residential unit associated with such membership is sold. As also set forth in the Plan, the reissuance of such membership may occur, as you note, if the purchaser of your Spring Island residence elects to purchase a golf membership. If such purchaser elects not to purchase a golf membership, then upon the sale of your Spring Island residence, the membership shall be placed on the Club's resale list. As further set forth in the Plan, until such membership is, in fact, reissued, the resigning member remains obligated to pay the dues and assessments associated with such membership.

Please contact the undersigned if you have any questions.

Sincerely,

McNAIR LAW FIRM, P.A.



Walter J. Nester III

WJN:dkr

c: Spring Island Club (via e-mail)
Jack Qualey, Esq. (via e-mail)

HILTONHEAD 743853v3

McNair Law Firm, P. A.
Shelter Cove Executive Park
23-B Shelter Cove Lane, Suite 400
Hilton Head Island, SC 29928

Mailing Address
Post Office Drawer 3
Hilton Head Island, SC 29938

mcnair.net

IN THE COURT OF COMMON PLEAS
CIVIL ACTION NO.: 2011-CP-07-2788

1

1

1

1

;

4

:

2

;

:

;

•

:

—

COMES NOW the Defendant Spring Island Club, by and through the undersigned counsel
who would respectfully answer the Complaint of the Plaintiff as follows:

1. All allegations of the Complaint not hereafter ~~admitted~~ or denied are expressly denied and strict proof is demanded thereof.

2. Upon information and belief, Defendant Spring Island Club expressly admits Paragraphs 1, 2, 3, and 4 of the Plaintiffs' Complaint. Jurisdiction is proper in Beaufort County.

3. Defendant Spring Island Club can neither admit nor deny the allegations as set forth in Plaintiffs' Complaint, Paragraphs 5, 6, 7, 8, and 9, would crave reference to the documents referenced therein as to the terms and conditions thereof.

4. Defendant Spring Island Club denies the allegations as set forth in Paragraphs 10, 11, 12, 13, and 14 of the Plaintiff's Complaint, and strict proof is demanded thereof.

FOR A SECOND DEFENSE

5. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

6. The Plaintiffs' Complaint fails to set forth facts sufficient to state a cause of action as to this Defendant and this Defendant should be dismissed pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure, along with all costs, fees and expenses.

FOR A THIRD DEFENSE

7. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

8. The Defendant has strictly complied with all the terms and conditions of the Parties agreements and therefore the Plaintiff's Complaint should be dismissed.

9. The Defendant is further informed and believe that upon dismissal of the Plaintiff's Complaint or a ruling in favor of the Defendant's favor that the Defendant is entitled to any and all amounts then due and owed, if any, under the agreements at issue, including any dues or assessments, and further, for all the costs, fees, and expenses of this action.

FOR A FOURTH DEFENSE

10. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

11. The Defendant is informed and believe the documents at issue are clear and unambiguous on their face, fully enforceable, and the Plaintiff, having executed the same knowingly and freely is bound by the terms and conditions thereof and his Complaint should be dismissed.

FOR A FIFTH DEFENSE

12. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

13. The Plaintiff has owned and maintained the Spring Island Club Membership at issue without question or controversy over an extended period of time.

14. The Plaintiff has enjoyed and exercised the rights and privileges of the Spring Island Club Membership.

15. Upon information and belief, the Plaintiff's claims are barred by the doctrines of laches, waiver, and/or estoppel.

FOR A SIXTH DEFENSE

16. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

17. Upon information and belief, the Plaintiff's claims are barred by the Statue of Frauds.

FOR AN SEVENTH DEFENSE

18. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

19. Defendant Spring Island Club would show that the Plaintiff's allegations are barred by applicable statutes of limitations.

FOR A EIGHTH DEFENSE

20. The allegations contained in the paragraphs above are included herein as if fully restated verbatim.

21. Defendant Spring Island Club reserves the right to raise additional defenses which may become available or learned through discovery.

