

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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APPEAL FROM THE GEORGETOWN COUNTY
Court of Common Pleas

Larry B. Hyman, Jr., Circuit Court Judge

App. Case No. 2012-212842

Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr., and Thomas Martin Phillips Appellant,

v.

Litchfield Plantation Company, Inc. Respondent,

AND,

E. Scott Trotter Intervenor.

**Record on Appeal
Volume II**

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WHEREAS, the Company, RPC and the Owners of record of more than one-half (1/2) in area of the premises which are subject to the 1971 Declaration as amended and subject to the payment of charges created by the 1971 Declaration as amended have executed and acknowledged this Amendment to the 1971 Declaration as amended; and

WHEREAS, this Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation amends the 1971 Declaration as amended by the 1988 Modification, but shall not modify the Master Deeds for Horizontal Property Regimes I or II, recorded in Georgetown County in Deed Book 98, Page 220 and in Deed Book 98, Page 166. The purpose of this Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation is to incorporate into one document all covenants, conditions and restrictions applicable to Litchfield Plantation.

NOW THEREFORE, in consideration of the premises, the Company hereby covenants and agrees with the owners and purchasers of all lots or dwellings within Litchfield Plantation, that the property described in and referred to in Exhibits "A" and "B" shall be held, used and conveyed subject to the 1971 Declaration as amended by these Protective Covenants, Conditions and Restrictions set forth in this Declaration and it is hereby covenanted and agreed that the Protective Covenants, Conditions and Restrictions shall inure to the benefit of and be binding upon RPC, the Company, their successors and assigns, the Association, the owners and purchasers of property within the Plantation and all parties having any right, title, or interest in the Property or any part thereof, their respective heirs, successors and assigns, and all such Protective Covenants, Conditions and Restrictions shall bind and run with the property described in Exhibit "A" and "B" hereof, and all Lots and Dwelling Units therein.

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Amended and Restated Declaration of Protective Covenants, Conditions
and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal

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ARTICLE 1

Property Description

- 1.1 **Phase I Litchfield Plantation**. Property described on attached Exhibit "A", incorporated herein by reference.
- 1.2 **Common Area**. Property described on attached Exhibit "B", incorporated herein by reference, subject to the amendatory provisions set forth in Article 5, Section 5.2.
- 1.3 **Phase II Litchfield Plantation**. Property described on attached Exhibit "C", incorporated herein by reference.
- 1.4 **Single-Family Residential Lot Area**. Property described in attached Exhibit "D", incorporated herein by reference.

ARTICLE 2

Definitions

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below, and all definitions shall be applicable to the singular or plural forms of any such term(s).

- 2.1 **"Architectural Review Board"**: The board established by the Board of Governors pursuant to Article 4.
- 2.2 **"Association"**: Litchfield Plantation Association, Inc., a South Carolina non-profit corporation, its successors and assigns.
- 2.3 **"Benefited Assessments"**: Assessments levied under Section 5.13.
- 2.4 **"Board" or "Board of Governors"**: The Board of Governors of the Association, which is the governing body of the Association, selected as provided in its Bylaws.

2.5 **"Bylaws"**: The corporate Bylaws of the Association, a copy of which is attached as Exhibit "E."

2.6 **"Bulk Sale"**: A sale of vacant land or land on which improvements are or will be under construction, from the Declarant to a builder or developer for a development into dwelling units.

2.7 **"Common Area"**: Property, both real and personal, described in Exhibit "B", attached hereto and incorporated herein by reference, to which Owners have easements of use and open space as set forth in this Declaration; together with all other real or personal property which the Association now or hereafter owns, leases, or otherwise holds possessory or use rights in and for the common use and enjoyment of the Owners, including easements held by the Association for such purposes. Such areas are not dedicated for use by the general public and the general public shall have no easement of use and enjoyment therein.

2.8 **"Common Expenses"**: The actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Lots, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration.

2.9 **"Consumer Price Index"**: The Consumer Price Index for "all urban consumers" as issued by the U.S. Department of Labor, Bureau of Statistics, adjusted for any reference base change, with January 2005 as a starting point index. The term "CPI Increase" shall mean the increase (if any) expressed as a percentage, of the then current index over the starting point index.

2.10 **"Declarant"**: Litchfield Plantation Company, Inc., a South Carolina corporation, or any successor or assign of Litchfield Plantation Company, Inc. who takes title to any portion of the property described on Exhibits "A" or "C" for the purpose of development and/or resale in

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the ordinary course of business and who is expressly designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

2.11 "Design Guidelines": The architectural, design, development and other guidelines, standards, controls, and procedures including but not limited to, application and review procedures, adopted pursuant to Article 4 hereof.

2.12 "Declaration": Means this instrument as from time to time amended.

2.13 "Dwelling Unit": Any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single-family, including by way of illustration but not limitation, condominium units, townhouses, patio or zero lot-line homes, and single-family detached houses.

2.14 "Lot": A contiguous portion of the Property, whether improved or unimproved, other than Common Area or common property of any condominium regime, or property dedicated to the public, which may be independently owned and conveyed and which is intended to be developed, used and occupied with an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Lot as well as any improvements, including any dwelling unit, thereon. The term shall include, by way of illustration but not limitation, condominium units, cluster homes, patio or zero lot-line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such. In the case of any structure containing multiple dwelling units, each dwelling unit shall be deemed to be a separate lot.

Prior to the recordation of a subdivision plat or condominium master deed, a parcel of vacant land or land on which improvements are or will be under construction shall be

deemed to contain the number of Lots designated in writing by the Declarant for residential use for such parcel.

2.15 **"Member"**: A Person entitled to membership in the Association.

2.16 **"Mortgage"**: A mortgage, deed of trust, deed to secure debt, or any other form of security deed.

2.17 **"Mortgagor"**: A holder of a Mortgage.

2.18 **"Non-affiliated Owners"**: Owners other than the Declarant, Resources Planning Corporation, any wholly-owned or controlled subsidiary of either, or Louis P. Parsons. After termination of the Class "B" share period pursuant to Section 5.5, all Owners will be deemed Non-affiliated Owners.

2.19 **"Owner"**: One or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation.

2.20 **"Person"**: A natural person, corporation, partnership, trustee, a limited liability company, or any other legal entity.

2.21 **"Private Amenities"**: Real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Property, developed by the Declarant or any affiliate, designee or assignee of the Declarant, which are privately owned and operated by persons other than the Association on a fee-basis, club membership basis, or otherwise. No Owner or other party shall have an Easement of Use or right in such facility unless expressly granted to such Owner or other party by the Declarant. For example, the Carriage House Club and The Marina shall be private amenities.

2.22 "Property": The real property described in attached Exhibits "A" and "B", together with such additional property as is subjected to this Declaration in accordance with Article 8.6.

2.23 "Record" or "Recording": To record or file with the Office of the Clerk of Court or RMC for Georgetown County, South Carolina.

2.24 "Rules": Rules and regulations governing use of the Common Area adopted pursuant to Section 5.3.

2.25 "Special Assessment": Assessments levied under Section 5.12.

2.26 "Supplemental Declaration": A recorded supplement to this Declaration filed pursuant to Article 8 which makes additional property subject to this Declaration.

2.27 "Working Capital Assessment": A payment to the Association made pursuant to Section 5.18.

ARTICLE 3

Use Restrictions

3.1. General. Except as provided in Section 3.2 of this Article and except for those portions of the Property upon which common facilities have been or will be erected, owned or leased by the Association or the Declarant, the Property shall be used only for residential, recreational and related purposes.

3.2. Reservation. The Declarant, in fulfilling its general plan of improvement of the Property, hereby reserves the right to use any portion of the Property, including all or part of any dwelling owned or leased thereon, for the purpose of carrying on business. This shall include, by way of illustration but not limitation, real estate sales, a restaurant, hotel (provided that no single structure used for or as a part of a hotel operation shall contain more than four (4) individual

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suites, except for the Plantation House and the Korf Guest House), marina, meeting rooms, offices, maintenance facilities, equipment storage, facilities used to conduct meetings including weddings, Dwelling Units used in the Country Inn or similar program, and general business offices, all including any signs or accessory uses.

3.3. Prohibited Activities. The following activities are prohibited within the Property unless expressly authorized by the Declarant, and then subject to such conditions as may be imposed by the Declarant:

(A) Raising, breeding, or keeping of animals or poultry of any kind, except dogs, cats or other household pets, provided they are not kept, bred or maintained for any commercial purposes. Provided, any pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners of occupants of other Lots shall be removed upon the request of the Board. If the pet Owner fails to honor such request, the Association may remove the pet;

(B) Posting of signs of any kind except those as required by law, including posters, circulars, billboards; provided, one professionally lettered sign may be displayed on a lot on which a dwelling unit is under construction and in accordance with any restrictions in size, coloring, lettering and placement of signs as may be adopted by the Architectural Review Board;

(C) Subdivision of a lot into two more lots after a subdivision plat including such lot has been approved and filed with the appropriate governmental authority, or changing the boundary lines of any lot, except that the Declarant shall be permitted to subdivide or change the boundary lines of Lots which it owns;

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(D) Active use of lakes, ponds, rivers, streams, wetlands or other bodies of water within the Property, including siphoning or draining water for purposes of irrigation or otherwise, except use of the marina by marina lessees and use of the main rice field, subject to any rules and regulations established by the Board. Neither the Declarant or the Association shall be responsible for any loss, damage or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, rivers, streams, wetlands or other bodies of water within or adjacent to the Property. Provided, Simons Lane Horizontal Property Regime, Chapel Creek Horizontal Property Regime and Owners of the following Lots shall have the right to continue draining water from ponds for purposes of utilization of their existing irrigation systems: Lot 4, Block A; Lot 3, Block D; Lot 4, Block D; Lot 8, Block D; and Lot 9, Block D; Lot 1, Block E; Lot 2, Block E; Lot 3, Block E; and Lot 4, Block E.

(E) Operation of a timesharing, fraction-sharing or some other similar program whereby the right to exclusive use of the Dwelling Unit rotates among participants in the program on a fixed or floating time schedule over a period of years;

(F) Occupancy of a Dwelling Unit by more than two (2) Persons per bedroom in the Dwelling Unit. For the purposes of this provision "Occupancy" shall be defined as staying overnight in a Dwelling Unit more than 30 days in any six-month (6) period;

(G) Capturing, trapping or killing wildlife within the Property, except in circumstances posing an eminent threat to the safety of Persons or pets on the Property, and except as allowed by the Board pursuant to rules and regulations affecting any portion of the main Rice Fields;

- (H) Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Property or which result in unreasonable levels of sound or light pollution;
- (I) Discharge of firearms or explosives within the Property, except shooting on the rice fields as allowed by Rules of the Board. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size;
- (J) Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; provided, the Declarant and the Association shall have the right, without obligation, to erect or install and maintain such apparatus for the benefit of all or a portion of the Property and except as allowed by Federal law; and
- (K) Conducting any business, trade, garage sale, moving sale, rubbish sale, or similar activity except that the Owner or occupant residing in a Dwelling Unit may conduct business activities which are commonly conducted within residential areas within the Dwelling Units so long as:
- i) The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit;
 - ii) The business activity conforms to all zoning requirements for the Property;
 - iii) The business activity does not involve visitation of the Lot or Dwelling Unit by employees, independent contractors, clients,

customers, suppliers, other business invitees or door-to-door solicitation of residents within the Property; and

- iv) The business activity is consistent with the residential character of the Property and does not constitute a nuisance, or hazardous or offensive use, or threaten the security or safety of other residents of the Property as may be determined in the sole discretion of the Board.

This subsection shall not apply to any activity conducted by the Declarant with respect to the development and sale of the property or its use of any Lots upon which it conducts business or trade, including the designation and use of the restaurant, bar, offices, marina, any hotel, country inn, facilities used for meetings or weddings, maintenance facilities and equipment storage. The leasing of a Dwelling Unit pursuant to Section 3.5 shall not be considered a business or trade within the meaning of this subsection.

3.4 Prohibited Conditions. The following conditions shall be prohibited within the Property.

(A) Walls, dog runs, animal pens or fences of any kind on any lot except as approved in accordance with Article 4; provided, the Declarant and the Association shall have the right, without obligation, to construct and maintain fences on any portion of the Property which they own or manage;

(B) Open garage doors. Garage doors shall remain closed at all time except when entering and exiting the garage;

(C) Tents, sheds or other structures of a temporary nature on any Lot except as approved in accordance with Article 4 or as may be authorized by the Declarant.

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Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal

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Approved temporary structures used during the construction or repair of a Dwelling Unit or other improvements shall be removed immediately after the completion of construction or repair;

(D) Storage of furniture, fixtures, appliances, machinery, equipment or other goods and chattels not in active use on any portion of the Lot which is visible from outside the Lot, except as approved in accordance with Article 4;

(E) Clothes lines, garbage cans, equipment, tanks or storage piles except as enclosures approved in accordance with Article 4; and

(F) No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out buildings shall be used on any Lot at any time as a residence, either temporarily or permanently, except to the extent that the Declarant, in its discretion, may use temporary construction offices.

3.5 Leasing. For purposes of this Declaration, leasing is defined as a regular, exclusive occupancy of a Dwelling Unit by any Person other than the Owner, for which the Owner received any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. Dwelling Units may be leased only in their entirety. No fraction or portion may be leased. No structure on the Lot other than the primary residential Dwelling Unit may be leased or otherwise occupied for residential purposes. There shall be no leasing of Dwelling Units or assignment of leases unless prior written approval is obtained from the Board. All leases shall be in writing. All leases shall be for an initial term for no less than ninety-days (90); provided, an Owner may lease their Dwelling Unit once per calendar year for a period of less than 90 days for special events (e.g. golf tournament). Notice of any lease, together with any such additional information as may be required by the Board, shall be given to the Board by

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the Lot Owner within ten-days (10) of the execution of the lease. The Owner must make available to the lessee copies of the Declaration, Bylaws, and Rules and Regulations. During any such leasing, the Owner surrenders Owner's use of amenities to the lessee. The Board may adopt reasonable rules regulating leasing and subleasing.

NOTWITHSTANDING the foregoing, Declarant retains the right to lease any Lot or Dwelling Unit it owns, including but not limited to the use of fractional or proportional leases in the Country Inn program, or any hotel/motel or any other business conducted by the Declarant.

3.6 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot so as to render any such Lot or portion thereof, or any activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Property. Wood piles or other materials shall be stored in a manner so as not to be visible from outside the Lot and so as not to be attractive to native rodents, snakes, and other animals and to minimize the potential danger from fires. No other nuisance shall be permitted to exist or operate upon any Lot, the Common Area, or the private amenities so as to be offensive or detrimental to any other portion of the Property. No activities shall be conducted upon or adjacent to any Lot or within improvements constructed thereon which are or might be unsafe or hazardous to a person or property. No open fires shall be lighted or permitted on the Property, except in a contained outdoor fireplace or barbeque unit while attended or within a safe and well-designed interior fireplace.

3.7 Trash Containers and Collection Period. No garbage or trash shall be placed or kept upon any Lot, except in covered containers of a type, size and style which are approved in accordance with Article 4 or as required by the applicable governing jurisdiction. Such containers shall be kept inside garages or other structures on Lots except when they are being

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made available for collection, and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon. No outdoor or indoor incinerators shall be kept or maintained on any Lot.

3.8 Vehicles and Parking: The term "Vehicles" as used in this Section shall include any device or structure for transporting persons or things, including without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles. Private (non-commercial) automobiles may be parked in a garage, driveway, parking pad or other area designated by the Board. Vehicles other than private (non-commercial) automobiles including oversized vehicles, stored vehicles and unlicensed or inoperable vehicles shall not be parked within the Property other than in an enclosed garage. No Vehicle may be left upon or parked on roadsides (swales) or on any other unpaved surfaces, except in an area designated by the Board.

3.9 Single-Family Residential: Notwithstanding anything to the contrary, the Property described on attached Exhibit "D" will be devoted to Single-Family Residential Lots which may be re-platted by the Declarant and Single-Family Residences located thereon. All other areas located within the Property described in Exhibits "A" and "C" may be developed in a mix of Dwelling Units at the Declarant's discretion, which may, but which need not, include Single-Family Residential Lots. No single family residential lot shall be less than 1/3 of an acre and single family residential lots will average at least 1/2 of an acre.

ARTICLE 4**Architectural and Design Standards**

4.1 **General.** No improvements (including staking, clearing, excavation, grading and other site work), exterior alteration of existing improvements (including painting), placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit or other structure or the Common Area (e.g., signs, antennas, playground equipment, pools, propane tanks, lighting, temporary structures, and artificial vegetation), planting or removal of landscaping materials, or insulation or removal of an irrigation system shall take place except in compliance with this Article, this Declaration, and Article 3 "Use Restrictions", and the design guidelines and with the approval of the Architectural Review Board. Any Owner may remodel, paint or redecorate the interior of a structure or Dwelling Unit on a Lot without approval. However, modifications to the interior of screened porches, patios and other similar portions of a Lot visible from outside the structure on the Lot shall be subject to this Article and approval as set forth below. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with the originally approved plans and specifications.

This Article shall not apply to the activities of the Declarant nor to improvements to the Common Area by or on behalf of the Association.

4.2 Architectural and Design Review.

(A) **New Construction.** There shall be established by the Board of Governors an Architectural Review Board, which shall have such duties and objectives as are set forth herein. No building, fence, wall or other structure, no change in topography, landscaping, grading, filling or any other item shall be commenced or erected or

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maintained upon any portion of the Lot or Dwelling Unit, nor shall any exterior addition to or change be made until the plans and specifications (including but not necessarily limited to all elevations, complete landscaping plan for the lot and a complete tree survey of the Lot), showing the grading, filling, nature, kind, size, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to the harmony of the external design and location to any surrounding structures and topography by the Architectural Review Board. Refusal or approval of plans, specifications and plot plans, or any of them may be based upon any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Architectural Review Board may deem sufficient. Neither the Declarant nor any Member of the Architectural Review Board shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Review Board, nor for any structural defects in any work done according to such plans and specifications approved by the Architectural Review Board. Further, neither the Declarant nor any Member of the Architectural Review Board shall be liable for damages to anyone submitting plans or specifications for approval under this Section, or any Owner of property affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Review Board for approval agrees, by submission of such plans and specifications, and every Owner of every Lot agrees, that he will not bring any action or suit against the Declarant or any Member of the Architectural Review Board to recover for such damage. No approval of plans, location, or specifications shall

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be construed as representing or implying that such plans, specifications or standard will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good workmanlike manner. Neither the Declarant, the Association nor the Architectural Review Board or its Members shall be responsible or liable for any defects in any plan or specifications submitted, revised or approved under these Covenants or for any defect in construction pursuant to such plans and specifications. The Owner shall have the sole responsibility for compliance with approved plans and agrees to and does hereby hold the Architectural Review Board, its Members, the Declarant and the Association harmless for any failure thereof caused by the Owner, architect or builder.

(B) Objectives of the Architectural Review Board: Architectural and Design Review shall be directed towards obtaining the following objectives for the Property.

- i. Insuring that the location and configuration of structures are visually harmonious with the terrain, vegetation, and the surrounding residential lots and structures, and do not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape.
- ii. Insuring that the architectural design of structures and the materials and colors are visually harmonious with the Property's overall appearance, history and cultural heritage, with surrounding development, with natural land forms and native vegetation, and

with the development plans, if any, for the areas in which the structures are proposed to be located.

- iii. Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of Lots, removal of trees or vegetation which would cause disruption of natural water courses or scar natural land forms.
- iv. Insuring the plans for construction and landscaping limit the removal or damage to the natural landscape and significant trees, including obtaining proof from the Owner of compliance with the Georgetown County Tree Ordinance.
- v. Insuring that any structure, building or landscaping complies with the provisions of this Declaration.

4.3 **Guidelines and Procedures:** The Declarant may adopt Design Guidelines which shall apply to all construction activities within the Property, except as is provided in Section 4.1. The Declarant shall have the sole and full authority to amend the Design Guidelines as long as it owns any portion of the Property or has any right to annex any Property pursuant to Section 8.6. Thereafter, the Architectural Review Board shall have the authority to amend the Design Guidelines. The Design Guidelines may contain general provisions applicable to all Property, as well as specific provisions which vary from one portion of the Property to the other depending on the location, unique characteristics, intended use and any applicable zoning ordinance. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern and in considering applications hereunder. The Design Guidelines are not the exclusive

basis for decisions by the Architectural Review Board and compliance with the Design Guidelines does not necessarily guarantee approval of any application.

Any amendments to the Design Guidelines shall not apply to approved construction and modifications commenced prior to the date of such amendment and shall not apply to require modifications to or removal of the structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines and the Declarant, so long as it owns any portion of the Property or has a right to annex any property pursuant to Section 8.6, and the Architectural Review Board thereafter shall have the right to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

All structures and improvements constructed upon Lots shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans or such improvements are submitted to and approved by the Architectural Review Board, unless the Architectural Review Board has granted a variance in writing pursuant to Section 4.4. So long as the Architectural Review Board is acting in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with the Design Guidelines in this Declaration shall be final.

4.4 Variance. The Architectural Review Board may authorize variances in writing from its Design Guidelines, but only:

- (A) In accordance with duly adopted Rules when: (1) unique circumstances dictate, such as unusual topography, natural conditions, hardship or aesthetic or environmental consideration; and (2) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing

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and anticipated uses of adjoining property. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, the Architectural Review Board may not authorize variances without the written consent of the Declarant, so long as the Declarant owns any portion of the Property or has a right to annex any Property pursuant to Section 8.6.

4.5 Enforcement. Any construction, alteration or other work done in violation of this Declaration, this Article or the Design Guidelines shall be deemed to be non-conforming. Upon written request by the Declarant, the Association or the Architectural Review Board, the Owner shall, at the Owner's own cost and expense and within such reasonable timeframe as set forth in such written notice, cure such non-conformance to the satisfaction of the requesting party or restore the Property, Lot and/or Dwelling Unit to substantially the same condition as existed prior to the non-conforming work.

Should an Owner fail to remove and restore as required, the Declarant, the Association or its designee shall have the right to enter the Lot and/or Dwelling Unit, remove the violation, and restore it to substantially the same condition as previously existed. All costs, including a reasonable attorneys fee, together with interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a benefited assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration, this Article and the Design Guidelines may be excluded from access to the

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Property. Neither the Declarant, the Association, its officers, governors, the Architectural Review Board, nor its Members, shall be held liable to any person for exercising the rights granted by this Article.

In addition to the foregoing, the Declarant and the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and decisions of the Architectural Review Board.

ARTICLE 5

The Association

5.1 Association Function, Membership and Voting Rights. The Declarant has established the Association for the purpose of exercising powers of maintaining and administering the Common Areas and the improvements thereon and to be constructed thereon including the roads and maintenance buildings and providing common services, administering and enforcing the Covenants, Conditions and Restrictions contained herein, and levying, collecting and dispersing assessments and charges herein created. The Association shall be authorized but not required to provide the following services:

- (A) To maintain, landscape and operate all open spaces, lagoons, lakes, ponds, rice fields or other open spaces within the Property.
- (B) Insect and pest control to the extent deemed desirable in the judgment of the Board of Governors.
- (C) To construct improvements on open spaces and Common Areas.
- (D) To provide or contract for administrative services including, but not limited to, legal, accounting, management, financial and communication services.

informing members of activities, notice of meetings, referendums, and any other services incident to the Association's powers.

(E) To take any and all actions necessary to enforce all Covenants, Restrictions, Rules and Regulations affecting the Property and to perform any of the functions or services delegated to the Association in any Covenants, Restrictions or Bylaws applicable to the Property.

(F) To provide liability and hazard insurance covering improvements and activities on the Common Area, independently or in collaboration with the Declarant.

(G) To provide Directors and Officers liability insurance for the Association, its elected Governors and Officers, and any appointed Boards or Board Members.

(H) To maintain all lakes, ponds and lagoons located within the Property, including the stocking of such lakes, ponds and lagoons as approved by the Board.

(I) To maintain the rice fields, including the repair, maintenance and operation of the main rice field gates and the rice field dikes.

(J) To take any and all actions necessary to enforce all covenants and restrictions affecting the property and to perform any of the functions or services to be performed by the Association and any covenants or restrictions applicable to the Property.

(K) To provide any and all services necessary or desirable in the judgment of the Board of Governors of the Association to carry out the Association's obligations and business under the terms of this Declaration, the Charter of the Association and the Association's Bylaws.

(L) To provide transportation to and from the Plantation House and the Beach House.

(M) To purchase, sell, trade or exchange real property comprising the Common Area, as set forth in Section 5.2.

5.2 Conveyance of Common Area from Declarant to the Association: Modification of Common Area by Trade, Sale or Exchange. The Declarant reserves the right to convey all or part of the Common Area to the Association and the Association agrees to accept said conveyance and to maintain and administer the same as Common Area provided, however, that any Common Area deeded to the Association is:

(A) Free from liens and encumbrances except those contained herein and future taxes;

(B) Is in good condition and not in need of maintenance and/or repair which would exceed the reserved funds held by the Association and applicable to the property being deeded to the Association, and

(C) Is contained within or contiguous to either the property described in a plat by Legare Hamilton dated March 4, 1971, recorded in Plat Book W, Page 8, or the Ocean Front Beach House as described on attached Exhibit "B". For purposes of this subparagraph 5.2(C), the term "contiguous":

(i) shall include any parcel of property with a boundary line located within 3,000 feet of the property described in the March 4, 1971 plat described above; and

(ii) contiguity shall not be defeated or denied where the only impediment to actual "touching" is a separation caused by a road,

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right of way, easement, or waterway, and any such property shall be deemed contiguous despite such separation.

The Association reserves the right to modify the extent and location of the Common Area through an exchange of property including a sale, purchase or exchange with the Declarant. Provided, any exchange of property by the Declarant to the Association, and from the Association to the Declarant, shall be subject to the following requirements:

(A) The property conveyed by the Declarant to the Association and the property to be conveyed by the Association to the Declarant shall be subject to MAI appraisal. The appraisal shall determine the value of both properties, as Common Amenities to the Association. The value of the property conveyed by the Declarant to the Association must have higher appraised value than the appraised value of the property conveyed by the Association to the Declarant;

(B) Any property conveyed by the Declarant to the Association shall be free from liens and encumbrances except those contained herein and future taxes, and in good condition and not in need of maintenance and/or repair which would exceed the reserved funds held by the Association and applicable to the property being deeded to the Association.

The Board of Governors is hereby authorized to enter into a contract with the Declarant to sell, convey, or exchange property as described herein without a vote of the members.

5.3 Rules and Regulations. The Association's Board of Governors may adopt from time to time additional rules and regulations governing the use of the Common Areas.

5.4 Membership. Every person or entity who is an Owner of a Lot subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

5.5 Voting. The Association shall have two classes of Membership, Class "A" and Class "B".

(A) Class "A". Class "A" Members shall include all Owners except for the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot for which they hold the interest required for membership under Section 5.4; there shall be only one vote per Lot.

(B) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to disapprove actions of the Board and any Committees, are specified in the relevant sections of this Declaration and the Bylaws. During the Class "B" share period; the Class "B" Member shall have the number of votes equal to all Class "A" Members plus one (1) vote. The Class "B" membership shall cease and be converted to Class "A" Membership upon the earlier of the following:

- i) An initial period commencing on January 1, 2005 and ending December 31, 2010; provided, this initial period shall be automatically extended for successive periods of five (5) years, provided that in each five-year period prior to the automatic extension the Declarant has sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners;
- ii) When, in its discretion, the Declarant so determines; or

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- iii) One Hundred Eighty (180) Days after the Declarant has sold 90% of all Lots subject to this Declaration.

When a purchaser of an individual Lot or Lots takes title thereto from the Declarant, such Purchaser becomes a Class "A" Member. From and after the happening of any of the above events set out in subsection (i), (ii), or (iii), whichever occurs first, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot it owns.

The condition for automatic five-year (5) extensions of the Class "B" share period provided in (B)"I" shall be conclusively established by the Declarant Recording an Affidavit stating the Declarant has sold 100 or more Lots to Non-Affiliated Owners in the preceding five (5) years. A copy of such recorded Affidavit shall be provided to the Association.

5.6 Exercise of Voting Rights. Except as otherwise specified in this Declaration, Bylaws or as required by law, the vote for each Lot owned by a Class "A" Member shall be exercised by the Owner. In any situation in which there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised for such Co-Owners determined among themselves and they shall advise the Secretary of the Association in writing prior to any meeting. Absent such notice to the Association, the Lot's vote shall be suspended if more than one person seeks to exercise it. No Owner shall have a vote if the Owner is not current or more than 60 days in arrears with respect to all money owed to the Association by that Owner.

5.7 Covenant for Assessments: Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, each Owner of any Lot and any purchaser of a Lot, by acceptance of a deed to the Lot, whether or not it shall be so expressed in such deed or other conveyance, shall become a member of the Association and covenants and agree to pay to the Association:

- (A) Annual Assessments or charges for maintenance of the Common Areas, including such reasonable services as the Association may deem necessary;
- (B) Special Assessments as described in Section 5.12;
- (C) Benefitted Assessments as described in Section 5.13; and
- (D) Working Capital Assessments as described in Section 5.18.

All Assessments, together with interest from due date of such Assessment at a rate determined by the Association (not to exceed the highest rate allowed by South Carolina law), late charges, costs, including lien fee and administrative costs, and reasonable attorney's fees incurred in collecting assessments shall be a charge and continuing lien upon each Lot against which the Assessment is levied until paid, as more particularly provided in Section 5.14. Each such Assessment, together with interest, late charges, costs including lien fee and administrative costs and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the Assessment arose. Upon a transfer of title to a Lot, the transferee shall be jointly and severally liable to the Association for any Assessments and other charges due at the time of transfer, except as set forth in Section 5.17.

Assessments shall be paid in each manner and by such dates the Board may establish. Unless the Board otherwise provides, the Assessment for each Lot shall be due and

payable in advance each year on the anniversary of the date the Owner of such Lot first obtained title to the Lot.

The Association shall, upon request by an Owner, furnish to the Owner a certificate in writing signed by an Officer of the Association setting forth whether Assessments for such Owner's Lots have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

No owner may exempt himself or herself from liability for Assessments by non-use of the Common Area, abandonment of the Owner's Lot or Dwelling Unit, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or setoffs shall be claimed or allowed for alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

5.8 Declarant's Obligation for Assessments. During the Class "B" share period, Declarant may annually elect to either pay Assessments on all of its unsold Lots or to pay the "shortage" for each fiscal year. The shortage shall be the difference between:

(A) The amount of all income and revenue of any kind received by the Association, including, but not limited to, Assessments collected from all other Lots, use fees, and income from all other sources; and

(B) The amount of all actual expenditures incurred by the Association during the fiscal year.

Calculation of the shortage shall be performed on a cash basis of accounting. Unless the Declarant otherwise notifies the Board in writing at least 30 days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year.

The Association is authorized to enter into contracts for "in kind" contribution, services, materials, or a combination of services and materials with the Declarant or other entities for payment of common expenses provided the common expenses being paid by such contracts are contained in the budget. After termination of the Class "B" share period, the Declarant shall pay Assessments on its unsold Lots in the same manner as any other Owner.

5.9 Bulk Sale of Parcel by Declarant. The Declarant shall designate the maximum number of Lots which can be built upon a Bulk Sale Parcel at the time of sale of property in bulk for development. Such initial designation shall be in writing and a copy of such designation shall be provided to the Purchaser and to the Board of the Association. If no designation is made, the Bulk Sale Parcel shall be assessed at the rate of four (4) Lots per acre. In the event the Purchaser sells all of the Lots within the Bulk Sale Parcel but fails to subdivide the parcel into a number of Lots equal to the maximum initial density assigned to such parcel, the assessments shall be computed based on the actual number of Lots and not the initial designation.

The purchaser of a Bulk Sale Parcel shall pay the Association regular assessments on all unsold Lots from and after the date of closing of the Bulk Sale until the closing of the sale of each Lot in the parcel sold for development. Thereafter, the Owner of each Lot shall pay the Association regular, working capital and special assessments in the normal fashion as provided in this Declaration. Provided, further, the purchaser of a Bulk Sale Parcel shall not be obligated to pay the Association the Working Capital assessments until the earlier of: a) the closing of the

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sale of each Lot in the Bulk Sale Parcel sold for development; or b) at the end of three (3) years from the date of closing of the Bulk Sale Parcel, whichever occurs first.

5.10 Computation of Base Assessments. Not less than 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the common expenses estimated to be incurred during the coming year. The budget shall include a reserve fund for capital improvement and maintenance of the Common Area in accordance with the budget but separately prepared as provided in Section 5.18, but shall not include expenses incurred during the Class "B" share period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by a majority of the total Class "A" vote of the Association.

The base Assessment shall be levied equally against all Lots and shall be at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including contributions to reserves. In determining the level of Assessments, the Board, in its sole discretion, may consider other sources of funds available to the Association.

There shall be no obligation to call a meeting of the Members for the purpose of considering the budget except as provided for special meetings in the Bylaws. Notice of Assessments shall be posted in a prominent place within the Property and including in the Association's newsletter, if any. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as the budget shall be determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

5.11 Maximum Annual Assessment During Class "B" Share Period. From and after April 1, 2005, the Maximum Annual Assessment shall be \$1,800.00 per Lot. During the Class "B" share period, the Maximum Annual Assessment may be increased by the Board each year by an amount not in excess of five percent (5%) per year, or the percentage increase in the Consumer Price Index between the first month and last month of the annual assessment period, whichever is lower. In the event the Board does not increase the Maximum Regular Annual Assessment in a given year, or increases it in an amount less than the maximum authorized by this Section, the Board shall be deemed to have reserved the right and shall be authorized in subsequent years to implement that reserved portion of the authorized but unexercised increased authority, provided that any application of the same may only be given prospective application. By way of illustration, if the Board is authorized to increase the Maximum Regular Annual Assessment by 5% per year in years 1 and 2, but chooses not to impose such increases, it could increase the Maximum Regular Annual Assessment in year 3 by a total of fifteen percent (15%), provided the 5% figure is lower than the CPI.

5.12 Special Assessments. In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessments shall become effective unless:

(A) Disapproved by a vote of a majority of the total votes allocated to Lots which will be subject to Special Assessments, or

(B) Disapproved by the Declarant during the Class "B" share period.

There is no obligation to call a meeting for the purpose of considering Special Assessments except upon petition of Owners as provided for in the Bylaws. Notice of Special Assessment shall be provided as set forth in the Bylaws. Special Assessments shall be payable

in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

(C) In consideration for the execution of this Declaration certain owners in Litchfield Plantation, the present owners of property in Litchfield Plantation and each of them are exempt from Special Assessments through the year 2020. This exemption is personal to those property owners and their respective spouses and children. No property owner who has this exemption may vote for or against a Special Assessment through the year 2020. These property owners are referred to as "Exempt Owners" and are shown on Exhibit E attached hereto and, by referenced, incorporated herein.

(D) During the Class B share period, there shall be no Special Assessments without the affirmative vote of two-thirds of the non-affiliated owners (excluding the Exempt Owners). Except as to property owned by an Exempt Owner, all Units, sold and unsold, shall pay a proportionate share of any Special Association Assessment during the Class "B" share period, even if the Declarant has elected to fund a deficit in the Association Budget rather than pay assessments on unsold Lots.

5.13 Benefited Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(A) To cover the costs, including overhead and administrative costs, of providing benefits, items or services to the Lot or occupants thereof upon request of the Owner of the Lot pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners which might include, without limitation, landscape maintenance, caretaker services, etc., which Assessments may be levied in

advance of the provisions of the requested item, item or service as a deposit against charges to be incurred by the Owners; and

(B) To cover costs incurred in bringing the Lot into compliance with the terms of this Declaration, any supplemental declaration, the Bylaws, the Design Guidelines, or Rules of the Association, or costs incurred as a consequence of the conduct or action of the Owner or occupant of the Lot, their licensees, their invitees or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this Section (B).

5.14 Lien for Assessments. All Assessments authorized in this Article which become past due shall constitute a Lien against the Lot against which they are levied until paid. The Lien shall also secure payment of interest (subject to the limitations of South Carolina law), late charges, and costs of collection (including attorney's fees, lien fees and administrative costs). Such Lien shall be superior to all other liens, except:

(A) The liens of all taxes, bonds, assessments, and other levies which by law would be superior; and

(B) The lien or charge of any first mortgage of record (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value.

The Association may enforce such Lien, when any Assessment or other charge is delinquent, by suit, judgment, and foreclosure or by any other remedy allowed to the Association, by law or equity. The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage and convey the Lot. While a Lot is owned by the Association:

- i) No right to vote shall be exercised on the Lot's behalf;
- ii) No Assessment shall be levied on it; and

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- iii) Every other Lot shall be charged, in addition to its usual Assessment, its equal prorata share of the Assessment that would have been charged on said Lot had it not been acquired by the Association.

The Association may sue for unpaid Assessments, fees and costs without foreclosing or waiving the Lien securing the same.

The sale or transfer of any Lot shall not affect the Assessment Lien or relieve such Lot from the Lien for any subsequent Assessments. However, a Mortgagee holding a first mortgage of record or other owner who obtains title pursuant to a foreclosure of a first Mortgage or by acceptance of a deed in lieu of foreclosure shall not be personally liable for Assessments on such Lot which became due prior to such acquisition of title. Provided further, that an Owner who obtains title pursuant to foreclosure or a deed in lieu of foreclosure shall be liable for Assessments on such Lot which become due after such acquisition of title.

5.15 Failure to Assess: Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis for the last year for which an Assessment was made, if any, until a new Assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

5.16 Exempt Property: The following property shall be exempt from payment of Assessments and Special Assessments:

- (A) All Common Areas;

(B) All Property dedicated to and accepted by any governmental authority or public utility; and

(C) All Common Elements within a condominium regime used for the common use and enjoyment of the owner of those condominiums.

5.17 **Budget Process:** The Association shall have an annual budget. The Association Budget shall be prepared by the Board or, if the Association has employed a Manager, by the Manager. In either event, the Budget shall be approved by the Board of the Association and submitted to the Members of the Association for final approval. The budget shall be deemed approved unless a majority of the Members affirmatively vote to disapprove the budget.

The Association Budget shall contain a line item for a reserve for maintenance of the Common Areas and other line items normally contained in a budget for a homeowners' association. The Board shall provide each Member not less often than quarterly, and on an annual basis, a year-to-date schedule of revenue and a comparison of budgeted and actual expenses of the Association.

(A) **Audits and Audit Reports.** The books of the Association shall be audited annually by an independent auditor at the expense of the Association. The Audit Report shall be made available to each Member of the Association during reasonable business hours at a location within the Plantation.

(B) **Bank Accounts and Use of Funds.** All revenues of the Association shall be deposited into accounts maintained in the name of the Association at a bank or savings and loan which has a location in South Carolina. Revenues of the Association may be expended to pay costs and expenses of only the Association.

5.18. Reserve Budget and Capital Contribution. The Board shall prepare, on an annual basis, reserve budgets which take into account the number and nature of replacement assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such Reserve Budgets may also anticipate making additional capital improvements and purchasing additional capital assets. The Board shall include in the Budget reserve contributions in amounts sufficient to meet these projected needs, if any.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. So long as the Declarant owns any portion of the Property or has the right to annex Property pursuant to Section 8.6, neither the Association nor the Board shall adopt, modify, limit or expand such policies without the Declarant's prior written consent.

Each Lot Owner purchasing from the Declarant, or a Lot Owner purchasing a Lot from a Bulk Sale, shall pay the Association a working capital contribution equal to 12 months of base assessments for each Lot sold after this Declaration is recorded. Each such working capital contribution shall be paid to the Association at the time of closing. One-third (1/3) of each Working Capital Assessment shall be deposited in the Association's Reserve Account, the remaining two-thirds (2/3) shall be deposited in the Association's General Account. Working Capital Assessments are not to be considered advance payment of annual assessments or special assessments.

5.19 Density. The Maximum Density in Phase I has described on Exhibit "A" shall be 368 Dwelling Units. The Maximum Density in Phase II as shown on Exhibit "B" shall be 222 Dwelling Units, regardless of whether the property in Phase II is made subject to these restrictions.

ARTICLE 6**Easements of Use**

6.1 **Owner's Easements of Use of Roads and Common Area.** This Amendment to the 1971 Declaration confirms the easement of each and every Owner (both lots and condominiums) and their respective guests and invitees to use without charge the roads within Litchfield Plantation wherever they may exist at any time for access, ingress and egress to and from their respective lot and/or condominium, the common area, and travel within the Plantation; provided, however, that this easement is specifically subject to the right of the Declarant set out herein to relocate any road or roads within the Plantation and the easement shall automatically cease to exist over the land on which any relocated road or roads were located and shall automatically attach to the relocated road or roads at its or their new location within the Plantation. This Amendment to the 1971 Declaration also confirms the easement of each and every Owner (both lots and condominiums) and their respective guests and invitees, to pass over and enjoy the Common Area designated in Exhibit "B" attached hereto, and incorporated herein by reference, provided, however, that the Declarant, its successors and assigns shall retain the right to establish reasonable fees, and establish rules and regulations for the use and enjoyment of all such spaces. Pursuant to its overall program of wildlife conservation and nature study, the right of the reserved to the Declarant and/or the Association to erect wildlife feeding stations, to plant small patches of cover and food crops for quail, ducks and other wildlife, to make access trails, a walking path through said Common Area for the purpose of permitting observation and study of wildlife, hiking and riding, to erect small signs throughout the Common Areas designating points of particular interest and attraction, and to take other such steps as a reasonable, necessary and proper to further the aims and purposes of the Common Areas is

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hereby confirmed. The Declarant and/or the Association shall have the right to protect the Common Areas through plantings of trees, shrubs, or to the extent deemed desirable, mechanical means such as sea walls, bulk-heading, drainage ways, canals, dikes, or lakes. The Declarant and the Association reserve the right to erect and maintain or to grant easements to erect and maintain utilities in or on the Common Areas, including the right to cut any trees, bushes or shrubbery, make any gradings of soil, build buildings or take similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Declarant further expressly reserves to itself, its successors and assigns, the right to construct, lease, operate and manage any club or other facilities on the Common Areas for the mutual enjoyment of the Owners and other members and to establish reasonable fees for the use thereof.

6.2 Easements for Utilities, Etc. This Amendment to the 1971 Declaration confirms the Declarant's Easement for the purpose of access and maintenance upon, across, over and under all of the Property owned by the Declarant and the Common Areas to the extent reasonably necessary to install, replace, repair, and maintain cable television systems, master television antennae systems, security and similar systems, roads, walkways, bicycle pathways, trails, pond, wetlands, drainage systems, street lights, signage and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity. The Declarant may assign these rights to any local utility supplier, cable company, security company, or other company providing a service or utility to Litchfield Plantation subject to limitations herein.

This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any Lot or existing Dwelling Unit, and any damage to a Lot or Dwelling Unit resulting from the exercise of this Easement

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shall promptly be repaired by, and at the expense of, the person exercising the Easement. The exercise of this Easement shall not unreasonably interfere with the use of any Lot or Dwelling Unit, and except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

6.3 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, and licensees an Easement over the Common Area for the purpose of enjoyment, use, access and development of the Property including any additional property added pursuant to Section 8.6 hereof or any contiguous property owned by the Declarant, whether or not such property is made subject to this Declaration. This Easement includes, but is not limited to, a right of ingress and egress over the Common Area for the construction of roads and for connecting and installing utilities on such property. The Declarant further agrees that if the Easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into an agreement with the Association to share the cost of maintenance of any access roadway serving such property, such agreement to provide for a sharing of the cost of maintenance of any access roadway serving such property on a reasonable projection of prorata use.

6.4 Easements for Cross Drainage. Every Lot and the Common Area shall be burdened with Easements for natural drainage for water runoff from other portions of the Property; provided, no person shall alter the natural drainage on any Lot to materially increase or impede the drainage of water on adjacent portions of the Property without the consent of the Owner of the affected property and the Board.

6.5 Right of Entry. The Association shall have the right, but not the obligation, to enter all portions of the Property, including each Lot or Dwelling Unit, for emergency, safety, and security reasons. Such right may be exercised by the authorized agents of the Association, its Board, officers or committees, and by all police officers, firefighters, ambulance personnel, and other similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Lot or Dwelling Unit shall be only during reasonable hours and after notice to and permission from the Owner thereof. This Easement includes the right to enter any Lot to cure any condition which increases the risk of fire or other hazard if an Owner fails or refuses to cure a condition within a reasonable time after a request by the Board, but does not authorize entry into any Dwelling Unit without permission of the Owner, except by emergency personnel acting in their official capacities.