WHEREFORE, the Defendant Spring Island Club respectfully requests the Complaint of the Plaintiffs be dismissed and all costs, fees and expenses incurred be assessed against the Plaintiff.

MCNAIR LAW FIRM, P.A.

By: _____

R. Nicholas Felix
R. Nicholas Felix

Post Office Drawer 3

Hilton Head Island, SC 29938

(843) 815-2171

ATTORNEY FOR THE DEFENDANT
SPRING ISLAND CLUB

Bluffton, South Carolina

Aug 22, 2011

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

COURT OF COMMON PLEAS

DANIEL A. GREGORIE)
PLAINTIFF,)

v.)

TRANSCRIPT OF RECORD
11-CP-07-2788

SPRING ISLAND CLUB,)

DEFENDANT.)

April 15, 2013
Beaufort, South Carolina

B E F O R E :

THE HONORABLE CARMEN T. MULLEN, JUDGE

A P P E A R A N C E S:

JOHN P. QUALEY, JR., ESQ.
Attorney for the Plaintiff

DAVID S. BLACK, ESQ.
Attorney for Defendant

FRANCES BAKIS-RAY, RPR
Circuit Court Reporter

INDEX

Page

Remarks by Mr. Qualey

5

Remarks by Mr. Black

8

(There were no exhibits submitted.)

1 THE COURT: This is Daniel Gregorie versus
2 Spring Island Club. All right, y'all are gonna have
3 to give me some history; and while it appears that
4 at least the plaintiffs filed a memorandum, no one
5 reported to me so I haven't looked at it so. David,
6 did you have any memos or any affidavits or
7 anything?

8 MR. QUALEY: I do not. The plaintiff's
9 memo contains basically all the documents that we
10 produced so it's got all the documents. I'm gonna
11 hand up some selected documents out of that packet I
12 discussed from my standpoint, Your Honor.

13 THE COURT: Okay.

14 MR. BLACK: For the history of the case,
15 Your Honor, the plaintiff brought this action to,
16 and alleged, that he is a member of The Spring
17 Island Club, that in accordance with the governing
18 documents he resigned that membership. The club's
19 attorney notified him that his resignation was
20 rejected and referred to other documents of the Club
21 for that position. Since then the Club has
22 continued to bill the plaintiff for membership dues
23 and assessments, and to date the amount bill is
24 approaching fifty thousand dollars since May of
25 2011. Our position is that the governing documents

1 which include the subscription agreement he signed
2 to purchase his membership, the club rules and
3 regulations, and the plan of offering of memberships
4 do not limit his right to resign.

5 THE COURT: Mr. Qualey, let me ask you, is
6 this a nonlandowner membership, or is this — I
7 don't know the setup of Spring island so.

8 MR. QUALEY: He is a property owner.

9 THE COURT: Okay.

10 MR. QUALEY: But the membership is held
11 independently of the property.

12 THE COURT: Okay. So it's not mandatory
13 membership at Spring Island. Mr. Black?

14 MR. BLACK: He's got a — it was not
15 mandatory. He's got a golf membership currently.

16 THE COURT: Okay. Just so I'm clear, and
17 Mr. Qualey, I mean, I do, I've done all these cases
18 at Berkeley home, we're all over, so quite frankly,
19 all over Hilton Head. My question is though, again,
20 you're saying that just because you're a property
21 owner you are not required to be a club member,
22 correct?