6.6 Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual Easement is hereby granted to the Association, to enter all portions of the Property, including each Lot to:

- (A) Perform its maintenance responsibilities under Article 5;
- (B) Make inspections to ensure compliance with this Declaration, amendment hereof, any supplemental declaration, Bylaws, and rules. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to and permission from the Owner. This Easement shall be exercised with a minimum of interference to the quiet enjoyment of Owner's property, and any damage shall be repaired by the Association at its expense;
- (C) The Association may also enter a Lot to abate or remove, using such measures as maybe reasonably necessary, any structure, thing, or condition which

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violates the Declaration, any supplemental declaration, the Bylaws, the Design Guidelines or the rules. All costs incurred, including reasonable attorney's fees, shall be assessed against the violator as a Benefited Assessment; and

(D) The Property is hereby burdened with a non-exclusive Easement in favor of the Association for overspray of water from any irrigation system serving the Common Area. The Association shall not be held liable for damage or injury resulting from such overspray or the exercise of this Easement.

6.7 The Declarant, for itself and its successors and assigns, hereby transfers, sets over and assigns to the Association, its successors and assigns, all of the rights, licenses and easements granted to or reserved by the Declarant by or in Article 5, Section 1 of the 1971 Declaration as amended, necessary for the Association to do all of the things and acts and exercise all of the powers set out in Section 6.5 and Section 6.6 of this Article 6.

6.8 Easements for Lake and Pond Maintenance and Flood Water. Declarant reserves for itself, the Association, and their successors, assigns and designees, the non-exclusive right and Easement, but not the obligation, to enter upon any lakes, ponds, rivers, streams and wetlands located within the Common Area to:

(A) Construct, maintain, and repair pumps in order to provide water for the irrigation of any of the Common Area;

(B) Construct, maintain, and repair any bulkhead, rice field gate(s), dike, wall, dam or other structure retaining water; and

(C) Remove trash and other debris therefrom and fulfill its maintenance responsibilities as provided in this Declaration. Declarant, the Association, their successors, assigns and designees shall have an access Easement over and across any of

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the Property abutting or containing any portion of any of the lakes, ponds, rivers, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section.

6.9 There is further reserved herein for the benefit of Declarant, the Association, and their successors, assigns, and designees, a perpetual, non-exclusive right and Easement of access and encroachment over the Common Area adjacent to lakes, ponds, rivers, streams and wetlands within the Property, in order to:

(A) Temporarily flood and backwater a pond and maintain water over such portion of the Property;

(B) Fill, drain, dredge, deepen, clean, fertilize, and generally maintain the lakes, ponds, rivers, streams, and wetlands within the Common Areas subject to approval of all appropriate regulatory bodies;

(C) Maintain and landscape the slopes and banks pertaining to such lakes, ponds, river, streams, and wetlands; and

(D) All persons entitled to exercise these Easements shall use reasonable care in, and repair any damage resulting from the perpetual exercise of, such Easements. Nothing herein shall be construed to make Declarant, the Association or any other person liable for damage resulting from flooding due to heavy rainfall, hurricanes, natural occurrences, or other acts of God.

ARTICLE 7

General and Procedural Provisions

7.1 **Term.** This Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association, the Declarant, or any Owner, their respective legal representatives, heirs, successors, and assigns, for a Term of twenty (20) years

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from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by two-thirds (2/3) of the then Owners and the Declarant during the Class "B" share period, has been recorded within the year preceding each extension, agreeing to amend, and in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein. Any such amendment or termination shall not be effective until recorded.

7.2 Amendment.

(A) By Declarant. Until termination of the Class "B" share period, Declarant shall unilaterally amend this Declaration if such Amendment is:

- i. necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; or
- ii. necessary to enable any reputable title insurance company to issue title insurance coverage on the Lot; or
- iii. required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make a purchase mortgage loan on the Lots; or

- iv. necessary to enable any governmental agency or reputable private insurance company to guarantee or insure mortgage loans on the Lot; or
- v. otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration.

However any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

Other than as set forth in this paragraph (A), during the Class "B" share period the Declarant shall not amend this Declaration without the affirmative vote of 2/3's of the non-affiliated Owners. Following the end of the Class "B" share period, this Declaration may be amended as provided in paragraph (B) below.

(B) By Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by an affirmative vote or written consent, or combination thereof, of Owners of two thirds (2/3) of the total Class "A" votes of the Association, and the consent of the Declarant, so long as the Declarant owns any portion of the Property or has the right to annex the Property pursuant to Section 8.6. Provided, however, that Sections 3.9, 4.2, 5.2, 5.9, 5.10, 5.12, 5.17, 5.18, 5.19, and 6.1 cannot be amended at any time without the affirmative vote of two-thirds of the non-affiliated owners (including the Exempt Owners).

(C) Validity, Applicability and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation unless a later Effective Date is specified therein, provided the recorded amendment shall contain or have attached a certificate signed by a majority of the Board that the amendment has been duly adopted

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pursuant to this Declaration. Any procedural challenge to an Amendment must be made within six (6) months of its recordation or such Amendment shall be conclusively presumed to be validly adopted and any right to challenge the procedure for Amendment shall be deemed waived. In no event shall a change of conditions or circumstances operate to amend any provision of this Declaration.

All property and each Lot shall be subject to a duly approved amendment, whether or not the Owner or Mortgagee of that property or Lot voted on or voted for the amendment.

If an Owner consents to any Amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third-party will affect the validity of such Amendment.

No Amendment may revoke, remove, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege as long as the Declarant owns any portion of the Property or has the right to annex Property pursuant to Section 8.6.

7.3 **Severability.** Invalidity of any provision of this Declaration, in whole or in part, by judgment or court order shall in no way affect the remaining provisions of this Declaration.

7.4 **Perpetuities.** If any of the Covenants, Conditions, Restrictions, or other provisions of this Declaration shall be ruled unlawful, void, or voidable for violation of the rule against perpetuities, then such provision shall continue for only twenty-one (21) years after the

death of the last survivor of the descendants of Elizabeth II, Queen of England, who were alive as of January 1, 2005.

7.5 Use of the Words "Litchfield Plantation". No person shall use the words "Litchfield Plantation" or any derivative, or any other term which Declarant may select as the name of this development or any component thereof, in any promotional material without the Declarant's prior written consent. Provided, the Association shall be entitled to use the words "Litchfield Plantation" in its printed matter and name.

7.6 Compliance. Every Owner and occupant of any Lot shall comply with this Declaration, the Bylaws and rules of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, by the Association, or in a proper case, by any aggrieved Owner(s) or the Declarant.

7.7 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his Lot shall give the Board at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such anticipated transfer of title, and such other information as the Board may reasonably require. The Association may require a payment of a reasonable administration or registration fee by the transferee.

7.8 Attorney's Fees. In the event of an action instituted to enforce any of the provisions contained in the Declaration, the Articles of Incorporation, the Bylaws or Rules of the Association, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorney's fees and costs, including administrative and lien fees, of such suit. In the event the Association is the prevailing party in such action, the

amount of such attorney's fees and costs shall be a Benefited Assessment with regard to the Lot(s) involved in the action.

7.9 Re-plating of Lot No Lot shall be subdivided by an Owner, or its boundary lines changed, except as herein provided. However, the Declarant expressly reserves to itself, its successors and assigns, the right to re-plot any one or more of the Lots owned by the Declarant.

7.10 Time is of the Essence It is agreed that time is of the essence with regard to any of these restrictions, covenants, limitations and conditions.

ARTICLE 8

Declarant's Rights

8.1 Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or the Bylaws. No such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded at the RMC or Clerk of Court's Office of Georgetown County, South Carolina. Such a transfer of Declarant's rights must expressly state and provide for such a transfer, and no transfer of Declarant's rights shall be implied by virtue of acquiring title to a Lot or property, including any Bulk Sales, from the Developer through deed, foreclosure sale, or any method of conveyance.

Every member of the Association, and any other person acquiring any interest in a Lot, including any mortgagee, agrees not to protest or object to an application for a zoning change or variance which seeks to make any non-conforming use (as of January 31, 2005) legal under current or future zoning laws, provided such zoning change or variance application

concerns property located within Phases I or II of Litchfield Plantation, the Common Area described in Exhibit "B", or the Private Amenities.

The Declarant and its employees, agents and designees shall have the right and easement over and upon all of the Common Area for the purpose of making, constructing, installing, modifying, expanding, replacing and removing such improvements from the Common Area as it deems appropriate in its sole discretion.

So long as the Declarant owns any Lots or Common Area within the Property, the Declarant and its designees may maintain and carry on upon the Common Area and any Property owned by the Declarant such facilities and activities as, in the sole opinion of the Declarant, may be reasonably convenient or incidental to the construction or sale of Lots or conducting business upon the Common Area, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. The Declarant and its designees shall have easements for access to and use of such facilities. The Declarant or any designees' rights to use the Common Area for purposes stated in this paragraph shall not be exclusive unless pursuant to a lease agreement or other agreement between the Association and the Declarant.

During the Class "B" phase period, the Declarant may designate additional property within Phase I and/or Phase II of Litchfield Plantation as Common Area.

The Declarant may conduct any business or trade on the Property, by way of illustration and not limitation, a restaurant, bar, hotel, country inn, marina, meeting facilities for weddings and other functions, which shall be Private Amenities.

8.2 So long as the Declarant owns any portion of the property or any common area or has right to annex property pursuant to Article 8.6, the Association, without the prior written approval of the Declarant, may not adopt any policy, rule or procedure that:

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- (A) Limits the access of the Declarant, its successors and assigns and/or affiliates or their personnel or guests, including visitors, to the Common Areas of the Association or to any Property owned by any of them;
- (B) Limits or prevents the Declarant, its successor, assigns and/or affiliates or their personnel from advertising, marketing or using the Common Area or any Property owned by them;
- (C) Limits or prevents purchasers of residential housing owned by the Declarant, its affiliates, successors or assigns from becoming Members of the Association or enjoying the full use of the Common Areas, subject to the Membership provisions of this Declaration and the Bylaws;
- (D) Unfairly discriminates against or singles out any group of Association Members or prospective members or the Declarant [this provision shall expressly prohibit the establishment of a fee structure, i.e., assessments, special assessments or other mandatory fees or charges that discriminates or singles out any group of Association Members or the Declarant, but shall not prohibit the establishment of benefited assessments];
- (E) Impacts the ability of the Declarant, its successors, assigns and/or affiliates to carryout to completion its development plan and related construction activities for Litchfield Plantation; or
- (F) Impacts the ability of the Declarant, its successor, assigns and/or affiliates to develop and conduct its business upon the Property in a customary and reasonable manner.

8.3 The Association shall not exercise its authority over the Common Areas (including, but not limited to, any gated entrances or other means of access to the Property or the Common Area), to interfere with the rights of the Declarant set forth in this Declaration, or to impede any access to any portion of the Property.

8.4 During the Class "B" share period no Person shall record any Declaration of Covenants, Conditions and Restriction or Declaration of Condominium or similar instrument affecting any portion or all of the property without the Declarant's review and written consent. Any attempt at recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant or by a Court of competent jurisdiction.

8.5 This Article shall not be amended without the prior written consent of the Declarant so long as the Declarant owns any portion of the Property or Common Area or has the right to annex Property pursuant to Section 8.6.

8.6 During the Class "B" share period, the Declarant may unilaterally and without the consent of the Association or Non-affiliated Owners, make all or portions of Property described as Phase II, Litchfield Plantation, as described in attached Exhibit "C", subject to the provisions of this Declaration. Declarant may transfer or assign this right to annex Property, provided that such transfer is memorialized in a written, recorded instrument executed by the Declarant. Nothing in this Declaration shall be construed to require the Declarant or any successor or assign or annex or develop any of the Property described as Phase II in Exhibit "C" in any manner whatsoever. Such annexation shall be accomplished by filing a Supplemental Declaration describing the Property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall require the consent of the Owner of the

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property to be annexed. Any such annexation shall be effective upon the recording of such Supplemental Declaration unless otherwise provided herein. Such Supplementary Declaration may contain such complementary additions and/or modifications of the Covenants and Restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant, to reflect the different character, if any, of the added Properties and as are not inconsistent with this Declaration.

ARTICLE 9

Waiver of Rights

Litchfield Plantation Company, Inc. and Resources Planning Corporation and their respective successors and assigns hereby waive, release and relinquish all rights of first refusal and/or options to purchase property reserved to them or either of them in the 1971 Declaration, the 1968 Modification and/or the respective Master Deeds for Litchfield Plantation Horizontal Property Regimes I and II.

IN WITNESS WHEREOF, the Company, RPC, the Association and the Owners of Record of all other property within Litchfield Plantation, subject to the 1971 Declaration, as amended, and subject to the payment of charges created by the Declaration, have caused this Declaration to be signed and sealed and the By-Laws attached hereto as Exhibit F adopted effective as of the day and year above first written.

(Exhibits and Signature Pages to Follow)

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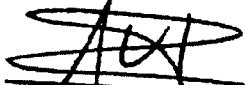
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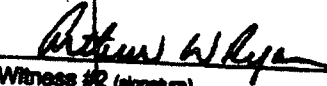
In witness whereof I/we have set my/our hand(s) and seal(s) to the foregoing Amendment to the Declaration of Protective Covenants, Conditions and Restrictions and Waiver of Right of First Refusal for Litchfield Plantation this 28th day of March, 2005.

Signed and sealed in the presence of:

Litchfield Plantation Company, Inc.


Witness #1 (signature)

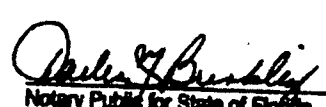
By:  (seal)
ALLAN L. KIDSTON
Its: President


Witness #2 (signature)

State of Florida

County of Palm Beach

I, Darlene M. Brinkley, notary public do hereby certify that Allan L. Kidston, President, of Litchfield Plantation Company, Inc., personally appeared before me this day and acknowledged the execution of the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions and Waiver of Right of First Refusal for Litchfield Plantation. Witness my hand and official seal this 28th day of March 2005.


Notary Public for State of Florida
My Commission Expires 08-15-05

(Notarial Seal)



In witness whereof I/we have set my/our hand(s) and seal(s) to the foregoing Amendment to the Declaration of Protective Covenants, Conditions and Restrictions and Waiver of Right of First Refusal for Litchfield Plantation this 28th day of March, 2005.

Signed and sealed in the presence of:

Litchfield Plantation Association, Inc.

[Signature]
Witness #1 (signature)

By: [Signature] (seal)
ALLAN L. KIDSTON
Its: President

[Signature]
Witness #2 (signature)

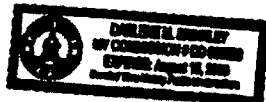
State of Florida

County of Palm Beach

I, Darlene M. Brinkley, notary public do hereby certify that Allan L. Kidston, President, of Litchfield Plantation Association, Inc., personally appeared before me this day and acknowledged the execution of the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions and Waiver of Right of First Refusal for Litchfield Plantation. Witness my hand and official seal this 28th day of March 2005.

[Signature]
Notary Public for State of Florida
My Commission Expires 08-15-06

(Notarial Seal)



**AMENDED AND RESTATED BYLAWS
OF
LITCHFIELD PLANTATION ASSOCIATION, INC.**

ARTICLE I

PURPOSE

These are the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. (Association), a non-profit corporation existing under the laws of the State of South Carolina. These Amended and Restated Bylaws supersede and replace all prior Bylaws, including any amendments thereto, of the Association. The Board of Governors of the Association has adopted these Amended and Restated Bylaws. The Declarant and present Members of the Association have indicated their agreement to adopting these Amended and Restated Bylaws by joining in the approval hereof. The administration of the Association shall be governed by these Bylaws.

ARTICLE II

Name and Location

The name of the corporation is Litchfield Plantation Association, Inc. (Association). The principal office of the Association shall be located at Litchfield Plantation, Pawleys Island, South Carolina; but meetings of Members and Governors may be held at those places within the State of South Carolina, County of Georgetown, designated by the Board.

ARTICLE III

Definitions

Definitions contained in the Declaration to which these Bylaws are attached are incorporated herein by reference unless it is clear from the context that the word or phrase should have another meaning.

ARTICLE IV

Membership

1. **Classes.** The Association shall have the following classes of membership:

- (A) Class "A". Class "A" members shall include all Owners except for the Class "B" member, if any. Class "A" members shall one (1) vote for each Lot for which they hold the interest required for membership under the Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Lot.
- (B) Class "B". The sole Class "B" member shall be the Declarant. During the Class "B" share period as defined in the Declaration, the Class "B" member shall have the number of votes equal to all Class "A" members plus one (1) vote. The Class "B" membership will cease and be converted to Class "A" memberships as provided for under Section 5.3 of the Declaration.

When a purchaser of an individual Lot or Lots takes title from and owner or the Declarant or the Association, such purchaser shall become a Class "A" member. All Owners shall be Members of the Association, and each Lot shall be subject to the assessments contained herein.

2. Membership. Every Owner, including the Declarant, shall be a Member of the Association. When any Lot entitling the Owner thereof to membership in the Association is owned of record in the name of a corporation, trust, partnership or two more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or any other manner of joint or common ownership, one person shall be designated the person to bind all the others and to whom the certificate of membership, if any, shall be issued. Written evidence of such designation from the Owner in a form satisfactory to the Association shall be delivered to the Association's Secretary prior to the exercise of a vote by such Owner.

3. Voting Rights. Each Class "A" member shall be entitled to one (1) vote for each Lot owned. Provided, no Owner shall have a vote if the Owner is more than 60 days in arrears with respect to all money owed to the Association by that Owner. During the Class "B" Share Period the Class "B" member shall have the number of votes equal to all Class "A" members plus one (1) vote. Provided, the Declarant shall not have a vote for any Lot as to which Declarant is more than sixty (60) days in arrears with respect to all money owed to the Association.

4. Transfer of Membership. Membership in the Association is not transferable or assignable until property is transferred by document recorded in the RMC office for Georgetown County, South Carolina.

ARTICLE VI

Assessments

1. In General. In order to maintain the high standards of Litchfield Plantation, each Lot located in Phase I, Litchfield Plantation, and any property annexed in Phase II as set forth in Article VIII of the Declaration, shall be subject to assessments. The Declarant, for each Lot owned within the Property, each Owner of any Lot and any purchaser of a Lot by acceptance of a deed to the Lot, whether or not it shall be so expressed in such deed or other conveyance, covenants and agrees to pay to the Association:

- (A) Annual Assessments or charges for maintenance of the Common Areas, including such reasonable services as the Association may deem necessary as provided in Section 4;
- (B) Special Assessments as described in Section 9;
- (C) Benefitted Assessments as described in Section 10; and
- (D) Working Capital Assessments as described in Section 14, (except the owners of Lots in the Plantation on or prior to April 1, 2005 shall be exempt from the payment of working capital assessments).

All Assessments, together with interest at ten percent (10%) per annum if unpaid after ten (10) days from the due date of such Assessment, late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees incurred in collecting Assessments shall be a charge and continuing lien upon each Lot against which the Assessment is levied until paid, as more particularly provided for in Section 11. Each such Assessment, together with interest, late charges, costs including lien fees and administrative costs and reasonable attorneys' fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the Assessment arises. Upon a transfer of title to a Lot, the transferee shall be jointly and severally liable to the Association for any Assessments and other charges due at the time of the transfer, except as set forth in Section 11.

Assessments shall be paid in such manner and by such date as the Board of Governors may establish. Unless the Board otherwise provides, the Assessment for each Lot shall be due and payable in advance each year on the anniversary of the date the Owner of such Lot first obtained title to the Lot.

2. Certificate of Assessment. The Association shall, upon request by an Owner, furnish to the Owner, or a designated third party, a Certificate in writing signed by an Officer of the Association setting forth whether Assessments for such Owner's Lot has been paid and any delinquent amount. Such Certificate shall be conclusive evidence of the amount owing. The Association may require the advance of a reasonable processing fee for the issuance of such Certificate.

3. Waiver, Non-Use or Abandonment. No Owner may exempt himself from liability for Assessments by Waiver of the use of enjoyment of any of the Common Area or by abandonment of his Lot, or by any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or setoffs shall be claimed or allowed for alleged failure of the Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or any other action taken by it.

4. Budget Process. The Association shall have an annual budget. The Association Budget shall be prepared by the Board or, if the Association has employed a Manager, by the Manager. In either event, the Budget shall be approved by the Board of the Association and submitted to the Members of the Association for final approval. The budget shall deemed approved unless a majority of the Members affirmatively vote to disapprove the budget.

The Association Budget shall contain a line item for a reserve for maintenance of the Common Areas and other line items normally contained in a budget for a homeowners' association. The Budget shall include a reserve fund for capital improvements and maintenance of the Common Areas in accordance with the Budget, but separately prepared as provided in Section 5.18 of the Declaration; but shall not include expenses incurred during the Class "B" Share period for initial development, original construction, insulation of infrastructure, original capital improvements or other original construction costs unless approved by a majority of the total Class "vote" of the Association. The Board shall

provide each Member not less often than quarterly, and on an annual basis, a year-to-date schedule of revenue and a comparison of budgeted and actual expenses of the Association.

Subject to Article IV, Section 7 of these By-Laws and Section ____ of the Declaration, the Annual Assessment shall be levied equally against all Lots and shall be at a level which is reasonably expected to produce total income for the Association equal to the total budgeted common expenses, including contributions to reserves. In determining the level of Assessments, the Board, in its sole discretion, may consider other sources of funds available to the Association.

If the proposed Budget is disapproved or if the Board fails for any reason to determine the Budget for any year, then and until such time as the Budget shall be determined as provided herein, the Budget in effect for the immediately preceding year shall continue for the current year.

The Board may adopt resolutions regarding the expenditure of Reserve Funds, including policies designating the nature of assets for which Reserve Funds may be expended. So long as the Declarant owns any portion of the Property or has the right to annex property pursuant to Section 8.6 of the Declaration, neither the Association nor the Board shall adopt, modify, limit or expand such policies without the Declarant's prior written consent.

5. Audits and Audit Reports. The books of the Association shall be audited annually by an independent auditor at the expense of the Association. The Audit Report shall be made available to each Member of the Association during reasonable business hours at a location within the Plantation.

6. Bank Accounts and Use of Funds. All revenues of the Association shall be deposited into accounts maintained in the name of the Association at a bank or savings and loan which has a location in South Carolina. Revenues of the Association may be expended to pay costs and expenses of only the Association.

7. Maximum Annual Assessment during Class "B" Share Period. From and after April 1, 2005, the Maximum Annual Assessment shall be \$1,800 per Lot. During the Class "B" Share Period, the Maximum Annual Assessment may be increased by the Board each year in an amount not in excess of

five percent (5%) per year, or the percentage increase in the Consumer Price Index between the first month and the last month of the Annual Assessment Period, whichever is lower. In the event the Board does not increase the regular Maximum Annual Assessment in a given year, or increases it in an amount less than the maximum authorized hereunder, the Board shall be deemed to have reserved the right and shall be authorized in subsequent years to implement that reserved portion of the authorized but unexercised increased authority, provided that any application of the same may be given only prospective application. By way of illustration, if the Board is authorized to increase the Maximum regular Annual Assessment by five percent (5%) per year in years one and two, but chooses not to impose such increases, it could increase the Maximum regular Annual Assessment in year three by a total of fifteen percent (15%), provided the 5% figure is lower than the CPI.

8. Declarant's Obligation for Assessments during Class "B" Share Period. During the Class "B" Share Period, the Declarant may annually elect to either pay Assessments on all of its unsold Lots, or to pay the "shortage" for each fiscal year. The shortage shall be the difference between:

- (A) The amount of all income and revenue of any kind received by the Association, including, but not limited to, Assessments collected from all other Lots, use fees, and income from other sources; and
- (B) The amount of all actual expenditures incurred by the Association during the fiscal year.

Calculation of the shortage shall be performed on a cash-basis of accounting. Unless the Declarant otherwise notifies the Board in writing at least thirty (30) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected paying on the same basis as during the immediately preceding fiscal year.

The Association is authorized to enter into contracts for "in kind" contribution, services, materials, or a combination of services and materials with the Declarant or other entities for payment of common expenses provided the common expenses being paid by "in kind" contributions are contained in the budget. After termination of the Class "B" Share Period, the Declarant shall pay Assessments on its unsold Lots in the same manner as any other Owner.

9. **Special Assessments.** In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessments shall become effective unless:

- (A) Disapproved by a vote of the majority of the total votes allocated to Lots which will be subject to Special Assessments; or
- (B) Disapproved by the Declarant during the Class "B" Share Period.
- (C) During the Class "B" Share Period, there shall be no Special Assessments without the affirmative votes of two-thirds (2/3's) of the Non-Affiliated Owners. All units, sold and unsold, shall be a proportionate share of any Special Association Assessments during the Class "B" Share Period, even if the Declarant has elected to fund a deficit in the Association budget rather than pay Assessments on his Lots.
- (D) In consideration for the execution of this Declaration by all of the present property owners in Litchfield Plantation, the present owners of property in Litchfield Plantation and each of them are exempt from Special Assessments through the year 2020. This exemption is personal to these property owners and their respective spouses and children. No property owner who has this exemption may vote for or against a Special Assessment through the year 2020. These property owners are referred to as "Exempt Owners."

There is no obligation to call for a meeting for the purpose of considering Special Assessments except upon petition of Owners as provided for in these Bylaws. A Special Assessment shall be payable in such manner and in such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

10. **Benefited Assessments.** The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

- (A) To cover the costs, including overhead and administrative costs, of providing benefits, items or services to the Lot or occupants thereof upon request of the Owner of the Lot

pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners which might include, without limitation, landscape maintenance, caretaker services, etc., which Assessments may be levied in advance of providing the requested item or service, as a deposit against charges to be incurred by the Owner; and

- (B) To cover the costs incurred in bringing the Lots into compliance with the terms of these Bylaws, the Declaration, any supplemental Declaration, Design Guidelines, or rules of the Association, or costs incurred as a consequence of the conduct or action of the Owner or occupant of the Lot, their licensees, invitees or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this Section 10(B).

11. **Lien for Assessments.** All Assessments authorized in this Article shall constitute a lien against the Lot against which they are levied until paid unless otherwise provided in the Declaration or these Bylaws. The Lien shall also secure payment of interest (subject to limitations of South Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees and administrative costs). Such Lien shall be superior to all other Liens except:

- (A) The Liens of all taxes, bonds, Assessments, and other levies which by law would be superior; and
- (B) The Lien or charge of any first mortgage of record (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value. The Association may enforce such Lien, when any Assessment or other charge is delinquent, by suit, judgment, and foreclosure or by any other remedy allowed to the Association, by law or equity.
- (C) The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage and convey the Lot. While a Lot is owned by the Association:
 - (i) No right to vote shall be exercised on the Lot's behalf;

- (ii) No Assessment shall be levied on the Association for any Lot(s) owned by the Association; and
- (iii) Every other Lot shall be charged, in addition to its usual Assessment, its equal prorata share of the Assessment that would have been charged on said Lot had it not been acquired by the Association.

The Association may sue for unpaid Assessments, fees and costs without foreclosing or waiving the Lien securing the same.

The sale or transfer of any Lot shall not affect the Assessment Lien or relieve such Lot from the Lien for any subsequent Assessments. However, a mortgagee holding a first mortgage of record or other owner who obtains title pursuant to a foreclosure of a first mortgage or by acceptance of a deed in lieu of foreclosure of a first mortgage shall not be personally liable for Assessments on such Lot which became due prior to such acquisition of title. Provided further, that an Owner who obtains title pursuant to foreclosure or deed in lieu of foreclosure shall be liable for Assessments on such Lot which become due after such acquisition of title.

12. **Failure to Assess.** Failure of the Board to fix Assessment amounts or rates or to deliver or mail each Owner an Assessment Notice shall not deemed to waiver, modification, or release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis for the last year in which an Assessment was made, if any, until a new Assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

13. **Exempt Property.** The following property shall be exempt from payment of Assessments, Special Assessments and Working Capital Assessments:

- (A) All Common Areas;
- (B) All property dedicated and accepted by any governmental authority or public utility;

(C) All Common Elements within a condominium regime used for the common use and enjoyment of the Owner of those condominiums other than the portion share thereof owned by the delinquent Owner; and

(D) All private amenities.

14. Working Capital Assessment. Each Lot Owner purchasing from the Declarant, or a Lot Owner purchasing a Lot from a Bulk Sale, shall pay the Association a Working Capital Assessment equal to 12 months of base assessments for each Lot sold after this Declaration is recorded. Each such Working Capital Assessment shall be paid to the Association at the time of closing. One-third (1/3) of each Working Capital Assessment shall be deposited in the Association's Reserve Account, the remaining two-thirds (2/3) shall be deposited in the Association's General Account. Working Capital Assessments are not to be considered advance payment of annual assessments or special assessments.

ARTICLE V

Privileges of Membership

Each Member shall be entitled to the use and enjoyment of the Common Area as provided in the Declaration; subject to such rules and regulations as may be adopted by the Board or the Declarant, and the Association shall have the right to suspend membership privileges and to assess fines against the Member, in the event the Member, the Member's guests, family members or invitees violate any established rules and regulations.

ARTICLE VI

Member's Meetings

1. Place of Meetings. All meetings of Members shall be held at the office of the Association, or at such other place as may be designated by the Board of Governors within Georgetown County, State of South Carolina, as may be designated and stated in the notice of meeting, and shall be open to all Members.

2. Membership List. At least ten (10) but not more than sixty (60) days before every meeting of the Association or election of Governors, a complete list of Members of the Association shall be prepared

by the Secretary. Such list shall be maintained in the office of the Association for at least ten (10) days prior to any meeting or election and at least ten (10) days after any meeting or election.

3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or persons authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed, at least fourteen (14) days [but not more than thirty (30) days] before such meeting to each Member entitled to vote at the meeting. The notice shall be mailed to the last known address of the person or entity that appears as a Member on the records of the Association. Notice to one co-owner shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association, in writing, of any change of address. Any person who becomes an Owner and Member after notice is mailed shall be deemed to have been given such notice if notice was given the predecessor in title. Such notice shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting. Conclusive evidence of the notice of meeting having been given may consist of an affidavit of mailing evidencing the requisite notice was mailed at least fourteen (14) days prior to such meeting to all Members of record.

4. **Annual Meetings.** Unless otherwise provided by the Board of Governors, the Annual Meeting of the Members of the Association shall be held at 10:00 a.m. on the second (2nd) Tuesday in November of each year, if not a legal holiday under the laws of the State of South Carolina, and if a legal holiday, then on the next succeeding business day, for the transaction of such business as may come before the meeting. No written notice shall be required to be mailed to Members for the Annual Meetings.

5. **Special Meetings.** Special meetings of the Members shall be held whenever called by the President, the Board of Governors, or by the holders of at least five percent (5%) of the voting power of the Association. Provided, a call by the holders of at least 5% of the voting power of the corporation shall require such Members to sign, date, and deliver to the President of the Association a demand for the meeting describing the purpose or purposes for which it is to be held. The close of business on the 30th day before delivery of the demand or demands for a Special Meeting to the President is the record date for purpose of determining whether the 5% requirement has been met. Only those matters that are within the purpose or purposes described in the meeting notice may be conducted at a Special Meeting.

of Members. At a meeting of Members, a quorum shall consist of Members having a majority of the votes entitled to be cast of Members present either in person or in proxy, and a majority vote of such quorum shall decide any question that may come before the meeting.

6. Proxies. Votes may be cast in person or by Proxy. A Proxy may be made in writing by any Member entitled to vote and shall be valid for such period as provided by law unless a shorter period is designated in the Proxy must be filed with the Secretary before the appointed time of the meeting.

7. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted by any provision of these Bylaws, the meeting and vote of Members may be waived if Members entitled to cast the majority vote on the action consent, in writing, to such action being taken; however, notice of such action shall be given to all Members unless all Members participated in the approval of such action.

8. Adjourned Meetings. If any meeting of Members cannot be held because a quorum is not present, the Members who are present, whether in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present.

9. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE VII

Board of Governors

1. Number and Qualifications of Governors. The business of the Association shall be managed by a Board of Governors which shall consist of five (5) Members, two of whom need not be Members of the Association.

2. Powers of the Board of Governors. The Board of Governors shall have the power to do all things necessary or convenient to carry out its business and affairs, not inconsistent with the law, the

Declaration or its Articles of Incorporation. These powers shall be construed broadly, and shall include but not be limited to the following:

- (A) To adopt and publish rules and regulations governing the use of the Common Area and facilities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (B) To suspend the voting rights and the right to use of the Common Areas of a Member during any period in which such Member shall be in default in a payment of any assessment levied by the Association for more than 60 days in arrears. Such rights may also be suspended after notice and hearing for infraction of published rules and regulations;
- (C) To exercise for the Association all powers, duties and authorities vested in or delegated to this Association, including appointing and/or removing Members of the Architectural Review Board if control thereof has been transferred to the Association;
- (D) To declare the office of a Member of the Board of Governors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Governors;
- (E) To employ a manager, an independent contractor, or such other employees as may be deemed necessary or convenient, and to prescribe their duties; and
- (F) To secure liability insurance covering the Officers and Governors of the Association at the expense of the Association.
- (G) To procure and maintain adequate liability and hazard insurance on property owned by the Association; and
- (H) To maintain the Common Areas.

3. Removal of Governors. Any Governor may be removed from the Board, without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a

Governor, a successor shall be selected by the remaining Members of the Board and shall serve the unexpired term of his or her predecessor.

4. Compensation. No Governor shall receive compensation for any service he or she may render to the Association. However, any Governor may be reimbursed for actual expenses incurred in the performance of his or her duties.
5. Action Taken Without a Meeting. The Governors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Governors. Any actions so approved shall have the same effect as though taken at a meeting of the Board of Governors.
6. Nomination. Nomination for election to the Board of Governors by the Members shall be made by a Nominating Committee. The Nominating Committee shall consist of the Chairman of the Board of Governors and one or more Members of the Association. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Governors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.
7. Election. Election to the Board of Governors shall be by written ballot. At the election, the Members or their Proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
8. Term. The term of each Governor's service shall extend until the next Annual Meeting of Members and thereafter until his or her successor is elected or appointed and qualified, or until he is removed in a manner elsewhere prescribed.
9. Regular Meetings. Regular Meetings of the Board of Governors shall be held at such time and place as shall be from time to time designated by a majority of the Governors. Notice of Regular Meetings shall be given to each Governor personally or by mail, telephone, facsimile or E-mail at least

three (3) days prior to the day of such meeting. Any Governors may waive notice of a meeting, before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

10. **Special Meetings.** Special Meetings of the Governors may be called by the President or must be called by the Secretary at the written request of two (2) of the Governors. Not less than three (3) days notice of the meeting shall be given personally or by mail, telephone, facsimile or E-mail. Such notice shall state the time, place and purpose of the meeting. Any Governors may waive notice of a meeting, before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

11. **Quorum.** The Quorum at a Governor's Meeting shall consist of a majority of the entire Board of Governors. The acts approved by a majority of those present at a meeting at which a Quorum is present shall constitute the acts of the Board of Governors. Both regular and special meetings may be conducted by telephone.

12. **Adjourned Meetings.** If at any meeting of the Board of Governors there are less than a Quorum present, the majority of those present may adjourn the meeting from time to time until a Quorum is present. At any Adjourned Meeting any business which may have been transacted at the meeting originally called may be transacted without further notice.

13. **Ratification.** The Ratification or joinder of a Governor in the action taken at a meeting may occur by the signing and concurring in the minutes thereof and shall constitute the presence of such Governor for the purpose of determining the Quorum.

14. **Chairman.** The presiding officer of the Governor's meeting shall be the Chairman, if such an officer has been elected; and if none, then the President shall preside. In the absence of a presiding officer, the Governor's present shall designate one of their number to preside.

ARTICLE VIII

Committees

The Board shall appoint an Architectural Review Board, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Governors may appoint other boards or committees as deemed appropriate in carrying out its purposes, such as:

(A) A Recreation Committee which shall advise the Board of Governors on all matters pertaining to the recreational program and activities of the Association and perform any other functions as the Board, in its discretion, determines; and

(B) A Maintenance and Repair Committee which shall advise the Board of Governors on all matters pertaining to the maintenance, repair or improvement of the Common Areas, and shall perform any other functions as the Board, in its discretion, determines.

Each Committee may receive complaints or suggestions from Members on any matter involving Association functions or activities within the Committee's field of responsibility. The Committee may dispose of the complaint or suggestion as it deems appropriate or refer them to any Governor or Officer of the Association that is more concerned with the matter presented.

ARTICLE IX

Officers

1. **Principal Officers.** The principal Officers of the Association shall be a President, who shall be a Member of the Board of Governors, a Vice President, Secretary and a Treasurer. Governors may appoint an Assistant Treasurer, an Assistant Secretary, and such other Officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one (1) person.

(A) **President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Governors. He shall have all of the general powers and duties which are usually vested in the office of the President of an Association.

(B) **Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Governors shall appoint some other Member of the Board to do so on an interim basis. The Vice President shall also

perform such other duties as shall from time to time be imposed upon him by the Board of Governors.

- (C) **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Governors and the minutes of all meetings of the Members of the Association; maintain possession of the corporate seal, if any, and maintain such books and papers as the Board of Governors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.
- (D) **Treasurer.** The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and all other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Governors, and for preparation and distribution of quarterly and annual statements of revenue and expenses as outlined in Section 3.17 of the Declaration.
2. **Election.** The officers of the Association shall be elected annually by the Board of Governors after the organizational meeting of each new Board and shall hold office at the pleasure of the Board.
3. **Removal.** Upon affirmative vote of the majority of the Members of the Board of Governors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Governors, or at any Special Meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.
4. **Duties.** The Officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Governors.

ARTICLE X

FINANCE

1. **Association Records.** The Association shall keep current copies of the Declaration, all amendments to the Declaration, rules and regulations and such other documents designated by the Board of Governors available at reasonable hours to Members, prospective purchasers and prospective mortgagees of Lots.
2. **Financial Records.** The Association shall keep detailed books of account showing all revenues and all expenditures, and which shall specify the maintenance and repair expenses of the Common Areas and any other expenses incurred by or on behalf of the Association. The books, records and contracts concerning the administration and operation of the Association shall be available for examination by any of the Members or their mortgagees at convenient times, and all books and records shall be audited by independent accountants annually.
3. **Fiscal Year.** The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Governors. The commencement date of the fiscal year shall be subject to change by the Governors for accounting reasons or other good cause.
4. **Depositories.** Funds of the Association shall be deposited in such bank or savings association which have a location in South Carolina and which have been designated by the Governors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution by the Board of Governors from time to time. The funds may be invested from time to time in such insured bank accounts, certificates of deposits or interest-bearing obligations with the United States government as the Board deems appropriate.

ARTICLE XI

Indemnification of Officers and Governors

Every Governor and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by

reason of his being or having been a Governor or Officer of the Association, whether or not he is a Governor or Officer at the time such expenses are incurred, except in cases wherein the Governor or Officer is adjudged guilty of breach of fiduciary duty, willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Governor or Officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Governors (with the Governor seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Governor or Officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Governors shall notify all Members thereof. The Board of Governors is authorized to carry Officers and Directors' liability insurance covering acts of the Officers and Directors of the Association in such amounts as it may deem appropriate.

ARTICLE XII

Assessment of Fines

1. **General.** The violation by any Member, occupant, invitee or guest of any of the provisions of the Declaration, these Bylaws, or any duly adopted rules and regulations shall be ground for assessment by the Association, acting through its Board of Governors, of monetary fines against the involved Member. Such Member shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants, agent, invitees, contractor or any other person admitted through such Member to the premises.
2. **Procedures.** Upon any such violation being alleged by the Board, the following procedures will be followed:
 - (A) **Notice.** Notice of the violation, including the provision allegedly violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Member on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Member

at the address shown in the notice required to be filed with the Association pursuant to these Bylaws.

- (B) Opportunity to Defend. The offending Member shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Member be required to appear less than 10 days from the date of the notice.
- (C) Default. Failure to respond to the notice of violation constitutes a default.
- (D) Hearing and Decision. Upon an appearance of the Member before the Board and presentation of evidence of defense, or, in event of the Member's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.
- (E) Amount of Fines. Upon violation of any of the provisions of the Declaration, these Bylaws, or rules and regulations, and after a decision of the Board as recited above, the following fines, plus any repair, out of pocket expenses or fees incurred, including actual attorneys' fees, may be levied: (i) first violation up to a \$200 fine, plus fees and expenses incurred; (ii) second violation up to a \$400 fine, plus fees and expenses incurred; and (iii) third and subsequent violations up to a \$600 fine plus fees and expenses incurred.
- (F) Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Member's hearing at which the Board determines a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and the new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.
- (G) Collection. The fines levied pursuant this Article above shall be assessed against the Member and shall be due and payable either by separate invoice or together with the next periodic assessment. Failure to pay the fine will subject the Member to all liabilities set

forth in the Declaration, including, without limitation, those described in Article III and Article V of these Bylaws.

Failure or delay on the part of the Association in the assessment of any fine does not waive any right the Association has hereunder. Failure to impose a monetary fine for a violation does not limit the Association's right to impose a subsequent, higher fine.

ARTICLE XIII

Severability

In the event any of the terms, provisions or covenants of these Bylaws or the Declaration are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holdings shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE XIV

Amendments to Bylaws

These Bylaws may be amended as provided in the Articles of Incorporation for the Association.

ARTICLE XV

Parliamentary Rules

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these Bylaws.

ARTICLE XVI

Recording Bylaws

These Bylaws and all subsequent amendments shall be recorded by the Secretary in the Office of the Registrar of Movable Conveyances for Georgetown County, South Carolina, and shall run with the lands of Litchfield Plantation and shall apply to lands conveyed therein.

ADOPTION OF BYLAWS

Adopted by the Board of Directors of Litchfield Plantation Association, Inc. by resolution on May 2, 2005 at Pawleys Island, South Carolina.

DIRECTORS

Assisting:

Allen L. Kidston
Jeffery Van Treese
Karl Friedrich
Jim Daviss
Tim McCormick

Disseminating:

None

LITCHFIELD PLANTATION ASSOCIATION, INC.

By: Allen L. Kidston

Allen L. Kidston
President

STATE OF SOUTH CAROLINA)

SS

COUNTY OF GEORGETOWN)

BEFORE ME, the undersigned authority personally appeared this day Allen L. Kidston, who is personally known to me and who after being duly sworn on oath deposes and affirms that he has read the foregoing document and that the matters contained therein are true and correct.

SWORN TO AND SUBSCRIBED before me this 3rd day of May, 2005.

[Signature]
Notary Public, State of South Carolina
My Commission Expires: 8-2-2007

000007337 05/03/2005 001642 P00134

McNair #22801
000007337 04:27P
RECORDED 05/03/2005
001642 P00001 P000134
Folio 136.00 Rate 10.00
County 00.00
Georgetown County, SC
Recorder of Deeds
Wanda J. Givens

RECORDED ON THE 5th DAY
OF May A.D. 2005
Caleb J. Thompson
AUDITOR, GEORGETOWN CO., SC

MITCHELL J. WILLIAMS
STEVEN D. HAYMOND
ROBERT F. MCMAHAN, JR.
MICHAEL S. SWINDELL
EDWIN L. TURNAGE
JOHN M. CROFT
S. HAMPTON EADON, III*

*Also Licensed in North Carolina

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CONWAY
FLORENCE
ROCK HILL
SPARTANBURG

OF COUNSEL
E. WESLEY GRAVES, III

RETIRED
SHIPP D. HARRIS

February 6, 2012

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

RE: *Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr. and Thomas Martin Phillips v. Litchfield Plantation Company, Inc.*
Civil Action No. 2011-CP-22-00319

Dear Mark:

Enclosed with this letter is the Accounting of all amounts currently owed by Litchfield Plantation Company, Inc. to Litchfield Plantation Association that was ordered to be produced by us by Judge Hyman at the hearing on December 8, 2011. Be advised that this letter is also to give your client Litchfield Plantation Company notice of default of the following notes by Litchfield Plantation Association::

1. \$570,000.00 note dated May 22, 2009
2. \$75,000.00 note dated June 10, 2009
3. \$20,000.00 note dated July 21, 2009
4. \$50,000.00 note dated June 1, 2010.

These notices of default are given pursuant to paragraph 10 of the Notes and Litchfield Plantation Association hereby declares the entire unpaid principal and unpaid interest immediately due and payable pursuant to paragraph 11 of the Notes.

The back up documentation of the amounts due under the accounting will be made available to you upon your request. Should you have any questions, do not hesitate to contact me.

With kindest regards, I remain

Sincerely,


ROBERT F. MCMAHAN, JR.
rfm@harrisgraves.com

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Civil Action No. 2011-CP-22-00319

Plaintiff(s),

ACCOUNTING

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

And

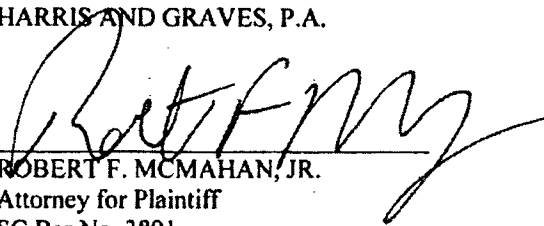
E. Scott Trotter,

Intervenor.