23 MR. QUALEY: Correct.

24 THE COURT: So he bought a separate
25 membership is what you're saying.

1 MR. QUALEY: Right, correct, Your Honor.

2 THE COURT: Okay, all right, I see.

3 Whenever you're ready, if you want to show me the
4 covenant and direct me.

5 MR. QUALEY: Well, Your Honor, attached to
6 the memorandum I submitted as Exhibit C is the
7 subscription agreement. The bulk of the documents
8 there, Your Honor, are the defendant's replies to
9 our interrogatories. And it's our position, Your
10 Honor, that the subscription agreement which the
11 plaintiff signed in September of 1996, made his
12 membership purchase subject to the club rules and
13 regulations and to the plan of offering of
14 memberships dated February 20, 1990 amended May
15 21st, 1992. And the Club rules and regulations and
16 the plan of offering a membership are attached to
17 Exhibit A, the answers to the interrogatories. And
18 it's our position, Your Honor, that the subscription
19 agreement, the Club rules and regulations, and the
20 plan of offering of memberships do not restrict the
21 plaintiff's right to resign. They contain no
22 limitations on his right to resign. There's no
23 question of fact. The documents clearly state that.

24 THE COURT: So what is the May 23rd, 2011
25 letter?

1 MR. QUALEY: That's the resignation letter
2 from the plaintiff to the defendant, and that letter
3 complies with the rules and regulations which say
4 that a member may resign as long as all his club
5 dues and charges are paid through the date of
6 resignation.

7 THE COURT: Okay, hold on a second, I'm
8 not following you. I asked you on the May 23rd,
9 2000 letter which is Exhibit C to Exhibit A, I'm
10 seeing a letter from Spring Island Club.

11 MR. QUALEY: Exhibit C —

12 THE COURT: Are we talking about two
13 different things?

14 MR. QUALEY: Exhibit C is the subscription
15 agreement, Your Honor. Exhibit D is the resignation
16 letter.

17 THE COURT: Okay.

18 MR. QUALEY: And Exhibit E is the
19 defendant's attorney's rejection of the resignation.

20 MR. BLACK: Your Honor, just for
21 clarification there's —

22 THE COURT: Someone needs to walk me
23 through this. I mean, you got to show me where in
24 the agreement all of this is because this is a lot
25 to look at; and again, I haven't look at it yet so

1 you need to take me to where you're relying on.

2 MR. BLACK: I suspect Your Honor has a
3 little confusion because some of the exhibits to
4 this memo are my discovery responses with exhibits
5 to that. And then when you get passed all that then
6 you get to exhibits B, C, D, and E to his memo so
7 you've almost — the documents he's referring to
8 you've almost got to be at the very back of his
9 packet to actually get to the exhibits he's
10 referring to. There is some confusion.

11 THE COURT: Okay.

12 MR. BLACK: Just because there's different
13 exhibits.

14 MR. QUALEY: The lettering of it is very
15 difficult, Your Honor.

16 THE COURT: Okay. Like I said, you're
17 going to have to orient me to what I'm looking at.
18 I found, I see where D starts. Okay.

19 MR. QUALEY: Your Honor, here's the
20 membership plan that we refer to. That's Exhibit L
21 to the defendant's response to the interrogatories.

22 THE COURT: What portion — you need to
23 direct me to this exhibit. What portion do you need
24 me to read?

25 MR. QUALEY: Your Honor, we're submitting

1 that for, to support our position that there are no
2 provisions in that plan which limit the plaintiff's
3 right to resign.

4 THE COURT: Mr. Black ---

5 MR. BLACK: Your Honor, not to interrupt
6 you ---

7 THE COURT: Someone help me out here.

8 MR. BLACK: Not to interrupt, if I can
9 short circuit it a little bit. There may be no such
10 limitation in the plan that he's handed up, but
11 there was an amendment to the plan just a month
12 before Mr. Gregorie's attempt to resign his
13 membership.

14 THE COURT: And where's the amendment?

15 MR. BLACK: May I approach, Your Honor.

16 THE COURT: Yes.

17 MR. BLACK: These are selected pages that
18 I've highlighted from the membership documents, and
19 if I can just quickly kind of take you through. The
20 first is just kind of a cover page which indicates
21 that the membership documents include a plan,
22 purchase and sale agreement, certificate of
23 corporation bylaws, rules, etc. Then when you flip
24 over to the first page, when you --- the first page
25 of the plan under carefully review all documents it

1 references that there, that the plan is just a
2 summary, that there are other documents which are
3 gonna be attached and referenced as exhibits to the
4 plan, and those documents would include the bylaws
5 and such. Then you flip to the third page of my
6 attachment which is page 9 of the plan under equity
7 membership privileges is says: Upon payment of
8 required fees and complying with the bylaws and the
9 general club rules, prospective members will be
10 entitled to the following privileges. So that ties
11 in the bylaws as part of the plan. Then you go to
12 page 19 of the plan, operation of club, and it talks
13 about control so the club is governed by the board
14 of governors in accordance with the bylaws and the
15 rules which are attached hereto as Exhibits B, C,
16 and D. So again, those — the bylaws and the rules
17 are attached to the plan so that it's one membership
18 document.

19 Then if you flip forward to the next page
20 in my batch of selected documents there's selected
21 pages from the bylaws. If you flip over to page 5
22 of the bylaws it does provide for resignation of
23 memberships. Then on page 22 of the bylaws it
24 provides for amendments of the bylaws.

25 THE COURT: Okay, just so I'm clear, I'm

1 looking at 3.6 of what is on your page 5 of the
2 bylaws.

3 MR. BLACK: Yes, Your Honor.

4 THE COURT: And it says: The resigning
5 member shall be liable for payment of any dues,
6 fees, and assessments accruing to his membership
7 until his or her membership shall be reissued.

8 MR. BLACK: That's correct. We take
9 position —

10 THE COURT: So that isn't even the
11 amendment yet; so basically it says you can turn
12 them in, and again, until they're reissued. Is it
13 your argument that they wouldn't even accept the
14 resignation to start with, not that it hadn't been
15 reissued yet?

16 MR. QUALEY: Correct, Your Honor. Our
17 position is that under the club rules and
18 regulations, which I just handed up, and under the
19 subscription agreement and under the plan, there is
20 no limitation on his right to resign. So our
21 position is on May 31st, 2011, he resigned, and that
22 he was not responsible for any dues or assessments
23 following that date.

24 THE COURT: Where do you get that portion
25 of it though? That's where I have the problem

1 because why wouldn't he be subject to the bylaws
2 that say —

3 MR. QUALEY: Well, our —

4 THE COURT: —strictly right here it says
5 resigning member. Yeah.

6 MR. QUALEY: As I stated in our
7 memorandum, the documents that he signed which
8 include the subscription — it only includes this
9 subscription agreement, does not refer to the
10 bylaws. Our position is that the only documents
11 that control his obligation are the subscription
12 agreement and the documents that are referred to in
13 the subscription agreement. That includes the plan
14 which has no provisions in it limiting his right to
15 resign and the club rules and regulations, which
16 specifically say that a member can resign and only
17 is obligated to pay dues and charges through the
18 date of the resignation so —

19 THE COURT: And that, it says that in the
20 actual —

21 MR. QUALEY: It says that in the Club
22 rules and regulations which I just handed up, Your
23 Honor.

24 THE COURT: Okay. So the Club rules and
25 regulations.

1 MR. QUALEY: It has an index on the front
2 of it. That's it, Your Honor. Section 2.

3 THE COURT: Got it. Section 2. Hold on a
4 second. What portion of section 2, do you have a
5 number?

6 MR. QUALEY: All I have is section 2, Your
7 Honor. It's not a very long section.

8 THE COURT: Okay, you don't know where it
9 is in here?

10 Mr. Black, help me out.

11 MR. BLACK: Okay.

12 THE COURT: Is there anything in section
13 2 — resignation, I'm sorry, if you'd go to the
14 resignation portion. Okay, so it's your position
15 then that under section 2 that because it doesn't
16 state in here specifically they continue, they will
17 have to continue to pay membership.

18 MR. QUALEY: In fact, Your Honor, it says
19 very clearly that the member can resign as long as
20 they're paid up through the date of resignation.