Pursuant to the ruling of the Honorable Larry W. Hyman at the hearing held on December 8,
2011 the Plaintiff hereby provides the following accounting of all monies currently owed by Litchfield
Plantation Company to Litchfield Plantation Association. .

Shortage in Litchfield Plantation Association Budget for April, 2010 through December, 2011	\$ 119,148.00
Failure to fund Capital Reserve Account per 5.18 of the Covenants	\$ 63,966.67
Beach House repairs - DuMont Brothers Quote	\$ 41,556.00
Summers Roofing Quote	\$ 7,555.00
Ocean Breeze Quote	\$ 5,400.00
Chapman Quote for Deck	\$ 9,400.00
Balance on Promissory Note dated May 22, 2009 as of February 6, 2012	\$ 621,680.67
Balance on Promissory Note dated June 10, 2009 as of February 6, 2012	\$ 88,325.00
Balance on Promissory Note dated July 21, 2009 as of February 6, 2012	\$ 17,887.72
Balance on Promissory Note dated June 1, 2011 as of February 6, 2012	\$ 12,946.48
Total amount due	\$ 987,895.54

HARRIS AND GRAVES, P.A.



ROBERT F. MCMAHAN, JR.

Attorney for Plaintiff

SC Bar No. 3891

Post Office Box 2277

Conway, SC 29528

(843) 234-2390

rfm@harrisgraves.com

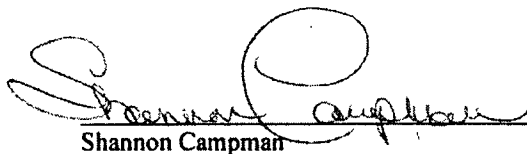
Conway, South Carolina

Dated: February 6, 2012

CERTIFICATE OF SERVICE

Shannon Campman says that (s)he is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, SC, and that on February 6, 2012, (s)he mailed in a sealed envelope, postage prepaid, a copy of Accounting to:

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

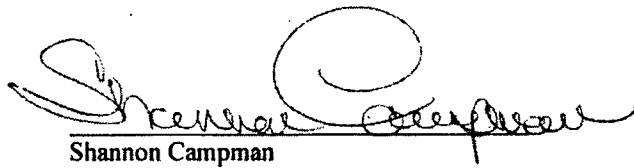


Shannon Campman

CERTIFICATE OF SERVICE

Shannon Campman says that (s)he is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, SC, and that on February 6, 2012, (s)he mailed in a sealed envelope, postage prepaid, a copy of Accounting to:

Howell V. Bellamy
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, SC 29578



Shannon Campman

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF GEORGETOWN)

**COMMERCIAL MORTGAGE OF REAL
PROPERTY AND SECURITY AGREEMENT
FOR FOUR (4) LOANS**

This COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS ("Mortgage") made this 1st day of June, 2010, by LITCHFIELD PLANTATION COMPANY, INC., a South Carolina corporation, whose address is Litchfield Plantation, Kings River Road, Post Office Box 290, Pawley's Island, South Carolina 29585 ("Borrower"), to LITCHFIELD PLANTATION ASSOCIATION, INC., whose address is 96 Gathering Lane, Pawleys Island, South Carolina 29585 ("Lender").

WITNESSETH:

WHEREAS, Borrower is indebted to Lender in the principal sum of SEVEN HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$715,000.00), a sum equal to the SECURED PROMISSORY NOTE dated June 1, 2010, and executed by Litchfield Plantation Company, Inc., as Maker, but not Resources Planning Corporation, as Guarantor, in favor of Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00), for a term of one (1) year, and interest at the rate of twenty percent (20%) per annum, compounded annually, and a PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of FIVE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$570,000.00), dated May 22, 2009, the repayment of which is secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, the unpaid principal balance accruing since May 22, 2010, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of May 22, 2014, and a PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), dated June 10, 2009, the repayment of which is secured

by a **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT** from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Inc., dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, the unpaid principal balance accruing since June 10, 2009, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of June 10, 2014, and a **PROMISSORY NOTE** executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original amount of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00), dated July 21, 2009, the unpaid principal balance accruing since July 21, 2009, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of January 21, 2010, together with interest thereon, as evidenced by the aforementioned Promissory Notes, one of which is on even date herewith given, executed by Borrower and delivered to Lender, which by reference is made a part hereof to the same extent as though set out in full herein ("Notes");

NOW, THEREFORE, (a) to secure the performance and observance by Borrower of all covenants and conditions contained in the Notes, in any renewal, extension or modification thereof, in this **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS** and in all other instruments securing the Notes; and (b) also to secure in accordance with Section 29-3-50, Code of Laws of South Carolina (1976) as amended, all future advances and re-advances that may subsequently be made to Borrower by Lender, evidenced by the aforesaid Notes, or any other promissory notes, and all modifications, renewals and extensions thereof (provided, however, that nothing contained herein shall create an obligation on the part of Lender to make future advances or re-advances to Borrower), the maximum amount of all indebtedness outstanding at anyone time secured hereby not to exceed twice the face amount of the Notes, plus interest thereon, all charges and expenses of collection incurred by Lender, including court costs, and reasonable attorneys' fees; and (c) also in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance; and (d) for and in consideration of the sum of One and No/100 (\$1.00) Dollar paid by Lender to Borrower this date, and for other valuable consideration, the receipt of which is acknowledged, Borrower does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Lender, its successors and assigns forever all right, title and interest of Borrower in and to:

THE PROPERTY

(A) **THE LAND.** All the land and various easements for access, ingress and egress (the "Land") described in Exhibit A attached hereto, incorporated herein and made a part hereof.

(B) **THE IMPROVEMENTS.** TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures,

machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Borrower and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Borrower in and to any such personal property or fixtures subject to any lien, security interest or claim together with the benefit of any deposits or payments now or hereafter made by Borrower or on its behalf (the "Improvements").

(C) EASEMENTS OR OTHER INTERESTS. TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Borrower of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the property described in paragraphs (A), (B) and (C) hereof or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the property described in paragraphs (A), (B) and (C) hereof or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the property described in paragraphs (A), (B) and (C) hereof or any part thereof.

(D) ASSIGNMENTS OF RENTS. TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the property described in paragraphs (A), (B) and (C) hereof to be applied against the indebtedness and other sums secured hereby, provided however, that permission is hereby given to Borrower so long as no Event of Default has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable, but not in advance thereof. The foregoing assignment shall be fully operative without any further action on the part of either party and specifically Lender shall be entitled, at its option upon the occurrence of an Event of Default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the property described in paragraphs (A), (B) and (C) hereof whether or not Lender takes possession of the property described in paragraphs (A), (B) and (C) hereof. Upon any such Event of Default hereunder, the permission hereby given to Borrower to collect such rents, royalties, issues, profits, revenue, income and other benefits from the property described in paragraphs (A), (B) and (C) hereof shall terminate and such permission shall not be reinstated upon a cure of the default without Lender's specific consent, which consent will not be unreasonably withheld. Neither the exercise of any rights under this paragraph by Lender nor the application of any such rents, royalties, issues, profits, revenue, income or other benefits to the indebtedness and other sums secured hereby, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant hereto or to any such notice, but shall be cumulative of all other rights and remedies.

(E) ASSIGNMENT OF LEASES. TOGETHER WITH all right, title and interest of Borrower in and to any and all leases now or hereafter on or affecting the property described in paragraphs (A), (B) and (C) hereof, together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Borrower to collect the rentals under any such lease. The foregoing assignment of any lease shall not be deemed to impose upon Lender any of the obligations or duties of Borrower provided in any such lease, and Borrower agrees to fully perform all obligations of the lessor under all such leases. Upon Lender's request, Borrower agrees to send to Lender a rent roll of all leases covered by the foregoing assignment. Lender shall have the right, at any time and from time to time, to notify any lessee of the rights of Lender as provided by this paragraph. From time to time, upon request of Lender, Borrower shall specifically assign to Lender as additional security hereunder, by an instrument in writing in such form as may be approved by Lender, all right, title and interest of Borrower in and to any and all leases now or hereafter on or affecting the Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Borrower to collect the rentals under any such lease. Borrower shall also execute and deliver to Lender any notification, financing statement or other document reasonably required by Lender to perfect the foregoing assignment as to any such lease.

This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income and other benefits from the Property to Lender, subject to the right of Borrower to collect, receive, take, use and enjoy the same as provided hereinabove; provided, further, that the existence or exercise of such right of Borrower shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Borrower, and any such subsequent assignment by Borrower shall be subject to the rights of Lender hereunder.

(F) FIXTURES AND PERSONAL PROPERTY. TOGETHER WITH a security interest in (i) all personal property and fixtures now or hereafter acquired and affixed to or located on the property described in paragraphs (A), (B) and (C) hereof which, to the fullest extent permitted by law shall be deemed fixtures and a part of the real property, (ii) all articles of personal property now or hereafter acquired and all materials delivered to the property described in paragraphs (A), (B) and (C) hereof (including such property for use in any construction being conducted thereon) and owned or leased by Borrower, including, but not limited to, all equipment, furniture, furnishings, inventory, apparatus, machinery, motors, elevators, fittings, radiators, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to said Land and Improvements in any manner, (iii) all leases of personal property, contract rights, general intangibles, actions and rights in action now or hereafter acquired pertaining to the Property, including all rights to insurance proceeds, and (iv) all proceeds, products, replacements, additions, substitutions renewals and accessions of any of the foregoing. Borrower (Debtor) hereby grants to Lender (Secured Party) a security interest in all fixtures, rights in action and personal property described herein. This Mortgage is a self-operative security agreement with respect to such property, but Borrower agrees to execute and

deliver on demand such other security agreements, financing statements and other instruments as Lender may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Borrower agrees to pay Lender's charge, to the maximum amount permitted by law, for any statement by Lender regarding the obligations secured by this **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS** requested by Borrower or on behalf of Borrower. On demand, Borrower will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Lender to establish and maintain the validity and priority of the security interest of Lender, or any modification thereof, and all costs and expenses of any searches reasonably required by Lender. Lender may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code (South Carolina) with respect to such property, and it is expressly agreed in accordance with the provisions of the Uniform Commercial Code (South Carolina), 10 days' notice by Lender to Borrower shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code (South Carolina) requiring such notice; provided, however, that Lender may at its option dispose of the collateral in accordance with Lender's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the Uniform Commercial Code (South Carolina).

Some of the items of property described herein are goods that are or are to become fixtures related to the real estate described herein, and it is intended that, as to those goods, this **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS** shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Land is located. Information concerning the security interest created by this instrument may be obtained from the Lender, as Secured Party, or the Borrower, as Debtor, at the address first shown above.

Everything referred to in paragraphs (A), (B), (C), (D), (E), and (F) hereof and any additional property hereafter acquired by Borrower and subject to the lien of this Mortgage or intended to be so is herein referred to as the "Property."

TO HAVE AND TO HOLD the Property and all parts thereof unto Lender, its successors and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions herein:

PROVIDED, HOWEVER, that if Borrower shall promptly pay or cause to be paid to Lender the principal and interest payable under the Notes, at the times and in the manner stipulated therein, herein, and in all other instruments securing the Notes, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall keep, perform and observe all the covenants and promises in the Notes, and any renewal, extension or modification thereof, and in this Mortgage and in all other instruments securing the Notes, to be kept, performed or observed by Borrower, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect.

Borrower covenants and agrees with Lender as follows:

ARTICLE I
REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower represents and warrants to Lender as follows (which warranties and representations survive the delivery of the Notes and shall be continuing until the Notes are paid in full):

1.01 **No Litigation Against Borrower.** There is no litigation or proceeding pending against the Borrower, nor to the knowledge of the Borrower threatened which, if decided adversely to the Borrower, would have a material adverse effect upon the financial condition or businesses of Borrower.

1.02 **Tax Returns and Payment of Taxes.** The Borrower have filed or caused to have been filed all required federal, state, local and foreign tax returns and have paid or have caused to have been paid all taxes as shown on such returns or on any assessments received by them to the extent that such taxes have become due.

1.03 **Binding Effect of Obligation.** The Notes, this Mortgage, and all other instruments securing the Notes constitute legal, valid and binding obligations of the Borrower, as applicable, and each of them are enforceable against the Borrower, as applicable, in accordance with their respective terms.

1.04 **Injury to Properties.** Neither the business nor the properties of Borrower are affected by any prior or existing fire, explosion, accident, strike, lock-out or other labor disputes, storm, act of God or other casualty (whether or not covered by insurance), adversely affecting such business or the properties or operations of the Borrower.

1.05 **Inducement for Loan.** No information, exhibit or report furnished by the Borrower to the Lender in connection with the negotiation of the loan evidenced by the Notes contains any material misstatement of fact or omits to state any material fact or facts necessary to make the statements contained therein not misleading.

1.06 **Organizational Standing and Powers.** Litchfield Plantation Company, Inc., is a duly organized corporation, validly existing and in good standing under the laws of the state of its organization, and is qualified to do business in South Carolina. The Borrower has all requisite power and authority to conduct its businesses, to own its properties, and to execute and deliver and perform all of its obligations under this Mortgage, the Notes and all other documentation delivered herewith or provided for herein.

1.07 **Validity and Enforceability of Documents; No Conflicts; No Defaults.**

(a) The execution, delivery and performance by the Borrower of the Notes, this Mortgage, the borrowings hereunder, and delivery of the other instruments securing the Notes have been duly authorized by all requisite action, and do not and will not (1) require any

further consent or approval of the owners of the Borrower; (2) violate any provision of law, rule, regulations, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Borrower; (3) result in a breach or constitute default under any indenture, loan or credit agreement, or any other agreement to which the Borrower is a party or by which they or the properties or entities with which they are involved may be bound or affected; or (4) result in or require the creation or imposition of any mortgage, deed of trust, pledge of liens, security interest or other charge or encumbrance of any nature other than that contemplated hereunder. To the extent approvals of any kind are required, the Borrower has obtained: (i) all governmental approvals and authorizations, together with any required registrations or filings with the appropriate governmental authorities; and (ii) all necessary consents, approvals, waivers, notifications of tenants, creditors, lessors, and other nongovernmental persons required in connection with the indebtedness secured hereby.

(b) The Borrower is not in material default under any law, rule, regulation or writ, judgment, injunction, decree, determination or warrant or any indenture agreement, lease or instrument.

(c) Except as provided above, no authorization, consent, approval, license, exemption of or filing or a registration with any court, governmental department, commission, board, bureau, agency or instrumentality, is or will be necessary for the valid execution, delivery or performance by the Borrower of the Notes, this Mortgage, and all other instruments and documents securing the Notes.

ARTICLE II COVENANTS OF BORROWER

2.01 Performance of Notes, Mortgage, etc. Borrower shall perform, observe and comply with all provisions hereof, of the Notes and of every other instrument securing the Notes, and will promptly pay to Lender the principal with interest thereon and all other sums required to be paid by Borrower under the Notes and pursuant to the provisions of this Mortgage and of every other instrument securing the Notes when payment shall become due, all without deduction or credit for taxes or other similar charges paid by Borrower.

2.02 Application of Payments. Payment under the Notes shall be first applied to the amount due under the first Promissory Note given, and then to the second Promissory Note given, and then to the third Promissory Note given, and this then to the amount due under the Promissory Note of even date hereof. The total sum secured by this Mortgage shall be the total amount due at any point in time under the terms of all four (4) Promissory Notes dated as indicated above, including the Promissory Note of even date hereof.

2.03 Warranty of Title. Borrower covenants and warrants that it is seized of an indefeasible estate in fee simple in the Land and real property hereby mortgaged, has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as provided herein; that Lender may at all times peaceably and quietly

enter upon, hold, occupy and enjoy the Land and real property hereby mortgaged and every part thereof; that the Land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created is free and clear of all liens, security interests, charges and encumbrances whatsoever, except for the lien for property taxes not yet due and payable and a loan from First National Bank in the present principal amount of \$1,198,916.68, and a Mortgage held by McNair Law Firm, P.A. securing an indemnity and all covenants, restrictions and easements (if any) of record. Borrower shall and will make such further assurances to perfect Lender's fee simple title to the Land and the real property hereby mortgaged, and the title to the personal property hereby mortgaged or made subject to the security interest hereby created as may reasonably be required. Borrower fully warrants the title to the Land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

2.04 Zoning and Environmental Laws.

(a) Borrower covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Land permit the use and occupancy of the improvements and further covenants and warrants to comply with all such laws, ordinances and regulations, including, but not limited to, all environmental and ecological laws, ordinances and regulations affecting the Property or the use thereof. Without limiting the generality of the foregoing, Borrower warrants and represents to Lender after investigation that: (a) the Property described herein is now and at all times hereafter will continue to be in full compliance with all federal, state and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 RISC 9601 et seq. and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Stat. 1613, and any amendments thereto, and (b)(i) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in or under the Property or used in connection therewith, or (ii) Borrower has fully disclosed to Lender in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, which Borrower is legally authorized and empowered to maintain on, in or under the Property or use in connection therewith, and Borrower has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. Borrower further warrants and represents that it will promptly notify Lender of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Property or used in connection therewith, and will transmit to Lender copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Property.

(b) Borrower shall indemnify and hold Lender harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs),

judgments and expenses (including reasonable attorneys' consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Lender as a direct or indirect result of any warranty or representation made by Borrower in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by Lender, Borrower or any transferee of Borrower or Lender.

(c) Borrower's obligations hereunder shall not be limited to any extent by the term of the Notes secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Notes which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Notes and this Mortgage or foreclosure under this Mortgage, or delivery of a deed in lieu of foreclosure.

2.05 Taxes and Liens.

(a) Borrower shall pay or bond promptly, when and as due, and shall promptly exhibit to Lender receipts for the payment of all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Property or any part thereof, or upon or against this Mortgage or the indebtedness or other sums secured hereby, or upon or against the interest of Lender in the Property, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality, borough or other taxing authority upon or against Borrower or in respect of the Property or any part thereof, and any charge which, if unpaid, would become a lien or charge upon the Property prior to or equal to the lien of this Mortgage before they become delinquent and before any interest attaches or any penalty is incurred.

(b) Borrower shall not permit or suffer more than thirty (30) days any mechanics', laborers', materialmen's, statutory or other lien upon any of the Property.

(c) Lender may, if it deems in its reasonable judgment that its security for the Notes is impaired, require Borrower to deposit with Lender on the first day of each month, in addition to making any required payments of principal and interest, until the Notes is fully paid, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by Lender to be sufficient to enable Lender to pay at least thirty (30) days before they become due all taxes, assessments and other similar charges against the Property or any part thereof. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender, and no interest shall be payable in respect thereof. Upon demand by Lender, Borrower shall deliver to Lender such additional monies as are required to make up any deficiencies in the amounts necessary to enable Lender to pay such taxes, assessments and similar charges. Upon the occurrence of an Event of Default under any of the terms covenants and conditions of the Notes, this Mortgage or any other instruments securing the Notes to be kept, performed or observed by Borrower, Lender may apply to the reduction of the sums

secured hereby, in such manner as Lender shall determine, any amount under this paragraph remaining to Borrower's credit.

(d) In the event of the enactment of any law by the State of South Carolina, except for a change only in state income tax rates applicable to Lender generally, after the date of this Mortgage, deducting from the value of the Property for the purpose of taxation any lien thereon, or imposing any liability upon Lender, in respect of the indebtedness secured hereby, or changing in any way the laws now in force for the taxation of mortgages, or debts secured by mortgages, or the manner of collection of any such taxes, so as to affect this Mortgage, Borrower shall pay any such obligation imposed on Lender thereby (unless payment of such by Borrower is prohibited by law), and in the event Borrower fails to pay such obligation within thirty (30) days after written notice by Lender, the whole of the indebtedness secured by this mortgage, together with the interest due thereon, shall, at the option of Lender, become immediately due and payable.

2.06 Insurance

(a) Borrower shall at its sole expense obtain for, deliver to and maintain for the benefit of Lender, during the life of this Mortgage, insurance policies with replacement cost endorsements, for the full insurable value, insuring the Property against fire, extended coverage and such other insurable hazards, casualties and contingencies as Lender may require, including flood damage, earthquake damage, and business interruption or loss of rental income protection, and shall pay promptly, when due, any premiums on such insurance policies and on any renewals thereof. The form of such policies, the coverages provided, and the companies issuing them, and the coverages provided shall be acceptable to Lender. All such policies and renewals thereof shall be held by Lender and shall contain a noncontributory mortgagee endorsement making losses payable to Lender. The coverage under such policies shall be limited to the improvements now or hereafter located on the Property. At least thirty (30) days prior to the expiration date of all such policies, renewals thereof satisfactory to Lender shall be delivered to Lender. Borrower shall deliver to Lender receipts evidencing the payment of all premiums on such insurance policies and renewals. Delivery of the insurance policies and renewals thereof shall constitute an assignment to Lender, as further security, of all unearned premiums. In the event of loss, Borrower will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Borrower. In the event of the foreclosure of this Mortgage or any other transfer of title to the Property in extinguishment of the indebtedness and other sums secured hereby, all right, title and interest of Borrower in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. Lender may at any time at its own discretion procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in like amount, as it may determine without prejudice to its right to foreclose hereunder should Borrower fail or refuse to keep said premises so insured.

(b) Borrower hereby assigns to Lender all proceeds from any insurance policies, and Lender is hereby authorized and empowered in its reasonable discretion to adjust or compromise any loss under any insurance policies on the Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and

directed to make payment for all such losses directly to Lender alone, and not to Borrower and Lender jointly. In the event the Property is entirely destroyed or is partially destroyed to the extent that restoration will in the opinion of Lender cost in excess of Fifty Thousand (\$50,000.00) Dollars, or in the event restoration costs will not exceed said amount but the conditions of the next sentence are not satisfied, all insurance proceeds shall, at the option of Lender, be applied to the Notes (first to expenses, then interest, and then principal) and the Notes and all other amounts secured hereby shall, at the option of Lender, become immediately due and payable. Notwithstanding any provisions of this Section to the contrary, (i) if the Property is only partially destroyed to the extent that in the opinion of Lender the Property can be restored for a cost not to exceed Fifty Thousand (\$50,000.00) Dollars; (ii) if in the opinion of Lender, a sufficient number of purchasers of units in the Property agree to continue to be bound by their contracts to purchase units of the Property; (iii) if business interruption insurance is available in amounts sufficient to pay all payments due on the Notes during restoration, or if Borrower makes some other provision satisfactory to Lender for making all payments due on the Notes during restoration; (iv) if the Lender receives evidence satisfactory to it and its counsel that the Property as restored will comply with all local zoning ordinances and building restrictions; and (v) if the Borrower covenants to make the necessary repairs and restoration and provides all additional funds necessary therefor, the Lender will make the insurance proceeds (less expenses incurred in collecting the same) available to the Borrower for the purpose of such repair and restoration, disbursement of proceeds to be in accordance with Lender's standard construction disbursement procedures. If Lender elects to restore the improvements, any balance of such monies after restoration shall, at the option of Lender, either be applied toward the reduction of indebtedness and other sums secured hereby or be paid to Borrower. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) Borrower shall at its sole expense obtain for, deliver to and maintain for the benefit of Lender, during the life of this Mortgage, liability insurance policies relating to the Property, in such amounts, with such companies and in such form as may be reasonably required by Lender. Lender may require such policies to contain an endorsement, in form satisfactory to Lender, naming Lender as an additional insured thereunder. Borrower shall pay promptly, when due, any premiums on such insurance policies and renewals thereof. Borrower shall deliver to Lender receipts evidencing the payment of all premiums on such insurance policies and renewals.

(d) Lender may, in its sole discretion, require Borrower to deposit with Lender on the first day of each month, in addition to making payments of regular payments as required under the Notes, until the Notes is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for all insurance. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender, and no interest shall be payable in respect thereof. Upon demand by Lender, Borrower shall deliver to Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Lender to pay such premiums when due. Upon the occurrence of an Event of Default under any of the terms, covenants and conditions in the Notes, this Mortgage or any other instrument securing the Notes to be kept, performed or observed by Borrower, Lender may apply to the reduction of the

sums secured hereby, in such manner as Lender shall determine, any amount under this paragraph remaining to Borrower's credit and any refund of premium received from cancellation of any insurance policy by Lender upon foreclosure of this Mortgage.

2.07 Condemnation. In the event that by, or pursuant to, proper authority there is taken or condemned the entire Property or any part thereof, under power of eminent domain exercised by any actual or quasi governmental authority or public utility, the Borrower hereby assigns to the Lender any and all awards that may be given, made or due the Borrower in any proceedings in connection therewith, and the amounts of such awards shall be applied by the Lender to the reduction of the indebtedness secured hereby, and the Borrower agrees to execute any and all such further instruments of assignment of any and all such condemnation awards as may be required by the Lender to carry out the purposes of this Section. The Borrower shall give written notice of such condemnation proceeding within ten (10) days of receipt of any service or process in connection therewith. In any condemnation proceedings against the Property, the Lender hereby reserves, and the Borrower hereby acknowledges, the Lender's right to institute or intervene in any such condemnation proceedings to assert said interest. In the event the entire Property is taken or so much thereof that restoration will in the opinion of Lender cost in excess of Fifty Thousand (\$50,000.00) Dollars, or in the event restoration costs will not exceed said amount but the conditions of the next sentence are not satisfied, all condemnation proceeds shall, at the option of Lender, be applied to the Notes (first to expenses, then interest, and then principal) and the Notes and all other amounts secured hereby shall, at the option of Lender, become immediately due and payable. Notwithstanding any provisions of this Section to the contrary, (i) if the entire Property is not taken and in the opinion of Lender; (ii) if in the opinion of Lender a sufficient number of purchasers of units in the Property agree to continue to be bound by their contracts to purchase units in the Property; (iii) if provision satisfactory to Lender is made for making all payments due on the Notes during restoration; (iv) if the Lender receives evidence satisfactory to it and its counsel that the Property as restored will comply with all local zoning ordinances and building restrictions; and (v) if the Borrower covenants to make the necessary repairs and restoration and provides all additional funds necessary therefor, the Lender will make said award (less expenses incurred in collecting the same) available to the Borrower for the purpose of such repair and restoration, disbursement of proceeds to be in accordance with Lender's standard construction disbursement procedures. Any excess above tax liabilities incurred by Borrower of the proceeds of the award over the cost of repair and restoration shall be applied to reduce the principal amount of the Notes and accrued interest thereon.

2.08 Care of Property.

(a) Borrower shall preserve and maintain the Property in good condition and repair. Borrower shall not remove, demolish, materially alter or materially change the use of any building, structure or other improvement presently or hereafter on the Land without the prior written consent of Lender. Borrower shall not permit, commit or suffer any waste, impairment or deterioration of the Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Property or to any part thereof.

(b) Except as otherwise provided in this Mortgage, no fixture, personal property or other part of the Property shall be removed, demolished or altered, without the prior written consent of Lender. Borrower may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable or obsolete only if they are replaced immediately with similar items of at least equal value which shall, without further action, become subject to the lien of this Mortgage, except as otherwise provided in this Mortgage.

(c) Lender may enter upon and inspect the Property at any reasonable time during the life of this Mortgage.

(d) Borrower will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Property or any part thereof.

(e) If all or any part of the Property shall be lost, damaged or destroyed by fire or any other cause, Borrower will give immediate written notice thereof to Lender and, unless Lender elects to apply available insurance proceeds to the Notes instead of to restoration as permitted in Section 2.06(b) hereof, Borrower shall promptly restore the Property to the equivalent of its original condition regardless of whether or not there shall be sufficient insurance proceeds therefor. If a part of the Property shall be lost, physically damaged or destroyed through condemnation, unless Lender elects to apply condemnation proceeds to the Notes instead of to restoration as permitted in Section 2.07 hereof, Borrower will promptly restore, repair or alter the remaining property in a manner satisfactory to Lender, regardless of whether condemnation proceeds are sufficient to pay for such restoration.

(f) If any work required to be performed under this Paragraph involves an estimated expenditure of more than one (5%) per cent of the face amount of the Notes, no such work shall be undertaken until plans and specifications therefor, prepared by an architect or engineer satisfactory to Lender, have been submitted to and approved in writing by Lender.

2.09 Transfer of Property; Release of Mortgage Lien. Borrower shall not sell, convey, transfer, mortgage, lease or further encumber any interest in or any part of the Property, without the prior written consent of Lender in its sole discretion. If any person should obtain any interest in all or any part of the Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Borrower. Borrower shall not, without the prior written consent of Lender in its sole discretion, further assign the rents from the Property, nor enter into any agreement or do any act to amend, modify, extend, terminate or cancel, accept the surrender, subordinate, accelerate the payment of rent, or change the terms of any renewal option of any lease now or hereafter covering such property or any part thereof. Borrower further covenants that no member shall transfer any membership interest in the Borrower without the prior written consent of Lender in its sole discretion. This prohibition also applies to any transfer of interest by any member owning an interest in an entity that owns an interest in Borrower. Any

such transfer shall be an Event of Default hereunder. Notwithstanding the foregoing, Borrower may make the following transfers:

(a) sell and transfer title to a lot or group of lots in the Property shown on a recorded plat without the consent of Lender provided that the Lender receives TEN AND 00/100 DOLLARS (\$10.00) from the gross sale price of each lot or group of lots. Upon receipt of the sum of TEN AND 00/100 DOLLARS (\$10.00) from the gross sale price in available funds, Lender agrees to release only each such lot or group of lots from the lien of this Mortgage and Security Agreement. It is understood that the payments made under this provision shall be made and belong to Litchfield Plantation Association, Inc. The Borrower shall provide Lender with copies of all documentation thereof within thirty (30) days of each such transfer.

2.10 Further Assurances. At any time and from time to time, upon Lender's request Borrower shall make, execute and deliver or cause to be made, executed and delivered to Lender and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be rerecorded or refiled at such time and in such offices and places as shall be deemed desirable by Lender any and all such further mortgages, instruments of further assurance, certificates and other documents as Lender may consider necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve the obligations of Borrower under the Notes and this Mortgage, and the lien of this Mortgage as a first and prior lien upon all of the Property, whether now owned or hereafter acquired by Borrower. Upon any failure by Borrower to do so, Lender may make, execute, record, file, re-record or refile any and all such mortgages, instruments, financing statements, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower to do so. Such appointment is coupled with an interest.

2.11 After Acquired Property. The lien of this **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS** will automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Property or any part thereof

2.12 Contracts Affecting Property. Borrower shall comply with and observe its obligations under all contracts for the sale or lease of portions of the Property. Borrower, if required by Lender, shall furnish promptly to Lender executed copies of all such contracts now existing or hereafter created, all of which shall be in form and substance subject to the approval of Lender. Except in the ordinary course of business, Borrower shall not, without the express written consent of Lender, modify, surrender, terminate or extend any such contract now existing or hereafter created.

2.13 Expenses. Borrower shall pay or reimburse Lender for all costs, charges and expenses, including reasonable attorney's fees and disbursements, and costs incurred or paid by Lender in any action which is threatened, pending or completed or in any proceeding or dispute in which Lender is or might be made a party or appears as a party plaintiff or party defendant and which affects or might affect the Notes, or the Property or any part thereof, or the interests of

Borrower or Lender therein, including but not limited to the foreclosure of this Mortgage, condemnation involving all or part of the Property or any action to protect the security hereof. All costs, charges and expenses so incurred or paid by Lender shall become due and payable immediately, whether or not there be notice, demand, attempt to collect or suit pending. The amounts so incurred or paid by Lender, together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by Borrower, shall be added to the indebtedness and secured by the lien of this Mortgage.

2.14 Lender's Performance of Defaults. If Borrower defaults in the payment of any tax, assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder or in the performance or observance of any other covenant, condition or term in this Mortgage or in any other instrument securing the Notes, Lender may at its option perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and costs and expenses incurred or paid by Lender in connection therewith shall become due and payable immediately by Borrower. The amounts so incurred or paid by Lender, together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by Borrower, shall be added to the indebtedness and secured by the lien of this Mortgage. Nothing contained herein shall be construed as requiring Lender to advance or expend monies for any purposes mentioned in this paragraph, or for any other purpose. Lender is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or terms, without thereby becoming liable to Borrower or any person in possession holding under Borrower.

2.15 Books and Records. Borrower shall keep and maintain at all times materially complete, true and accurate books of accounts and records reflecting the results of the operation of the Property. Borrower shall furnish to Lender a balance sheet and a statement of income and expenses. Borrower shall permit Lender to inspect said books and records upon request. In addition, Borrower will deliver or cause to be delivered to Lender the financial statements requested by Lender.

2.16 Estoppel Affidavits. Borrower, within ten (10) days after written request from Lender, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Notes, and any other unpaid sums secured hereby, and whether or not any offsets or defenses exist against such principal and interest or other sums.

2.17 Use of Property. The Property shall be used by Borrower for residential purposes only, which use shall not change without the prior written consent of Lender.

ARTICLE III DEFAULTS

3.01 Event of Default. The term Event of Default, wherever used in this Mortgage, shall mean any one or more of the following events:

- (a) Failure to pay the Notes in full on its maturity date.

(b) Failure to pay any other payment due on the Notes, which failure shall continue for five (5) days after written notice provided to Borrower.

(c) Failure to comply with any term or terms of the Notes or this Mortgage;

(d) An "Event of Default" as such term is defined in the Notes not cured within any applicable cure period provided therein.

(e) A default in either of the Promissory Notes shall constitute a default in the Notes and a default in this Mortgage.

3.02 Acceleration of Maturity. If an Event of Default shall have occurred, Lender may declare the outstanding principal amount of the Notes and the interest accrued thereon, and all other sums secured hereby, to be due and payable immediately, and upon such declaration such principal and interest and other sums shall immediately become and be due and payable without demand or notice.

3.03 Lender's Power of Enforcement. If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy: (a) to enforce payment of the Notes or the performance of any term hereof or any other right; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Property, under the judgment or decree of a court or courts of competent jurisdiction; and (c) to pursue any other remedy available to it. Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as the Lender may determine.

3.04 Lender's Right To Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession, and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession of all the Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower.

(b) If Borrower shall for any reason fail to surrender or deliver the Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Borrower to deliver immediate possession of all or part of the Property to Lender along with all books, papers and accounts of Borrower, to the entry of which judgment or decree Borrower hereby specifically consents.

(c) Borrower shall pay to Lender, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

- (d) Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Property and conduct the business thereof, and, from time to time:
- (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; insure or keep the Property insured;
 - (ii) manage and operate the Property and exercise all the rights and powers of Borrower in its name or otherwise, with respect to the same;
 - (iii) enter into agreements with others to exercise the powers herein granted Lender.

All of these remedies and requirements may be exercised by the Lender as in its reasonable judgment from time to time may determine, and Lender may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter; and shall apply the monies so received by Lender in such priority as Lender may determine to (1) the reasonable compensation, expenses and disbursements of the agents and attorneys; (2) the cost of insurance, taxes, assessments and other proper charges upon the Property or any part thereof; (3) the deposits for taxes and assessments and insurance premiums due; and (4) the payment of accrued interest and principal on the Notes.

3.05 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.06 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, Lender may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation and other charges, in paying the purchase price apply any portion of or all sums due to Lender under the Notes, this Mortgage or any other instrument securing the Notes, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

3.07 WAIVER OF VALUATION, STAY, EXTENSION, AND REDEMPTION LAWS. BORROWER AGREES TO THE FULL EXTENT PERMITTED BY LAW THAT IN CASE OF A DEFAULT ON ITS PART HEREUNDER, NEITHER BORROWER NOR ANYONE CLAIMING THROUGH OR UNDER IT SHALL OR WILL SET UP, CLAIM OR SEEK TO TAKE ADVANTAGE OF ANY APPRAISEMENT, VALUATION, STAY, EXTENSION OR REDEMPTION LAWS NOW OR HEREAFTER IN FORCE, IN ORDER TO PREVENT OR HINDER THE ENFORCEMENT OR FORECLOSURE OF THIS MORTGAGE, OR THE ABSOLUTE SALE OF THE PROPERTY OR THE FINAL AND ABSOLUTE PUTTING INTO POSSESSION THEREOF, IMMEDIATELY AFTER SUCH SALE, OF THE PURCHASERS THEREAT, AND BORROWER, FOR ITSELF AND ALL WHO MAY AT ANY TIME CLAIM THROUGH OR UNDER IT, HEREBY WAIVES, TO

THE FULL EXTENT THAT IT MAY LAWFULLY SO DO, THE BENEFIT OF ALL SUCH LAWS, AND ANY AND ALL RIGHT TO HAVE THE ASSETS COMPRISING THE PROPERTY MARSHALED UPON ANY FORECLOSURE OF THE LIEN HEREOF AND AGREES THAT LENDER OR ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY SELL THE PROPERTY IN PART OR AS AN ENTIRETY.

3.08 Receiver. If an Event of Default shall have occurred, Lender, to the extent permitted by law and without regard to the value or occupancy of the security, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to sell the Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the state where the Land is located and such other powers as the court making such appointment shall confer. The expenses, including reasonable receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Property, and to sell the Property, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such sale proceeds, rents, issues and profits actually received by Lender, whether received pursuant to this section or Section 3.04. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as secured party hereunder to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to, Lender.

3.09 Suits to Protect the Property. Lender shall have the power and authority to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Property, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

3.10 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Borrower, any person, partnership or corporation guaranteeing or endorsing any of Borrower's obligations, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by Borrower under the Notes, this Mortgage and any other instrument securing the Notes, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Borrower after such date.

3.11 Borrower to Pay the Notes on Any Default in Payment: Application of Monies by Lender.

- (a) If default shall be made in the payment of any amount due under the Notes, this Mortgage or any other instrument securing the Notes, then, upon Lender's demand, Borrower will pay to Lender the whole amount due and payable under the Notes and all other sums secured hereby; and if Borrower shall fail to pay the same forthwith upon such demand, Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses including the reasonable compensation, expenses and disbursements of Lender's agents and attorneys incurred in connection with such suit and any appeal in connection therewith. Lender shall be entitled to sue and recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Lender to recover such judgment shall not be affected by any taking, possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.
- (b) In case of a foreclosure sale of all or any part of the Property and of the application of the proceeds of sale to the payment of the sums secured hereby, Lender shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid and to recover judgment for any portion thereof remaining unpaid, with interest.
- (c) Borrower hereby agrees, to the extent permitted by law, that no recovery of any such judgment by Lender and no attachment or levy of any execution upon any of the Property or any other property shall in any way affect the lien of this Mortgage upon the Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.
- (d) Any monies collected or received by Lender under this paragraph shall be applied as follows:
- (i) First, to the payment of reasonable compensation, expenses and disbursements of the agents and attorneys; and
- (ii) Second, to payment of amounts due and unpaid under the Notes, this Mortgage and all other instruments securing the Notes.

3.12 Delay or Omission No Waiver. No delay or omission of Lender or of any holder of the Notes to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

3.13 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional

security for the payment thereof; (c) waives or does not exercise any right granted in the Notes, this Mortgage or any other instrument securing the Notes; (d) releases any part of the Property from the lien of this Mortgage or any other instrument securing the Notes; (e) consents to the filing of any map, plat or replat of the Land; (f) consents to the granting of any easement on the Land; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original liability under the Notes, this Mortgage or otherwise of Borrower, or any subsequent purchaser of the Mortgaged property or any part thereof or any maker, cosigner, endorser, surety or guarantor. No such act or omission shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Lender, without notice to any person, firm or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

3.14 Discontinuance of Proceedings: Position of Parties Restored. If Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had occurred or had been taken.

3.15 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by the Notes, this Mortgage or any other instrument securing the Notes is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Notes or any other instrument securing the Notes, or now or hereafter existing at law, in equity or by statute.

ARTICLE IV MISCELLANEOUS PROVISIONS

4.01 Breach of Notes and Other Documents. Notwithstanding anything to the contrary contained in this Mortgage or in the Notes, or in any other instrument securing the loan evidenced by such Notes, upon an Event of Default, Lender may at its option declare the entire indebtedness secured hereby, and all interest thereon and all advances made by Lender hereunder, immediately due and payable and/or exercise all additional rights accruing to it under this Mortgage in the event of a breach by Borrower of any covenant contained in this Mortgage, or the Notes. The proceeds of the loan secured hereby are to be disbursed by Lender to Borrower in accordance with the provisions contained in the Notes. All advances and

indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby.

4.02 Partial Foreclosure. In the event the Property is comprised of more than one parcel of real property, Borrower hereby waives any right to require Lender to foreclose or exercise any of its other remedies against all of the Property as a whole or to require Lender to foreclose or exercise such remedies against one portion of the Property prior to the foreclosure or exercise of said remedies against other portions of the Property.

4.03 Future Advances. Lender, at its option, may make future advances to Borrower, provided, however, that nothing contained herein shall constitute an obligation to do so. Such future advances, with interest at the rate payable from time to time on the outstanding principal under the Notes, shall be secured by this Mortgage when evidenced by the Notes or by any other instrument indicating that such advances are secured by this Mortgage or when advanced under the terms of this Mortgage. Lender may make such future advances (a) at the request of Borrower, whether or not there is any obligation to make future advances, or (b) to pay, with or without the consent or request of Borrower, any amounts which may be due under this Mortgage or under any other mortgage or lien affecting the Mortgaged property.

4.04 Covenants of Guarantors. As a part of the inducement to Lender to make some of the previous loan evidenced by the Notes, Borrower has caused Resources Planning Corporation to enter into certain guaranty agreements. Borrower covenants and agrees that such persons, firms or corporations shall fully perform, comply with and abide by such agreements. It is further understood and agreed by Borrower that such representations and agreements by the other persons shall constitute, for the purpose of its obligations hereunder, covenants on behalf of Borrower.

4.05 Default Rate. The Default Rate shall be the rate of interest after default as provided in the Notes.

4.06 Successors and Assigns in Partia. Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Borrower or Lender, shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not.

4.07 Addresses for Notices, etc. Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Borrower or Lender shall be deemed given or furnished when mailed certified mail, return receipt requested, to that party at the address first shown above. Any party hereto may change the address for said notice by appropriately notifying the other parties in writing.

4.08 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

4.09 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Notes, this Mortgage or any other instrument securing the Notes shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Notes and any other instrument securing the Notes shall be in no way affected, prejudiced or disturbed thereby.

4.10 Changes, etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Borrower and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.]

4.11 Governing Law. This Mortgage is made by Borrower and accepted by Lender in the State of South Carolina, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

4.12 Jurisdiction. Borrower submits to the jurisdiction of any court of competent jurisdiction within the State of South Carolina. Borrower agrees that any action concerning this Mortgage, the Notes or any other loan document, whether initiated by Lender, Borrower or any other party, shall be tried only in a court of competent jurisdiction within the State of South Carolina, and Borrower waives all objections to venue. All matters arising hereunder shall be determined in accordance with the law and practice of such South Carolina court. Borrower 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 any other lawful means, certified mail, return receipt requested, to the Borrower at Borrower's address set forth above or any new address of which Lender has been notified by Borrower in writing.

4.13 WAIVER OF JURY TRIAL. BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WANE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WANES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS MORTGAGE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WANERS SET FORTH IN THIS SECTION WERE NOT APART OF THIS MORTGAGE.

4.14 WAIVER OF APPRAISAL RIGHTS. BORROWER UNDERSTANDS THAT UPON DEFAULT HEREUNDER, AMONG OTHER REMEDIES SET OUT HEREIN AND IN THE NOTES, THE LENDER MAY FORECLOSE UPON THE PROPERTY AND ASK FOR A DEFICIENCY JUDGMENT PURSUANT TO SOUTH CAROLINA LAW. BORROWER HEREBY EXPRESSLY WANES AND RELINQUISHES ANY APPRAISAL RIGHTS WHICH BORROWER MAY HAVE UNDER SECTION 29-3-680 THROUGH SECTION 29-3-770, SOUTH CAROLINA CODE OF LAWS (1976) AS SUCH MAY BE AMENDED, AND UNDERSTANDS AND AGREES THAT A DEFICIENCY JUDGMENT, IF PURSUED BY LENDER, SHALL BE DETERMINED BY THE HIGHEST PRICE BID AT THE JUDICIAL SALE OF THE PROPERTY, ALL AS MORE PARTICULARLY DESCRIBED IN EXHIBIT B ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, Litchfield Plantation Company, Inc. has set its hand and seal through the hand of its duly authorized officer the day and year above first written.

BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK

SIGNATURE PAGE TO FOLLOW

Witness the Hand and Seal of Litchfield Plantation Company, Inc., this 19 day of June, 2010.

Litchfield Plantation Company, Inc.:

By: E. Scott Trotter (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:

[Signature]
[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, this day appeared before me personally and did acknowledge he and it did sign, seal, attest and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 19 day of June, 2010.