21 THE COURT: Show me where it says that on
22 this page.

23 MR. BLACK: Your Honor, again, not to
24 interrupt or short circuit, if we move forward in
25 time there was an amendment to both the plan and the

1 bylaws just one month before he attempted to resign,
2 and I haven't quite gotten to that point going
3 through the documents so I can do it now or I can
4 wait till Your Honor is ready to hear about that.
5 Clearly there was an amendment to both the plan
6 which includes the bylaws and an amendment to the
7 bylaws themselves which places a requirement of the
8 property being sold before the resignation can be
9 effective.

10 MR. QUALEY: And our position is those are
11 not binding on the plaintiff, Your Honor.

12 THE COURT: Well, subsection 1 doesn't
13 state that he only has to be paid up through.
14 Subsection 1 just says a member may resign
15 membership in the club by providing the membership
16 director with written notice of his resignation, Not
17 withstanding any resignation, suspension, or
18 termination of membership, the member and member
19 spouse shall remain liable for any amounts unpaid on
20 the member's club account dues and other fees. That
21 still doesn't say that it terminates as far as dues
22 membership.

23 MR. QUALEY: Our position is that it does,
24 Your Honor. It says that they're only liable for
25 what was owed as of that moment. Our client paid

1 all of his dues and assessments through May 31st,
2 and our position is he's not liable after that.

3 THE COURT: Just so I'm clear, Mr. Black,
4 how do the bylaws get referenced back on what he's
5 agreed to pay? In the subscription agreement, is
6 it, does it reference the bylaws?

7 MR. BLACK: The subscription agreement
8 references the plan.

9 THE COURT: Okay.

10 MR. BLACK: And the plan references the
11 bylaws and incorporates the bylaws.

12 THE COURT: Okay.

13 MR. BLACK: And if I can continue talking
14 about the bylaws we've -- you've asked about section
15 3.6, we talked about that a little bit. The next
16 page in my packet, I'm not sure if you're back there
17 yet. Page 22 of the bylaws explains about
18 amendments to the bylaws, and that comes in -- that
19 becomes important later; but continuing to flip
20 through I think you've already seen about the
21 subscription agreement, which I included in my
22 packet. It was dated September 21st of 1996. And
23 the last paragraph says: This subscription
24 agreement is offered in accordance with the plan for
25 the offering of membership in the Spring Island

1 Club. So the, what he signed and what he agreed to
2 references the plan and the plan references and
3 incorporates the bylaws so it's all, it's all linked
4 in, Your Honor. Then the most important part, if
5 you continue on the next page, is it's entitled to
6 amendments to Spring Island POA and Club governing
7 documents. And I highlighted the portions that deal
8 with the issue in this case, and they're simply
9 under the amendment to the Club plan that's relevant
10 is the fifth amendment which occurred in April of
11 2011 which, again, is just about one month before
12 Mr. Gregorie attempted to resign his membership. So
13 after getting through — and if you turn to the
14 second page of that summary, Club bylaws, the third
15 amendment relates to this very issue. So then roll
16 forward one more page and we get to the fifth
17 amendment of the Club plan, and I've highlighted,
18 they gave notice to all the members about what they
19 intended to do —

20 THE COURT: It was done — was the
21 amendment done appropriately in accordance to the
22 requirements?

23 MR. BLACK: I am not aware that Mr.
24 Gregorie contends that there was any impropriety or
25 deficiencies with regards to the notice of the

1 meeting. It's my understanding that he attended the
2 meeting and that he argued in opposition to the
3 proposed amendments. The amendment itself reflects
4 that there was a vote of 238 in favor of the
5 proposed amendments versus 23 that were opposed. So
6 by a nearly ten to one ratio the membership of the
7 Spring Island Club adopted the fifth amendment to
8 the Club plan; and then which on page 2 under
9 membership resale list, it has the language that was
10 gonna be incorporated into the plan now. And the
11 second sentence says, members may not resign a
12 membership, nor shall the same be placed on the
13 resale list unless and until the home cite or
14 residential unit associated with such membership is
15 sold. And that's the exact reason and basis upon
16 which we rejected his attempted resignation.