[Signature]
Notary Public for South Carolina

My Commission Expires: 7.7.13

(Seal)

Exhibit "A":

PARCEL NUMBER ONE

Pool House, Plantation House, and Administrative Offices

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "7.35 AC." on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above.

TMS No.:

Portion of 4-413-1

ALSO:

PARCEL NUMBER TWO

Parcel III-B

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "III-B, 2.28 ACRES" on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above.

TMS No.:

4-180A-53

ALSO:

PARCEL NUMBER THREE

Carriage House Club Restaurant

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "3.36 AC.", on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the

Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above.

TMS No.: 4-413-1.1

The properties described above are hereinafter referred to as the "Property".

The Property being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

TMS No.: 4-180A-52

ALSO:

ACCESS EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing all forms of access from River Road to the Property ("Access Easement"). This Access Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Access Easement shall include but not be limited to an easement of ingress, regress, and regress over all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Access Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

UTILITY EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing the underground conveyance of electricity, telephonic messages, gas, sewerage, effluent, water or other public and private conveniences or utilities providing all forms of utility access from River Road to the Property ("Utility Easement"). This Utility Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Utility Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Utility Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield

Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

DRAINAGE EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way, thirty (30') feet in width, fifteen (15') feet in width as measured from the center line of the location of any and all current and future equipment used for the underground conveyance of drainage and storm water drainage, over and across the roadways as they now exist or may hereafter exist leading to and from the Property and River Road, and between the Property and River Road, as well as a nonexclusive and perpetual appurtenant and transferable easement or right of way for the surface conveyance of drainage and storm water drainage, over and across adjoining property for the purpose of providing the underground and above ground conveyance of drainage and storm water drainage from the Property to lakes, detention basins, marshes and wetlands located on or around Litchfield Plantation ("Drainage Easement"). This Drainage Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Drainage Easement shall include but not be limited to an easement allowing construction on, upon, over and under adjoining property and all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Drainage Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

EXHIBIT B

WAIVER OF APPRAISAL RIGHTS

FOR VALUE RECEIVED, the undersigned hereby agrees and acknowledges to
LITCHFIELD PLANTATION ASSOCIATION, INC., as follows:

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. **THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.**

This **WAIVER OF APPRAISAL RIGHTS** relates to any foreclosure of that certain **COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS**, to which this Waiver of Appraisal Rights is attached, as such may be amended, modified, substituted or renewed from time to time, and is executed to be effective as of this 1st day of June, 2010.

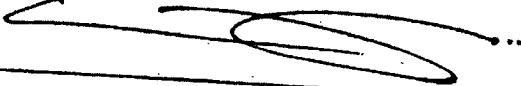
Litchfield Plantation Company, Inc.:

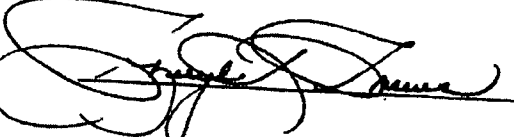
By:


E. Scott Trotter, its President

(L.S.)

Signed, sealed and delivered in the presence of:





STATE OF SOUTH CAROLINA)
) MORTGAGE MODIFICATION AGREEMENT
COUNTY OF GEORGETOWN)

WHEREAS, Litchfield Plantation Company, Inc. has heretofore executed and delivered to McNair Law Firm, P.A., a Mortgage which is recorded in the RMC Office for Georgetown County, South Carolina in Mortgage Book 1961 at page 292; and

WHEREAS, Litchfield Plantation Company, Inc. and McNair Law Firm, P.A. wish to modify the Mortgage in certain particulars;

NOW, THEREFORE, in consideration of the reduction in the debt owed by Litchfield Plantation Company, Inc. to McNair Law Firm, P.A. and the forbearance of McNair Law Firm, P.A. to bring suit against Litchfield Plantation Company, Inc. to recover the reduced debt, the receipt and sufficiency of which consideration is hereby acknowledged, Litchfield Plantation Company, Inc. and McNair Law Firm, P.A. agree that the Mortgage shall be modified as follows:

1. In addition to the sums secured by the Mortgage, the Mortgage shall also secure the timely payment of a Promissory Note in the amount of \$300,000 dated the 16th day of February, 2010, executed by Litchfield Plantation Company, Inc. and delivered to McNair Law Firm, P.A.
2. Exhibit A to the Mortgage shall be amended so as to include the additional Property and Easements described on Exhibit A attached hereto and, by reference, incorporated herein.
3. Litchfield Plantation Company, Inc. hereby confirms and ratifies the Mortgage in all respects other than the amendments contained in this document, and Litchfield Plantation Company, Inc. hereby confirms and ratifies the amendments to the Mortgage contained herein.

COLUMBIA 986071v1

4. This Mortgage Modification Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be construed under the laws of the State of South Carolina.

IN WITNESS WHEREOF, Litchfield Plantation Company, Inc. and McNair Law Firm, P.A., have set their respective hands and seals by and through their duly authorized officers.

WITNESSES:

LITCHFIELD PLANTATION COMPANY, INC.,
a South Carolina corporation

(Seal)

By: [Signature]

Name: EScott Trotter

Title: President

McNAIR LAW FIRM, P.A.

(Seal)

By: [Signature]

Name: David Tigges

Title: Its Managing Shareholder

STATE OF SOUTH CAROLINA)
COUNTY OF Greenville)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw E. Switzer, on behalf of Litchfield Plantation Company, Inc., sign, seal, and as its act and deed, deliver the within *Mortgage Modification Agreement* for the uses and purposes therein mentioned, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Janie Tussler
(WITNESS)

SWORN TO AND SUBSCRIBED before me
this 16 day of February, 2010

David Hines
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 8-21-2010

STATE OF SOUTH CAROLINA)
COUNTY OF Richland)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw David Tigges on behalf of McNair Law Firm, P.A., sign, seal, and as its act and deed, deliver the within *Mortgage Modification Agreement* for the uses and purposes therein mentioned, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

David Hines
(WITNESS)

SWORN TO AND SUBSCRIBED before me
this 16 day of February, 2010.

David Hines
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 8-17-2010

COLUMBIA 980021v1

Exhibit A

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "37.11 ACRES" on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Page 3; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above.

TMS No.: Portion of 4-413-1

ALSO:

ACCESS EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing all forms of access from River Road to the Property ("Access Easement"). This Access Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Access Easement shall include but not be limited to an easement of ingress, regress, and regress over all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Access Easement may be subsequently conveyed by Litchfield Plantation Company, Inc., its Successors and Assigns, to each and every Grantee of any portion of the Property as and when it is developed.

ALSO:

UTILITY EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to

and from the Property, and River Road, and between the Property and River Road for the purpose of providing the underground conveyance of electricity, telephonic messages, gas, sewerage, effluent, water or other public and private conveniences or utilities providing all forms of access from River Road to the Property ("Utility Easement"). This Utility Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Utility Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Utility Easement may be subsequently conveyed by Litchfield Plantation Company, Inc., its Successors and Assigns, to each and every Grantee of any portion of the Property as and when it is developed.

ALSO:

DRAINAGE EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way, thirty (30') feet in width, fifteen (15') feet in width as measured from the center line of the location of any and all equipment used for the underground conveyance of drainage and storm water drainage, over and across the roadways as they now exist or may hereafter exist leading to and from the Property and River Road, and between the Property and River Road for the purpose of providing the underground or surface conveyance of drainage and storm water drainage from the Property to lakes, detention basins, marshes and wetlands located on or around Litchfield Plantation ("Drainage Easement"). This Drainage Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Drainage Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Drainage Easement may be subsequently conveyed by Litchfield Plantation Company, Inc., its Successors and Assigns, to each and every Grantee of any portion of the Property as and when it is developed.

The Property and the property supporting the aforementioned easement parcels being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in

Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

COLUMBIA 986021v1

Instrument Book Page
201000001392 1431 140

#B226 Nation
201000001392
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
02-17-2010 At 11:59 am.
MODIFICATIO 12.00
Book ---1431 Page 134 - 140
Wanda J. Prevatte

MITCHELL J. WILLIAMS
STEVEN D. HAYMOND
ROBERT F. McMAHAN, JR.
MICHAEL S. SWINDELL
EDWIN L. TURNAGE
JOHN M. CROFT
S. HAMPTON EADON, III*

*Also Licensed in North Carolina

LAW OFFICES
HARRIS AND GRAVES, P.A.
"Our mission is to provide exceptional personal and professional service to our clients"
1261 HWY. 501 E. 843-234-2390 P.O. BOX 2277
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OF COUNSEL
E. WESLEY GRAVES, III

RETIRED
SHIPP D. HARRIS

February 6, 2012

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

RE: *Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr. and Thomas Martin Phillips v. Litchfield Plantation Company, Inc.
Civil Action No. 2011-CP-22-00319*

Dear Mark:

Enclosed with this letter is the Accounting of all amounts currently owed by Litchfield Plantation Company, Inc. to Litchfield Plantation Association that was ordered to be produced by us by Judge Hyman at the hearing on December 8, 2011. Be advised that this letter is also to give your client Litchfield Plantation Company notice of default of the following notes by Litchfield Plantation Association::

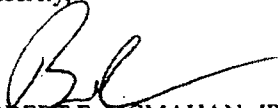
1. \$570,000.00 note dated May 22, 2009
2. \$75,000.00 note dated June 10, 2009
3. \$20,000.00 note dated July 21, 2009
4. \$50,000.00 note dated June 1, 2010.

These notices of default are given pursuant to paragraph 10 of the Notes and Litchfield Plantation Association hereby declares the entire unpaid principal and unpaid interest immediately due and payable pursuant to paragraph 11 of the Notes.

The back up documentation of the amounts due under the accounting will be made available to you upon your request. Should you have any questions, do not hesitate to contact me.

With kindest regards, I remain

Sincerely,


ROBERT F. McMAHAN, JR.
rfm@harrisgraves.com

PROMISSORY NOTE

\$ \$570,000.00

Georgetown County, South Carolina

May 22, 2009

FOR VALUE RECEIVED, LITCHFIELD PLANTATION COMPANY, INC. (the "Borrower"), hereby promises to pay to the order of LITCHFIELD PLANTATION ASSOCIATION, INC. (the "Lender"), with an address of 96 Gathering Lane, Pawleys Island, South Carolina 29585, or such other place as Lender shall designate in writing from time to time, the principal sum of FIVE HUNDRED SEVENTY THOUSAND and 00/100 DOLLARS (\$570,000.00) (the "Loan"), in United States Dollars, together with interest thereon as hereinafter provided.

1. Interest Rate. Interest shall accrue on the outstanding principal balance from the date advanced until the full amount of principal due hereunder has been paid at Prime Rate as it may change from time to time. The Prime Rate is defined as the Prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal. Interest shall be calculated daily on the basis of the actual number of days elapsed over a 360 day year.

2. Payment of Principal and Interest. The entire unpaid principal amount hereof, together with accrued and unpaid interest thereon and all other amounts payable hereunder, shall be due and payable on May ____, 2014 (the "Maturity Date"). All payments made under this Note shall be made and belong to the Lender.

3. Application Of Payments. Except as otherwise specified herein, each payment or prepayment, if any, made under this Note shall be applied to pay accrued and unpaid interest, principal, escrows (if any), and any other fees, costs and expenses which Borrower is obligated to pay under this Note, in such order as Lender may elect from time to time in its sole discretion.

4. Tender Of Payment. All payments on this Note are payable on or before 2:00 p.m. on the due date thereof, at the office of Lender specified above and shall be credited on the date the funds become available in lawful money of the United States. All sums payable to Lender which are due on a day on which Lender is not open for business shall be paid on the next succeeding business day and such extended time shall be included in the computation of interest.

5. Prepayment. This Note may be prepaid in whole or in part at any time, and from time to time, without premium or penalty.

6. Security For The Note. This Note is executed and delivered in accordance with a commercial transaction. As security for the payment of the monies owing under this Note, Borrower has delivered or has caused to be delivered to Lender the following (each a "Loan Document" and collectively with this Note and any other guaranty, document, certificate or instrument executed by Borrower or any other obligated party in connection with the Loan, together with all amendments, modifications, renewals or extensions thereof, the "Loan Documents"): (i) a Commercial Mortgage of Real Property and Security Agreement (the "Mortgage") on certain real property and the improvements situated thereon on Pawley's Island, County of Georgetown, State of South Carolina,

as more fully described in the Mortgage (the "Property"); (ii) a guarantee of the Loan by Resources Planning Corporation, and (iii) any other document reasonably required by the Lender.

7. Default Rate. From and after the Maturity Date or from and after the occurrence of an Event of Default hereunder irrespective of any declaration of maturity, all amounts remaining unpaid or thereafter accruing hereunder shall bear interest at plus two percent (2%) per annum above the Prime Rate prevailing at the time of the default as set forth herein (the "Default Rate").

8. Representations and Warranties. Borrower represents and warrants to Lender as follows:

(a) Organization Powers. Resources Planning Corporation and Litchfield Plantation Company, Inc. are each corporations (i) duly organized, validly existing and in good standing under the laws of the state of their organization, and are authorized to do business in each other jurisdiction wherein their ownership of property or conduct of business legally requires such authorization; (ii) have the power and authority to own their properties and assets and to carry on its business as now being conducted and as now contemplated; and (iii) have the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under each Loan Document to which they are a party.

(b) Execution of Loan Documents. Each of the Loan Documents to which Borrower is a party has been duly executed and delivered by Borrower. Execution, delivery and performance of each of the Loan Documents to which Borrower is a party will not: (i) violate any of its organizational documents, provision of law, order of any court, agency or other instrumentality of government, or any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound; (ii) result in the creation or imposition of any lien, charge or encumbrance of any nature, other than the liens created by the Loan Documents; and (iii) require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority.

(c) Obligations of Borrower. Each of the Loan Documents to which Borrower is a party is the legal, valid and binding obligation of Borrower, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally. Borrower is obtaining the Loan for commercial purposes.

(d) Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental authority, agency or other instrumentality now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its properties or rights which, if adversely determined, would materially impair or affect: (i) the value of any collateral securing this Note; (ii) Borrower's right to carry on its business substantially as now conducted (and as now contemplated); (iii) its financial condition; or (iv) its capacity to consummate and perform its obligations under the Loan Documents to which Borrower is a party.

(e) No Defaults. Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained herein or in any material agreement or instrument to which it is a party or by which it or any of its properties is bound.

(f) No Untrue Statements. No Loan Document or other document, certificate or statement furnished to Lender by or on behalf of Borrower contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Borrower acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower.

9. Covenants

(a) Indemnification.

(i) Borrower hereby indemnifies and agrees to defend and hold harmless Lender, its officers, employees and agents, from and against any and all losses, damages, or liabilities and from any suits, claims or demands, including reasonable attorneys' fees incurred in investigating or defending such claim, suffered by any of them and caused by, arising out of, or in any way connected with the Loan Documents or the transactions contemplated therein (unless determined by a final judgment of a court of competent jurisdiction to have been caused solely by the gross negligence or willful misconduct of any of the indemnified parties) including, without limitation: (1) disputes with any architect, general contractor, subcontractor, materialman or supplier, or on account of any act or omission to act by Lender in connection with the Property; (2) losses, damages (including consequential damages), expenses or liabilities sustained by Lender in connection with any environmental inspection, monitoring, sampling or cleanup of the Property required or mandated by any applicable environmental law; (3) claims by any tenant or any other party arising under or in connection with any lease of all or any portion of the Property; (4) any untrue statement of a material fact contained in information submitted to Lender by Borrower or the omission of any material fact necessary to be stated therein in order to make such statement not misleading or incomplete; (5) the failure of Borrower to perform any obligations herein required to be performed by Borrower; and (6) the ownership, construction, occupancy, operation, use or maintenance of the Property.

(ii) In case any action shall be brought against Lender, its officers, employees or agents, in respect to which indemnity may be sought against Borrower, Lender or such other party shall promptly notify Borrower and Borrower shall assume the defense thereof, including the employment of counsel selected by Borrower and satisfactory to Lender, the payment of all costs and expenses and the right to negotiate and consent to settlement. Lender shall have the right, at its sole option, to employ separate counsel in any such action and to participate in the defense thereof, all at Borrower's sole cost and expense. Borrower shall not be liable for any settlement of any such action effected without its consent (unless Borrower fails to defend such claim), but if settled with Borrower's consent, or if there be a final judgment for the claimant in any such action, Borrower agrees to indemnify and hold harmless Lender from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or

obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(iii) The provisions of this Section 10 shall survive the repayment or other satisfaction of this Note.

10. Events Of Default. Each of the following shall constitute an event of default hereunder (an "Event of Default"): (a) the failure of Borrower to pay any amount of principal or interest hereunder when due and payable; or (b) the occurrence of any other default in any term, covenant or condition hereunder or any Event of Default under the Mortgage or any other Loan Document.

11. Remedies. If an Event of Default exists, Lender may exercise any right, power or remedy permitted by law or as set forth herein or in the Mortgage or any other Loan Document including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Mortgage or any other Loan Document, to be, and such principal, interest and other sums shall thereupon become, immediately due and payable.

12. Miscellaneous.

(a) Disclosure of Financial Information. Lender is hereby authorized to disclose any financial or other information about Borrower to any regulatory body or agency having jurisdiction over Lender and to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Borrower. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Borrower.

(b) Integration. This Note and the other Loan Documents constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

(c) Attorney' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default hereunder or under any of the Loan Documents, or on account of any matter involving this Note, or for examination of matters subject to Lender's approval under the Loan Documents, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall be paid by Borrower, on demand, and shall be deemed part of the obligations evidenced hereby. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(d) No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver of one event shall not be construed as continuing or as a waiver of or bar to such right or remedy of a subsequent event. After any acceleration of, or the entry of any judgment on, this Note, the acceptance by Lender of any payments by or on behalf of Borrower on account of the indebtedness evidenced by this Note shall not cure or be deemed to cure any Event of Default or reinstate or be deemed to reinstate the terms of this Note absent an express written agreement duly executed by Lender and Borrower.

(e) Waiver/Borrower. Borrower, and Resources Planning Corporation, jointly and severally, waive demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower and Resources Planning Corporation consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral. The liability of Borrower and Resources Planning Corporation shall be absolute and unconditional and without regard to the liability of any other party hereto.

(f) No Usurious Amounts. Anything herein contained to the contrary notwithstanding, Borrower does not agree and shall not be obligated to pay interest hereunder at a rate which is in excess of the maximum rate permitted by law. If by the terms of this Note, Borrower is at any time required to pay interest at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be immediately reduced to such maximum legal rate and the portion of all prior interest payments in excess of such maximum legal rate shall be applied to and shall be deemed to have been payments in reduction of the outstanding principal balance. Borrower agrees that in determining whether or not any interest payable under this Note exceeds the highest rate permitted by law, any non-principal payment, including without limitation, late charges, shall be deemed to the extent permitted by law to be an expense, fee or premium rather than interest.

(g) Partial Invalidity. The invalidity or unenforceability of anyone or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

(h) Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Note cannot be assigned by Borrower or assumed by anyone without the prior written consent of Lender, and any such assumption, assignment or attempted assignment by Borrower shall be void and of no effect with respect to Lender.

(i) Modification. This Note may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought.

(j) Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in, the Loan, this Note and/or the obligations evidenced thereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or Lender's lien with respect to any and all obligations of such holder to Borrower, in each case as fully as though Borrower were directly indebted to such holder. Lender may in its discretion give notice to Borrower of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

(k) Jurisdiction. Borrower and Resources Planning Corporation irrevocably appoint each and every owner, partner and/or officer of Borrower as its attorneys and agents for service of process upon whom may be served at 96 Gathering Lane, Pawleys Island, South Carolina 29585, or if by regular or certified mail, mailed to Post Office Box 290, Pawleys Island, South Carolina 29585, any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Note or any other Loan Document; and Borrower and Resources Planning Corporation hereby consent that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower and Resources Planning Corporation agree that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower and Resources Planning Corporation and all collateral securing the obligations of Borrower and Resources Planning Corporation. Borrower and Resources Planning Corporation agree not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum.

(l) Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Mortgage. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

(m) Governing Law. This Note shall be governed by and construed in accordance with the substantive laws of the State of South Carolina without reference to conflict of laws principles.

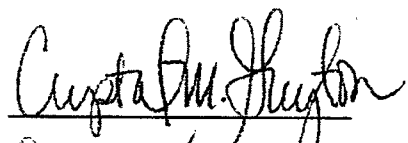
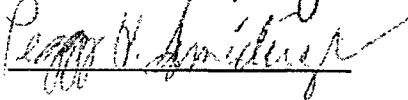
(n) Joint and Several Liability. If Borrower consists of more than one person or entity, the word "Borrower" shall mean each of them and their liability shall be joint and several.

(o) Continuing Enforcement. If, after receipt of any payment of all or any part of this Note, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Note and the other Loan Documents shall continue in full force and effect or be reinstated, as the case may be, and Borrower shall be

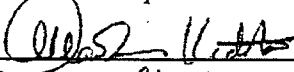
liable for, and shall indemnify, defend and hold harmless Lender with respect to, the full amount so surrendered. The provisions of this Section shall survive the cancellation or termination of this Note and shall remain effective notwithstanding the payment of the obligations evidenced hereby, the release of any security interest, lien or encumbrance securing this Note or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release or other such action shall be deemed to have been conditioned upon any payment of the obligations evidenced hereby having become final and irrevocable.

(p) Waiver of Jury Trial. BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Note as of the day and year first above written.

LITCHFIELD PLANTATION COMPANY, INC., a
South Carolina corporation

By:  (Seal)
Name: ALAN L. KINGSTON
Title: President

GUARANTY

In consideration of the loan represented by the foregoing Promissory Note and to induce the Lender to make the loan, the receipt and sufficiency of which is hereby acknowledged, **RESOURCES PLANNING CORPORATION**, for itself and its successors and assigns, hereby unconditionally guarantees the full and timely payment to **LITCHFIELD PLANTATION ASSOCIATION, INC.** of all sums due under the foregoing Promissory Note and the Mortgage securing said Note. This guarantee is enforceable by Litchfield Plantation

Association, Inc., its successors and assigns, against Resources Planning Corporation, its successors and assigns, without the necessity of action against the Borrower. Resources Planning Corporation agrees to and shall be bound by the terms of the foregoing Promissory Note and the Mortgage securing said Note. This is an absolute guarantee of payment and is not a guarantee of only collection.

IN WITNESS WHEREOF, Resources Planning Corporation has set its hand and seal through the hand of its duly authorized officer this 22nd day of May, 2009.

Cynthia M. Hyatt
Peggy N. Amadio

RESOURCES PLANNING CORPORATION, a
Michigan corporation

By: Alan L. Kidston

(Seal)

Name: Alan L. Kidston

Title: President

PROMISSORY NOTE

\$ \$75,000.00

Georgetown County, South Carolina

June 10, 2009

FOR VALUE RECEIVED, LITCHFIELD PLANTATION COMPANY, INC. (the "Borrower"), hereby promises to pay to the order of LITCHFIELD PLANTATION ASSOCIATION, INC. (the "Lender"), with an address of 96 Gathering Lane, Pawleys Island, South Carolina 29585, or such other place as Lender shall designate in writing from time to time, the principal sum of SEVENTY FIVETHOUSAND and 00/100 DOLLARS (\$75,000.00) (the "Loan"), in United States Dollars, together with interest thereon as hereinafter provided.

1. Interest Rate. Interest shall accrue on the outstanding principal balance from the date advanced until the full amount of principal due hereunder has been paid at Prime Rate as it may change from time to time. The Prime Rate is defined as the Prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal. Interest shall be calculated daily on the basis of the actual number of days elapsed over a 360 day year.

2. Payment of Principal and Interest. The entire unpaid principal amount hereof, together with accrued and unpaid interest thereon and all other amounts payable hereunder, shall be due and payable on June 10, 2014 (the "Maturity Date"). All payments made under this Note shall be made and belong to the Lender.

3. Application Of Payments. Except as otherwise specified herein, each payment or prepayment, if any, made under this Note shall be applied to pay accrued and unpaid interest, principal, escrows (if any), and any other fees, costs and expenses which Borrower is obligated to pay under this Note, in such order as Lender may elect from time to time in its sole discretion.

4. Tender Of Payment. All payments on this Note are payable on or before 2:00 p.m. on the due date thereof, at the office of Lender specified above and shall be credited on the date the funds become available in lawful money of the United States. All sums payable to Lender which are due on a day on which Lender is not open for business shall be paid on the next succeeding business day and such extended time shall be included in the computation of interest.

5. Prepayment. This Note may be prepaid in whole or in part at any time, and from time to time, without premium or penalty.

6. Security For The Note. This Note is executed and delivered in accordance with a commercial transaction. As security for the payment of the monies owing under this Note, Borrower has delivered or has caused to be delivered to Lender the following (each a "Loan Document" and collectively with this Note and any other guaranty, document, certificate or instrument executed by Borrower or any other obligated party in connection with the Loan, together with all amendments, modifications, renewals or extensions thereof, the "Loan Documents"): (i) a Commercial Mortgage of Real Property and Security Agreement (the "Mortgage") on certain real property and the improvements situated thereon on Pawley's Island,

County of Georgetown, State of South Carolina, as more fully described in the Mortgage (the "Property"); (ii) a guarantee of the Loan by Resources Planning Corporation, and (iii) any other document reasonably required by the Lender.

7. Default Rate. From and after the Maturity Date or from and after the occurrence of an Event of Default hereunder irrespective of any declaration of maturity, all amounts remaining unpaid or thereafter accruing hereunder shall bear interest at plus two percent (2%) per annum above the Prime Rate prevailing at the time of the default as set forth herein (the "Default Rate").

8. Representations and Warranties. Borrower represents and warrants to Lender as follows:

(a) Organization Powers. Resources Planning Corporation and Litchfield Plantation Company, Inc. are each corporations (i) duly organized, validly existing and in good standing under the laws of the state of their organization, and are authorized to do business in each other jurisdiction wherein their ownership of property or conduct of business legally requires such authorization; (ii) have the power and authority to own their properties and assets and to carry on its business as now being conducted and as now contemplated; and (iii) have the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under each Loan Document to which they are a party.

(b) Execution of Loan Documents. Each of the Loan Documents to which Borrower is a party has been duly executed and delivered by Borrower. Execution, delivery and performance of each of the Loan Documents to which Borrower is a party will not: (i) violate any of its organizational documents, provision of law, order of any court, agency or other instrumentality of government, or any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound; (ii) result in the creation or imposition of any lien, charge or encumbrance of any nature, other than the liens created by the Loan Documents; and (iii) require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority.

(c) Obligations of Borrower. Each of the Loan Documents to which Borrower is a party is the legal, valid and binding obligation of Borrower, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally. Borrower is obtaining the Loan for commercial purposes.

(d) Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental authority, agency or other instrumentality now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its properties or rights which, if adversely determined, would materially impair or affect: (i) the value of any collateral securing this Note; (ii) Borrower's right to carry on its business substantially as now conducted (and as now contemplated); (iii) its financial condition; or (iv) its capacity to consummate and perform its obligations under the Loan Documents to which Borrower is a party.

(e) No Defaults. Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained herein or in any material agreement or instrument to which it is a party or by which it or any of its properties is bound.

(f) No Untrue Statements. No Loan Document or other document, certificate or statement furnished to Lender by or on behalf of Borrower contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Borrower acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower.

9. Covenants

(a) Indemnification.

(i) Borrower hereby indemnifies and agrees to defend and hold harmless Lender, its officers, employees and agents, from and against any and all losses, damages, or liabilities and from any suits, claims or demands, including reasonable attorneys' fees incurred in investigating or defending such claim, suffered by any of them and caused by, arising out of, or in any way connected with the Loan Documents or the transactions contemplated therein (unless determined by a final judgment of a court of competent jurisdiction to have been caused solely by the gross negligence or willful misconduct of any of the indemnified parties) including, without limitation: (1) disputes with any architect, general contractor, subcontractor, materialman or supplier, or on account of any act or omission to act by Lender in connection with the Property; (2) losses, damages (including consequential damages), expenses or liabilities sustained by Lender in connection with any environmental inspection, monitoring, sampling or cleanup of the Property required or mandated by any applicable environmental law; (3) claims by any tenant or any other party arising under or in connection with any lease of all or any portion of the Property; (4) any untrue statement of a material fact contained in information submitted to Lender by Borrower or the omission of any material fact necessary to be stated therein in order to make such statement not misleading or incomplete; (5) the failure of Borrower to perform any obligations herein required to be performed by Borrower; and (6) the ownership, construction, occupancy, operation, use or maintenance of the Property.

(ii) In case any action shall be brought against Lender, its officers, employees or agents, in respect to which indemnity may be sought against Borrower, Lender or such other party shall promptly notify Borrower and Borrower shall assume the defense thereof, including the employment of counsel selected by Borrower and satisfactory to Lender, the payment of all costs and expenses and the right to negotiate and consent to settlement. Lender shall have the right, at its sole option, to employ separate counsel in any such action and to participate in the defense thereof, all at Borrower's sole cost and expense. Borrower shall not be liable for any settlement of any such action effected without its consent (unless Borrower fails to defend such claim), but if settled with Borrower's consent, or if there be a final judgment for the claimant in any such action, Borrower agrees to indemnify and hold harmless Lender from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and

Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(iii) The provisions of this Section 10 shall survive the repayment or other satisfaction of this Note.

10. Events Of Default. Each of the following shall constitute an event of default hereunder (an "Event of Default"): (a) the failure of Borrower to pay any amount of principal or interest hereunder when due and payable; or (b) the occurrence of any other default in any term, covenant or condition hereunder or any Event of Default under the Mortgage or any other Loan Document.

11. Remedies. If an Event of Default exists, Lender may exercise any right, power or remedy permitted by law or as set forth herein or in the Mortgage or any other Loan Document including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Mortgage or any other Loan Document, to be, and such principal, interest and other sums shall thereupon become, immediately due and payable.

12. Miscellaneous.

(a) Disclosure of Financial Information. Lender is hereby authorized to disclose any financial or other information about Borrower to any regulatory body or agency having jurisdiction over Lender and to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Borrower. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Borrower.

(b) Integration. This Note and the other Loan Documents constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

(c) Attorney' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default hereunder or under any of the Loan Documents, or on account of any matter involving this Note, or for examination of matters subject to Lender's approval under the Loan Documents, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall be paid by Borrower, on demand, and shall be deemed part of the obligations evidenced hereby. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers

to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(d) No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver of one event shall not be construed as continuing or as a waiver of or bar to such right or remedy of a subsequent event. After any acceleration of, or the entry of any judgment on, this Note, the acceptance by Lender of any payments by or on behalf of Borrower on account of the indebtedness evidenced by this Note shall not cure or be deemed to cure any Event of Default or reinstate or be deemed to reinstate the terms of this Note absent an express written agreement duly executed by Lender and Borrower.

(e) Waiver/Borrower. Borrower, and Resources Planning Corporation, jointly and severally, waive demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower and Resources Planning Corporation consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral. The liability of Borrower and Resources Planning Corporation shall be absolute and unconditional and without regard to the liability of any other party hereto.

(f) No Usurious Amounts. Anything herein contained to the contrary notwithstanding, Borrower does not agree and shall not be obligated to pay interest hereunder at a rate which is in excess of the maximum rate permitted by law. If by the terms of this Note, Borrower is at any time required to pay interest at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be immediately reduced to such maximum legal rate and the portion of all prior interest payments in excess of such maximum legal rate shall be applied to and shall be deemed to have been payments in reduction of the outstanding principal balance. Borrower agrees that in determining whether or not any interest payable under this Note exceeds the highest rate permitted by law, any non-principal payment, including without limitation, late charges, shall be deemed to the extent permitted by law to be an expense, fee or premium rather than interest.

(g) Partial Invalidity. The invalidity or unenforceability of anyone or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

(h) Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Note cannot be assigned by Borrower or assumed by anyone without the prior

written consent of Lender, and any such assumption, assignment or attempted assignment by Borrower shall be void and of no effect with respect to Lender.

(i) Modification. This Note may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought.

(j) Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in, the Loan, this Note and/or the obligations evidenced thereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or Lender's lien with respect to any and all obligations of such holder to Borrower, in each case as fully as though Borrower were directly indebted to such holder. Lender may in its discretion give notice to Borrower of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

(k) Jurisdiction. Borrower and Resources Planning Corporation irrevocably appoint each and every owner, partner and/or officer of Borrower as its attorneys and agents for service of process upon whom may be served at 96 Gathering Lane, Pawleys Island, South Carolina 29585, or if by regular or certified mail, mailed to Post Office Box 290, Pawleys Island, South Carolina 29585, any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Note or any other Loan Document; and Borrower and Resources Planning Corporation hereby consent that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower and Resources Planning Corporation agree that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower and Resources Planning Corporation and all collateral securing the obligations of Borrower and Resources Planning Corporation. Borrower and Resources Planning Corporation agree not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum.

(l) Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Mortgage. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

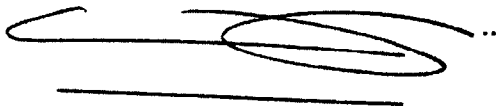
(m) Governing Law. This Note shall be governed by and construed in accordance with the substantive laws of the State of South Carolina without reference to conflict of laws principles.

(n) Joint and Several Liability. If Borrower consists of more than one person or entity, the word "Borrower" shall mean each of them and their liability shall be joint and several.

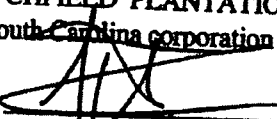
(o) Continuing Enforcement. If, after receipt of any payment of all or any part of this Note, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Note and the other Loan Documents shall continue in full force and effect or be reinstated, as the case may be, and Borrower shall be liable for, and shall indemnify, defend and hold harmless Lender with respect to, the full amount so surrendered. The provisions of this Section shall survive the cancellation or termination of this Note and shall remain effective notwithstanding the payment of the obligations evidenced hereby, the release of any security interest, lien or encumbrance securing this Note or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release or other such action shall be deemed to have been conditioned upon any payment of the obligations evidenced hereby having become final and irrevocable.

(p) Waiver of Jury Trial. BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Note as of the day and year first above written.



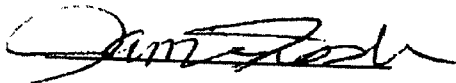
LITCHFIELD PLANTATION COMPANY, INC.,
a South Carolina corporation

By: 

(Seal)

Name: Jeffrey W. Van Treese

Title: Vice President



GUARANTY

In consideration of the loan represented by the foregoing Promissory Note and to induce the Lender to make the loan, the receipt and sufficiency of which is hereby acknowledged, RESOURCES PLANNING CORPORATION, for itself and its successors and assigns, hereby unconditionally guarantees the full and timely payment to LITCHFIELD PLANTATION ASSOCIATION, INC. of all sums due under the foregoing Promissory Note and the Mortgage securing said Note. This guarantee is enforceable by Litchfield Plantation Association, Inc., its successors and assigns, against Resources Planning Corporation, its successors and assigns, without the necessity of action against the Borrower. Resources Planning Corporation agrees to and shall be bound by the terms of the foregoing Promissory Note and the Mortgage securing said Note. This is an absolute guarantee of payment and is not a guarantee of only collection.

IN WITNESS WHEREOF, Resources Planning Corporation has set its hand and seal through the hand of its duly authorized officer this 10 day of June, 2009.



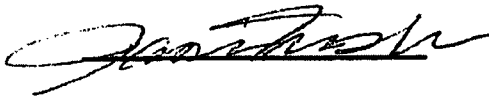
RESOURCES PLANNING CORPORATION, a
Michigan corporation

By: 

(Seal)

Name: Jeffrey W. Van Treese

Title: Vice President



PROMISSORY NOTE

\$20,000.00

Georgetown County, South Carolina

July 21, 2009

FOR VALUE RECEIVED, LITCHFIELD PLANTATION COMPANY, INC. (the "Borrower"), hereby promises to pay to the order of LITCHFIELD PLANTATION ASSOCIATION, INC. (the "Lender"), with an address of 96 Gathering Lane, Pawleys Island, South Carolina 29585, or such other place as Lender shall designate in writing from time to time, the principal sum of TWENTY THOUSAND and 00/100 DOLLARS (\$20,000.00) (the "Loan"), in United States Dollars, together with interest thereon as hereinafter provided.

1. Interest Rate. Interest shall accrue on the outstanding principal balance from the date advanced until the full amount of principal due hereunder has been paid at Prime Rate as it may change from time to time. The Prime Rate is defined as the Prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal. Interest shall be calculated daily on the basis of the actual number of days elapsed over a 360 day year.

2. Payment of Principal and Interest. The entire unpaid principal amount hereof, together with accrued and unpaid interest thereon and all other amounts payable hereunder, shall be due and payable on January 21, 2010 (the "Maturity Date"). All payments made under this Note shall be made and belong to the Lender.

3. Application of Payments. Except as otherwise specified herein, each payment or prepayment, if any, made under this Note shall be applied to pay accrued and unpaid interest, principal, escrows (if any), and any other fees, costs and expenses which Borrower is obligated to pay under this Note, in such order as Lender may elect from time to time in its sole discretion.

4. Tender Of Payment. All payments on this Note are payable on or before 2:00 p.m. on the due date thereof, at the office of Lender specified above and shall be credited on the date the funds become available in lawful money of the United States. All sums payable to Lender which are due on a day on which Lender is not open for business shall be paid on the next succeeding business day and such extended time shall be included in the computation of interest.

5. Prepayment. This Note may be prepaid in whole or in part at any time, and from time to time, without premium or penalty.

6. Security for the Note. This Note is executed and delivered in accordance with a commercial transaction, and there is no security for the payment of the monies owing under this Note.

7. Default Rate. From and after the Maturity Date or from and after the occurrence of an Event of Default hereunder irrespective of any declaration of maturity, all amounts remaining unpaid or thereafter accruing hereunder shall bear interest at plus two percent (2%)

per annum above the Prime Rate prevailing at the time of the default as set forth herein (the "Default Rate").

8. Representations and Warranties. Borrower represents and warrants to Lender as follows:

(a) Organization Powers. Litchfield Plantation Company, Inc. is a corporation (i) duly organized, validly existing and in good standing under the laws of the state of their organization, and are authorized to do business in each other jurisdiction wherein their ownership of property or conduct of business legally requires such authorization; (ii) has the power and authority to own properties and assets and to carry on its business as now being conducted and as now contemplated; and (iii) have the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under this Promissory Note.

(b) Execution of Promissory Note. This Promissory Note to which Borrower is a party has been duly executed and delivered by Borrower. Execution, delivery and performance of this Promissory Note to which Borrower is a party will not: (i) violate any of its organizational documents, provision of law, order of any court, agency or other instrumentality of government, or any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound; and (ii) require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority.

(c) Obligations of Borrower. This Promissory Note to which Borrower is a party is the legal, valid and binding obligation of Borrower, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally. Borrower is obtaining the Loan for commercial purposes.

(d) Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental authority, agency or other instrumentality now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its properties or rights which, if adversely determined, would materially impair or affect: (i) the value of any collateral securing this Note; (ii) Borrower's right to carry on its business substantially as now conducted (and as now contemplated); (iii) its financial condition; or (iv) its capacity to consummate and perform its obligations under this Promissory Note to which Borrower is a party.

(e) No Defaults. Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained herein or in any material agreement or instrument to which it is a party or by which it or any of its properties is bound.

(f) No Untrue Statements. This Promissory Note furnished to Lender by or on behalf of Borrower contains no untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

Borrower acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower.

9. Covenants

(a) Indemnification.

(i) Borrower hereby indemnifies and agrees to defend and hold harmless Lender, its officers, employees and agents, from and against any and all losses, damages, or liabilities and from any suits, claims or demands, including reasonable attorneys' fees incurred in investigating or defending such claim, suffered by any of them and caused by, arising out of, or in any way connected with the Promissory Note or the transactions contemplated therein (unless determined by a final judgment of a court of competent jurisdiction to have been caused solely by the gross negligence or willful misconduct of any of the indemnified parties) including, without limitation: (1) disputes with any architect, general contractor, subcontractor, materialman or supplier, or on account of any act or omission to act by Lender in connection with the Property; (2) losses, damages (including consequential damages), expenses or liabilities sustained by Lender in connection with any environmental inspection, monitoring, sampling or cleanup of the Property required or mandated by any applicable environmental law; (3) claims by any tenant or any other party arising under or in connection with any lease of all or any portion of the Property; (4) any untrue statement of a material fact contained in information submitted to Lender by Borrower or the omission of any material fact necessary to be stated therein in order to make such statement not misleading or incomplete; (5) the failure of Borrower to perform any obligations herein required to be performed by Borrower; and (6) the ownership, construction, occupancy, operation, use or maintenance of the Property.

(ii) In case any action shall be brought against Lender, its officers, employees or agents, in respect to which indemnity may be sought against Borrower, Lender or such other party shall promptly notify Borrower and Borrower shall assume the defense thereof, including the employment of counsel selected by Borrower and satisfactory to Lender, the payment of all costs and expenses and the right to negotiate and consent to settlement. Lender shall have the right, at its sole option, to employ separate counsel in any such action and to participate in the defense thereof, all at Borrower's sole cost and expense. Borrower shall not be liable for any settlement of any such action effected without its consent (unless Borrower fails to defend such claim), but if settled with Borrower's consent, or if there be a final judgment for the claimant in any such action, Borrower agrees to indemnify and hold harmless Lender from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(iii) The provisions of this Section 10 shall survive the repayment or other satisfaction of this Note.

10. Events Of Default. Each of the following shall constitute an event of default hereunder (an "Event of Default"): (a) the failure of Borrower to pay any amount of principal or interest hereunder when due and payable; or (b) the occurrence of any other default in any term, covenant or condition hereunder or any Event of Default under the Mortgage or any other Loan Document.

11. Remedies. If an Event of Default exists, Lender may exercise any right, power or remedy permitted by law or as set forth herein or in the Mortgage or any other Loan Document including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Mortgage or any other Loan Document, to be, and such principal, interest and other sums shall thereupon become, immediately due and payable.

12. Miscellaneous.

(a) Disclosure of Financial Information. Lender is hereby authorized to disclose any financial or other information about Borrower to any regulatory body or agency having jurisdiction over Lender and to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Borrower. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Borrower.

(b) Integration. This Note and the other Promissory Note constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

(c) Attorney' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default hereunder or under any of the Promissory Note, or on account of any matter involving this Note, or for examination of matters subject to Lender's approval under the Promissory Note, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall be paid by Borrower, on demand, and shall be deemed part of the obligations evidenced hereby. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(d) No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver of one

event shall not be construed as continuing or as a waiver of or bar to such right or remedy of a subsequent event. After any acceleration of, or the entry of any judgment on, this Note, the acceptance by Lender of any payments by or on behalf of Borrower on account of the indebtedness evidenced by this Note shall not cure or be deemed to cure any Event of Default or reinstate or be deemed to reinstate the terms of this Note absent an express written agreement duly executed by Lender and Borrower.

(e) Waiver/Borrower. Borrower waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

(f) No Usurious Amounts. Anything herein contained to the contrary notwithstanding, Borrower does not agree and shall not be obligated to pay interest hereunder at a rate which is in excess of the maximum rate permitted by law. If by the terms of this Note, Borrower is at any time required to pay interest at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be immediately reduced to such maximum legal rate and the portion of all prior interest payments in excess of such maximum legal rate shall be applied to and shall be deemed to have been payments in reduction of the outstanding principal balance. Borrower agrees that in determining whether or not any interest payable under this Note exceeds the highest rate permitted by law, any non-principal payment, including without limitation, late charges, shall be deemed to the extent permitted by law to be an expense, fee or premium rather than interest.

(g) Partial Invalidity. The invalidity or unenforceability of anyone or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

(h) Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Note cannot be assigned by Borrower or assumed by anyone without the prior written consent of Lender, and any such assumption, assignment or attempted assignment by Borrower shall be void and of no effect with respect to Lender.

(i) Modification. This Note may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought.

(j) Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in, the Loan, this Note and/or the obligations evidenced thereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or Lender's lien with respect to any and all obligations of such holder to Borrower, in each case as fully as though Borrower were directly indebted to such holder. Lender may in its discretion give notice to Borrower of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

(k) Jurisdiction. Borrower irrevocably appoint each and every owner, partner and/or officer of Borrower as its attorneys and agents for service of process upon whom may be served at 96 Gathering Lane, Pawleys Island, South Carolina 29585, or if by regular or certified mail, mailed to Post Office Box 290, Pawleys Island, South Carolina 29585, any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Note or any other Loan Document; and Borrower consents that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower agree that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower and all collateral securing the obligations of Borrower. Borrower agrees not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum.

(l) Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Mortgage. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

(m) Governing Law. This Note shall be governed by and construed in accordance with the substantive laws of the State of South Carolina without reference to conflict of laws principles.

(n) Joint and Several Liability. If Borrower consists of more than one person or entity, the word "Borrower" shall mean each of them and their liability shall be joint and several.

(o) Continuing Enforcement. If, after receipt of any payment of all or any part of this Note, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination

that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Note and the other Promissory Note shall continue in full force and effect or be reinstated, as the case may be, and Borrower shall be liable for, and shall indemnify, defend and hold harmless Lender with respect to, the full amount so surrendered. The provisions of this Section shall survive the cancellation or termination of this Note and shall remain effective notwithstanding the payment of the obligations evidenced hereby, the release of any security interest, lien or encumbrance securing this Note or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release or other such action shall be deemed to have been conditioned upon any payment of the obligations evidenced hereby having become final and irrevocable.

(p) Waiver of Jury Trial. BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly executed and delivered this Note as of the day and year first above written.

LITCHFIELD PLANTATION COMPANY, INC.:

By:

Jeffery W. Van Treese, its Vice President

(CORPORATE SEAL)

SECURED PROMISSORY NOTE

FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00)

JUNE 1, 2010

FOR VALUE RECEIVED, LITCHFIELD PLANTATION COMPANY, INC. (the "Borrower"), hereby promises to pay to the order of LITCHFIELD PLANTATION ASSOCIATION, INC. (the "Lender"), with an address of 96 Gathering Lane, Pawleys Island, South Carolina 29585, or such other place as Lender shall designate in writing from time to time, the principal sum of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) (the "Loan"), in United States Dollars, together with interest thereon as hereinafter provided.

1. Interest Rate. Interest shall accrue on the outstanding principal balance from the date advanced until the full amount of principal due hereunder has been paid at Prime Rate as it may change from time to time. The Prime Rate is defined as the Prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal. Interest shall be calculated daily on the basis of the actual number of days elapsed over a 360 day year.

2. Payment of Principal and Interest. The entire unpaid principal amount hereof, together with accrued and unpaid interest thereon and all other amounts payable hereunder, shall be due and payable on June 1, 2011 (the "Maturity Date"). All payments made under this Note shall be made and belong to the Lender.

3. Application Of Payments. Except as otherwise specified herein, each payment or prepayment, if any, made under this Note shall be applied to pay accrued and unpaid interest, principal, escrows (if any), and any other fees, costs and expenses which Borrower is obligated to pay under this Note, in such order as Lender may elect from time to time in its sole discretion.

4. Tender Of Payment. All payments on this Note are payable on or before 2:00 p.m. on the due date thereof, at the office of Lender specified above and shall be credited on the date the funds become available in lawful money of the United States. All sums payable to Lender which are due on a day on which Lender is not open for business shall be paid on the next succeeding business day and such extended time shall be included in the computation of interest.

5. Prepayment. This Note may be prepaid in whole or in part at any time, and from time to time, without premium or penalty.

6. Security For The Note. This Note is executed and delivered in accordance with a commercial transaction. As security for the payment of the monies owing under this Note, Borrower has delivered or has caused to be delivered to Lender the following (each a "Loan Document" and collectively with this Note and any other guaranty, document, certificate or instrument executed by Borrower or any other obligated party in connection with the Loan, together with all amendments, modifications, renewals or extensions thereof, the "Loan

Documents"): (i) a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS dated May 27, 2010, and executed by Litchfield Plantation Company, Inc., as Mortgagor, in favor of Litchfield Plantation Association, Incorporated, as Mortgagee, and securing the total amount of SEVEN HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$715,000.00), a sum equal to this SECURED PROMISSORY NOTE, and a PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of FIVE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$570,000.00), dated May 22, 2009, the repayment of which is secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated., dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, the unpaid principal balance accruing since May 22, 2010, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of May 22, 2014, and a PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), dated June 10, 2009, the repayment of which is secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Inc., dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, the unpaid principal balance accruing since June 10, 2009, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of June 10, 2014, and a PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original amount of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00), dated July 21, 2009, the unpaid principal balance accruing since July 21, 2009, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of January 21, 2010 (the "Mortgage") on certain real property and the improvements situated thereon on Pawley's Island, County of Georgetown, State of South Carolina, as more fully described in the Mortgage (the "Property"); and (ii) any other document reasonably required by the Lender.

7. Default Rate. From and after the Maturity Date or from and after the occurrence of an Event of Default hereunder irrespective of any declaration of maturity, all amounts remaining unpaid or thereafter accruing hereunder shall bear interest at plus two percent (2%) per annum above the Prime Rate prevailing at the time of the default as set forth herein (the "Default Rate").

8. Representations and Warranties. Borrower represents and warrants to Lender as follows:

(a) Organization Powers. Litchfield Plantation Company, Inc. is a corporation (i) duly organized, validly existing and in good standing under the laws of the state of their organization, and is authorized to do business in each other jurisdiction wherein its ownership of property or conduct of business legally requires such authorization; (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated; and (iii) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of, all of its obligations under each Loan Document to which it is a party.

(b) Execution of Loan Documents. Each of the Loan Documents to which Borrower is a party has been duly executed and delivered by Borrower. Execution, delivery and performance of each of the Loan Documents to which Borrower is a party will not: (i) violate any of its organizational documents, provision of law, order of any court, agency or other instrumentality of government, or any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound; (ii) result in the creation or imposition of any lien, charge or encumbrance of any nature, other than the liens created by the Loan Documents; and (iii) require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental authority.

(c) Obligations of Borrower. Each of the Loan Documents to which Borrower is a party is the legal, valid and binding obligation of Borrower, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally. Borrower is obtaining the Loan for commercial purposes.

(d) Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental authority, agency or other instrumentality now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its properties or rights which, if adversely determined, would materially impair or affect: (i) the value of any collateral securing this Note; (ii) Borrower's right to carry on its business substantially as now conducted (and as now contemplated); (iii) its financial condition; or (iv) its capacity to consummate and perform its obligations under the Loan Documents to which Borrower is a party.

(e) No Defaults. With the exception of the PROMISSORY NOTE executed by Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, to Litchfield Plantation Association, Incorporated, as Holder, in the original amount of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00), dated July 21, 2009, the unpaid principal balance accruing since July 21, 2009, at the Prime base rate posted by seventy percent (70%) of the nation's largest banks and as published in the Wall Street Journal, calculated based on the actual number of days elapsed over a 360 day year, with a maturity date of January 21, 2010, a date now passed, Borrower is not in default in the performance,

observance or fulfillment of any of the obligations, covenants or conditions contained herein or in any material agreement or instrument to which it is a party or by which it or any of its properties is bound.

(f) No Untrue Statements. No Loan Document or other document, certificate or statement furnished to Lender by or on behalf of Borrower contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Borrower acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower.

9. Covenants

(a) Indemnification.

(i) Borrower hereby indemnifies and agrees to defend and hold harmless Lender, its officers, employees and agents, from and against any and all losses, damages, or liabilities and from any suits, claims or demands, including reasonable attorneys' fees incurred in investigating or defending such claim, suffered by any of them and caused by, arising out of, or in any way connected with the Loan Documents or the transactions contemplated therein (unless determined by a final judgment of a court of competent jurisdiction to have been caused solely by the gross negligence or willful misconduct of any of the indemnified parties) including, without limitation: (1) disputes with any architect, general contractor, subcontractor, materialman or supplier, or on account of any act or omission to act by Lender in connection with the Property; (2) losses, damages (including consequential damages), expenses or liabilities sustained by Lender in connection with any environmental inspection, monitoring, sampling or cleanup of the Property required or mandated by any applicable environmental law; (3) claims by any tenant or any other party arising under or in connection with any lease of all or any portion of the Property; (4) any untrue statement of a material fact contained in information submitted to Lender by Borrower or the omission of any material fact necessary to be stated therein in order to make such statement not misleading or incomplete; (5) the failure of Borrower to perform any obligations herein required to be performed by Borrower; and (6) the ownership, construction, occupancy, operation, use or maintenance of the Property.

(ii) In case any action shall be brought against Lender, its officers, employees or agents, in respect to which indemnity may be sought against Borrower, Lender or such other party shall promptly notify Borrower and Borrower shall assume the defense thereof, including the employment of counsel selected by Borrower and satisfactory to Lender, the payment of all costs and expenses and the right to negotiate and consent to settlement. Lender shall have the right, at its sole option, to employ separate counsel in any such action and to participate in the defense thereof, all at Borrower's sole cost and expense. Borrower shall not be liable for any settlement of any such action effected without its consent (unless Borrower fails to defend such claim), but if settled with Borrower's consent, or if there be a final judgment for the claimant in any such action, Borrower agrees to indemnify and hold harmless Lender from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything

herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(iii) The provisions of this Section 10 shall survive the repayment or other satisfaction of this Note.

10. Events Of Default. Each of the following shall constitute an event of default hereunder (an "Event of Default"): (a) the failure of Borrower to pay any amount of principal or interest hereunder when due and payable; or (b) the occurrence of any other default in any term, covenant or condition hereunder or any Event of Default under the Mortgage or any other Loan Document.

11. Remedies. If an Event of Default exists, Lender may exercise any right, power or remedy permitted by law or as set forth herein or in the Mortgage or any other Loan Document including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Mortgage or any other Loan Document, to be, and such principal, interest and other sums shall thereupon become, immediately due and payable.

12. Miscellaneous.

(a) Disclosure of Financial Information. Lender is hereby authorized to disclose any financial or other information about Borrower to any regulatory body or agency having jurisdiction over Lender and to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Borrower. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Borrower.

(b) Integration. This Note and the other Loan Documents constitute the sole agreement of the parties with respect to the transaction contemplated hereby and supersede all oral negotiations and prior writings with respect thereto.

(c) Attorney' Fees and Expenses. If Lender retains the services of counsel by reason of a claim of a default or an Event of Default hereunder or under any of the Loan Documents, or on account of any matter involving this Note, or for examination of matters subject to Lender's approval under the Loan Documents, all costs of suit and all reasonable attorneys' fees and such other reasonable expenses so incurred by Lender shall be paid by Borrower, on demand, and shall be deemed part of the obligations evidenced hereby. Notwithstanding anything herein to the contrary, the parties expressly understand and agree that nothing in this paragraph shall effect the obligations of or result in a waiver of any rights under LPA's Directors and Officers policy(s), including but not limited to the coverage afforded by

LPA's policy of insurance with Continental Casualty Company (CNA), policy number 0251072311, including but not limited to the duty to defend under said policy. Under no circumstances shall any duty or obligation to indemnify be construed so as to obligate Borrowers to indemnify Lender until and unless the coverage and duties afforded by CNA policy are exhausted.

(d) No Implied Waiver. Lender shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver of one event shall not be construed as continuing or as a waiver of or bar to such right or remedy of a subsequent event. After any acceleration of, or the entry of any judgment on, this Note, the acceptance by Lender of any payments by or on behalf of Borrower on account of the indebtedness evidenced by this Note shall not cure or be deemed to cure any Event of Default or reinstate or be deemed to reinstate the terms of this Note absent an express written agreement duly executed by Lender and Borrower.

(e) Waiver/Borrower. Borrower waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the release of any collateral, with or without substitution. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall not be affected by the failure of Lender to perfect or otherwise obtain or maintain the priority or validity of any security interest in any collateral. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

(f) No Usurious Amounts. Anything herein contained to the contrary notwithstanding, Borrower does not agree and shall not be obligated to pay interest hereunder at a rate which is in excess of the maximum rate permitted by law. If by the terms of this Note, Borrower is at any time required to pay interest at a rate in excess of such maximum rate, the rate of interest under this Note shall be deemed to be immediately reduced to such maximum legal rate and the portion of all prior interest payments in excess of such maximum legal rate shall be applied to and shall be deemed to have been payments in reduction of the outstanding principal balance. Borrower agrees that in determining whether or not any interest payable under this Note exceeds the highest rate permitted by law, any non-principal payment, including without limitation, late charges, shall be deemed to the extent permitted by law to be an expense, fee or premium rather than interest.

(g) Partial Invalidity. The invalidity or unenforceability of anyone or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

(h) Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Note cannot be assigned by Borrower or assumed by anyone without the prior written consent of Lender, and any such assumption, assignment or attempted assignment by Borrower shall be void and of no effect with respect to Lender.

(i) Modification. This Note may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought.

(j) Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in, the Loan, this Note and/or the obligations evidenced thereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be: (a) entitled to all of the rights, obligations and benefits of Lender; and (b) deemed to hold and may exercise the rights of setoff or Lender's lien with respect to any and all obligations of such holder to Borrower, in each case as fully as though Borrower were directly indebted to such holder. Lender may in its discretion give notice to Borrower of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

(k) Jurisdiction. Borrower irrevocably appoints each and every owner, partner and/or officer of Borrower as its attorneys and agents for service of process upon whom may be served at 96 Gathering Lane, Pawleys Island, South Carolina 29585, or if by regular or certified mail, mailed to Post Office Box 290, Pawleys Island, South Carolina 29585, any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Note or any other Loan Document; and Borrower hereby consents that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower agrees that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower and all collateral securing the obligations of Borrower. Borrower agrees not to assert any defense to any action or proceeding initiated by Lender based upon improper venue or inconvenient forum.

(l) Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Mortgage. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

(m) Governing Law. This Note shall be governed by and construed in accordance with the substantive laws of the State of South Carolina without reference to conflict of laws principles.

(n) Joint and Several Liability. If Borrower consists of more than one person or entity, the word "Borrower" shall mean each of them and their liability shall be joint and several.

(o) Continuing Enforcement. If, after receipt of any payment of all or any part of this Note, Lender is compelled or agrees, for settlement purposes, to surrender such payment to any person or entity for any reason (including, without limitation, a determination that such payment is void or voidable as a preference or fraudulent conveyance, an impermissible setoff, or a diversion of trust funds), then this Note and the other Loan Documents shall continue in full force and effect or be reinstated, as the case may be, and Borrower shall be liable for, and shall indemnify, defend and hold harmless Lender with respect to, the full amount so surrendered. The provisions of this Section shall survive the cancellation or termination of this Note and shall remain effective notwithstanding the payment of the obligations evidenced hereby, the release of any security interest, lien or encumbrance securing this Note or any other action which Lender may have taken in reliance upon its receipt of such payment. Any cancellation, release or other such action shall be deemed to have been conditioned upon any payment of the obligations evidenced hereby having become final and irrevocable.

(p) Waiver of Jury Trial. BORROWER AND LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. LENDER AND BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

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SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, Borrower, intending to be legally bound, has duly
executed and delivered this Note as of the day and year first above written.

LITCHFIELD PLANTATION COMPANY, INC.:

By:



E. Scott Trotter, its President

(CORPORATE SEAL)

State of South Carolina)
)
County of Georgetown) Assignment of Promissory Notes,
) Guarantees and Mortgages

This Assignment of Promissory Notes, Guarantees and Mortgages, hereinafter referred to as the Assignment, is made from Litchfield Plantation Association, Incorporated, hereinafter sometimes referred to as "the Assignor", to Litchfield Plantation Buyout Group, LLC, hereinafter sometimes referred to as "the Assignee", and relates to the rights, titles and interests of the Assignor in and to all the documents more particularly individually described below as "an Assigned Document", and collectively referred to herein as "the Assigned Documents".

Witnesseth:

Whereas, Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, executed a Promissory Note in favor of Litchfield Plantation Association, Incorporated, as Holder, dated April 1, 2005, in the original principal amount of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000.00), hereinafter "the \$1,500,000.00 Promissory Note", an Assigned Document; and

Whereas, following the transfer of the Stables property, Litchfield Plantation Company, Inc. and Litchfield Plantation Association, Incorporated confirmed the balance due by Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated on the \$1,500,000.00 Promissory Note, an Assigned Document, was \$281,881.00 as of May 22, 2009; and

Whereas, on May 22, 2009, Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, and Litchfield Plantation Association, Incorporated, as Holder, agreed to extend the maturity date of the \$1,500,000.00 Promissory Note dated April 1, 2005, to May 22, 2014, and following an accounting agreed the unpaid principal balance in the amount of \$281,881.00 would accrue from and inclusive of May 22, 2009, at the prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal, hereinafter "the Prime Interest Rate"; and

Whereas, on May 22, 2009, Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, executed a Promissory Note in favor of Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of FIVE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$570,000.00), with interest accruing at the Prime Interest Rate, and with a maturity date of May 22, 2014, hereinafter "the

\$570,000.00 Promissory Note", an Assigned Document; and

Whereas, the repayment of the unpaid balances of the \$1,500,000.00 Promissory Note and the \$570,000.00 Promissory Note in the total combined amount of \$851,881.00 are secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, an Assigned Document, an Assigned Document; and

Whereas, on June 10, 2009, Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, executed a Promissory Note in favor of Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), with interest accruing at the Prime Interest Rate and with a maturity date of June 10, 2014, hereinafter "the \$75,000.00 Promissory Note", an Assigned Document; and

Whereas, the repayment of the \$75,000.00 Promissory Note is secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, an Assigned Document, an Assigned Document; and

Whereas, Assignor desires to assign all of its rights, title and interest in and to the aforementioned Assigned Documents to Assignee, and Assignee desires to accept all of the rights, title and interest of the Assignor in and to the aforementioned Assigned Documents as of the time and date of recordation of this Assignment.

Now, Therefore, Know All Persons by These Presents, for and in consideration of the premises, the covenants herein set forth, together with other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Assignor, without recourse, warranty or representation, transfers, sells, negotiates, assigns, endorses, transfers, grants, conveys, delivers and assigns any and all of his rights, title, interest and benefit in and to the aforementioned Assigned Documents, these Assigned Documents expressly including but not being limited to (a) the COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, and (b) the COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, and (c) any and all documents which are referenced therein, to the Assignee, its Successors and Assigns. To have and to hold the same together with all rights, titles, interests, privileges, claims, demands and equities existing and to exist in connection therewith unto Assignee, its Successors and Assigns, forever.

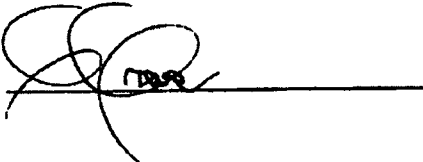
Witness the Hand and Seal of Litchfield Plantation Association, Incorporated, this 27th day of April, 2011.

Litchfield Plantation Association, Incorporated:

By:  (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:





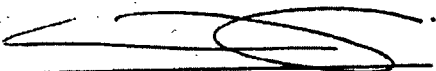
State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter, its President, this day appeared before me personally and did acknowledge he and it did sign, seal, attest and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 27th day of April, 2011.



Notary Public for South Carolina

My Commission Expires:

(Seal)

2. 7. '15.

Instrument Book Page
201100004133 1675 100

105689 Nation
201100004133
Filed for Record in
GEORGETOWN BC
WANDA PREVATTE, REGISTER OF DEEDS
04-27-2011 At 04:17 pm.
ASSIGNMENT 9.00
Book 1675 Page 97 - 100
Wanda J. Prevatte

\$570,000.00 Promissory Note", an Assigned Document; and

Whereas, the repayment of the unpaid balances of the \$1,500,000.00 Promissory Note and the \$570,000.00 Promissory Note in the total combined amount of \$851,881.00 are secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, an Assigned Document, an Assigned Document; and

Whereas, on June 10, 2009, Litchfield Plantation Company, Inc., as Maker, and Resources Planning Corporation, as Guarantor, executed a Promissory Note in favor of Litchfield Plantation Association, Incorporated, as Holder, in the original principal amount of SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), with interest accruing at the Prime Interest Rate and with a maturity date of June 10, 2014, hereinafter "the \$75,000.00 Promissory Note", an Assigned Document; and

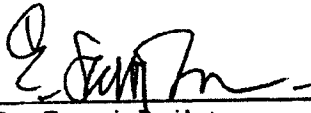
Whereas, the repayment of the \$75,000.00 Promissory Note is secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, an Assigned Document, an Assigned Document; and

Whereas, Assignor desires to assign all of its rights, title and interest in and to the aforementioned Assigned Documents to Assignee, and Assignee desires to accept all of the rights, title and interest of the Assignor in and to the aforementioned Assigned Documents as of the time and date of recordation of this Assignment.

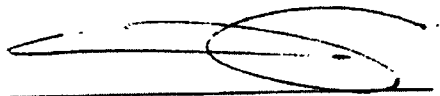
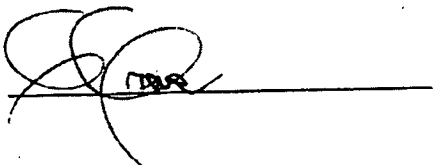
Now, Therefore, Know All Persons by These Presents, for and in consideration of the premises, the covenants herein set forth, together with other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Assignor, without recourse, warranty or representation, transfers, sells, negotiates, assigns, endorses, transfers, grants, conveys, delivers and assigns any and all of his rights, title, interest and benefit in and to the aforementioned Assigned Documents, these Assigned Documents expressly including but not being limited to (a) the COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58, and (b) the COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from Litchfield Plantation Company, Inc. to Litchfield Plantation Association, Incorporated, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, and (c) any and all documents which are referenced therein, to the Assignee, its Successors and Assigns. To have and to hold the same together with all rights, titles, interests, privileges, claims, demands and equities existing and to exist in connection therewith unto Assignee, its Successors and Assigns, forever.

Witness the Hand and Seal of Litchfield Plantation Association, Incorporated, this
27th day of April, 2011.

Litchfield Plantation Association, Incorporated:

By:  (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:

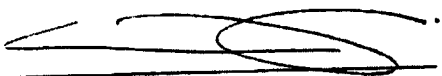
State of South Carolina)

Acknowledgment

County of Georgetown)

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter, its President,
this day appeared before me personally and did acknowledge he and it did sign, seal, attest and
deliver the foregoing document of his and its own free will and accord for the purposes therein
named and expressed.

Sworn and subscribed to before me this 27th day of April, 2011.


Notary Public for South Carolina
My Commission Expires: 2. 7. 15.
(Seal)

Instrument Book Page
201100004135 1675 100

105689 *Nation*
201100004135
Filed for Record in
GEORGETOWN BC
WANDA PREVATTE, REGISTER OF DEEDS
04-27-2011 At 04:17 pm.
ASSIGNMENT 9.00
Book 1675 Page 97 - 100
Wanda J. Prevatte

1/1

09-01-2011

15:50:31

09-01-2011 15:50:31

ARREST WARRANT

J-520966

STATE OF SOUTH CAROLINA

☒ County/☐ Municipality of

Georgetown

THE STATE
against

2011 JUL 11 04:18:03 30

Edwin Scott Trotter

Address: 24 Avenue Of Live Oaks Rd
Pawleys Island, SC 29585-5331Phone: SSN: 242-66-1073
Sex: M Race: W Height: 6 Weight: 210

DL State: SC DL #: 011128728

DOB: 10/14/1942 Agency ORI #: SC0220000

Issuing Agency: Georgetown County Sheriff

Prosecuting Officer: Dustin Morris - 0016

Offense: Larceny / Grand Larceny, value \$10,000 or more

Offense Code: 3421

Code/Ordinance Sec: 16-13-0030(B)(2)

This warrant is CERTIFIED FOR SERVICE in the
☐ County/ ☐ Municipality ofThe accused
is to be arrested and brought before me to be
dealt with according to the law.

(L.S.)

Signature of Judge

Date:

RETURN

A copy of this arrest warrant was delivered to
defendant Edwin Scott Trotter
on JUL 1, 2011

Signature of Constable/Law Enforcement Officer

RETURN WARRANT TO:

General Sessions
P. O. Box 479
401 Cleland Street, Room 115
Georgetown, SC 29442

ORIGINAL

ORIGINAL

ORIGINAL

ORIGINAL

STATE OF SOUTH CAROLINA

☒ County/ ☐ Municipality of

Georgetown

Personally appeared before me the affiant Dustin Morris
being duly sworn deposes and says that defendant Edwin Scott Trotter
did within this county and state on or about 04/27/2011
State of South Carolina (or ordinance of ☒ County/ ☐ Municipality of Georgetown)
in the following particulars:

DESCRIPTION OF OFFENSE Larceny / Grand Larceny, value \$10,000 or more

I further state that there is probable cause to believe that the defendant named above did commit
the crime set forth and that probable cause is based on the following facts:That on or about April 27, 2011, in the Pawleys Island area of Georgetown County. The defendant Edwin Scott Trotter did with
intent to permanently deprive the owner, did take and carry away Promissory Notes and Mortgages valued at more than \$10,000.00
belonging to the Litchfield Plantation Association, Inc. The defendant, the previous President of the Litchfield Plantation
Association was voted out of the position on February 26, 2011. The defendant did represent himself as the President of the
Association on April 27, 2011 and converted the Promissory Notes and Mortgages to his own company, Litchfield Plantation
Buyout Group, with the transaction being recorded with the Register of Deeds office in Georgetown County. The Promissory Notes
and Mortgages are valued at \$926,881.00 and the defendant did not have authorization to convert the items to his own company
This being against the peace and dignity of the State of South Carolina.

Case: 06116905 Signature of Affiant

STATE OF SOUTH CAROLINA

☒ County/ ☐ Municipality of

Georgetown

Affiant's Address 430 N. Fraser Street
Georgetown, SC 29440-

Affiant's Telephone (843)436-3600

ARREST WARRANT

TO ANY LAW ENFORCEMENT OFFICER OF THIS STATE OR MUNICIPALITY OR ANY CONSTABLE OF THIS COUNTY:

It appearing from the above affidavit that there are reasonable grounds to believe that

on or about 4/27/2011 defendant Edwin Scott Trotterdid violate the criminal laws of the State of South Carolina (or ordinance of
☒ County/ ☐ Municipality of Georgetown) as set forth below.

DESCRIPTION OF OFFENSE: Larceny / Grand Larceny, value \$10,000 or more

Having found probable cause and the above affiant having sworn before me, you are empowered and directed to arrest the said defendant and bring him or
her before me forthwith to be dealt with according to law. A copy of this Arrest Warrant shall be delivered to the defendant at the time of its execution, or as
soon thereafter as is practicable
Sworn to and subscribed before meon 06/30/2011

Signature of Issuing Judge (L.S.)

Dan Furr

Judge Code: 7096

Judge's Address Post Office Box 1830
Pawleys Island, SC 29585-1830

Judge's Telephone (843)545-3633

Issuing Court: ☒ Magistrate ☐ Municipal ☐ Circuit

ORIGINAL

ORIGINAL

ORIGINAL

ORIGINAL

Form Approved by
S.C. Attorney General
April 21, 2003
SCCA 518

AFFIDAVIT

517

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action Number: 2011-CP-22-00319

AFFIDAVIT OF SERVICE

FILED
GEORGETOWN COUNTY, S.C.
2011 MAR 24 PM 4:34
ALMA X. WHITE
CLERK OF COURT

PERSONALLY appeared before me, Jefferson Davis Kirby, who being duly sworn, states that he served the following documents:

1. Civil Action Cover Sheet;
2. Summons and Complaint;
3. Notice of Taking Deposition;
4. Interrogatories Propounded by the Plaintiff; and,
5. Plaintiffs' Requests for Production of Documents.

upon E. Scott Totter, President of Litchfield Plantation Company, Inc., a person authorized to accept service for Litchfield Plantation Company, Inc. by delivering to him personally, and leaving a copy with him at ADMINISTRATIVE OFFICES, LITCHFIELD PLANTATION, 3:40 P.M. on
ADMINISTRATIVE OFFICES, SOUTH CAROLINA
March 11, 2011 and that he knows the person so served to be the one mentioned and the deponent is not an attorney in nor a party to this action.

Jefferson Davis Kirby
Jefferson Davis Kirby

SWORN to before me this 15th
day of March, 2011

[Signature]
Notary Public for South Carolina

My Commission Expires: 4-5-2020

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol Kirby, Robert F.
McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

IN THE COURT OF COMMON PLEAS

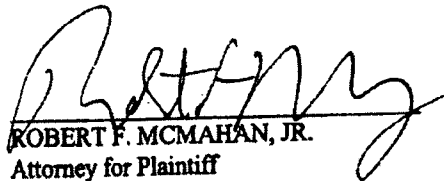
Civil Action No. 2011-CP-22-00319

NOTICE OF TAKING DEPOSITION

TO: THE DEFENDANT ABOVE-NAMED:

YOU WILL PLEASE TAKE NOTICE that on Tuesday, May 17, 2011, at 1:00 p.m., at The Carriage House, Litchfield Plantation, Pawleys Island, South Carolina, the undersigned attorney for the Plaintiffs will take the deposition of E. Scott Trotter, before a Notary Public, or some other officer authorized by law to take depositions, said deposition to continue from day to day until completed. You are invited to attend and take such part as is fit and proper.

HARRIS AND GRAVES, P.A.



ROBERT F. MCMAHAN, JR.
Attorney for Plaintiff
SC Bar No. 3891
Post Office Box 2277
Conway, SC 29528
(843) 234-2390
rjm@harrisgraves.com

Conway, South Carolina

Dated: April 28, 2011

SUBPOENA IN A CIVIL CASE

Litchfield Plantation Association, Inc., Joseph E. Johnston,
Thomas Eckard, Carol Kirby, Robert F. McMahan, Jr.,
and Thomas Martin Phillips,
Plaintiffs,

Case Number: 2011-CP-22-00319

Pending in Georgetown County

V.

Litchfield Plantation Company, Inc.,

Defendants

TO: E. Scott Trotter
Litchfield Plantation
Pawleys Island, SC

☐ YOU ARE COMMANDED to appear in the above named court at the place, date and time specified below to testify in the above case.

PLACE OF TESTIMONY	COURTROOM
	DATE AND TIME

☒ YOU ARE COMMANDED to appear at the place, date and time specified below to testify at the taking of a deposition in the above case.

PLACE OF DEPOSITION The Carriage House Litchfield Plantation Pawleys Island, SC	DATE AND TIME Tuesday, May 17, 2011 at 1:00 p.m.

☐ YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects in your possession, custody or control at the place, date and time specified below (list documents or objects):

PLACE	DATE AND TIME

☐ YOU ARE COMMANDED to appear at the permit inspection of the following premises at the date and time specified below.

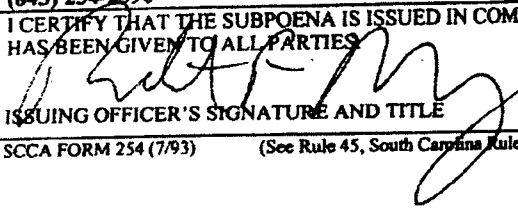
PREMISES	DATE AND TIME

ANY SUBPOENAED ORGANIZATION NOT A PARTY TO THIS SUIT IS HEREBY DIRECTED PURSUANT TO RULE 30(b)(6), SOUTH CAROLINA RULES OF CIVIL PROCEDURE, TO FILE A DESIGNATION WITH THE COURT SPECIFYING ONE OR MORE OFFICERS, DIRECTORS, OR MANAGING AGENTS, OR OTHER PERSONS WHO CONSENT TO TESTIFY ON ITS BEHALF, AND SHALL SET FORTH, FOR EACH PERSON DESIGNATED, THE MATTERS ON WHICH HE WILL TESTIFY OR PRODUCE DOCUMENTS OR THINGS. THE PERSON SO DESIGNATED SHALL TESTIFY AS TO MATTERS KNOWN OR REASONABLY AVAILABLE TO THE ORGANIZATION.

ISSUING OFFICER'S NAME, ADDRESS AND PHONE NUMBER

Robert F. McMahan, Jr.
Harris and Graves, P.A.
Post Office Box 2277
Conway, SC 29528
(843) 234-2390

I CERTIFY THAT THE SUBPOENA IS ISSUED IN COMPLIANCE WITH RULE 45(c)(1) AND THAT NOTICE AS REQUIRED BY RULE 45(b)(1) HAS BEEN GIVEN TO ALL PARTIES.

ISSUING OFFICER'S SIGNATURE AND TITLE  ATTORNEY FOR PLAINTIFFS DATE: April 28, 2011

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol Kirby, Robert F.
McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s) and

E. Scott Trotter,

Intervening Defendant

IN THE COURT OF COMMON PLEAS

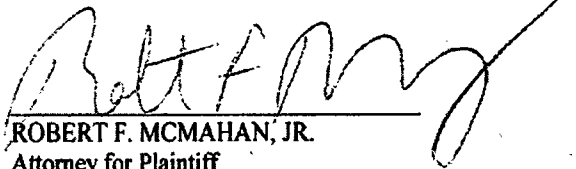
Civil Action No: 2011-CP-22-00319

NOTICE OF TAKING DEPOSITION

TO: THE DEFENDANT ABOVE-NAMED:

YOU WILL PLEASE TAKE NOTICE that on Monday, November 7, 2011, at 2:00 p.m., in the second floor conference room of the Litchfield Company located at 14250 Highway 17 S., Pawleys Island, South Carolina, the undersigned attorney for the Plaintiffs will take the deposition of E. Scott Trotter, before a Notary Public, or some other officer authorized by law to take depositions, said deposition to continue from day to day until completed. You are invited to attend and take such part as is fit and proper.

HARRIS AND GRAVES, P.A.


ROBERT F. MCMAHAN, JR.

Attorney for Plaintiff
SC Bar No. 3891
Post Office Box 2277
Conway, SC 29528
(843) 234-2390
rjm@harrisgraves.com

Conway, South Carolina

Dated: October 5, 2011

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF E. SCOTT TROTTER

FILED
GEORGETOWN COUNTY, S.C.
20 JUN -7 AM 10:44
ALMA Y. WHITE
CLERK OF COURT

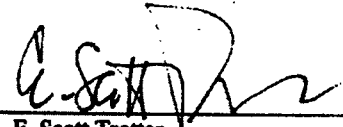
I, E. Scott Trotter after being duly sworn do hereby state and affirm the following:

1. I was the president of Litchfield Plantation Company, Inc. from May, 2009 until I resigned on March 28th 2011 and I currently hold no position with Litchfield Plantation Company.
2. I was elected to the Board of Governors of Litchfield Plantation Association in the Spring of 2007.
3. From the time I became involved with Litchfield Plantation Company and Litchfield Plantation Association until April 1, 2010, the annual assessment date for the property owners of Litchfield Plantation Association was always April 1 of each year.
4. Pursuant to the Covenants governing Litchfield Plantation, during the Class B share period Litchfield Plantation Company is required to either fund the shortfall in the operating budget of Litchfield Plantation Association or pay assessments on its property.
5. In the years 2007, 2008 and 2009, Litchfield Plantation Company funded the shortfall in the Litchfield Plantation Association budget instead of paying assessments on its property.
6. In the fall of 2010 it was apparent that the financial condition of Litchfield Plantation Company was poor and that it appeared that Litchfield Plantation Company was not going to be able to fund the shortfall in the Litchfield Plantation Association budget.

Esc

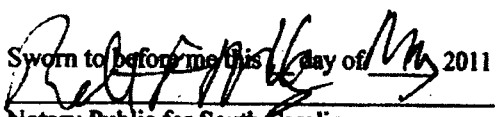
7. I sent letters dated April 30, 2010, November 19, 2010 and December 23, 2010 to the homeowners of Litchfield Plantation. True and accurate copies of these letters are attached to this affidavit.
8. Due to the inability of Litchfield Plantation Company to either fund the shortfall in the Litchfield Plantation Association budget or pay assessments on its property, Litchfield Plantation Association, at my direction, assessed the property owners of Litchfield Plantation in January, 2011 instead of April, 2011.
9. Litchfield Plantation Company has not paid any part of the budget of the Litchfield Plantation Association nor paid any assessments on its currently owned property from April, 2010 until I resigned on March 28th 2011. All funds used to pay the budget of the Litchfield Plantation Association after January, 1, 2011 came from the homeowners.
10. I received a Notice of Special Meeting of Members of Litchfield Plantation Association, Inc. signed by in excess of 5% of the homeowners of Litchfield Plantation Association calling a meeting for February 26, 2011.
11. At the meeting on February 26, 2011, which I attended on behalf of Litchfield Plantation Company, I did not submit a written ballot on any of the matters voted on at that meeting.

FURTHER AFFIANT SAYETH NAUGHT

By: 

E. Scott Trotter

Sworn to before me this 14th day of May 2011


Notary Public for South Carolina

My commission expires: 4-5-2020

Litchfield Plantation Association, Inc.

April 30, 2010

Dear Litchfield Plantation Property Owner:

On Saturday April 10, 2010 we had an informal property owner meeting to discuss the issues on the agenda sent to you 2 weeks earlier.

As discussed with the approximately 40-45 property owners present at the meeting, the Litchfield Plantation Company (LPC) is the Declarant and is responsible for funding the annual LPA budget shortfall. LPC is no longer able to fund the budget deficits going forward.

LPC relies on real estate sales to fund the budget deficits and has had virtually no sales in over two years! Regular LPA assessments are not sufficient to cover the annual operating expenses because there are not enough property owners paying assessments.

FYI, the bills for the 2010/2011 assessments went out in March with 73 (\$138,700.00) collected to date. If you haven't mailed in your assessments please do so at your earliest convenience.

The LPA fiscal year has always run from April 1st through March 31st. The 2010/2011 assessments will fall short of covering the 2010/2011 fiscal year operating expenses. I am hopeful funds will cover expenses through December 31, 2010. In order to collect additional LPA assessments after December 31st 2010, the strategy is to change the LPA fiscal year to a calendar year thereby allowing assessment bills for Calendar Year 2011 to be sent out in December 2010 for collection in January 2011. This should give LPA enough funds to pay expenses through approximately May 2011. 2011 calendar year dues will be \$1,425.00 with a credit given for one (1) quarter.

Waverly Creek Realty, LLC (WCR) while not the Declarant, has been authorized by LPC and LPA to manage the 2010 LPA Operating Account and has been paying LPA expenses since April 1st. We plan to run a very lean budget with LPA expenses being transparent to the property owners.

Due to the financial condition of LPC the three (3) loans on property owned by LPC within Litchfield Plantation are in default with foreclosure on one or more of these loans being a possibility. In the event of foreclosure it is very important that the homeowners (LPA) be solvent and unified.

Enough bad news! The good news is we have been seeking a compatible buyer to purchase the assets of LPC and to provide patient money to weather this real estate storm and to provide funds to finish the development. We are confident we can find that person or company before summer of 2011 when LPA will run out of funds. This new entity would replace LPC as the Declarant and take on the responsibility of funding LPA budget deficits going forward.

If you have any questions concerning LPA issues please call me at 843-237-9680.

Sincerely,



E. Scott Trotter

24 Avenue of Live Oaks + Pinelawn Island, SC 29585 + Office (843) 237-9680 + Fax (843) 237-9680

ESC
5/16/11

Litchfield Plantation Association, Inc.

November 19, 2010

Dear Litchfield Plantation Property Owner:

This letter is the first of several important letters which will be sent over the next few weeks to outline and explain some of the issues that concern Litchfield Plantation now and going forward. The following issues are addressed in this letter:

- The Beach House
- The Carriage House Club
- Waverly Creek Realty, LLC
- Litchfield Plantation Association, Incorporated
- Litchfield Plantation

Litchfield Plantation Company, Inc. (LPC), as the owner of the Beach House at Pawleys Island, has allowed Georgetown County to tax it as a private beachfront residence and not as an amenity for our community, which resulted in annual ad valorem property taxes exceeding \$15,000. In 2007, LPC appealed the ad valorem tax bill and asserted the assessed value should be lowered based on historic "Easements of Use" in favor of Litchfield Plantation Association, Inc. (LPA or the Association). The Beach House was sold at a tax sale for the nonpayment of 2008 and 2009 ad valorem property taxes of approximately \$45,000 (inclusive of fees and interest). Through diligent work by our attorney, Charles Nation, the tax sale was set aside and voided, and the beach house is now assessed so that the taxes are less than \$100 annually. LPC intends on transferring the Beach House to LPA before the end of the year.

As mentioned in the last letter, the Carriage House Club Building (CHC) and the surrounding real estate is in the initial stages of foreclosure by the lender, BDC Capital. A hearing was recently held in the foreclosure. Litchfield Plantation Hospitality Group, LLC remains as the tenant and a local CPA firm was appointed as receiver of the property to collect rent, inventory the personal property, and monitor the financials pending the conclusion of the foreclosure. The lease in favor of Litchfield Plantation Hospitality Group, LLC runs through July 2014, and it plans to remain the tenant of the CHC, and expects operations to continue as normal. It appreciates your continued support and business and looks forward to seeing you over this holiday season.

Waverly Creek Realty, LLC (WCR) has been the exclusive sales agent for LPC since 2005. During that period, WCR sold a total of 94 properties valued at \$36,368,000. WCR has been the exclusive listing agent and currently does not sell or list real estate outside Litchfield Plantation. LPC has no lots available for sale, only undeveloped acreage. Currently, its listings are the last remaining Tucker's Woods Townhouse, and 11 lots located within Legacy Place. WCR also has several property owner listings within the Plantation - the lot inventory is well below normal.

Litchfield Plantation Association, Inc. (LPA) was chartered as the homeowner's association in 1971, and has been historically operated by LPC since then. Under section 5.8 of the Covenants, Conditions and Restrictions (CC&R's) LPC, as the Declarant, is obligated to either pay assessments for the property it owns, or pay any "shortages" in the budget. Since 1971, the Association has run a deficit, and LPC has funded the shortfall.

Handwritten signature/initials

In April 2010, the Declarant contracted with Waverly Creek Realty, LLC to take over the management and operations of the Association. At that time, WCR established a budget for the fiscal year which began on April 1, 2010, and ends on March 31, 2011, and has managed and maintained the property during this period. As in each prior year the annual assessments received are less than the annual expenses of the Association for the current fiscal year, and it appears LPC will not be able to fund the operating shortfall for this fiscal year due to the lack of real estate sales and operating income.

In early December, the Association will forward financial statements reflecting the 2010 LPA Operating Account which details the sources and uses of funds from April 1, 2010, through November 30, 2010.

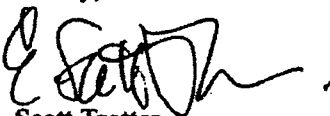
WCR will provide the Association with 2011 budget recommendations based on April 1, 2010-December 31, 2010 actual expenditures. The projections reflect the Association should have sufficient funds to cover expenses through December 31, 2010. In light of the economy and the absence of sales, LPA will change the fiscal year to a calendar year beginning January 1, 2011 and ending December 31, 2011. A calendar year fiscal year will enable the Association to assess all properties in December of 2010, for calendar year 2011, at which time each owner will receive a credit for assessments paid through the 1st quarter of 2011. The 2011 calendar year assessment will be for 75% of the current annual regular assessment of \$1,900. The projected assessment for each lot for calendar year 2011 will be \$1,425. The change and acceleration of the fiscal year will allow the Association to collect funds in January of 2011. Based on current year operating expenses, the assessments for 2011 should fund the Association through May 30, 2011.

We continue to search for a purchaser and new Declarant to provide a solid new ownership group. Since April of this year, LPC has entertained four serious prospects and each prospect has declined the transaction. The real estate market continues to be very weak with no clarity on value; competing transactions appear to offer better returns, and finding the right purchaser or group has been and remains challenging.

A property owners meeting will be held at the Carriage House Restaurant at 10:00 a.m. on Saturday, January 15, 2011, to discuss these and any other issues affecting Litchfield Plantation. We will continue to update you as the year closes.

Have a wonderful Thanksgiving and holiday season.

Sincerely,


E. Scott Trotter

cc: Jeff Van Treese

W. Logan Trotter

Cest
5/16/11

Litchfield Plantation Association, Inc.

December 23, 2010

Dear Litchfield Plantation Property Owner:

I hope you are having a wonderful holiday season and are staying warm in the unseasonable weather.

As addressed at the April 1 property owner meeting, again in my April 10 letter, the October 20 letter and the November 20 letter, Litchfield Plantation Company, Inc. (LPC) would no longer be able to fund the shortfall of the 2010-2011 Litchfield Plantation, Inc. (LPA) operating budget. Because of LPC's financial condition we would change the fiscal year from April 1 to March 31 to a calendar year in order to pay the operating expenses through May 2011. That time has come.

Enclosed is your 2011 LPA Assessment based on the formula more specifically spelled out in the November 20 letter, i.e. \$1,425.00 not \$1,900.00, reflecting a three (3) month credit in your normal assessment.

Also enclosed is a Sources and Uses of Funds for the 2010-2011 LPA operating budget from April 1 to November 30, 2010. On or before the January 15, 2011 property owner meeting financials covering the 2010-2011 LPA fiscal year ending December 31, 2010 will be given to you. This will also include balance sheet information such as delinquent amounts, LPA accounts receivable and payable etc. As soon as practicable the entire 2010-2011 LPA fiscal year will be tabulated and given to you.

On or before the January 15, 2011 property owners meeting, a 2011 LPA operating budget will be presented to you based on 2010-2011 expenditures. This proposed budget will assume the same Gate and Grounds line-item expenses in the 2010-2011 budget. As these two (2) line-items, including related payroll expenses, account for over 60% of the budget, Gate and Grounds Maintenance options will be presented to you, which if implemented could significantly reduce the budget.