17 And then as you roll forward a couple of
18 more pages you come to the third amendment to the
19 bylaws, and it mirrors nearly exactly the language
20 of the fifth amendment to the plan which, again, at
21 the very bottom of page 1 has that identical
22 language that you can't resign until your property
23 is sold. And that's the basis upon which we
24 rejected his attempt to resign, and that's the basis
25 upon which we now move for summary judgment because

1 the documents are clear. I don't think there's any
2 issue of fact, no genuine issue of material fact,
3 and I think Spring Island Club is entitled to
4 summary judgment.

5 MR. QUALEY: Your Honor, our position as I
6 stated before, is that the only document that the
7 plaintiffs signed in connection with his membership
8 purchase is the subscription agreement. That's
9 attached as Exhibit C to the memorandum. It says
10 that, paragraph 5 says, that it contains the entire
11 contract between the subscriber and the Club. It
12 does say that it's offered in accordance with the
13 plan of offering a membership dated February 20,
14 1990 as amended May 21st, 1992.

15 THE COURT: Which then references the
16 bylaws?

17 MR. QUALEY: It references the bylaws.

18 THE COURT: Okay.

19 MR. QUALEY: Your Honor, that document,
20 the plan, has no provisions in it for it to be
21 amended. It is completely silent on amendments to
22 that document. The subscription agreement says that
23 plan applies to this membership. That plan has no
24 provisions in it regarding resignation of the
25 membership. It places no limitations on the right

1 of a member to resign. What essentially has
2 happened here, Your Honor, by referencing a third
3 document, the bylaws, the defendant has essentially
4 buried this obligation in another document that, and
5 that obligation could — our position is that it
6 could have and should have been disclosed in the
7 subscription agreement or in the plan. It's
8 obviously a very substantive provision, Your Honor,
9 limiting someone's right to resign and obligating
10 them to pay assessments conceivably forever. It
11 should have been brought to the plaintiff's
12 attention either in the subscription agreement in
13 plain clear language saying you may be obligated to
14 pay dues and assessments forever if your membership
15 isn't resold. The same thing for the plan, it is
16 not in the plan, Your Honor. This document says
17 only the plan, only the subscription agreement, only
18 the club rules and regulations apply to this
19 membership.

20 Now they have continued to amend the
21 bylaws; but Your Honor, the bylaws are typically a
22 document used to contain provisions relating to the
23 governance of the corporation. They would not be a
24 typical place where you would find a legal
25 obligation of a member of the Club. A member of the

1 Club should be able to rely on the common sense
2 documents for their limitations, the club rules and
3 regulations which say that they can resign as long
4 as they're paid up through the date of resignation.
5 The plan which describes the membership in great
6 detail but does not contain any description of this
7 obligation. So our position is that they
8 intentionally concealed that, Your Honor, and that
9 the bylaws should not apply to this membership, only
10 the club rules, only the subscription agreement and
11 only the plan, none of which contain any limitation
12 on the right to resign. And we would ask for
13 summary judgment on that basis, Your Honor.

14 MR. BLACK: Your Honor, if I might, there
15 was certainly no concealment because at the time
16 back in the late '90s when he first bought his club
17 membership and the years immediately following that,
18 there was no limitation that required that the
19 property be sold in order to resign so there was no
20 concealment at that point. And then prior to the
21 annual meeting in April of 2011, the notice was sent
22 out to every member saying we got a joint meeting
23 coming up, here are the proposed amendments, here's
24 a proxy. All the information that's required to be
25 provided to the membership before about 30 days in

1 advance of the meeting, was provided so there was
2 certainly no concealment. There was argument or
3 discussions at the annual meeting about it. There
4 was a vote taken and by a ratio of nearly ten to
5 one, Mr. Gregorie and obviously a few others were
6 outvoted on this particular issue and the amendments
7 passed. It's that simple, Your Honor. So I mean,
8 his attempt to resign came a month after amendments
9 were adopted that would have prevented anyone from
10 resigning without having sold their property.

11 I mean, unless there's some basis that Mr.
12 Gregorie is not bound by the bylaws. He doesn't
13 have to sign the bylaws to be bound by them, Your
14 Honor. Mr. Qualey has pointed out several times
15 that the only document he signed was this
16 subscription agreement. That may be true, but you
17 don't have members of the Club sign off on the plan,
18 you don't have them sign off of on the bylaws or
19 rules and such. But that doesn't mean they're not
20 bound by them, Your Honor.

21 MR. QUALEY: He did sign off on the plan.
22 It's referred to in the subscription agreement, Your
23 Honor.

24 MR. BLACK: And if that's the case then
25 the bylaws are incorporated and referenced by the

1 plan as part of the plan so he is bound by them, and
2 he's bound by the amendment which he might not have
3 liked. As part of a club that's what was passed and
4 adopted, Your Honor.

5 THE COURT: Okay, anything else, y'all?

6 MR. QUALEY: No, Your Honor.

7 MR. BLACK: Your Honor, if you're inclined
8 we could take ten days and submit proposed orders
9 from each side. I'm not sure if Your Honor prefers
10 that method or whether you just want to take it
11 under advisement and review the documents and then
12 issue an order but...

13 THE COURT: If y'all want to give me
14 proposed orders that's fine. I want to go through,
15 I want to read, I want to read the plan. And again,
16 that's what I don't think I have.

17 MR. BLACK: I believe you should have a
18 complete copy of the plan.

19 THE COURT: I'm sorry, I've got it right
20 here. I've got it, sorry.

21 MR. BLACK: And I have selected pages from
22 the various documents that turn on the issue.

23 THE COURT: Okay.

24 MR. QUALEY: We'll submit orders, Your
25 Honor.

1 THE COURT: Yeah, ten days would be great.

2 MR. BLACK: Ten days.

3 THE COURT: Yeah, please, thank you.

4 MR. BLACK: Thank you, Your Honor.

5 THE COURT: Mr. Black, where in the plan
6 does it reference the bylaws?

7 MR. BLACK: Your Honor, the very — in my
8 packet it would be the third page under the heading
9 equity, membership privileges. "Upon payment of the
10 required fees and by complying with the bylaws and
11 the general club rules described herein equity
12 members will be entitled to the following membership
13 privileges", and it goes through and describes that.
14 And then again on page 19 there's reference to
15 operation or control of the Club. And it says under
16 board of governors: "The Club is governed by a board
17 of governors in accordance with the club certificate
18 of incorporation, bylaws, and general club rules.
19 Attached hereto is exhibit B, C, and D
20 respectively."

21 MR. QUALEY: Let me see what you're
22 referring to David.

23 (Attorneys confer.)

24 THE COURT: No, I think what I was looking
25 for was page 17 where it said that attached here to

1 these exhibits are the articles of incorporation,
2 the bylaws of the club, the purchase and sale
3 agreement, subscription agreement, the application
4 for membership, and the schedule dues and fees and
5 the house rules. These exhibits are incorporated by
6 reference herein and made a part hereof. Okay, let
7 me just go through and read it. I mean, I know
8 clubs have done that. I mean, I certainly have
9 belonged to clubs that have done this so, but let me
10 go through and look to make sure it was properly
11 done. Okay.

12
13 * * * END OF REQUESTED TRANSCRIPT OF RECORD * * *
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E O F R E P O R T E R

STATE OF SOUTH CAROLINA)
COUNTY OF FLORENCE)

I, FRANCES BAKIS-RAY, Registered Professional Reporter (RPR), court reporter for the State of South Carolina, Twelfth Judicial Circuit, do hereby certify that the foregoing proceeding is a stenographic report and was transcribed through computer-aided transcription; that the foregoing transcript contains a true record of the proceedings.