As some of you are aware, an independent property owner meeting was held on December 7, 2010 to discuss issues with regard to the present condition of Litchfield Plantation. On December 17, 2010 we met with a committee assigned to look into those issues. While we fully intend to address all of the pertinent issues, the two main issues presented, financial transparency and property owner representation on the Board of Governors, have been or will be addressed.

24 Avenue of Live Oaks -- Pawleys Island, SC 29585 -- Office (843) 237-9688 -- Fax (843) 237-968

WST
5/16/11

Regarding financial transparency, the attached Sources and Uses plus the additional financial information promised address this issue.

Regarding the LPA Board of Governors, we intend to appoint two (2) property owners to the five (5) member Board as soon as possible. In fact, Bobby McMahon, an attorney who lives in Chapel Creek Villas has indicated he is willing to serve. Another property owner will be appointed soon.

As a historical footnote, the LPA Board of Governors prior to late spring of 2009 consisted of Allan Kidston (representing LPC, LPA, RPC, CHC and LPCI), Jeffrey Van Treese (representing LPC, LPA, RPC), Claudia Bossen (Accountant for LPC, LPA, RPC), Bill Gamble (representing the property owners), and myself (representing property owners, Tuckers Woods and Legacy Place ongoing development interests).

Because of the self-serving conduct of Kidston, Van Treese and Bossen in 2009 following the sale of the stables property, Kidston and Bossen resigned. Bill Gamble resigned shortly after that leaving Van Treese and myself on the Board. We are charged with reseating the board. More information regarding the LPA Board of Governors will be forthcoming before the January 15, 2011 property owners meeting.

All of these issues notwithstanding, the most important issue is funding the 2011 LPA operating account through May 2011 and what we will do beyond May 2011 if we don't find a financial partner/new owner who will accept the responsibility of deficit funding the LPA budget. Several ideas have been discussed and will be open for discussion at the January 15, 2011 meeting.

In the meantime, it is crucial to understand that LPA will be out of funds going into 2011 and I would hope that those inclined will mail their assessment by return mail. Please make your checks out to 2011 LPA Operating Account.

Thanks for your support,


E. Scott Trotter

cc: Jeffrey Van Treese

EST
5/16/11

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr., and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendants.

And

E. Scott Trotter,

Intervenor,

) IN THE COURT OF COMMON PLEAS
) FOR THE 15th JUDICIAL CIRCUIT
)

CASE NO: 2014-CP-22-00319

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP 26 PM 3:22
ALMA Y. WHITE
CLERK OF COURT

Affidavit

Personally appeared before me, E. Scott Trotter, hereinafter "the Affiant", who after first being duly sworn and under oath, states and acknowledges he is over the age of eighteen (18) years, is competent to testify in a court of law, and the following information and facts are accurate and based on his personal knowledge, except as to those matters which are stated on his belief and, as to those matters, he believes them to be true:

1. Affiant was appointed as the President of Litchfield Plantation Company, Inc. with severe limitations on his authority and served as President of Litchfield Plantation Company, Inc. from June of 2009, until he resigned as President in March of 2011.
2. Affiant was seated as a member of the Litchfield Plantation Association, Incorporated in 2007, and initially served as a member of the Board of Governors for Litchfield Plantation Association, Incorporated with Allan L. Kidston (President of Litchfield Plantation Association, Incorporated), Jeffrey W. Van Treese (Vice-President of Litchfield Plantation Association, Incorporated), Claudia E. Bossen (Treasurer of Litchfield Plantation Association, Incorporated), and William Gamble. Affiant believes he currently a Member of the Board of Governors for Litchfield Plantation Association, Incorporated.
3. Affiant believes the substantive and procedural due process requirements for the governance of Litchfield Plantation Association, Incorporated are established and reflected within the Declaration of Restrictive Covenants dated January 26, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Book 98 at Page 36, hereinafter "the 1971 Declaration", the By-Laws established for Litchfield Plantation Association, Incorporated at or around the time of the 1971 Declaration, an Amendment to Declaration of Restrictive Covenants dated December 30, 1988, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Deed Book 317 at Page 222, hereinafter "the 1971 Declaration as Modified

in 1988"; and the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc., and joined in by Litchfield Plantation Association, Incorporated, and Resources Planning Corporation, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1, hereinafter "the 2005 Restated Declaration", including the Amended By-Laws filed therewith, and the common law and statutes of the State of South Carolina.

4. This Affidavit centers on the actions prior to, at and after a special meeting called for Litchfield Plantation Association, Incorporated, which was held on February 26, 2011, at the Carriage House Restaurant located at Litchfield Plantation, hereinafter "the Special Meeting".
5. Affiant and Jeffrey W. Van Treese, acting as duly elected Governors of Litchfield Plantation Association, Incorporated, had the right to change the commencement date of the fiscal year "for accounting reasons or other good cause" as expressed in Article X, Section 3 of the 2005 Restated Declaration, and properly changed the fiscal year by a duly adopted resolution on December 23, 2010.
6. Affiant believes the gross assessments collected for the 2010 - 2011 fiscal year as amended, April 1, 2010, through December 31, 2010, for Litchfield Plantation Association, Incorporated, were sufficient to pay all outstanding expenses of the 2010 - 2011 Operating Budget, as amended, and therefore Litchfield Plantation Company, Inc. was not in default on its obligation to pay the shortfall as of January 1, 2011, or at the time of the Special Meeting, or at the time of the commencement of the civil action requesting declaratory judgments. Affiant is aware of delinquencies in the payment of assessments, some of which are very old.

7. Affiant believes the change of the 2011 Litchfield Plantation Association, Incorporated fiscal year to a calendar year (January 1, 2011 - December 31, 2011) was justified "for accounting reasons or other good cause".
8. Affiant believes the assessments collected through the end of July of 2011, were sufficient to pay the Operating Expenses for Litchfield Plantation Association, Incorporated through the end of July 2011, and therefore no shortfall existed as of January 1, 2011, or as of July 31, 2011.
9. Affiant believes the Plaintiffs understood, accepted and acknowledged the Board of Governors for Litchfield Plantation Association, Incorporated, had the right to change the commencement date of the fiscal year because they caused the Special Meeting to be scheduled on February 26, 2011, for the express purpose of ensuring the Members of Litchfield Plantation Association, Incorporated present at the Special meeting would not be disqualified from voting at the Special Meeting under the 2005 Restated Covenants.
10. Affiant believes as many as 66% of the Members of Litchfield Plantation Association, Incorporated could have been at least sixty (60) days in arrears three (3) days after the Special Meeting pursuant to Article 5, Section 5.6, of the 2005 Restated Declaration; Affiant believes Plaintiffs were aware of the provision within the 2005 Restated Declaration which disqualified Members of Litchfield Plantation Association, Incorporated from voting in the event the Member was 60 days in arrears "with respect to all money owed the Association...".
11. Affiant believes Plaintiffs purposefully scheduled the Special Meeting 57 days from January 1, 2011, the amended and new commencement date of the 2011 Litchfield Plantation Association, Incorporated fiscal year, and thereby recognized the efficacy of the amendment.

12. Affiant believes the Special Meeting was improperly noticed as required by Article VI, Section 5, of the 2005 Restated Declaration.
13. Affiant believes a quorum of Members of Litchfield Plantation Association, Incorporated was not present at the Special Meeting because there are 165 Members of Litchfield Plantation Association, Incorporated, and 83 Members of Litchfield Plantation Association, Incorporated in "good standing" are necessary in order for a quorum to exist under Article VI, Section 5 of the 2005 Restated Declaration. Affiant does not believe there were 83 Members of Litchfield Plantation Association, Incorporated in "good standing" present at the Special Meeting.
14. Affiant believes the ballot used to record the votes at the Special Meeting to allegedly remove E. Scott Trotter and Jeffrey W. VanTreese from the Board of Governors for Litchfield Plantation Association, Incorporated, were purposefully worded and framed in such a way as to effectively prevent and deny the Members of Litchfield Plantation Association, Incorporated who were present in person or by proxy from casting his, her, their, or its vote(s) so as to allow them to remain on the Board of Governors for Litchfield Plantation Association, Incorporated, and to attempt to prevent Litchfield Plantation Company, Inc. from casting its votes as allowed by the 2005 Restated Declaration, more particularly Article 5, Section 5.5 (B), and Article IV, Section 1 (B) and Section 3, or the 2005 Restated Declaration.
15. Affiant believes the reported number of votes which were counted as being cast to remove E. Scott Trotter from the Board of Governors for Litchfield Plantation Association, Incorporated was 83, believes the reported number of votes which were counted as being cast to remove Jeffrey W. VanTreese from the Board of Governors for Litchfield Plantation Association, Incorporated was 94, and does not believe it was possible to achieve these vote counts based on a variety of factors which include but are not limited to the information contained within the Affidavit of Carol E. Kirby dated June 5, 2011, which is attached to a Motion for Summary Judgment filed with the court.

16. Affiant believes Joseph E. Johnston, Thomas Eckard, Carol E. Kirby, Robert F. McMahan, Jr., and Maria Cartwright, hereinafter "the Committee of Five", planned and conducted the Special Meeting, with the knowledge their actions were contrary to their understanding and a reasonable interpretation of the 2005 Restated Declaration, willingly and knowingly allowed the votes to be cast, counted and ratified in violation of the 2005 Restated Declaration. Affiant believes this conduct should be imputed to Joseph E. Johnston, Thomas Eckard, Carol E. Kirby, Robert F. McMahan, Jr., and Thomas Martin Phillips, the five individual Plaintiffs in Civil Action 2011-CP-22-319, hereinafter "the Plaintiffs".
17. Under Article 5.5 of the Restated Declaration, Litchfield Plantation Association, Incorporated has two (2) classes of Membership, Class "A" and Class "B". Class "A" Members of Litchfield Plantation Association, Incorporated include all Owners except for the Class "B" Member, if any. Class "A" Members have one (1) equal vote for each Lot for which they hold the interest required for membership under Section 5.4 of the Restated Declaration, and there shall be only one vote per Lot. The sole Class "B" Member is Litchfield Plantation Company, Inc., hereinafter sometimes referred to as "the Declarant". The rights of the Class "B" Member, including the right to disapprove actions of the Board and any Committees, are specified in the relevant sections of the Restated Declaration and the Bylaws. During the Class "B" share period, the Class "B" Member has the number of votes equal to all Class "A" Members plus one (1) vote.
18. Under the 2005 Restated Declaration, the Class "B" membership only ceases and is converted to Class "A" Membership in the event one of three (3) events. The first event potential event is the passage of five (5) years, an initial period commencing on January 1, 2005, and ending December 31, 2010, unless the initial period is automatically extended for a successive period of five (5) years, an automatic extension in the event the Declarant sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners prior to December

31, 2010. The second potential event is the determination of the Declarant. The third potential event is the date which is one hundred and eighty (180) days after the Declarant has sold ninety percent (90%) of all Lots subject to the 2005 Restated Declaration.

19. Under the 2005 Restated Covenants, the Class "B" share period was slated to end on December 31, 2010, but was automatically extended for a successive period of five (5) years because Litchfield Plantation Company, Inc. sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners before the stated deadline. Under the 2005 Restated Covenants, the automatic extension "shall be" conclusively established by the Declarant recording an Affidavit stating the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010. The Declarant sold 101 Lots to Non-Affiliated Owners from January 1, 2005, through December 31, 2010, and an Affidavit was filed of public record. A copy of this Affidavit is attached hereto and expressly incorporated herein by reference.
20. The initial Class "B" share period was extended for five (5) years through December 31, 2015, and Litchfield Plantation Company, Inc. has, and other parties have, a vested interest in maintaining the Class "B" share period, an underpinning to the value of the assets owned and mortgaged by Litchfield Plantation Company, Inc.
21. While Affiant acted as the President of Litchfield Plantation Company, Inc., the Declarant made no determination to end the Class "B" share period, and the Declarant has not sold ninety percent (90%) of all the Lots subject to the 2005 Restated Declaration. Article 5.5 of the 2005 Restated Covenants addresses the Class "B" voting control, and Litchfield Plantation Company, Inc. is the sole Class "B" Member and has the number of votes equal to all Class "A" Members plus one (1) vote during the Class "B" share period.
22. The Class "B" membership has not ceased and has not been converted to Class "A" Membership, and Affiant believes that prior to and after the Special Meeting, the Class

"B" share period as defined within the 2005 Restated Declaration was in effect, and believes Litchfield Plantation Company, Inc., as the Declarant, was allowed to exercise its rights to "disapprove actions of the board or committees".

23. Affiant knows Litchfield Plantation Company, Inc. exercised this right as reflected by a printed handout placed by the Affiant on the chairs within the meeting hall prior to the meeting. A copy of the printed handout placed by the Affiant on the chairs within the meeting hall is attached hereto and expressly incorporated herein by reference. Affiant knows Litchfield Plantation Company, Inc. exercised this right by giving verbal notice to this effect at the Special Meeting while acting as the interim President of Litchfield Plantation Company, Inc. under the 2005 Restated Declaration, and under Article 5, Section 5.5 (B) of the 2005 Restated Declaration. Affiant knows the Committee of Five acknowledged this right at the meeting and intended on requesting the Declarant to sanction the results of the Special Meeting, a request which the Declarant had previously declined and would decline again for good reason.
24. Affiant believes that prior to the Special Meeting, the Class "B" share period was in effect, and Litchfield Plantation Company, Inc. had the right to exercise its rights as the Class B Member and the Declarant, and Litchfield Plantation Company, Inc. had "the number of votes equal to all the Class A members plus one (1) vote ..." under Article 5, Section 5.5 (B) of the 2005 Restated Declaration, and the results of the Special Meeting are therefore a nullity.
25. Affiant believes the Plaintiffs, as of the date and time of and after the Special Meeting, knew and currently know the 2005 Restated Declaration clearly outlined the only provisions which allows for the expiration of the Class "B" share period, and knew the Class "B" share period was not terminated by a failure of an extension, by expiration, by forfeiture related to any of the acts of Litchfield Plantation Company, Inc., or by any of the governing documents of Litchfield Plantation Association, Incorporated, or by operation of law.

FURTHER AFFIANT SAYETH NOT.



E. Scott Trotter (L.S.)

Sworn and subscribed to before me this 12th day of September, 2011.

Notary Public for State of South Carolina
My Commission Expires: 2. 7. 15.
(Seal)

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr., and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) FOR THE 15th JUDICIAL CIRCUIT
)

CASE NO: 2010-CP-22-00319

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP 26 PM 3:21
ALMA Y. WHITE
CLERK OF COURT

AFFIDAVIT OF JOHN MILLER

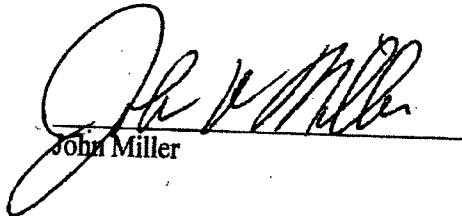
Under oath and penalty of perjury, I state the following:

1. My name is John Miller. I am over the age of eighteen (18) years, and am competent to testify in a court of law, and the following information and facts are accurate and based on my personal knowledge, except as to those matters which are stated upon my belief, and as to those matters, I believe them to be true.
2. I am the president of the Litchfield Plantation Company, Inc. and have held this position since April 21, 2011.
3. During my time as President of the Litchfield Plantation Company, Inc., the Litchfield Plantation Company (the Declarant under the Covenants and Restrictions for Litchfield Plantation) has never made any election to end the Class "B" share period, and the Declarant has not sold ninety percent (90%) of all Lots subject to the 2005 Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation.
4. At no time, has the Litchfield Plantation Company, Inc. ever received demand from the

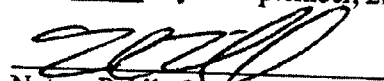
Litchfield Plantation Association, Inc. for payment of a shortfall in the Association Dues for 2010 or beyond.

5. That in the middle of July, I received three invoices from the Litchfield Plantation Association, Inc. for an additional assessment enacted by the Plaintiffs dated July 11, 2011 assessing all property owners in Litchfield Plantation. A copy of these invoices is attached hereto as exhibit "A".
6. The three invoices received from Litchfield Plantation Association, Inc. each provide that there was a zero ("0.00") balance owed by the Litchfield Plantation Company, Inc. as of July 1, 2011.

Further affiant sayeth not:


John Miller

SWORN to before me this
23 day of September, 2011.


Notary Public for South Carolina
My commission expires: 11/27/18

Litchfield Plantation Association, Inc.
 c/o K.A. Diehl
 11740 Highway 17 Bypass
 Murrells Inlet, SC 29576

00017123	07/11/2011
08/15/2011	\$52,800.00

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

Send Payment To:
 Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Address: 11.25 acres-44 lots
Owner : Litchfield Plantatio Corp

07/01/2011		BALANCE FORWARD	0.00		0.00
07/01/2011		Addl General Assmnt	52,800.00		52,800.00

Make Checks Payable to Your Association

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

00017123	07/11/2011
08/15/2011	\$52,800.00

Make Checks Payable to Your Association
 Detach and Return this portion with your Remittance

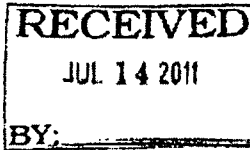
To: Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Litchfield Plantation Assoc., In
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Property:
 11.25 acres-44 lots
 Pawleys Island, SC 29585

0035 00000149 0000000000017123 & 05280000 05280000 0

Litchfield Plantation Association, Inc.
 c/o K.A. Diehl
 11740 Highway 17 Bypass
 Murrells Inlet, SC 29576



00017121	07/11/2011
08/15/2011	\$24,000.00

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

Send Payment To:
 Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Address: 4.5 acres- 20 lots
Owner : Litchfield Plantatio Corp

07/01/2011		BALANCE FORWARD	0.00		0.00
07/01/2011		Add'l General Assmnt	24,000.00		24,000.00

Make Checks Payable to Your Association

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

00017121	07/11/2011
08/15/2011	\$24,000.00

Make Checks Payable to Your Association
Detach and Return this portion with your Remittance

To: Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Property:
 4.5 acres- 20 lots
 Pawleys Island, SC 29585

0035 00000149 00000000000017121 4 02400000 02400000 5

Litchfield Plantation Association, Inc.
 c/o K.A. Diehl
 11740 Highway 17 Bypass
 Murrells Inlet, SC 29576

Account Number	Date
00017122	07/11/2011

Payment Due	Amount Due
08/15/2011	\$33,600.00

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

Send Payment To:
Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Address: 7.4 acres-28 lots
Owner : Litchfield Plantatio Corp

DATE	DESCRIPTION	CHARGES	CREDITS	BALANCE
07/01/2011	BALANCE FORWARD	0.00		0.00
07/01/2011	Addtl General Assmnt	33,600.00		33,600.00

Make Checks Payable to Your Association

Litchfield Plantatio Corp & Mark Neill
 P.O. Box 2810
 Murrells Inlet, SC 29576

Account Number	Date
00017122	07/11/2011
Payment Due	Amount Due
08/15/2011	\$33,600.00

Make Checks Payable to Your Association
Detach and Return this portion with your Remittance

To: Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Litchfield Plantation Assoc., Inc.
 c/o K.A. Diehl
 PO Box 99249
 Raleigh NC 27624-9249

Property:
 7.4 acres-28 lots
 Pawleys Island, SC 29585

0035 00000149 00000000000017122 6 03360000 03360000 9

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF CAROL E. KIRBY

FILED
GEORGETOWN COUNTY, S.C.
2011 JUN -7 AM 10:44
ALMA Y. WHITE
CLERK OF COURT

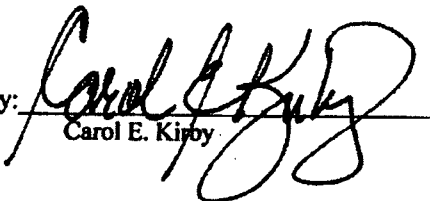
I, Carol E. Kirby, after being duly sworn, do hereby state and affirm the following:

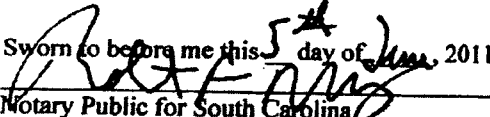
1. I am and have been a property owner in Litchfield Plantation since 2005.
2. On February 2, 2011, I and four other members of an informal committee elected by property owners in Litchfield Plantation met with E. Scott Trotter, who was then a governor and President of Litchfield Plantation Association and a governor and President of Litchfield Plantation Company. We requested that Mr. Trotter call an annual meeting of the members of Litchfield Plantation Association. He refused. No Annual meeting of the Litchfield Plantation Association has been held since 2008. The Amended and Restated ByLaws of Litchfield Plantation Association, Inc. require that an annual meeting of members be held in November of each year.
3. I prepared a Notice of Special Meeting of Members of Litchfield Plantation Association, Inc., a true and accurate copy of which is attached hereto as Exhibit A (the "Notice").
4. In February, 2011, there were one hundred thirty-one (131) property owner Members of the Association who owned one hundred sixty-five (165) properties, according to the information provided to me by the President of the Association. Members constituting in excess of five percent (5%) of the voting power of Litchfield Plantation Association signed the Notice.



5. The Special Meeting of Members of Litchfield Plantation Association, Inc. was held on February 26, 2011 (the "Meeting"). In excess of ninety (90) Members were present either in person or by proxy. A quorum was present.
6. Eighty three (83) members voted by written ballot to remove E. Scott Trotter and ninety four (94) members voted by written ballot to remove Jeffrey Van Treese from their positions as officers and governors of Litchfield Plantation Association at the Meeting. Trotter and Van Treese were the only two (2) governors and officers of the Association at that time. The ByLaws provide that the Board of Governors "shall consist of five (5) members."
7. Eight (8) individuals were nominated from the floor to be governors. A vote by written ballot was taken. The five (5) nominees who received the most votes were Joseph E. Johnston, Thomas Eckard, Carol E. Kirby, Robert F. McMahan, Jr. and Thomas Martin Phillips. The other nominees were Maria Cartwright, E. Scott Trotter and Logan Trotter.
8. Since 2005 when I purchased property in Litchfield Plantation, the annual assessment has always been due and payable in full on April 1st.
9. Attached hereto as Exhibit B is a true and accurate copy of an annual assessment invoice I received in 2008 from Mr. Allan Kidston, who was then President of Litchfield Plantation Association, which states "Annual fee is changed on April 1st of any given year and is not concurrent with the association's fiscal year (which runs from November 1st to October 31st)."

FURTHER AFFIANT SAYETH NAUGHT

By: 
Carol E. Kirby

Sworn to before me this 5th day of June, 2011

Notary Public for South Carolina
My commission expires: 4-5-2020

**SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.**

Pursuant to Article VI (Member's Meetings), Section 5 of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. ("LPA"), and as evidenced by their signatures below, the holders of at least five percent (5%) of the voting power of the Association hereby demand and call a Special Meeting of the Members of LPA to be held on February 26, 2011 at 10:00 a.m. at the Carriage House.

The purposes of the meeting are as follows:

1. To discuss removing E. Scott Trotter and Jeffrey W. Van Treese from their positions as Governors and as President and Secretary, respectively, of the LPA Board of Governors (the "Board");
2. To nominate and elect five (5) new Governors to the Board;
3. To retain an independent management company to manage the finances and affairs of LPA;
4. To discuss the financial status of LPA;
5. To discuss the termination of the Class B share period under the Declaration of Protective Covenants, Conditions and Restrictions; and
6. To discuss commencing litigation (a) against Litchfield Plantation Company, Inc. ("LPC"), its officers, directors and shareholders, (b) against Mr. Trotter, Mr. Van Treese and Allan Kidston, individually, and (c) against such other entities and individuals as the Members determine, for all such claims as the Members have against them.

LITCHFIELD PLANTATION
MAINTENANCE AND OPERATIONS FEES
Fiscal Year ended: October 31, 2008

Association Fees

Class "A" Members

\$1,900.00 annual *

Payable in full on April 1, 2008

Annual fee is changed on April 1st of any given year and is not concurrent with the association's fiscal year (which runs from November 1st to October 31st).

* CPI for the period October, 2007 through October, 2008 is reported by U. S. Department of Labor is 3.53% (208.936 divided by 201.8). It is anticipated the CPI will be a minimum of 3.5% for the full twelve months ended March 31, 2008. Hence, \$1,850 times 1.035 yields \$1,914.75, which was then rounded down to the nearest hundred dollars (\$1,900).

In accordance with Article 5.11 Maximum Annual Assessment During Class "B" Share Period. The maximum annual increase is the lesser of a 5% annual increase or the amount of change in the Consumer Price index (CPI).

Article 5.8 Declarant's Obligation for Assessments . Declarant elects to pay the "shortage" for the fiscal year. The shortage is the difference in the amount of revenues received by the Association and the actual expenditures incurred by the Association during the fiscal year.

LITCHFIELD PLANTATION
FEES FOR COMMON FACILITIES AND SERVICE

PLANTATION HOUSE

Reservations can be made at the Guest Center. Check in time is 3:00 p.m.; check out time is by 11:00 a.m. Members of Litchfield Plantation Association enjoy a 20% discount of the published guest rates shown for the Plantation House.

GUEST RATES

Guest rates are pursuant to published schedule of rates as they may appear from time to time.

For use of Plantation House terraces or lawn areas for a reception, party or similar affair: Schedule of fees and requirements per published rates.

MARINA

Rates are published according to slip type, length of boat and minimum charges. Rate cards are available from the Harbor master or at the Administrative office.

PAWLEYS ISLAND BEACH CLUBHOUSE

Rates shown are for a maximum period of four (4) hours. Reserving party is responsible for set up and clean up; any additional services required to restore the facility to proper order will be billed to the reserving party.

	<u>Association</u>	<u>Guests</u>
	<u>Member</u>	
Second Floor	\$200	(
Third Floor	\$200	(\$850
Second & Third Floors	\$400	(

POOL HOUSE

Rates shown are for a maximum period of four (4) hours. Reserving party is responsible for set up and clean up; any additional services required to restore the facility to proper order will be billed to the reserving party.

<u>Association</u>	<u>Guests</u>
<u>Member</u>	
\$200	\$750

ADMINISTRATIVE SERVICE

Requests for administrative assistance with individual private residences within Litchfield Plantation, for example admitting service people, arranging for repairs or maintenance needs, or any other matters of a personal nature, will be provided and a fee of \$27.50 per hour charged (minimum charge \$27.50).

MAID SERVICE

On request - \$20.00 per hour

RULES AND REGULATIONS

All members and guests are subject to the rules and regulations of Litchfield Plantation.

CATERING

Catering of food and beverage at any Litchfield Plantation facility is provided solely by the Litchfield Plantation's Carriage House Club.

CANCELLATION POLICY

Cancellations of reservations made 14 days in advance of reserved date or 30 days prior to reserved date on holidays will not forfeit deposit. Cancellations within the 14 and 30 days will be charged for the entire amount of the reservation.

RESERVATION POLICY

Guests are required to guarantee reservations with a credit card.

All rates are subject to change, by Litchfield Plantation or the Board of Governors of Litchfield Plantation Association, as applicable.

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF CAROL E. KIRBY

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALLAN Y. WHITE
CLERK OF COURT

I, Carol E. Kirby, after being duly sworn, do hereby state and affirm the following:

1. My married name is Mrs. Jefferson D. Kirby. My address is 27 Chapel Creek Road, Pawleys Island, S.C.
2. I am and have been a property owner in Litchfield Plantation since 2005 and as such have been and am a member of the Litchfield Plantation Association, Inc. ("LPA").
3. Attached hereto as Exhibit A is a true and correct copy of a letter I received from Robert W. Dibble, Jr., an attorney with the McNair Law Firm. I understood and believed, and still do, that Mr. Dibble represented me as an individual property owner in regard to negotiation of amendments to the Conditions, Covenants and Restrictions governing Litchfield Plantation (the "CCR's").
4. I relied on Mr. Dibble's explanation of the terms of the CCR's set forth in Exhibit A.
5. At no time did Mr. Dibble advise me either orally or in writing that he had allegedly agreed that the Class "B" membership would be terminated "only" in the event of one of the three scenarios set forth on pages twenty-five and twenty-six of the Amendments to the CCR's.
6. At no time did Mr. Dibble advise me, either orally or in writing, that he had allegedly agreed that the Declarant under the CCR's (i.e. Litchfield Plantation Company) would retain Class "B" voting rights even if it failed to meet its financial obligations to LPA to pay the shortfall in the Association budget or pay assessments on its lots. At no time did Mr. Dibble tell me, either orally or in writing, that the

CEK

Litchfield Plantation Company could purportedly breach all of its financial obligations to LPA and still retain voting control over LPA.

6. I would not have consented to the amended CCR's if Mr. Dibble had advised me of the alleged limitations on termination of the Class "B" membership stated in his affidavit.
7. At no time have I ever given Mr. Dibble permission to disclose confidential or privileged information.
8. I was present at an informational meeting held for LPA members on June 25, 2011. Mr. John Miller, owner of Litchfield Plantation Company, was present at the meeting. At the meeting we were told that an additional general assessment in the amount of \$1,200.00 was needed to keep LPA solvent through the end of 2011.

FURTHER AFFIANT SAYETH NAUGHT

By: _____

Carol E. Kirby

Sworn to before me this 26 day of May, 2011.

Notary Public for South Carolina

My commission expires: 4-5-2020

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendant.

Civil Action Number: 2011-CP-22-00319

AFFIDAVIT OF JOSEPH E. JOHNSTON

I, Joseph E. Johnston, after being duly sworn, do hereby state and affirm the following:

1. On February 2, 2011, I, along with four (4) other property owners in Litchfield Plantation, met with E. Scott Trotter, President of Litchfield Plantation Association, Inc. (the "Association"), and requested that he call an annual meeting of the Association. He refused.

2. On February 15, 2011, in accordance with the Amended and Restated Bylaws of the Association, I personally delivered signed and dated notices for a Special Meeting of Members of the Association from thirteen (13) members of the Association, representing the required five percent (5%) of the voting power, to E. Scott Trotter, President of the Association, at his offices at Litchfield Plantation.

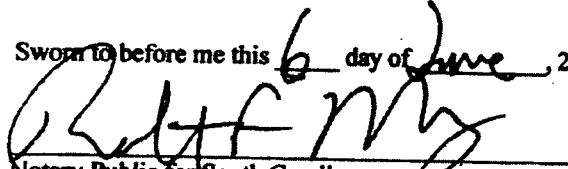
True and accurate copies of the notices are attached hereto.

FURTHER AFFIANT SAYETH NOT.



Joseph E. Johnston

Sworn to before me this 6 day of June, 2011



Notary Public for South Carolina

My Commission Expires: 4-5-2012

FILED
GEORGETOWN COUNTY, S.C.
2011 JUN -7 AM 10:44
ALMA Y. WHITE
CLERK OF COURT

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

Pursuant to Article VI (Member's Meetings), Section 5 of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. ("LPA"), and as evidenced by their signatures below, the holders of at least five percent (5%) of the voting power of the Association hereby demand and call a Special Meeting of the Members of LPA to be held on February 26, 2011 at 10:00 a.m. at the Carriage House.

The purposes of the meeting are as follows:

1. To discuss removing E. Scott Trotter and Jeffrey W. Van Treese from their positions as Governors and as President and Secretary, respectively, of the LPA Board of Governors (the "Board");
2. To nominate and elect five (5) new Governors to the Board;
3. To retain an independent management company to manage the finances and affairs of LPA;
4. To discuss the financial status of LPA;
5. To discuss the termination of the Class B share period under the Declaration of Protective Covenants, Conditions and Restrictions; and
6. To discuss commencing litigation (a) against Litchfield Plantation Company, Inc. ("LPC"), its officers, directors and shareholders, (b) against Mr. Trotter, Mr. Van Treese and Allan Kidston, individually, and (c) against such other entities and individuals as the Members determine, for all such claims as the Members have against them.

LPA Member Name/Signature

RBrown2@SC.RR.com

E-mail Address

Date

2/8/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

Pursuant to Article VI (Member's Meetings), Section 5 of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. ("LPA"), and as evidenced by their signatures below, the holders of at least five percent (5%) of the voting power of the Association hereby demand and call a Special Meeting of the Members of LPA to be held on February 26, 2011 at 10:00 a.m. at the Carriage House.

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LPA Member Name/Signature

ANDREA McMANUS



E-mail Address

Date

2.10.11

AMCMANUS@CATAMOUNTCONSTRUCTORS.COM

for 51 Forayce Lane
Pauline's Island, SC

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

Joseph E. Johnston
Frank D. Johnson

Date

02-07-11

E-mail Address

jej1cwj2@aol.com

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

James B. Funder
Jim Simcox, D.D.

E-mail Address

Date

2/15/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

T. MARTIN PHILLIPS
T. MARTIN PHILLIPS

Date

2/15/11

E-mail Address

martin@theitchfieldcompany.com

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

Cathy Charney
cathycharney@gmail.com

E-mail Address

Date

2/15/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

W. K. Kidston
wtk19k89@aol.com

E-mail Address

Date

2-10-11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

MARIA CARTWRIGHT
Maria Cartwright

E-mail Address

Date

2/15/2011

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature



THOMAS C. ONIONS

Date

2/19/2011

E-mail Address

tconions@sc.rr.com

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

TOM ECKARD
[Signature]

Date

2/10/11

E-mail Address

TECKARD55@yahoo.com

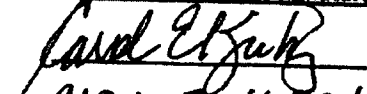
SPECIAL MEETING OF MEMBERS OF
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LPA Member Name/Signature


CAROL E. KIRBY

Date

2/07/2011

E-mail Address

CAROLKIRBY80@gmail.com

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

Pursuant to Article VI (Member's Meetings), Section 5 of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. ("LPA"), and as evidenced by their signatures below, the holders of at least five percent (5%) of the voting power of the Association hereby demand and call a Special Meeting of the Members of LPA to be held on February 26, 2011 at 10:00 a.m. at the Carriage House.

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LPA Member Name/Signature

D. Lee Milling / D. Lee Milling

lee.milling@gmail.com

E-mail Address

Date

2/9/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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LPA Member Name/Signature

Roberta N. Mahry
RNMHPM@gmail.com

E-mail Address

Date

2-7-11

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Civil Action No. 2011-CP-22-00319

Plaintiff(s),

AFFIDAVIT OF CAPERS JOHNSTON

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

I, Capers Johnston, after being duly sworn do hereby state and affirm the following:

1. I am a resident of Litchfield Plantation and am married to Joseph E. Johnston.
2. In February, 2011 I oversaw the notification of the property owners of the Special Meeting of the Members of Litchfield Plantation scheduled for February 26, 2011..
3. I sent notice to all property owners whose email addresses I had at the time of each notice.
4. For those property owners whose email addresses I did not have, notice was given by either hand delivery or by US Mail by myself, Cookie Lyday, Carol Kirby, Maria Cartwright, Rick Bruce and Joe Johnston..
5. I am informed and believe that notice was given to all property owners to whom I had knowledge of for the Special Meeting.

FURTHER AFFIANT SAYETH NAUGHT.


Capers Johnston

Sworn to before me this 4th day of June, 2011

Notary Public for South Carolina

My commission expires: 4-5-2020

FILED
2011 JUN 07 AM 10:36
ALMA Y. WHITE
CLERK OF COURT
GEORGETOWN COUNTY, S.C.

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendant.

Civil Action Number: 2011-CP-22-00319

AFFIDAVIT OF THOMAS ECKARD

FILED
GEORGETOWN COUNTY, S.C.
2011 JUN -7 AM 10:34
ALMA Y. WHITE
CLERK OF COURT

I, Thomas Eckard, after being duly sworn, do hereby state and affirm the following:

1. I was elected to the Board of Governors of Litchfield Plantation Association, Inc. ("Association") in the meeting held on February 26, 2011.
2. The Board of Governors of the Association subsequently elected me as Treasurer of the Association and I remain as Treasurer as of the date of this Affidavit.
3. In my capacity as Treasurer, I am familiar with the budget of the Association.
4. The annual budget of the Association is approximately \$300,000.00 per year.
5. The assessments paid by the homeowners during the Class B period amounts to approximately \$200,000.00 per year. The shortfall in the Association budget is approximately \$100,000.00 per year.
6. In April, 2010 the Association issued an assessment to the homeowners in the amount of \$1,900.00. On January 1, 2011 the Association issued another assessment to the homeowners in the amount of \$1,425.00.
7. After the assessment of the homeowners on January 1, 2011, the Association has approximately \$6,000.00 in its bank account to pay its expenses. Additionally, K.A. Diehl Property Management Company has approximately \$40,000.00 in its' account to pay Association expenses.

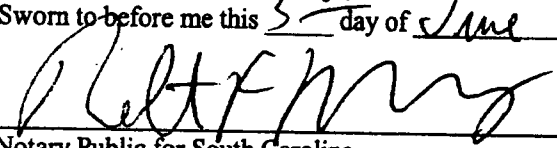
T.E.

8. At the current rate of expenditures, the Association will run out of money to pay its expenses in July, 2011.

FURTHER AFFIANT SAYETH NOT.


Thomas Eckard

Sworn to before me this 5th day of June, 2011


Notary Public for South Carolina

My Commission Expires: 6-5-2020

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF ROBERT D. KLEMME

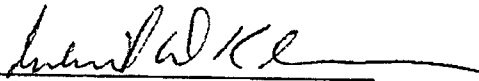
FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALMA X WHITE
CLERK OF COURT

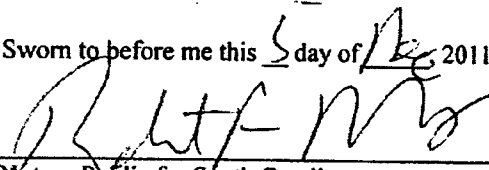
I, Robert D Klemme., after being duly sworn, do hereby state and affirm the following:

1. I have been a property owner continuously in Litchfield Plantation since 1998 and have been a member of Litchfield Plantation Association (hereinafter "LPA") since that time.
2. In 2004 I along with other property owners retained Robert W. Dibble, Jr. with the McNair Law Firm to represent us in the negotiation of amendments to the Conditions, Covenants and Restrictions governing Litchfield Plantation (hereinafter the "CCR's").
3. I relied upon Mr. Dibble explanation of the terms of the CCR's.
4. At no time did Mr. Dibble advise me in any form that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
5. At not time did Mr. Dibble advise me that in any fashion that he had allegedly reached an agreement with the Declarant that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
6. I would not have consented to the amended CCR's if Mr. Dibble had advised me that the Declarant would retain its class B voting rights even if it failed to pay either assessments on its unsold lots or the shortfall in the LPA budget.



7. At no time have I ever given Mr. Dibble permission to disclose confidential or privileged information concerning his representation of me during the negotiation of the amended CCR's.

By: 
Robert D. Klemme

Sworn to before me this 5 day of Dec, 2011

Notary Public for South Carolina
My commission expires: 4-5-2020

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s).

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFDAVIT OF ROBERT J CHARNLEY JR

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALMA Y. WHITE
CLERK OF COURT

I, Robert J Charnley, Jr., after being duly sworn, do hereby state and affirm the following:

1. I have been a property owner continuously in Litchfield Plantation since 2002 and have been a member of Litchfield Plantation Association (hereinafter "LPA") since that time.
2. In 2004 I along with other property owners retained Robert W. Dibble, Jr. with the McNair Law Firm to represent us in the negotiation of amendments to the Conditions, Covenants and Restrictions governing Litchfield Plantation (hereinafter the "CCR's").
3. I relied upon Mr. Dibble explanation of the terms of the CCR's.
4. At no time did Mr. Dibble advise me in any form that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
5. At not time did Mr. Dibble advise me that in any fashion that he had allegedly reached an agreement with the Declarant that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
6. I would not have consented to the amended CCR's if Mr. Dibble had advised me that the Declarant would retain its class B voting rights even if it failed to pay either assessments on its unsold lots or the shortfall in the LPA budget.

21

7. At no time have I ever given Mr. Dibble permission to disclose confidential or privileged information concerning his representation of me during the negotiation of the amended CCR's.

By: Robert J. Charnley, Jr.
Robert J. Charnley, Jr

Sworn to before me this 5 day of Dec., 2011

[Signature]
Notary Public for South Carolina
My commission expires: 4-5-2020

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Civil Action No. 2011-CP-22-00319

Plaintiff(s),

AFFIDAVIT OF CAROL E. KIRBY

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALMA Y. WHITE
CLERK OF COURT

I, Carol E. Kirby, after being duly sworn, do hereby state and affirm the following:

1. My married name is Mrs. Jefferson D. Kirby. My address is 27 Chapel Creek Road, Pawleys Island, S.C.
2. I am and have been a property owner in Litchfield Plantation since 2005 and as such have been and am a member of the Litchfield Plantation Association, Inc. ("LPA").
3. Attached hereto as Exhibit A is a true and correct copy of a letter I received from Robert W. Dibble, Jr., an attorney with the McNair Law Firm. I understood and believed, and still do, that Mr. Dibble represented me as an individual property owner in regard to negotiation of amendments to the Conditions, Covenants and Restrictions governing Litchfield Plantation (the "CCR's").
4. I relied on Mr. Dibble's explanation of the terms of the CCR's set forth in Exhibit A.
5. At no time did Mr. Dibble advise me either orally or in writing that he had allegedly agreed that the Class "B" membership would be terminated "only" in the event of one of the three scenarios set forth on pages twenty-five and twenty-six of the Amendments to the CCR's.
6. At no time did Mr. Dibble advise me, either orally or in writing, that he had allegedly agreed that the Declarant under the CCR's (i.e. Litchfield Plantation Company) would retain Class "B" voting rights even if it failed to meet its financial obligations to LPA to pay the shortfall in the Association budget or pay assessments on its lots. At no time did Mr. Dibble tell me, either orally or in writing, that the

CK

Litchfield Plantation Company could purportedly breach all of its financial obligations to LPA and still retain voting control over LPA.

6. I would not have consented to the amended CCR's if Mr. Dibble had advised me of the alleged limitations on termination of the Class "B" membership stated in his affidavit.

7. At no time have I ever given Mr. Dibble permission to disclose confidential or privileged information.

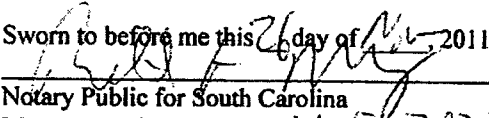
8. I was present at an informational meeting held for LPA members on June 25, 2011. Mr. John Miller, owner of Litchfield Plantation Company, was present at the meeting. At the meeting we were told that an additional general assessment in the amount of \$1,200.00 was needed to keep LPA solvent through the end of 2011.

FURTHER AFFIANT SAYETH NAUGHT

By:


Carol E. Kirby

Sworn to before me this 26 day of May, 2011


Notary Public for South Carolina

My commission expires: 4-5-2020

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF EDWARD J MEEHAN

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALMA K. SMITH
CLERK OF COURT

I, Edward J Meehan., after being duly sworn, do hereby state and affirm the following:

1. I have been a property owner continuously in Litchfield Plantation since 2003 and have been a member of Litchfield Plantation Association (hereinafter "LPA") since that time.
2. In 2004 I along with other property owners retained Robert W. Dibble, Jr. with the McNair Law Firm to represent us in the negotiation of amendments to the Conditions, Covenants and Restrictions governing Litchfield Plantation (hereinafter the "CCR's").
3. I received a letter dated January 14, 2005 from Mr. Dibble that is attached to this affidavit in which Mr. Dibble stated "I represent the Homeowners generally in the Restrictive Covenants negotiations."
4. I received a letter dated February 18, 2005 from Mr. Dibble with an explanation of the terms of the CCR's that is attached to this affidavit.
5. At no time did Mr. Dibble advise me in any form that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
6. At ~~no~~ ^{NO} time did Mr. Dibble advise me that in any fashion that he had allegedly reached an agreement with the Declarant that if the Declarant under the CCR's failed to pay either

E J M

assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.

7. I read the amended CCR's carefully and did not understand them to say that if the Declarant under the CCR's failed to pay either assessments on its unsold lots or the shortfall in the LPA budget that it would still retain its Class B voting rights.
8. I would not have consented to the amended CCR's if I thought that the Declarant would retain its class B voting rights even if it failed to pay either assessments on its unsold lots or the shortfall in the LPA budget.
9. At no time have I ever given Mr. Dibble permission to disclose confidential or privileged information concerning his representation of me during the negotiation of the amended CCR's.

By: Edward Meehan
Edward Meehan

Sworn to before me this 5 day of Dec, 2011

[Signature]
Notary Public for South Carolina
My commission expires: 4-5-2020

MCNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

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COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-8800
FACSIMILE (803)378-2278

ROBERT W. DIBBLE, JR.
Rdibble@mcnair.net

January 14, 2005

Mr. Edward Meeham
736 All Saints Loop
Pawleys Island, SC 29585-5230

RE: Litchfield Plantation

Dear Ed:

I appreciate your confidence in asking me to represent you in connection with a potential dispute between you and Litchfield Plantation, Allan Kidston and Jay Bender. I initially spoke with you on the telephone Thursday morning and met with you privately at the Carriage House Club on Thursday morning after the conversation. At your request, I met with Jeff Van Treese privately and communicated to him your position that the property on the north side of The Avenue of Oaks at Litchfield Plantation was to be exclusively single family residential lots. I also gave Jeff a copy of the documents you showed to me at our meeting. I told Jeff that you felt strongly about this matter, and that you would litigate the issue if necessary.

As I reported to you, Jeff had no reaction to the matter. He told me that he would discuss the situation with Allan Kidston and Jay Bender and get back to me directly. As I told you, I have no idea what the response will be, but I suspect it will be, at least partially, negative.

You and I had a follow-up discussion on the telephone this morning. During that conversation we discussed the fact that I may be conflicted out of representing you in this matter. In that regard, I gave you the names of three lawyers each of which would be, in my view, more than capable of handling your side of the dispute. Of those three I recommended that you contact Moore & Van Allan since they have a working knowledge of the documents and an existing adversarial relationship with Litchfield Plantation, etc.

At the end of the conversation, we concluded our attorney/client relationship. Since you graciously offered to pay me for my time, if you would send me a check for \$100 that will be sufficient in my view.

January 14, 2005
Page 2

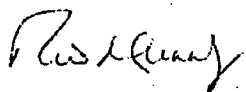
In view of (1) the fact that this Firm closed the purchase of your home, (2) the fact that I represent the Homeowners generally in the Restrictive Covenant negotiations, and (3) the possibility that the dispute will not be resolved amicably, I will not be able to represent you individually in this matter against Litchfield Plantation, etc.

If you agree to all of the above, please sign the foot of the enclosed copy of this letter and return it to me with your check in the amount of \$100 made payable to *McNair Law Firm, P.A.* I look forward to seeing you at the upcoming meeting, and I wish you the best of luck in resolving this matter.

With kind regards, I am

Yours very truly,

McNAIR LAW FIRM, P.A.



Robert W. Dibble, Jr.

RWD/lg
Enclosure

I AM IN AGREEMENT WITH THE ABOVE.

EDWARD MEEHAN

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

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1301 GERVAIS STREET, 18TH FLOOR
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TELEPHONE (803)799-9800
FACSIMILE (803)376-2278

ROBERT W. DIBBLE, JR.
rdibble@mcnairlaw.net

February 18, 2005

Mr. and Mrs. Edward J. Meehan
736 All Saints Road
Pawleys Island, SC 29585

RE: Litchfield Plantation

Dear Mr. and Mrs. Edward J. Meehan:

The period of Developer Control under the 1988 Amendments has now come to an end. The Peoples Federal litigation concluded on February 15, 2005. Allan Kidston and Jeff Van Treese strongly believe that RPC and LPC can now designate up to 600 units in Phase I of the Plantation, agree to pay assessments on those units, and obtain a vote for each unit. They also believe that they can use those votes to unilaterally amend the 1971 Covenants. I do not know if their position is correct, but it would take a couple of years of costly litigation to find out. To avoid lengthy and costly litigation, we set out to negotiate the best deal we could under the new set of restrictions proposed by Allan Kidston.

After some months of negotiations between the property owners in the Plantation, Jeff Van Treese and Allan Kidston, we have produced a final draft of an Amendment to the 1971 Restrictive Covenants as amended in 1988. As with all negotiations, neither side got everything it wanted. However, under all of the circumstances, I believe we have achieved everything that we could. The enclosed document is the final version of the Amendment.

The basic points of the Amendment are as follows:

1. Litchfield Plantation Company and Resources Planning Corporation gave up their right of first refusal as to all property in the Plantation.
2. The total number of units in Phase I is limited to 368 including the existing lots, houses and condominiums. This is a reduction of 232 units. The property limited to single family residential lots by the 1988 Amendments remains the same, and the Developer still has the right to develop the remaining property in Phase I as it chooses. However, if it chooses to develop single family lots, no such lot can be less than 1/3 acre and the average of all of those lots must be 1/2 acre. We tried hard to secure an

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February 18, 2005
Page 2

agreement that the property north of the Avenue of Oaks would be developed entirely as single family lots, but that was a deal breaker for the other side.

3. As part of the transaction, the property owners were asked to give up the Stable property as a common plantation element. After some hard negotiating, we reached the following agreement. If 100% of the property owners approve the amendment to the 1971 Covenants, which would eliminate the Stable property as a common plantation element, the present property owners, their spouses and children, will be exempt from special assessments for the next 15 years and the Association will receive a Note from LPC in the amount of \$1.5 million secured by a second mortgage on the Stable property. The payments under the Note are due within three years and must be used by the Association to make capital improvements and major repairs on the common areas. If the Note is not paid as it becomes due, the Association can foreclose on the Stable property and use the proceeds to make capital improvements on the common areas. This provision is very beneficial to the Association and, in turn, to the property owners. Therefore, I strongly recommend that all of the property owners agree to the proposed Amendments.

4. As before, the Developer has agreed to fund the deficit in the budget of LPA. However, the annual regular assessment will now be \$1800, and it may be increased by only the lesser of 5% or the annual increase in the consumer price index.

5. Even though the property described as Phase II is not under the Restrictive Covenants, we secured an agreement from LPC which limited the number of units in Phase II to 222. LPC may subject Phase II to the Restrictive Covenants. However, if it does not, LPC will pay a pro-rata share of the cost of maintaining the roads and utilities in Phase I in order to access the property in Phase II.

6. The Marina and Carriage House are now defined as "private amenities." In my view, they became private amenities in 1988, although they were not defined as such. In any event, the property owners continue to have the same rights with respect to the Carriage House and the Marina as they had under the 1988 Amendments. Those rights and benefits will be documented separately.

7. The Amendments contained stated architectural objectives consistent with the present structures at the Plantation such as the Carriage House and the Plantation House. Those architectural objectives cannot be amended for 15 years without a two-thirds vote of the non-affiliated property owners. In addition, there are several other provisions in the Amendments which are designed to protect the property owners. Those provisions cannot be amended without a two-thirds vote of the non-affiliated owners also.

February 18, 2005
Page 3

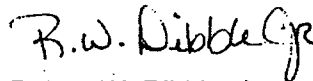
8. We have improved the budget process of the Association substantially in these amendments. These amendments require that the books of the Association be audited annually at the expense of the Association. They also require that the budget contain a line item for reserves. These amendments also provide for a working capital assessment for each new property owner. Two-thirds of this working capital assessment will go into the operating account, and one-third will go into the reserve account. In addition, the Association must produce a statement of revenue and actual expenses for the prior year in the process of budget preparation for the next fiscal year.

These are the highlights of the amendments. The major thrust of the 1988 litigation and the 1988 Amendments was to force LPC to develop the property, create market value and spread the cost over a larger number of people. Of course, Hugo struck in 1989, and there was a downturn in the economy in the 1990's. For whatever reason, however, there has been no impetus to develop the Plantation until recently. However, there now appears to be a sincere interest in developing the Plantation, and the property owners have been given significant input into the amended restrictions. Although we were unable to obtain all of our objectives, I believe your committee did a good job in negotiating the best possible arrangements under these amendments.

I have represented the property owners and Litchfield Plantation Association since the late 1980's. I strongly recommend that the property owners agree to and sign off on these proposed amendments. Not only do I believe the amendments contain good restrictive covenants, but obtaining 100% of the owners to sign will avoid the possibility of unilateral action by LPC and RPC, avoid more lawsuits, and provide a source of funding for capital improvements and major repairs to the common areas. If you have any questions, they may feel free to call me at the above phone number and I will do my very best to return your call promptly.

Yours very truly,

McNAIR LAW FIRM, P.A.



Robert W. Dibble, Jr.

RWD/lg
Enclosure

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF JAMES DAVIES

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:00
ALMA T. GIBBS
CLERK OF COURT

I, James Davies, after being duly sworn do hereby state the following:

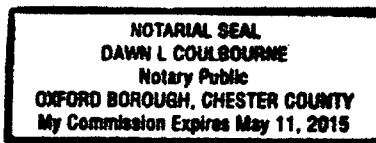
1. I was a property owner in Litchfield Planation, located in Georgetown County during the years 2004 and 2005 and was a member of Litchfield Plantation Association during that time.
2. During the years of 2004 and 2005 myself and other property owners in Litchfield Plantation retained Robert W. Dibble, Jr. of the McNair Law firm to represent us in the negotiations of the Amendments to the Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation.
3. During the negotiations I received the two letters from Mr. Dibble dated June 14, 2004 and June 21, 2004 that are attached to this affidavit.
4. Since that time I have sold my property in Litchfield Plantation and have moved to Pennsylvania.

FURTHER AFFIANT SAYETH NAUGHT.

By: James Davies
James Davies 12/5/2011

Sworn to before me this 5 day of Dec., 2011

Dawn L. Colbourne
Notary Public for Pennsylvania
My commission expires: May 11, 2015



MCNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

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FACSIMILE (803)370-2278
ROBERT W. DIBBLE, JR.
Bdibble@mcnair.net

June 14, 2004

James H. Herbert
9406 Maidstone Road
Delaplane, VA 22025

✓ James Davies
Post Office Box 493
Pawleys Island, SC 29585

RE: Representation of Homeowner Group

Gentlemen:

I appreciate very much your contacting me with respect to the possibility of representing the homeowners at Litchfield Plantation in connection with the restrictive covenant revisions and other matters relating to the Plantation. I understand that these negotiations may commence in the reasonably near future once the Peoples Federal matter is finally settled one way or the other.

As you know, I have worked closely with Litchfield Plantation Company and Resources Planning Corporation in the Peoples Federal litigation. That was done only because there were issues in that case on which their interests were identically aligned with the interests of Litchfield Plantation Association. It was to everyone's interest, for instance, to defeat the conspiracy claim, to uphold the 1971 Covenants, to uphold the 1988 Amendments, and to require Peoples Federal to pay assessments. On those issues I spoke for LPA, but LPC and RPC got the benefit of my presentation.

On the other hand, where the position and interest of LPA and the homeowners was adverse to the interest and position of LPC and RPC, I did not speak for or on behalf of LPC and RPC. Mr. Bellamy represented LPC and RPC on those issues, and Peoples Federal advocated the opposite position. The main issue in this regard was the enforceability of the right of first refusal. LPC and RPC wanted that right to be upheld. Peoples Federal wanted that right to be struck down. Peoples Federal's lawyers argued the point vigorously, but lost because the issue was not ripe for decision.

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COLUMBIA 792660v1

June 14, 2004

Page 2

Finally, there were issues on which the Homeowner's Association had its own position adverse to both RPC, LPC and Peoples Federal. That issue involved the imposition of the 1971 Restrictive Covenants as negative reciprocal easements on all of the property in Phase I of the Plantation. I argued that issue solely on behalf of the homeowners against RPC, LPC and Peoples Federal. Because the 1971 Covenants and the 1988 Amendments were upheld as valid, the Court did not reach this issue.

I mention all of this because there was some concern voiced a year or so ago about the possibility of my having a conflict of interest which prohibited me from representing the homeowners in the upcoming negotiations. As I explained at that time, and as I set out above, I did not represent RPC or LPC in this matter. Where our interests were aligned, I participated and cooperated with them in formulating defenses and strategy. However, I have always maintained my total independence with respect to matters and things on which the homeowners and LPA have their own position. I have, for instance, consistently told Mr. Van Treese that the upcoming negotiations will involve issues arising out of the 1988 Amendment as well as issues arising from their proposed new Restrictive Covenants (which I have not yet seen).

Nonetheless, it is inappropriate for me to represent the homeowners if there is any significant concern over my objectivity and loyalty. I value my relationship with the property owners in Litchfield Plantation, and I do not want to do anything that would effect that relationship or leave a bad taste in anyone's mouth if something does not go exactly as they wish. For that reason, I thought I would write this letter to give the two of you an opportunity to explore this matter with the other property owners. These will be hard negotiations, and I may not be able to get everything that the property owners want. I do not want someone thinking at the end of the day that I capitulated on an issue because I had some loyalty or relationship with the other side. I can tell each of you unequivocally that my loyalty lies with the property owners and that Jeff Van Treese and Alan Kidston well know this. However, sometimes perception is stronger than the truth.

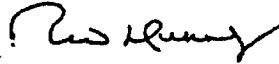
If you wish to discuss this matter in more detail, please give me a call at your convenience. In addition, if you think it would be well for me to meet with a group or all of the homeowners on this issue, I will be happy to do so. Please bear in mind that there are a lot of other very good lawyers in South Carolina. I would rather have you go elsewhere for legal assistance rather than running the risk of damaging my relationship with the property owners in the Plantation, both old and new. If you decide to go elsewhere, I recommend that you call Morris Ellison at the firm of Buist, Moore, Smythe & McGee in Charleston.

June 14, 2004
Page 3

With kind regards, I am

Yours very truly,

McNAIR LAW FIRM, P.A.



Robert W. Dibble, Jr.

RWD/lg

MCNAIR LAW FIRM, P.A.
ATTORNEYS AND COUNSELORS AT LAW

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TELEPHONE (803) 799-4900
FACSIMILE (803) 378-2278
ROBERT W. DIBBLE, JR.
Bdibble@mcnair.net

June 21, 2004

Mr. James Davies
Post Office Box 493
Pawleys Island, SC 29585

RE: Litchfield Plantation Property Owners Association, Inc.
Our Client/Matter No. 034212.00001

Dear Jim:

Thank you for your email of June 19, 2004. I understand your request that I represent Litchfield Plantation Property Owners Association, Inc. alone. I also understand the reason for your request. However, in representing that Association and its members (the non-affiliated owners), it will be necessary for me to protect the rights of LPA in several respects in order to adequately represent the non-affiliated owners. For example, the Restrictive Covenants and other documents related to LPA must be drawn in a fashion which protects the right of LPA to assess its members and collect those assessments with late charges and attorney's fees. That power of assessment and collection is important to the non-affiliated owners since at some point the developer will begin paying assessments on designated units. There may be other instances where the documentation related to LPA is intertwined with our requirements under the Restrictive Covenants. The continued existence and viability of LPA is crucial to the owners of property in Litchfield Plantation. Obviously, I would not represent LPA in a matter adverse to the homeowners.

I do not view LPA as the alter ego of RPC and LPC. There will be times in which the majority of the Board of Directors of LPA should not vote on a matter because of self interest. When those matters arise, the non-affiliated members should be the only ones voting. To date, that formality has not been recognized or followed if it has been recognized. To that extent, I view LPA as an entity separate and apart and, in some instances, adverse to RPC and LPC. Perhaps it is better said that I represent the two non-affiliated members of the Board in addition to representing LPA on matters consistent with the interests of the non-affiliated property owners in the Plantation.

ANDERSON • CHARLESTON • CHARLOTTE • COLUMBIA • GEORGETOWN • GREENVILLE • HILTON HEAD ISLAND • MYRTLE BEACH • RALEIGH

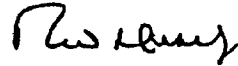
COLUMBIA 794157v1

June 21, 2004
Page 2

I hope this answers your questions. If it does not, give me a call.

Yours very truly,

McNAIR LAW FIRM, P.A.



Robert W. Dibble, Jr.

RWD/lj

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendant.

Civil Action Number: 2011-CP-22-00319

AFFIDAVIT OF ANGELA LAWRIKORE

FILED
GEORGETOWN COUNTY, S.C.
2011 JUN -7 AM 10:44
ALMA Y. WHITE
CLERK OF COURT

I, Angela Lawrimore, after being duly sworn, do hereby state and affirm the following:

1. I am a Title Abstractor who regularly searches titles in Georgetown County, South Carolina.
2. At the request of Robert F. McMahan, Jr., I searched the title records for Litchfield Plantation Company, Inc. from November 1, 2004 until April 8, 2011 in Georgetown County, South Carolina.
3. Attached hereto as Exhibit "A" is the report I prepared showing the results of my title search on Litchfield Plantation Company, Inc. from November 1, 2004 until April 8, 2011.
4. During the period of time covered by my title search, there were Eight (8) Assignments of Declarant Rights which are attached hereto and described as follows:
 - (a) Exhibit "B": The Scott Trotter Company to Resources Planning Corporation and Litchfield Plantation Company, Inc. dated February 15, 2005 and recorded February 24, 2005 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1614 at Page 174.
 - (b) Exhibit "C": Litchfield Plantation Company, Inc. to Lawrence A. Shapiro dated September 27, 2005 and recorded October 7, 2005 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1717 at Page 120.

(c) Exhibit "D": Litchfield Plantation Company, Inc. to C. Clarke McNair and E. Chandler McNair dated December 17, 2009 and recorded December 18, 2009 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1394 at Page 219.

(d) Exhibit "E": Litchfield Plantation Company, Inc. to Rice Bluff, LLC dated October 1, 2010 and recorded October 4, 2010 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1555 at Page 224.

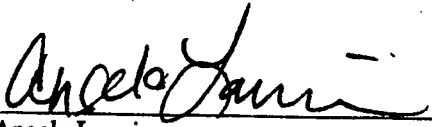
(e) Exhibit "F": Litchfield Plantation Company, Inc. to James Carson Benton, Jr. and Ralph R. Teal, Jr. dated November 1, 2010 and recorded November 1, 2010 in the office of the Register of Deeds for Georgetown County, South Carolina in 1572 at Page 285.

(f) Exhibit "G": Litchfield Plantation Company, Inc. to Litchfield Plantation Buyout Group, LLC dated December 29, 2010 and recorded December 29, 2010 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1608 at Page 91.

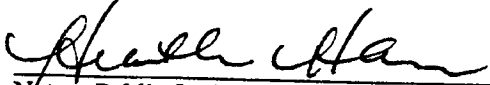
(g) Exhibit "H": Litchfield Plantation Company, Inc. to Tucker's Woods, LLC dated December 30, 2010 and recorded February 4, 2011 in the office of the Register of Deeds for Georgetown County, South Carolina in Book 1628 at Page 197.

5. There were no filings in the public records for Georgetown County, South Carolina with any reference to the "Class B" period.

FURTHER AFFIANT SAYETH NAUGHT.


Angela Lawrimore

Sworn to before me this 3 day of June, 2011


Notary Public for South Carolina
My Commission Expires: 1/9/17

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

AFFIDAVIT OF JOHN J. BOSELLI

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP 26 PM 3:22
ALMA Y. WHITE
CLERK OF COURT

I, John J. Boselli, after being duly sworn do hereby state and affirm the following:

1. I am the Chief Financial Officer of K.A. Diehl & Associates which provides property management services for homeowners associations. I have a Bachelor of Science Degree in Business Administration with a major in Accounting from Widener University and have worked in accounting, financial management and investment management since graduating from Widener in 1983.
2. K.A. Diehl & Associates was retained by the Litchfield Plantation Homeowners Association to manage the Association in June, 2011. Once K.A. Diehl & Associates was retained, I undertook an analysis of the financial records and checking account statements of the Association in order to evaluate the financial condition and history of the Association in order to formulate a budget for the Association.
3. The checking account statement of the Association for December, 2010 that is attached to this affidavit as Exhibit A shows that on December 15, 2010 the Association had bounced six checks, four of which were payroll checks. At that point, the Association was out of cash. The checking account statements further show that Waverly Creek Realty made a loan to the Association in the amount of \$7,500.00 on December 16, 2010 of which \$3,000.00 was repaid on December 31, 2010 and \$4,500.00 on January 7, 2011.
4. The checking account further shows that as of December 31, 2010 the balance in the Association checking account was \$9,865.71, of which \$4,500 consisted of proceeds of the loan from Waverly Creek Realty, and \$7,125 which represents prepayment from five property owners who paid the \$1,425.00

assessment levied on January 1, 2011 and paid in December, 2010. If it had not been for the loan and the prepayment of the 2011 owner assessments, the checking account would have reflected a negative balance of (\$1,759,29) on December 31, 2010.

5. In addition, in excess of \$22,000 in payroll, payroll taxes, water and sewer, electric, trash removal, equipment leases, legal and other expenses for December, 2010 were not paid until January, 2011.
6. In addition, approximately \$112,000 of expenses were incurred from January 1, 2011 until March 31, 2011 and had it not been for the January 1, 2011 homeowners assessment, there would have been an additional shortfall for the Association.
7. I have reviewed the Profit & Loss statement for the Association for the eight month period from April through November 2010 (attached hereto as Exhibit B). The Profit & Loss statement does not include the expenses for the Association for the month of December, 2010 and does not set forth the financial condition of the Association as of December 31, 2010.
8. In the summer of 2011, the Association was again out of money and a second assessment was made to the property owners in the amount of \$1,200.00 each. All payments from that second assessment were made by property owners and Litchfield Plantation Company has not paid any assessments nor contributed anything to the shortfall in the Association budget in the entire year of 2011.

FURTHER AFFIANT SAYETH NAUGHT

By: _____

John J. Boselli

Sworn to before me this 23rd day of September, 2011

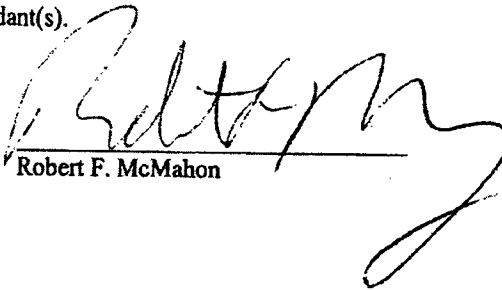
Maria Runkel
Notary Public for South Carolina
My commission expires: Oct 20, 2013

CERTIFICATE OF SERVICE BY HAND DELIVERY

Robert F. McMahon Jr., says that he is the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on September 26, 2011, he hand delivered in a sealed envelope, a copy of Affidavit of John J. Boselli to:

Mark D. Neill, Esquire
671 Jamestowne Drive Suite 207
Murrells Inlet, SC 29576

the name and address of counsel for the Defendant(s).

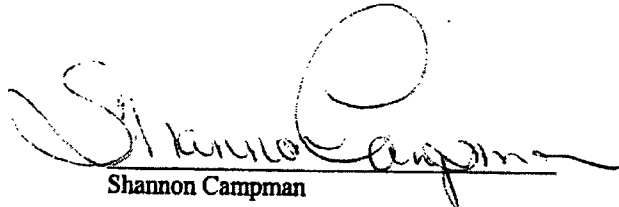

Robert F. McMahon

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP 26 PM 3:22
ALMA Y. WHITE
CLERK OF COURT

CERTIFICATE OF SERVICE

Shannon Campman says that she is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, SC, and that on September 26, 2011, she mailed in a sealed envelope, postage prepaid, a copy of Affidavit of John J. Boselli to:

Howell V. Bellamy
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, SC 29578


Shannon Campman

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP 26 PM 3:22
ALMA Y. WHITE
CLERK OF COURT

008151



11839 Ocean Highway
Pawleys Island, SC 29585

Return Service Requested

PLNT



Page Number

Primary Account Number

56-602474-9

Statement Period

From 12/01/10
Thru 12/31/10

LITCHFIELD PLANTATION ASSOCIATION, INC
2010 LPA OPERATING ACCOUNT
24 AVENUE OF LIVE OAKS
PAWLEYS ISLAND SC 29585-5331

FOR ADDITIONAL INFORMATION REGARDING YOUR STATEMENT YOU MAY
CONTACT A CLIENT SERVICE REPRESENTATIVE AT YOUR LOCAL BRANCH

----- FREE SMALL BUSINESS CHECKING -----

Beginning Balance	\$	10,364.02	Average Balance	6,470.32
Deposits/Credits		24,160.93		
Interest Paid		0.00		
Checks/Debits		24,435.24-		
Service Charges		224.00-		
Ending Balance	\$	9,365.71	# Deposits/Credits	13
			# Checks/Debits	90

Transaction Activity

Date	Description	Deposits	Withdrawals	Balance
12/01	BEGINNING BALANCE			\$ 10,364.02
12/01	DEPOSIT-CHECK	225.00		10,589.02
12/01	CK# 20456		242.60-	10,346.42
12/01	CK# 20460		197.04-	10,149.38
12/01	CK# 20455		194.27-	9,955.11
12/02	DEPOSIT-CHECK	475.00		10,430.11
12/03	DEPOSIT-CHECK	260.00		10,690.11
12/03	CK# 20471		346.07-	10,344.04
12/03	CK# 20470		290.05-	10,053.99
12/03	CK# 1233		100.53-	9,953.46
12/06	CK# 1238		1,096.39-	8,857.07
	WASTE INDUSTRIES/CHECKPAYMT ID#1238			
12/06	DEPOSIT-CHECK	475.00		9,332.07
12/06	CK# 1240		2,000.00-	7,332.07
12/06	CK# 1236		738.49-	6,593.58
12/06	CK# 20474		402.12-	6,191.46
12/06	CK# 20464		400.00-	5,791.46
12/06	CK# 20476		308.01-	5,483.45
12/06	CK# 20468		302.16-	5,181.29
12/06	CK# 20466		288.03-	4,893.26
12/06	CK# 20467		281.73-	4,611.53
12/06	CK# 20459		218.91-	4,392.62
12/06	CK# 1237		179.21-	4,213.41

PLNT-008-008120-001-007-110103 008151 K02
2958553124



PLANTATION
FEDERAL

11039 Ocean Highway
Pawleys Island, SC 29585

Page Number
2
Primary Account Number
56-602474-9
Statement Period
From 12/01/10 Thru 12/31/10



LITCHFIELD PLANTATION ASSOCIATION, INC
2010 LPA OPERATING ACCOUNT
24 AVENUE OF LIVE OAKS
PAWLEYS ISLAND SC 29585-0000

Transaction Activity (Cont.)

Date	Description	Deposits	Withdrawals	Balance
12/06	CK# 20465		156.12-	4,057.29
12/08	CK# 20469		242.61-	3,814.68
12/08	CK# 1239		75.00-	3,739.68
12/10	CK# 20482		290.05-	3,449.63
12/10	CK# 20483		346.07-	3,103.56
12/13	DEPOSIT-CHECK	460.00		3,563.56
12/13	CK# 20475		463.78-	3,099.78
12/13	CK# 20486		402.12-	2,697.66
12/13	CK# 20473		326.90-	2,370.76
12/13	CK# 20488		308.01-	2,062.75
12/13	CK# 20478		288.03-	1,774.72
12/13	CK# 20481		242.60-	1,532.12
12/13	CK# 20477		161.32-	1,370.80
12/13	CK# 1242		44.46-	1,326.34
12/14	CK# 20487		463.77-	862.57
12/14	CK# 20479		176.89-	685.68
12/15	DEBIT-NSF RETURN ITEM		32.00-	653.68
	ACH 3352.40			
12/15	WITHDRAWAL-ACH		645.13-	8.55
	STATE OF SOUTH C-TAX PAYMNT			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-23.45
	CK#000020484 AMT 218.92			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-55.45
	CK#000020472 AMT 206.42			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-87.45
	CK#000020485 AMT 197.05			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-119.45
	CK#000020480 AMT 194.28			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-151.45
	CK#000001244 AMT 127.50			
12/15	DEBIT-NSF RETURN ITEM		32.00-	-183.45
	CK#000001243 AMT 10.00			
12/16	DEPOSIT-CHECK	1,992.60		1,809.15
12/16	NSF PAID ITEM EFF 12-15		10.00-	1,799.15
	CK# 1243			

PLNT-008-008120-001-007-110103 008151 K02

Page Number
3
Primary Account Number
56-602474-9
Statement Period
From 12/01/10 Thru 12/31/10

LITCHFIELD PLANTATION ASSOCIATION, INC
2010 LPA OPERATING ACCOUNT
24 AVENUE OF LIVE OAKS
PAWLEYS ISLAND SC 29585-0000

Transaction Activity (Cont.)

Date	Description	Deposits	Withdrawals	Balance
12/16	NSF PAID ITEM EFF 12-15 CK# 1244		127.50-	1,671.65
12/16	NSF PAID ITEM EFF 12-15 CK# 20480		194.28-	1,477.37
12/16	NSF PAID ITEM EFF 12-15 CK# 20485		197.05-	1,280.32
12/16	NSF PAID ITEM EFF 12-15 CK# 20472		206.42-	1,073.90
12/16	NSF PAID ITEM EFF 12-15 CK# 20484		218.92-	854.98
12/16	DEPOSIT-CHECK	7,500.00		8,354.98
12/17	CK# 20495		290.05-	8,064.93
12/17	CK# 20496		346.07-	7,718.86
12/17	CK# 1247		55.00-	7,663.86
12/17	CK# 1245		45.00-	7,618.86
12/17	CK# 1241		30.00-	7,588.86
12/20	CK# 20499		402.12-	7,186.74
12/20	CK# 20491		288.03-	6,898.71
12/20	CK# 20492		237.05-	6,661.66
12/20	CK# 20501		235.57-	6,426.09
12/20	CK# 20502		228.44-	6,197.65
12/20	CK# 20490		161.11-	6,036.54
12/20	CK# 20489		112.15-	5,924.39
12/21	DEPOSIT-CHECK	425.00		6,349.39
12/21	CK# 20500		463.78-	5,885.61
12/22	DEPOSIT-CHECK	2,958.33		8,843.94
12/22	CK# 20498		265.10-	8,578.84
12/22	CK# 20493		256.68-	8,322.16
12/22	CK# 20494		188.40-	8,133.76
12/22	CK# 1246		71.93-	8,061.83
12/24	CK# 20509		290.05-	7,771.78
12/24	CK# 1258		25.00-	7,746.78
12/24	CK# 20510		346.07-	7,400.71
12/24	CK# 1260		25.00-	7,375.71
12/24	CK# 20515		308.00-	7,067.71



11039 Ocean Highway
Pawleys Island, SC 29585

Page Number
4
Primary Account Number
56-602474-9
Statement Period
From 12/01/10 Thru 12/31/10



LITCHFIELD PLANTATION ASSOCIATION, INC
2010 LPA OPERATING ACCOUNT
24 AVENUE OF LIVE OAKS
PAWLEYS ISLAND SC 29585-0000

Transaction Activity (Cont.)

Date	Description	Deposits	Withdrawals	Balance
12/24	CK# 1248			
12/27	DEPOSIT-CHECK		38.14-	7,029.57
12/27	CK# 20514	175.00		7,204.57
12/27	CK# 20513		463.77-	6,740.80
12/27	CK# 20505		402.12-	6,338.68
12/27	CK# 20508		288.03-	6,050.65
12/27	CK# 20512		242.59-	5,808.06
12/27	CK# 20507		197.04-	5,611.02
12/27	CK# 20506		194.28-	5,416.74
12/27	CK# 1249		176.90-	5,239.84
12/27	CK# 20504		170.89-	5,068.95
12/27	CK# 1259		161.10-	4,907.85
12/27	CK# 1252		25.00-	4,882.85
12/27	CK# 1257		25.00-	4,857.85
12/27	CK# 1254		25.00-	4,832.85
12/27	CK# 1253		25.00-	4,807.85
12/28	DEPOSIT-CHECK	1,425.00	25.00-	4,782.85
12/28	DEPOSIT-CHECK	2,090.00		6,207.85
12/29	CK# 20511		218.92-	8,297.85
12/29	CK# 1251		88.00-	8,078.93
12/29	CK# 1255		25.00-	7,990.93
12/30	DEPOSIT-CHECK	5,700.00		7,965.93
12/30	CK# 1250			13,665.93
12/31	CK# 20522		164.10-	13,501.83
12/31	CK# 20521		346.07-	13,155.76
12/31	CK# 1266		290.05-	12,865.71
12/31	ENDING BALANCE		3,000.00-	9,865.71
				\$ 9,865.71

Account Credit Summary

Date	Amount	Description
12/01	225.00	DEPOSIT-CHECK
12/02	475.00	DEPOSIT-CHECK
12/03	260.00	DEPOSIT-CHECK
12/06	475.00	DEPOSIT-CHECK
12/13	460.00	DEPOSIT-CHECK

PLMT-008-008120-001-007-110103 008151 K02

5:01 PM
12/16/10
Accrual Basis

#13
LITCHFIELD PLANTATION ASSOCIATION, INC.
Profit & Loss
April through November 2010

	Apr - Nov 10
Ordinary Income/Expense	
Income	
REVENUE	
Assessments (Regular)	235,368.85
Deferred Assessments	24,798.35
Outside Services Income	48,082.25
Total REVENUE	308,249.45
Total Income	308,249.45
Expense	
01) OPERATING EXPENSES	
Repairs and Maintenance	
General Maintenance	8,039.40
Marsh & Creek Maintenance	2,225.00
Pool Maintenance	5,957.61
Tree Maintenance	1,678.00
Total Repairs and Maintenance	17,901.01
Total 01) OPERATING EXPENSES	17,901.01
02) GENERAL & ADMINISTRATIVE	
Automobile Expense	270.40
Bank Charges	0.00
Equipment Rental	1,348.35
Insurance Expense	22,864.44
Landscaping Supplies	8,684.83
Office Supplies	452.06
Outside Services	190.00
Payroll Tax Expense	15,185.35
Postage and Delivery	282.30
Professional Fees	5,750.00
Property Management Fees	16,000.00
Property Taxes	78.68
Salaries - Gate	62,289.34
Salaries - Grounds	84,979.01
Small Tools and Equipment	635.98
Telephone Expense	749.54
Trash Removal	10,886.23
Uniforms	324.47
Total 02) GENERAL & ADMINISTRATIVE	231,183.95
03) UTILITIES	
Cable	397.76
Electricity	4,301.88
Miscellaneous Utilities	3,305.00
Water & Sewer	4,874.55
Total 03) UTILITIES	12,878.99
Total Expense	261,963.95
Net Ordinary Income	46,285.50
Net Income	46,285.50

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

ORDER

ALMA Y. WHITE
CLERK OF COURT

2011 OCT -4 PM 4:10

FILED
GEORGETOWN COUNTY, S.C.

This matter is before me on the Plaintiff's Motion for Summary Judgment, the Plaintiff's Motion to Compel, the Defendant's Motion for Protective Order and a Motion to Quash Subpoenas and Motion for Protective Order filed by Charles O. Nation, II and E. Scott Trotter that were called to be heard before me on Thursday, September 8, 2011 in Georgetown. It appears that the Plaintiffs' served Interrogatories, Requests to Produce and a 30(b)(6) Notice of Deposition on the Defendant on March 11, 2011 and that the Defendant has not responded to that discovery nor produced a 30(b)(6) witness. It also appears that the Plaintiffs noticed the deposition of E. Scott Trotter and that the Defendant objected to that deposition going forward. At that hearing the Defendant asserted that it needed more time to respond to discovery and more time to submit an affidavit in opposition to the Plaintiff's Motion for Summary Judgment due to its inability to acquire records from Charles O Nation, Esquire and E. Scott Trotter. It further appears that Mssr's Trotter and Nation objected to the production of documents in response to the subpoena served upon them by the Defendant on the basis that the documents are confidential in nature and that Mr. Nation also requested compensation for summarizing and organizing those documents. I hereby Order that the Defendant respond the Plaintiff's Interrogatories, Request to Produce and designate a 30 (b) (6) witness no sooner than September 26, 2011 with the deposition to be held at a mutually agreed upon time after that date. I further Order that the Defendant submit any affidavit to the Court in opposition to the Plaintiff's Motion for Summary Judgment on or before September 26, 2011 and that a copy of any such

affidavit be provided to the Plaintiffs' counsel on that date. The Plaintiffs have until September 28, 2011 to submit any additional affidavits in response to the Defendant's affidavit to the Court and will provide the same to Defense counsel on the same date. The Court will rule on the Plaintiffs' Motion after any additional affidavits are submitted. I further Order that the Plaintiff is allowed to go forward with the deposition of E. Scott Trotter at a mutually agreed upon time after September 26, 2011. I further Order that Mssr's Trotter and Nation immediately provide the documents to the Defendant pursuant to its subpoena but that such documents may only be used in the context of this litigation. I deny Mr. Nation's request for compensation for summarizing and organizing those documents.

AND IT IS SO ORDERED this 22 day of September, 2011.

By: 
Larry B. Hyman Jr., Circuit Court Judge

STATE OF SOUTH CAROLINA

COUNTY OF GEORGETOWN

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr., and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendant,

And

E. Scott Trotter,

Intervenor,

) IN THE COURT OF COMMON PLEAS
) FOR THE 15th JUDICIAL CIRCUIT

2011

CASE NO: 2010-CP-22-00319

2012 SEP -7 AM 8:39
CLERK OF COURT

AFFIDAVIT OF JOHN MILLER

Under oath and penalty of perjury, I state the following:

1. My name is John Miller. I am over the age of eighteen (18) years, and am competent to testify in a court of law, and the following information and facts are accurate and based on my personal knowledge, except as to those matters which are stated upon my belief, and as to those matters, I believe them to be true.
2. I am the president of the Litchfield Plantation Company, Inc. and have held this position since April 21, 2011.
3. On August 3, 2012, Litchfield Plantation Company, Inc. delivered to Scott McCarthy of K.A. Diehl payment of monies in the amount of \$150,438.05. Attached as Exhibit "A" is a copy of my letter enclosing the monies.

4. By way of the attached letter dated August 3, 2012, Litchfield Plantation Company, Inc. demanded and called for a Special Meeting of the Members to be held. As stated in the letter attached hereto, the purpose of the meeting was to remove the individuals presently holding themselves out to be the Governors of Litchfield Plantation Association and to nominate and elect five individuals to serve on the Board of Governors.
5. In response to the demand for special meeting, our attorney, Mark Neill, received a letter from one of the Plaintiffs, Bob McMahan. A copy of the letter is attached hereto as Exhibit "B." In the letter, Mr. McMahan agreed that we had the right to call the meeting. He also stated that "the Board met yesterday and instructed KA Diehl to set the special meeting for Saturday, August 25, 2012 at 2012."
6. Attached as Exhibit "C" is a copy of the notice of meeting sent out to the owners by KA Diehl.
7. On August 24th, Mark Neill forwarded to me a copy of an emailed letter he received from Mr. McMahan. A copy of that letter is attached as Exhibit "D." In the letter, Mr. Mahan states that an appeal of Judge Hyman's Orders was being filed and that Judge Hyman's Orders are stayed pending the appeal. He further states that they were willing to go forward with the special meeting but he thought it may be pointless. He also stated LPA would not recognize our voting rights.
8. On August 25, 2012, I went to the designated location at the designated time for the special meeting. Three of the five individuals holding themselves out to be governors were there – Bob McMahan, Joe Johnston, and Tom Eckard. Also present were three representatives from the management company, KA Diehl, hired by the Plaintiffs. Those representatives were Vicki Gallary, Scott McCarthy, and Sara Smith. Ms. Smith was

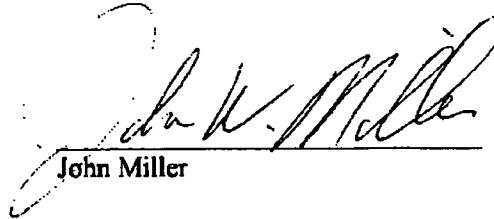
serving as a recording secretary for the meeting. The meeting was called and it was determined that a quorum was present.

9. Attached as Exhibit "E" is a copy of the meeting agenda and the ballot prepared for the meeting by KA Diehl on behalf of the Plaintiffs.
10. Mr. McMahon got up and announced that because he had filed a notice of appeal of the court's order, everything was stayed. Mr. McMahon said that Litchfield Plantation Company did not have the right to vote on the issues. He and the other Plaintiffs took votes from all the other owners there and then determined he and the other Plaintiffs had not been removed as governors. They then left even after our attorney Mark Neill informed them they were not acting properly and the special meeting would continue without them.
11. The representatives from KA Diehl also left even though they said they were trying to act neutral. They refused to even stay to record the rest of the meeting.
12. After the Plaintiffs left, we continued with the special meeting. The Company voted to officially remove Joseph E. Johnston, Carol Kirby, Thomas Onions, Tom Eckard, and Bob McMahan from acting as board members. Litchfield Plantation Company has never accepted them as the legitimate board and whether they were ever properly elected is the one issue that remains to be litigated the lawsuit.
13. The Company then nominated and voted for five other individuals to serve as the Board of Governors. Those individuals include myself, Carson Benton, Jason Morris, Billy Deagan, and Paul Suter. After the election of the new Board of Governors, the special meeting was adjourned.

14. On September 5, 2012, the newly elected Board of Governors met for the purpose of electing officers. I was elected President, Billy Deagan was elected Secretary and Treasurer and Paul Suter was elected Vice-President.
15. The actions by the Plaintiffs in seizing control of the Association and refusing to recognize the voting rights of Litchfield Plantation Company negatively impacts the company's ability to sell lots.
16. I believe that the Plaintiffs' actions are for the purpose of preventing the company from selling any of its property. If the company is unable to sell 100 lots prior to December 31, 2015, the company will lose its Class B membership status and its Declarant voting rights.
17. I am also greatly concerned that the Plaintiffs are spending Association monies improperly in an attempt to run up an inflated deficit which they will then once again claim the company must pay to exercise its voting rights.
18. The Plaintiffs have shown their true colors by refusing to recognize the company's voting rights even after the company paid over \$150,000.00 to the Association in accordance with Judge Hyman's Order. I am afraid that the Plaintiffs will improperly spend the monies. Plaintiff Bob McMahon has already stated in a letter to Mark Neill that the company does not have the right to request pre-approval of the actions of the Board. See paragraph two of the letter attached hereto as Exhibit "B."

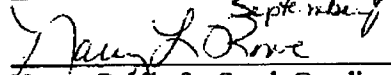
[signature to follow]

Further affiant sayeth not:


John Miller

SWORN to before me this

6th day of ~~August~~ ^{September}, 2012 *gm*


Mary L. Rowe

Notary Public for South Carolina

My commission expires: 3-3-2018

2011-CP-22-00319

LITCHFIELD PLANTATION COMPANY, INC.
712 Lantana Circle
Georgetown, SC 29440
(843) 240-6555

August 3, 2012

Joseph E. Johnston
741 Tuckers Rd.
Pawleys Island, SC 29585

Scott McCarthy
K.A. Diehl
11822 Hwy 17 Bypass South
Murrells Inlet, SC 29576

Dear Sirs:

Enclosed with the copy of this letter to Mr. McCarthy is payment in the amount of \$150,438.05. Pursuant to Judge Larry B. Hyman's Order dated May 11, 2012, a copy of which is enclosed, Judge Hyman determined Litchfield Plantation Company, Inc. was in arrears in the amount of \$149,981.60 to Litchfield Plantation Association, together with interest as specified in the Order. As of today's date, the total amount of the arrearage with interest is \$150,438.05 (the amount of monies enclosed). Pursuant to Judge Hyman's Order, the check enclosed is made payable to LPA and must be deposited into the accounts of the Association.

Judge Hyman further determined the voting rights of Litchfield Plantation Company, Inc. would be restored once it paid said arrearage. Because Litchfield Plantation Company, Inc. hereby tenders the payment of the monies determined by the Court to be in arrears, the voting rights of Litchfield Plantation Company, Inc. are immediately restored.

Pursuant to Article VI (Member's Meetings), Section 5 of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. ("LPA"), and as evidenced by my signature below, Litchfield Plantation Company, Inc., hereby demands and calls a Special Meeting of the Members of LPA to be held on Friday, August 24, 2012 at 10:00 am at such place as you may designate within Georgetown County.

The purpose of the meeting is:

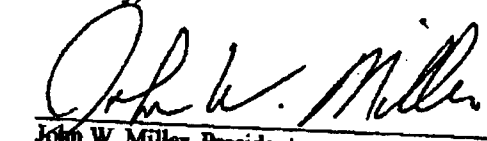
1. Without acknowledging the validity of the current board, to remove the individuals presently holding themselves out to be the Governors of LPA (Joseph E. Johnston, Carol Kirby, Thomas Onions, Tom Eckard, Bob McMahan); and,
2. To nominate and elect five (5) individuals to serve on the Board of Governors for LPA.



Now that the Class "B" voting rights of LPC have been restored, Section 5.5 of the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal gives LPC the right to disapprove actions of the Board and its committees. As such, LPC is entitled to notice of any action by the acting Board of Governors, or its agents, including K.A. Diehl.

Litchfield Plantation Company, Inc. hereby demands that you seek its written approval prior to taking any action of any kind. Actions taken without LPC's express written approval shall be deemed disapproved by LPC, and any person(s) or entity associated with said action shall be acting ultra vires and held personally responsible for said actions. To obtain approval, you may contact me using my address or phone number set forth below.

Sincerely,

A handwritten signature in dark ink, appearing to read "John W. Miller", is written over a horizontal line.