I further certify that I am neither counsel for, nor related to nor employed by any of the parties connected to the action, nor am I financially interested in the action.

Witness my hand at Florence, South Carolina, this 30th day of November, 2013.

FRANCES BAKIS-RAY, RPR

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	Case No: 2011-CP-07-2788
	)	
DANIEL A. GREGORIE,	)	
	)	
Plaintiff,	)	
	)	AFFIDAVIT
v.	)	
	)	
SPRING ISLAND CLUB,	)	
	)	
Defendant.	)	
_____	)	

I, the undersigned Daniel A. Gregorie, being first duly sworn, depose and say as follows:

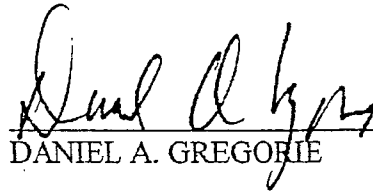
1. That the Subscription Agreement signed by me when I purchased the membership in Spring Island Club only refers to the rules and regulations of the Club and to the Plan of Offering of Memberships, and I expected that only those documents would apply to my right to resign my membership and would contain any substantive provisions requiring that I pay dues and assessments even after resigning my membership and no longer having the right to any membership privileges.

2. That at the time I purchased such Spring Island membership, I was never informed by the Club or by my attorney (who also represented the seller of the membership) that I would not have the right to resign from the Club and thereby cease to incur dues or assessment obligations following such resignation.

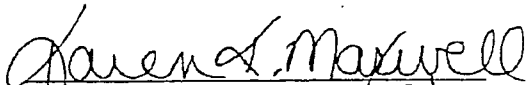
3. That I have complied with the resignation provisions of the rules and regulations of the Club and of the Plan of Offering of Memberships, and I have paid all dues and assessments billed to me for the period ending May 31, 2011.

4. That all of the allegations of the Complaint in this matter are accurate.

Signed this 10th day of April, 2013.


DANIEL A. GREGORIE

SWORN TO BEFORE ME
this 10th day of April, 2013.


Notary Public for Maine Florida
My commission expires: _____



THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Carmen T. Mullen, Circuit Court Judge

Case No. 2011-CP-07-2788

Daniel A. Gregorie,

Appellant,

v.

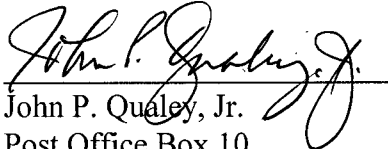
Spring Island Club,

Respondent.

CERTIFICATE

I certify that this Record on Appeal contains all material proposed to be included
as indicated in the Designation of Matter to Be Included in the Record on Appeal
filed herein by Appellant.

May 14, 2014


John P. Qualey, Jr.
Post Office Box 10
Hilton Head Island, SC 29938
(843) 785-3525
Attorney for Appellant

RECEIVED

MAY 16 2014

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Carmen T. Mullen, Circuit Court Judge

Case No. 2011-CP-07-2788

Daniel A. Gregorie,

Appellant,

v.

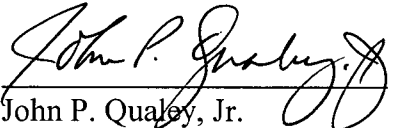
Spring Island Club,

Respondent.

PROOF OF SERVICE

I certify that I have served the Record on Appeal on Spring Island Club by depositing a copy of it in the United States Mail, postage prepaid, on May 14, 2014, addressed to its attorney of record, David S. Black, Post Office Box 40, Beaufort, South Carolina 29901.

May 14, 2014


John P. Qualey, Jr.
Post Office Box 10
Hilton Head Island, SC 29938
(843) 785-3525
Attorney for Appellant

RECEIVED

MAY 16 2014

SC Court of Appeals