John W. Miller, President
Litchfield Plantation Company, Inc.
August 3, 2012

NEIL L. HANCOCK
REAL ESTATE BROKER
POST OFFICE BOX 100
MURRELLS INLET, SC 29576

VOID VOID VOID 03933

3933

08/03/12

\$150,438.05

DATE

AMOUNT

The Sum ONE HUNDRED FIFTY THOUSAND FOUR HUNDRED THIRTY EIGHT DOLLARS AND 05/100
TO THE ORDER OF
OF Litchfield Plantation POA, Inc.



Mary Ann Nail
Authorized Signature

⑈003933⑈ ⑆053202318⑆121800253601⑈

MITCHELL J. WILLIAMS
STEVEN D. HAYMOND
ROBERT F. McMAHAN, JR.
MICHAEL S. SWINDELL
EDWIN L. TURNAGE
JOHN M. CROFT
S. HAMPTON EADON, III*

*Also Licensed in North Carolina

LAW OFFICES
HARRIS AND GRAVES, P.A.
"Our mission is to provide exceptional personal and professional service to our clients"
1261 HWY. 501 E. 843-234-2390 P.O. BOX 2277
SUITE F 843-234-9970 (FAX) CONWAY, SC 29528
CONWAY, SC 29526

2012-CP-22-00319
OFFICES
COLUMBIA
GREENVILLE
CONWAY
FLORENCE
ROCK HILL
SPARTANBURG

OF COUNSEL
E. WESLEY GRAVES, III

RETIRED
SHIPP D. HARRIS

August 9, 2012

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

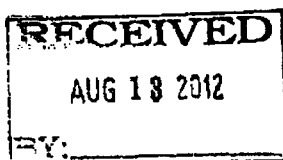
RE: *Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr. and Thomas Martin Phillips v. Litchfield Plantation Company, Inc.*
Civil Action #: 2011-CP-22-00319
Our File #: 201130280

Dear Mark:

We have received your client's demand for a special meeting. While we agree that your client has the right to call the meeting, after a review of the bylaws and applicable South Carolina law as found in SC Code Ann 33-31-702 (c) we do not believe that your client has the right to dictate the time and date of the meeting. Accordingly the Board met yesterday and instructed KA Diehl to set the special meeting for Saturday, August 25, 2012 at 10:00. It is the Board's belief that a meeting on Saturday is preferable in order to afford the property owners a better chance to attend. As you know many of our property owners are from out of town or work during the week and weekend meetings are more convenient to them. Since this is only one day after the date your client requested I assume this will not be a problem.

I am also receipt of Mr. Miller's letter to the Board of August 3, 2012 regarding the payment of some of the amounts owed. Since I cannot respond to Mr. Miller directly without violating Rule 4.2 of the Rules of Professional Conduct I am directing this response to you, Mr. Miller's attorney. In the last paragraph of his letter Mr. Miller demands written approval prior to taking any action of any kind. Even if you assume that LPC's class B voting rights have been restored the Covenants do not require prior approval as demanded by Mr. Miller. Section 5.5 of the Covenants allows the Declarant to disapprove actions that are specified in the relevant sections of the Declaration and Bylaws. Section 8.2 of the Declaration provides the only pre-approval's required. If you see any other section of the Declaration that requires pre-approval, let me know.

With kindest regards, I remain



Very truly yours,

Robert F. McMahan, Jr.
ROBERT F. McMAHAN, JR.



2011-09-22-00319



Notice of Special Meeting
Of the Members of
Litchfield Plantation Association, Inc.

August 10, 2012

Dear Litchfield Plantation Homeowner,

The Board of Governors has called a Special Meeting of the Membership to be held on August 25, 2012 at 10:00 am in the Tara Ballroom at Litchfield Beach and Golf Resort at 14276 Ocean Highway, Pawleys Island, SC 29585.

The Board of Governors has received a written request from the Litchfield Plantation Company to call a Special Meeting of the Membership for the sole purpose of removing the current elected Board of Governors' positions and to elect new members for the Board of Governors. This request is in accordance with Article VI (Member's Meetings), Section 5, (Special Meetings) of the Amended and Restated Bylaws of Litchfield Plantation Association, Inc. (the "Association"), which states in summary "Special Meetings of the Members shall be held whenever called by the President, the Board of Governors, or by the holders of at least five percent (5%) of the voting power of the Association". The Litchfield Plantation Company's voting power meets this requirement, so be it that we, the Board of Governors of the Association, hereby give notice of the meeting.

Included with this Notice is a proxy. This proxy allows you to select a proxy agent to vote on your behalf at this meeting. No other business will be conducted or voted on at this meeting.

It is **very important** that you attend this meeting either in person or by proxy as the Special Meeting can only be conducted after the establishment of a quorum. **Whether you plan to attend or not, please return the completed enclosed proxy to the management office no later than Thursday, August 23, 2012 at 5:00 pm.**

If you have any questions concerning the matters contained in this Notice, please do not hesitate to contact me at 843-652-2171 or Scott.McCarthy@KADiehl.com.

FOR THE BOARD OF GOVERNORS

Sincerely,

Scott McCarthy

Scott McCarthy, CMCA
Community Manager for Litchfield Plantation Association
KA Diehl, AAMC

Enclosures: As noted





Litchfield Plantation Association, Inc.

Special Meeting of the Members

August 25, 2012

10:00am

Proxy

PROXY VOTE: Whether you DO or DO NOT plan to attend the Meeting, please complete this form and return it in the postage-paid envelope or fax to 843-652-2194, so that a quorum can be assured. If a quorum is not obtained, the meeting cannot be held and this would necessitate another meeting be held at an added expense to the Association. If you attend the Special Meeting, your Proxy will be returned to you and your vote will be made in person.

The undersigned homeowner hereby appoints: (check one) () Tom Eckerd, Vice President of the Association, or in lieu thereof, () _____ (please print) to act as their Proxy Agent and instructs said Proxy Agent to: Vote on my behalf only as hereinafter indicated (1) in order to establish a quorum, (2) vote for the nominees for the Board of Governors listed below, or to nominate and vote for the following write in candidate(s), and (3) cast a vote for any business requiring a vote.

☐

YES, I plan to attend the Meeting.

☐

NO, I do not plan to attend the Meeting.

Homeowner Signature: _____

Print Name: _____

Association Address: _____

Date: _____

Please return Proxy no later than Thursday, August 23, 2012

MITCHELL J. WILLIAMS
STEVEN D. HAYMOND
ROBERT F. McMAHAN, JR.
MICHAEL S. SWINDELL
EDWIN L. TURNAGE
JOHN M. CROFT
S. HAMPTON EADON, III*

*Also Licensed in North Carolina

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2011-CP-22-00319

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CONWAY
FLORENCE
ROCK HILL
SPARTANBURG

OF COUNSEL
E. WESLEY GRAVES, III

RETIRED
SHIPP D. HARRIS

August 24, 2012
(via email and US Mail)

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

RE: *Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr. and Thomas Martin Phillips v. Litchfield Plantation Company, Inc.*
Civil Action #: 2011-CP-22-00319
Our File #: 201130280

Dear Mark:

An appeal of Judge Hyman's Orders is being filed with the SC Court of Appeals today. The attorney filing the appeal is Mike Seekings of Leath Bouch & Seekings in Charleston. I understand that he will be serving you with a copy. I will forward you a clocked copy via email once I receive it. Mike and Tim Bouch will be the attorneys handling the appeal. Be advised that no Association funds have been or will be expended on the costs of the appeal nor have any Association funds been paid to me or my firm. I have acted pro bono throughout these cases.

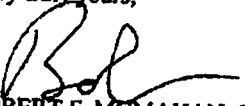
Pursuant to SC Code Ann 18-9-130 (B) (1) (2012) Judge Hyman's Orders are stayed pending the appeal. We believe that your client's voting rights remain suspended due to that stay and your client's non payment of the items in the Accounting. Consequently, LPA will not recognize your client's attempt to vote its Class B shares in tomorrow's meeting. I understand that you will probably disagree with that position.

While we are willing to go forward with the meeting tomorrow, I do think it may be pointless. Let me know whether you want to go forward. In either event we propose that we meet, possibly in the context of a mediation, in the near future to discuss the issues and try to find a way to resolve our differences. I understand that Dan Stacy has agreed to serve as a mediator. While I do not know Dan personally I am informed that he is a knowledgeable real estate attorney. Understand that we are not trying to stop your client's development plans. In fact we all recognize that the development of the plantation will help solve the financial plight of the Association. However, we cannot in good faith and in accordance with our fiduciary duties to the Association allow your client to ignore its financial obligations to our Association.

Should you wish to discuss this matter, give me a call or send me an email. If I don't hear from you I will see you tomorrow.

With kindest regards, I remain

Very truly yours,


ROBERT F. McMAHAN, JR.

Cc: Michael S. Seekings, Esq. (via email)





KA DIEHL
COMMUNITY MANAGEMENT SPECIALISTS
LITCHFIELD PLANTATION ASSOCIATION

SPECIAL MEMBERS MEETING
August 25, 2012
AGENDA

Meeting Commences: 10:00 AM

- I. Opening of Meeting / Welcoming Statement
- II. Roll Call and Certification of Proxies
- III. Proof of Notice of Meeting
- IV. Purpose of the Special Meeting
 - a. Removal of the Current Board of Governors
 - b. Nomination and Election of New Board of Governors
- V. Removal of Current Board of Governors
 - a. Motion
 - b. Vote
- VI. Election of Directors
 - A. Nominations from the floor
 - B. Candidate Statements
 - C. Distribute Ballots
 - D. Tally of Votes
- VIII. Elections Results
- IX. Adjournment

DEFENDANT'S
EXHIBIT
E



LITCHFIELD PLANTATION ASSOCIATION, INC.
SPECIAL MEMBERS' MEETING
August 25, 2012

BALLOT

- I. For the Removal of the Board of Governors, please vote if you are in favor or are against the removal of the current Board of Governors consisting of Joe Johnston, Tom Eckard, Carol Kirby, Bobby McMahan and Tim Onions**

☐

For the Removal of the Current Board

☐

Against the Removal of the Current Board

Date: _____

Signature: _____

Printed Name: _____

Lot # _____

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**SUPPLEMENTAL AFFIDAVIT OF JOHN J
BOSELLI**

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 1:05
CLERK OF COURT

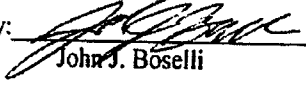
I, John J Boselli, after being duly sworn, do hereby state and affirm the following:

1. Since the date of my last affidavit Litchfield Plantation Association has paid expenses to maintain insurance on and provide utilities to Common Areas of Litchfield Plantation that are owned by Litchfield Plantation Company including by not limited to the Litchfield Plantation House that is used as an Inn. On behalf of Litchfield Plantation Association, K A Diehl has invoiced Litchfield Plantation Company for those expenses. As of the date of this affidavit no payment has been received.
2. Since the date of my last affidavit Litchfield Plantation Association has invoiced Litchfield Plantation Company for the \$12,000 that was set forth in the agreement between Litchfield Plantation Company and Litchfield Planation Association for the use of the common areas by the guests of Litchfield Plantation Company at the Litchfield Plantation House Inn. As of the date of this affidavit no payment has been received.
3. I attended an informational meeting of Litchfield Plantation Association on Saturday, June 25, 2001 in which I informed the attendees that Litchfield Plantation Association would run out of money by the end of July, 2011 and had a shortfall of \$160,000 to pay its expenses for the remainder of 2011. Based on that figure I recommended that an additional assessment of \$1,200.00 per lot would be needed to fund the Association through the end of 2011. The meeting



was attended by numerous property owners including John Miller who stated at that meeting that he was president of Litchfield Plantation Company. Mr. Miller did not offer at that meeting nor at any later time to pay the shortfall in the LPA budget for 2011. After that meeting KA Diehl invoiced all property owners for the \$1,200 assessment for their lots including Litchfield Plantation Company for its unsold lots. As of the date of this affidavit, Litchfield Plantation Company has not paid anything to Litchfield Plantation Association for 2011.

4. When K A Diehl took over management of Litchfield Plantation Association, I was given bank account records that showed that the reserve account for Litchfield Plantation Association had a balance of \$ 633.27.

By: 
John J. Boselli

Sworn to before me this 5th day of DEC., 2011

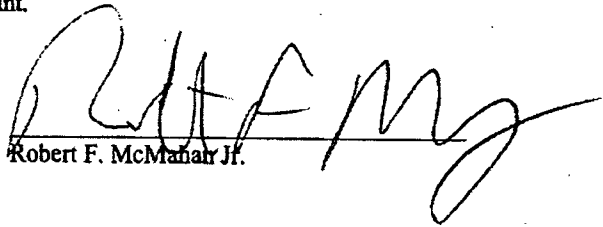

Notary Public for South Carolina
My commission expires: OCT 20, 2013

CERTIFICATE OF SERVICE

Robert F. McMahan Jr., says that he is the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on December 6, 2011, he hand-delivered in a sealed envelope, a copy of **PLAINTIFFS' MEMORANDUM IN OPPOSITION TO DEFENDANT'S MOTION FOR SUMMARY JUDGEMENT** to:

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

the name and address of counsel for the defendant.


Robert F. McMahan Jr.

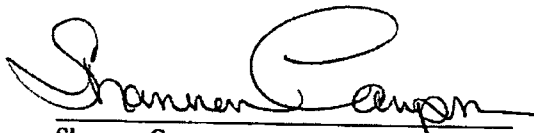
FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4: 09
ALMA Y. WHITE
CLERK OF COURT

CERTIFICATE OF SERVICE

Shannon Campman says that she is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on December 6, 2011, she mailed in a sealed envelope, postage prepaid, a copy of **PLAINTIFFS' MEMORANDUM IN OPPOSITION TO DEFENDANT'S MOTION FOR SUMMARY JUDGEMENT** to:

Douglas C. Baxter
Richardson, Plowden & Robinson
P.O. Box 3646
Myrtle Beach, SC 29578

the name and address of counsel for the Plaintiffs.


Shannon Campman

FILED
GEORGETOWN COUNTY, SC
2011 DEC -6 PM 4:09
ALMA Y. WHITE
CLERK OF COURT

CERTIFICATE OF SERVICE

Shannon Campman says that she is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on December 6, 2011, she mailed in a sealed envelope, postage prepaid, a copy of **PLAINTIFFS' MEMORANDUM IN OPPOSITION TO DEFENDANT'S MOTION FOR SUMMARY JUDGEMENT** to:

Howell V. Bellamy
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, SC 29578

the name and address of counsel for the intervenor.


Shannon Campman

FILED
GEORGETOWN COUNTY, S.C.
2011 DEC -6 PM 4:09
ALMA Y. WHITE
CLERK OF COURT

Litchfield Plantation Association, Inc.

April 30, 2010

Dear Litchfield Plantation Property Owner:

On Saturday April 10, 2010 we had an informal property owner meeting to discuss the issues on the agenda sent to you 2 weeks earlier.

As discussed with the approximately 40-45 property owners present at the meeting, the Litchfield Plantation Company (LPC) is the Declarant and is responsible for funding the annual LPA budget shortfall. LPC is no longer able to fund the budget deficits going forward.

LPC relies on real estate sales to fund the budget deficits and has had virtually no sales in over two years! Regular LPA assessments are not sufficient to cover the annual operating expenses because there are not enough property owners paying assessments.

FYI, the bills for the 2010/2011 assessments went out in March with 73 (\$138,700.00) collected to date. If you haven't mailed in your assessments please do so at your earliest convenience.

The LPA fiscal year has always run from April 1st through March 31st. The 2010/2011 assessments will fall short of covering the 2010/2011 fiscal year operating expenses. I am hopeful funds will cover expenses through December 31, 2010. In order to collect additional LPA assessments after December 31st 2010, the strategy is to change the LPA fiscal year to a calendar year thereby allowing assessment bills for Calendar Year 2011 to be sent out in December 2010 for collection in January 2011. This should give LPA enough funds to pay expenses through approximately May 2011. 2011 calendar year dues will be \$1,425.00 with a credit given for one (1) quarter.

Waverly Creek Realty, LLC (WCR) while not the Declarant, has been authorized by LPC and LPA to manage the 2010 LPA Operating Account and has been paying LPA expenses since April 1st. We plan to run a very lean budget with LPA expenses being transparent to the property owners.

Due to the financial condition of LPC the three (3) loans on property owned by LPC within Litchfield Plantation are in default with foreclosure on one or more of these loans being a possibility. In the event of foreclosure it is very important that the homeowners (LPA) be solvent and unified.

Enough bad news! The good news is we have been seeking a compatible buyer to purchase the assets of LPC and to provide patient money to weather this real estate storm and to provide funds to finish the development. We are confident we can find that person or company before summer of 2011 when LPA will run out of funds. This new entity would replace LPC as the Declarant and take on the responsibility of funding LPA budget deficits going forward.

If you have any questions concerning LPA issues please call me at 843-237-9680.

Sincerely,



E. Scott Trotter

24 Avenue of Live Oaks • Pinckney Island, SC 29555 • Office (843) 237-9680 • Fax (843) 237-9680

ser.
5/16/11

Litchfield Plantation Association, Inc.

November 19, 2010

Dear Litchfield Plantation Property Owner:

This letter is the first of several important letters which will be sent over the next few weeks to outline and explain some of the issues that concern Litchfield Plantation now and going forward. The following issues are addressed in this letter:

- The Beach House
- The Carriage House Club
- Waverly Creek Realty, LLC
- Litchfield Plantation Association, Incorporated
- Litchfield Plantation

Litchfield Plantation Company, Inc. (LPC), as the owner of the Beach House at Pawleys Island, has allowed Georgetown County to tax it as a private beachfront residence and not as an amenity for our community, which resulted in annual ad valorem property taxes exceeding \$15,000. In 2007, LPC appealed the ad valorem tax bill and asserted the assessed value should be lowered based on historic "Easements of Use" in favor of Litchfield Plantation Association, Inc. (LPA or the Association). The Beach House was sold at a tax sale for the nonpayment of 2008 and 2009 ad valorem property taxes of approximately \$45,000 (inclusive of fees and interest). Through diligent work by our attorney, Charles Nation, the tax sale was set aside and voided, and the beach house is now assessed so that the taxes are less than \$100 annually. LPC intends on transferring the Beach House to LPA before the end of the year.

As mentioned in the last letter, the Carriage House Club Building (CHC) and the surrounding real estate is in the initial stages of foreclosure by the lender, BDC Capital. A hearing was recently held in the foreclosure. Litchfield Plantation Hospitality Group, LLC remains as the tenant and a local CPA firm was appointed as receiver of the property to collect rent, inventory the personal property, and monitor the financials pending the conclusion of the foreclosure. The lease in favor of Litchfield Plantation Hospitality Group, LLC runs through July 2014, and it plans to remain the tenant of the CHC, and expects operations to continue as normal. It appreciates your continued support and business and looks forward to seeing you over this holiday season.

Waverly Creek Realty, LLC (WCR) has been the exclusive sales agent for LPC since 2005. During that period, WCR sold a total of 94 properties valued at \$36,368,000. WCR has been the exclusive listing agent and currently does not sell or list real estate outside Litchfield Plantation. LPC has no lots available for sale, only undeveloped acreage. Currently, its listings are the last remaining Tucker's Woods Townhouse, and 11 lots located within Legacy Place. WCR also has several property owner listings within the Plantation - the lot inventory is well below normal.

Litchfield Plantation Association, Inc. (LPA) was chartered as the homeowner's association in 1971, and has been historically operated by LPC since then. Under section 5.8 of the Covenants, Conditions and Restrictions (CC&R's) LPC, as the Declarant, is obligated to either pay assessments for the property it owns, or pay any "shortages" in the budget. Since 1971, the Association has run a deficit, and LPC has funded the shortfall.

*ag
11/16/10*

In April 2010, the Declarant contracted with Waverly Creek Realty, LLC to take over the management and operations of the Association. At that time, WCR established a budget for the fiscal year which began on April 1, 2010, and ends on March 31, 2011, and has managed and maintained the property during this period. As in each prior year the annual assessments received are less than the annual expenses of the Association for the current fiscal year, and it appears LPC will not be able to fund the operating shortfall for this fiscal year due to the lack of real estate sales and operating income.

In early December, the Association will forward financial statements reflecting the 2010 LPA Operating Account which details the sources and uses of funds from April 1, 2010, through November 30, 2010.

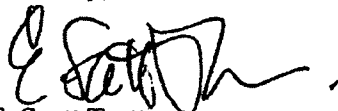
WCR will provide the Association with 2011 budget recommendations based on April 1, 2010-December 31, 2010 actual expenditures. The projections reflect the Association should have sufficient funds to cover expenses through December 31, 2010. In light of the economy and the absence of sales, LPA will change the fiscal year to a calendar year beginning January 1, 2011 and ending December 31, 2011. A calendar year fiscal year will enable the Association to assess all properties in December of 2010, for calendar year 2011, at which time each owner will receive a credit for assessments paid through the 1st quarter of 2011. The 2011 calendar year assessment will be for 75% of the current annual regular assessment of \$1,900. The projected assessment for each lot for calendar year 2011 will be \$1,425. The change and acceleration of the fiscal year will allow the Association to collect funds in January of 2011. Based on current year operating expenses, the assessments for 2011 should fund the Association through May 30, 2011.

We continue to search for a purchaser and new Declarant to provide a solid new ownership group. Since April of this year, LPC has entertained four serious prospects and each prospect has declined the transaction. The real estate market continues to be very weak with no clarity on value; competing transactions appear to offer better returns, and finding the right purchaser or group has been and remains challenging.

A property owners meeting will be held at the Carriage House Restaurant at 10:00 a.m. on Saturday, January 15, 2011, to discuss these and any other issues affecting Litchfield Plantation. We will continue to update you as the year closes.

Have a wonderful Thanksgiving and holiday season.

Sincerely,


E. Scott Trotter

cc: Jeff Van Treese

W. Logan Trotter

CST
5/16/11

Litchfield Plantation Association, Inc.

December 23, 2010

Dear Litchfield Plantation Property Owner:

I hope you are having a wonderful holiday season and are staying warm in the unseasonable weather.

As addressed at the April 1 property owner meeting, again in my April 10 letter, the October 20 letter and the November 20 letter, Litchfield Plantation Company, Inc. (LPC) would no longer be able to fund the shortfall of the 2010-2011 Litchfield Plantation, Inc. (LPA) operating budget. Because of LPC's financial condition we would change the fiscal year from April 1 to March 31 to a calendar year in order to pay the operating expenses through May 2011. That time has come.

Enclosed is your 2011 LPA Assessment based on the formula more specifically spelled out in the November 20 letter, i.e. \$1,425.00 not \$1,900.00, reflecting a three (3) month credit in your normal assessment.

Also enclosed is a Sources and Uses of Funds for the 2010-2011 LPA operating budget from April 1 to November 30, 2010. On or before the January 15, 2011 property owner meeting financials covering the 2010-2011 LPA fiscal year ending December 31, 2010 will be given to you. This will also include balance sheet information such as delinquent amounts, LPA accounts receivable and payable etc. As soon as practicable the entire 2010-2011 LPA fiscal year will be tabulated and given to you.

On or before the January 15, 2011 property owners meeting, a 2011 LPA operating budget will be presented to you based on 2010-2011 expenditures. This proposed budget will assume the same Gate and Grounds line-item expenses in the 2010-2011 budget. As these two (2) line-items, including related payroll expenses, account for over 60% of the budget, Gate and Grounds Maintenance options will be presented to you, which if implemented could significantly reduce the budget.

As some of you are aware, an independent property owner meeting was held on December 7, 2010 to discuss issues with regard to the present condition of Litchfield Plantation. On December 17, 2010 we met with a committee assigned to look into those issues. While we fully intend to address all of the pertinent issues, the two main issues presented, financial transparency and property owner representation on the Board of Governors, have been or will be addressed.

24 Avenue of Live Oaks - Pawleys Island, SC 29585 - Office (843) 237-9688 - Fax (843) 237-968

WST
5/16/11

Regarding financial transparency, the attached Sources and Uses plus the additional financial information promised address this issue.

Regarding the LPA Board of Governors, we intend to appoint two (2) property owners to the five (5) member Board as soon as possible. In fact, Bobby McMahon, an attorney who lives in Chapel Creek Villas has indicated he is willing to serve. Another property owner will be appointed soon.

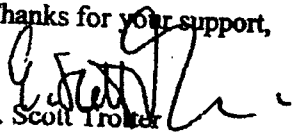
As a historical footnote, the LPA Board of Governors prior to late spring of 2009 consisted of Allan Kidston (representing LPC, LPA, RPC, CHC and LPCI), Jeffrey Van Treese (representing LPC, LPA, RPC), Claudia Bossen (Accountant for LPC, LPA, RPC), Bill Gamble (representing the property owners), and myself (representing property owners, Tuckers Woods and Legacy Place ongoing development interests).

Because of the self-serving conduct of Kidston, Van Treese and Bossen in 2009 following the sale of the stables property, Kidston and Bossen resigned. Bill Gamble resigned shortly after that leaving Van Treese and myself on the Board. We are charged with reseating the board. More information regarding the LPA Board of Governors will be forthcoming before the January 15, 2011 property owners meeting.

All of these issues notwithstanding, the most important issue is funding the 2011 LPA operating account through May 2011 and what we will do beyond May 2011 if we don't find a financial partner/new owner who will accept the responsibility of deficit funding the LPA budget. Several ideas have been discussed and will be open for discussion at the January 15, 2011 meeting.

In the meantime, it is crucial to understand that LPA will be out of funds going into 2011 and I would hope that those inclined will mail their assessment by return mail. Please make your checks out to 2011 LPA Operating Account.

Thanks for your support,


E. Scott Trotter

cc: Jeffrey Van Treese

EST
5/16/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

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6. To discuss commencing litigation (a) against Litchfield Plantation Company, Inc. ("LPC"), its officers, directors and shareholders, (b) against Mr. Trotter, Mr. Van Treese and Allan Kidston, individually, and (c) against such other entities and individuals as the Members determine, for all such claims as the Members have against them.

LPA Member Name/Signature

RBrown2@SC.RR.com

E-mail Address

Date

2/8/11

SPECIAL MEETING OF MEMBERS OF
LITCHFIELD PLANTATION ASSOCIATION, INC.

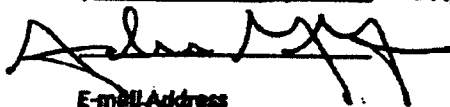
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LPA Member Name/Signature

ANDREA McMANUS



E-mail Address

Date

2.10.11

AMCMANUS@CATAMOUNTCONSTRUCTORS.COM

for 51 Forayce Lane
Paulays Island, SC

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LPA Member Name/Signature

Joseph E. Johnston
Donald D. Johnson

Date

02-07-11

E-mail Address

jej1cwj2@aol.com

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LPA Member Name/Signature

James R. Bunker
Jim Simon? Dad.

E-mail Address

Date

2/15/11

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LPA Member Name/Signature

T. Martin Phillips
T. MARTIN PHILLIPS

Date

2/15/11

E-mail Address martin@theitchfieldcompany.com

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LPA Member Name/Signature

Cathy Charnley
cathycharnley@gmail.com

E-mail Address

Date

2/15/11

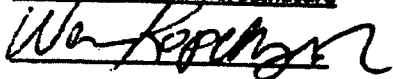
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LPA Member Name/Signature



WTK19K89@aol.com

E-mail Address

Date

2-10-11

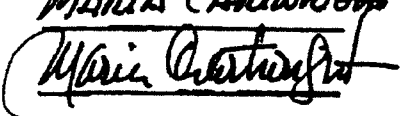
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LPA Member Name/Signature

MARIA CARTWRIGHT


E-mail Address

Date

2/15/2011

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LPA Member Name/Signature



THOMAS C. DAIVOLIS

Date

2/9/2011

E-mail Address

tconions@sc.rr.com

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LPA Member Name/Signature

Tom Eckard
[Signature]

Date

2/10/11

E-mail Address

TEckard55@yahoo.com

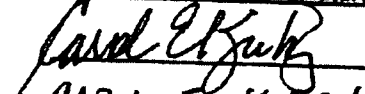
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LPA Member Name/Signature


CAROL E. KIRBY

Date

2/07/2011

E-mail Address

CAROL.KIRBY80@gmail.com

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LPA Member Name/Signature

D. Lee Milling / D. Lee Milling

lee.milling@gmail.com

E-mail Address

Date

2/9/11

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LPA Member Name/Signature

Roberta N. Mahony
RNMHPM@gmail.com

Date

2-7-11

E-mail Address

LITCHFIELD PLANTATION
MAINTENANCE AND OPERATIONS FEES
Fiscal Year ended: October 31, 2008

Association Fees

Class "A" Members

\$1,900.00 annual *

Payable in full on April 1, 2008

Annual fee is changed on April 1st of any given year and is not concurrent with the association's fiscal year (which runs from November 1st to October 31st).

* CPI for the period October, 2007 through October, 2008 is reported by U. S. Department of Labor is 3.53% (208.936 divided by 201.8). It is anticipated the CPI will be a minimum of 3.5% for the full twelve months ended March 31, 2008. Hence, \$1,850 times 1.035 yields \$1,914.75, which was then rounded down to the nearest hundred dollars (\$1,900).

In accordance with Article 5.11 Maximum Annual Assessment During Class "B" Share Period. The maximum annual increase is the lesser of a 5% annual increase or the amount of change in the Consumer Price index (CPI).

Article 5.8 Declarant's Obligation for Assessments. Declarant elects to pay the "shortage" for the fiscal year. The shortage is the difference in the amount of revenues received by the Association and the actual expenditures incurred by the Association during the fiscal year.

LITCHFIELD PLANTATION
FEES FOR COMMON FACILITIES AND SERVICE

PLANTATION HOUSE

Reservations can be made at the Guest Center. Check in time is 3:00 p.m.; check out time is by 11:00 a.m. Members of Litchfield Plantation Association enjoy a 20% discount of the published guest rates shown for the Plantation House.

GUEST RATES

Guest rates are pursuant to published schedule of rates as they may appear from time to time.

For use of Plantation House terraces or lawn areas for a reception, party or similar affair: Schedule of fees and requirements per published rates.

MARINA

Rates are published according to slip type, length of boat and minimum charges. Rate cards are available from the Harbor master or at the Administrative office.

PAWLEYS ISLAND BEACH CLUBHOUSE

Rates shown are for a maximum period of four (4) hours. Reserving party is responsible for set up and clean up; any additional services required to restore the facility to proper order will be billed to the reserving party.

	<u>Association</u> <u>Member</u>	<u>Guests</u>
Second Floor	\$200	(
Third Floor	\$200	(\$850
Second & Third Floors	\$400	(

POOL HOUSE

Rates shown are for a maximum period of four (4) hours. Reserving party is responsible for set up and clean up; any additional services required to restore the facility to proper order will be billed to the reserving party.

<u>Association</u> <u>Member</u>	<u>Guests</u>
\$200	\$750

ADMINISTRATIVE SERVICE

Requests for administrative assistance with individual private residences within Litchfield Plantation, for example admitting service people, arranging for repairs or maintenance needs, or any other matters of a personal nature, will be provided and a fee of \$27.50 per hour charged (minimum charge \$27.50).

MAID SERVICE

On request - \$20.00 per hour

RULES AND REGULATIONS

All members and guests are subject to the rules and regulations of Litchfield Plantation.

CATERING

Catering of food and beverage at any Litchfield Plantation facility is provided solely by the Litchfield Plantation's Carriage House Club.

CANCELLATION POLICY

Cancellations of reservations made 14 days in advance of reserved date or 30 days prior to reserved date on holidays will not forfeit deposit. Cancellations within the 14 and 30 days will be charged for the entire amount of the reservation.

RESERVATION POLICY

Guests are required to guarantee reservations with a credit card.

All rates are subject to change, by Litchfield Plantation or the Board of Governors of Litchfield Plantation Association, as applicable.

Memorandum

To: Board of Governors
Litchfield Plantation Association, Incorporated

From: Charles Owen Nation, II

Re: Litchfield Plantation

Date: February 25, 2011

I have prepared and present the following summary with the understanding it will be shared with some of the members of the Association. The information reflected herein follows my comprehensive review of the public record and files maintained by my office. Hereinafter, Litchfield Plantation Association, Incorporated is referred to as "LPA" or "Association", and Litchfield Plantation Company, Inc. is referred to as "LPC" or "Declarant", and Resources Planning Corporation is referred to herein as "RPC".

Some of the property within Litchfield Plantation is subject to the Declaration of Restrictive Covenants dated January 26, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Book 98 at Page 36 (the "1971 Declaration"); as amended. This property is commonly referred to as "the Phase I Property". The 1971 Declaration was amended by an Amendment to Declaration of Restrictive Covenants dated December 30, 1988, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Deed Book 317 at Page 222 ("the 1971 Declaration as Modified in 1988"). One hundred percent (100%) of the owners within Litchfield Plantation amended the aforementioned documents and consented to a document entitled "Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal" executed by LPC, and joined in by LPA, and RPC, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1 ("the 2005 Restated Declaration"). The stated purpose of the 2005 Restated Declaration is to incorporate all covenants, conditions and restrictions applicable to Litchfield Plantation into one document.

Declarant; Extension of Class B Control Period

Article 2.10 of the 2005 Restated Declaration defines the term "Declarant" as LPC, or any successor or assign of LPC who takes title to any portion of the property described on Exhibit "A" or Exhibit "C" for the purpose of development and/or resale in the ordinary course of business and who is expressly designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant. Article 5.5 of the Restated Covenants addresses the Class "B" voting control. The sole Class "B" Member is the Declarant, LPC or any successor or assign of LPC who takes title to any portion of the property described on Exhibits "A" or "C" attached to the Restated Covenants for the purpose of development and/or resale in the ordinary course of business and who is expressly designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

The Class "B" Member shall have the number of votes equal to all Class "A" Members plus one (1) vote during the Class "B" share period and the Class "B" membership ceases and is converted to Class "A" Membership. The Class "B" share period ends upon the earlier of three (3) events, and the first non-elective event is December 31, 2010. Under the Restated Covenants, this initial Class "B" share period shall be automatically extended for successive periods of five (5) years, provided that in each five-year period prior to the automatic extension the Declarant has sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners. The automatic extension shall be conclusively established by the Declarant recording an Affidavit stating the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010. The Declarant sold 101 Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010, and the Affidavit has been filed of public record.

Purposes of LPA: Common Area

LPA was established for the purpose of exercising powers of maintaining and administering the Common Areas and the improvements thereon and to be constructed thereon, including the roads and maintenance buildings, and providing common services, administering and enforcing the covenants, conditions and restrictions, and levying, collecting and dispersing assessments and charges. See Article 5.1 of the 2005 Restated Declaration.

Article 2.7 of the 2005 Restated Declaration defines "Common Area" as property, both real and personal, to which all property owners within Litchfield Plantation have "easements of use and open space", and all other real or personal property which LPA now or hereafter owns, leases, or otherwise holds possessory or use rights in and for the common use and enjoyment of all property owners within Litchfield Plantation. LPA holds possessory and use rights in and to the parcels which are designated as Common Property for the common use and enjoyment of all property owners within Litchfield Plantation, hereinafter "the Easements of Use and Enjoyment of Common Area". Under Article 6.1 of the 2005 Restated Declaration, the Easements of Use and Enjoyment of Common Area established in 1971 were confirmed, and LPA and each and all property owners within Litchfield Plantation (both lots and condominiums) and their respective guests and invitees have and enjoy easements to pass over, use and enjoy property designated as Common Area. The Common Area currently includes (a) the Beach House, (b) property containing 7.35 Acres contiguous to the Carriage House Restaurant, "the Administrative Offices, Plantation House, and Pool House Tract", and (c) property referred to as "Live Oaks Park".

Notes and Mortgages

There are a five pieces of real property which are important to the historical puzzle which needs to be understood to place the actions of the Board of Governors in perspective. The first parcel is the Beach House. The second parcel is the Administrative Offices, Plantation House, and Pool House Tract. The third parcel contains 2.28 Acres across the street from Live Oaks Park, and contiguous to the 7.35 Acres, hereinafter "Parcel III-B". The fourth parcel is the property known as Phase II Property, 40 Acres, more or less, which are not subject to the restrictive covenants. The fifth "parcel" contains all the properties which together make up the skeleton of the Plantation, the

roads, ponds, lakes, and open and impounded rice fields.

Under Article 5.2 of the 2005 Restated Declaration, the Board of Governors of LPA is expressly authorized to enter into a contract with the Declarant to sell, convey, or exchange Property without a vote of the members. Under the 2005 Restated Declaration, the term "Property" is defined as the real property described on Exhibit "A" and Exhibit "B" attached to the 2005 Restated Declaration, together with such additional property as is subjected to the 2005 Restated Declaration in accordance with Article 8.6 of the 2005 Restated Declaration. Under Article 5.2 of the 2005 Restated Declaration, LPC and LPA have the power and authority to purchase, sell, trade or exchange real property comprising the Common Area as set forth in Section 5.2 of the 2005 Restated Declaration, and the right to modify the extent and location of the Common Area through an exchange of property including a sale, purchase or exchange with the Declarant.

Under Article 5.2 of the 2005 Restated Declaration, the Declarant reserved the right (but had no obligation) to convey all or part of the Common Area to LPA. This provision forms the foundation for some of the Mortgages granted herein, a foreshadowing of some of the areas which may be made into Common Area in the future. Under this Article, LPA agreed to accept the conveyance and to maintain and administer the same as Common Area, provided any Common Area deeded to LPA was at the time of the conveyance (a) free from liens and encumbrances except future taxes and those contained within the 2005 Restated Declaration, and (b) in good condition and not in need of maintenance and/or repair which would exceed the reserved funds held by LPA and applicable to the property being deeded to LPA. This was the case when Live Oaks Park was conveyed.

First Promissory Note dated April 1, 2005

LPC, as Maker, and RPC, as Guarantor, executed a Promissory Note in favor of LPA, as Holder, dated April 1, 2005, in the original principal amount of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,500,000.00), hereinafter "the \$1,500,000.00 Promissory Note". Following the transfer of the Stables property, LPC and LPA performed an accounting and confirmed the balance due by LPC to LPA on the \$1,500,000.00 Promissory Note was \$281,881.00 as of May 22, 2009. On May 22, 2009, LPC, as Maker, and RPC, as Guarantor, and LPA, as Holder, agreed to extend the maturity date of the \$1,500,000.00 Promissory Note dated April 1, 2005, to May 22, 2014, and following an accounting agreed the unpaid principal balance in the amount of \$281,881.00 would accrue from and inclusive of May 22, 2009, at the prime base rate posted by 70% of the nation's largest banks and as published in the Wall Street Journal, hereinafter "the Prime Interest Rate".

Second Promissory Note dated May 22, 2009

On May 22, 2009, LPC, as Maker, and RPC, as Guarantor, executed a Promissory Note in favor of LPA, as Holder, in the original principal amount of FIVE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$570,000.00), with interest accruing at the Prime Interest Rate, and with a maturity date of May 22, 2014, hereinafter "the \$570,000.00 Promissory Note". The repayment of the unpaid balances of the \$1,500,000.00 Promissory Note

and the \$570,000.00 Promissory Note in the total combined amount of \$851,881.00 are secured by a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58.

The security for the repayment of the Second Promissory Note inheres in a guarantee from RPC (now not worth very much) and a mortgage which encumbers various easements for development and the developable portions of the Phase II Property more particularly described as "39.468 AC +/- (INCLUSIVE OF ALL RIGHT-OF-WAYS AND WETLANDS)" on a plat entitled "SUBDIVISION PLAT OF WAVERLY CREEK ESTATES AT LITCHFIELD PLANTATION GEORGETOWN COUNTY, SOUTH CAROLINA, PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC.", prepared by Thomas & Hutton Engineering Co., dated August 14, 2008, and filed of record April 2, 2009, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 696 at Page 2.

Third Promissory Note dated June 10, 2009

On June 10, 2009, LPC, as Maker, and RPC, as Guarantor, executed a Promissory Note in favor of LPA, as Holder, in the original principal amount of SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00), with interest accruing at the Prime Interest Rate and with a maturity date of June 10, 2014, hereinafter "the \$75,000.00 Promissory Note". The repayment of the \$75,000.00 Promissory Note is secured by a guarantee, not valued at much following the collapse of RPC in North Carolina, and a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, which encumbers various easements for development and the developable Phase II Property.

Fourth Promissory Note dated July 21, 2009

On July 21, 2009, LPC, as Maker, and RPC, as Guarantor, executed a Promissory Note in favor of LPA, as Holder, in the original principal amount of TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00), with interest accruing at the Prime Interest Rate and with a maturity date of January 21, 2010, hereinafter "the \$20,000.00 Promissory Note". The sum of \$5,000.00 was repaid by LPC, as Maker, to LPA, as Holder, on the \$20,000.00 Promissory Note, on December 21, 2009, and immediately following this payment the unpaid principal balance of the \$20,000.00 Promissory Note was \$15,274.25 (\$20,000.00 plus interest at 3.25% per annum for 154 days, less \$5,000.00).

Fifth Promissory Note dated June 1, 2010

On June 1, 2010, LPC, as Maker, and RPC, as Guarantor, executed a Promissory Note in favor of LPA, as Holder, in the original principal amount of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00), with interest accruing at the Prime Interest Rate and with a maturity date of June 1, 2011, hereinafter "the \$50,000.00 Promissory Note". The sum of \$3,325.00 was

repaid by LPC, as Maker, to LPA, as Holder, on the \$50,000.00 Promissory Note, on October 5, 2010, following the sale of Lot 3, Block G. Immediately following this payment the unpaid principal balance of the \$50,000.00 Promissory Note was \$47,240.15 (\$50,000.00 plus interest at 3.25% per annum for 127 days in the amount of \$565.15, less \$3,325.00). The sum of \$36,007.56 was repaid by LPC, as Maker, to LPA, as Holder, on the \$50,000.00 Promissory Note, on November 2, 2010, following the sale of the 2.5 acre strip. Immediately following this payment the unpaid principal balance of the \$50,000.00 Promissory Note was \$11,350.19 (\$47,240.15 plus interest at 3.25% per annum for 28 days in the amount of \$117.60, less \$36,007.56). As of November 2, 2010, the balance of the \$50,000 Promissory Note is \$11,350.19, and continues to accrue interest at the Prime Interest Rate, currently 3.5% per annum.

Terms of Promissory Notes

All four (4) notes from LPC to LPA accrue at the rate of prime, they can all be prepaid in whole or in part at any time, and from time to time, without premium or penalty; they cannot be assigned by LPC or assumed by anyone without the prior written consent of LPA, and any such assumption, assignment or attempted assignment by LPC shall be void and of no effect with respect to LPA; they cannot be extended or modified except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought; LPA may from time to time sell or assign, in whole or in part, or grant participations in, each of the four loans, the four notes and/or the obligations evidenced thereby; the holder of any such sale, assignment or participation, if the applicable agreement between LPA and such holder so provides, shall be entitled to all of the rights, obligations and benefits of LPA, and deemed to hold and may exercise the rights of setoff or LPA's lien with respect to any and all obligations of such holder to LPC, in each case as fully as though LPC were directly indebted to such holder and LPA may in its discretion give notice to LPC of such sale, assignment or participation; however, the failure to give such notice shall not affect any of LPA's or such holder's rights hereunder.

Modification of McNair Mortgage dated February 12, 2003 on February 17, 2010

On February 12, 2003, a MORTGAGE OF REAL ESTATE was given by LPC, to McNair Law Firm, P.A., and filed of record February 20, 2003, in the Office of the Register of Deeds for the County of Georgetown in Mortgage Book 1961 at Page 292, hereinafter "the McNair Mortgage". The McNair Mortgage was modified by a MORTGAGE MODIFICATION AGREEMENT by and between LPC, and McNair Law Firm, P.A., dated February 3, 2010, and February 16, 2010, respectively, and filed of record February 17, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1431 at Page 134, hereinafter "the Modified McNair Mortgage".

LPA Resort Commercial Property Mortgage dated June 1, 2010

The repayment of the \$570,000.00 Promissory Note, and the \$75,000.00 Promissory Note, and the \$20,000.00 Promissory Note, and the \$50,000.00 Promissory Note are secured by a

COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT FOR FOUR (4) LOANS from LPC, as Mortgagor, to LPA, as Mortgagee, dated June 1, 2010, and filed of record June 1, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1487 at Pages 258 through 287, inclusive, hereinafter "the LPA Resort Commercial Property Mortgage". The LPA Resort Commercial Property Mortgage encumbers the Administrative Offices, Plantation House and Pool House Tract, and Parcel III-B, and the Carriage House Club Restaurant which is located on 3.36 Acres.

Subordination of RPC Assigned Mortgages, and LPA Resort Commercial Property Mortgage

On June 1, 2010, RPC subordinated its mortgages of record to LPA Resort Commercial Property Mortgage. Also, on June 1, 2010, LPA subordinated the LPA Resort Commercial Property Mortgage to the McNair Mortgage and the MORTGAGE MODIFICATION AGREEMENT by and between LPC, and McNair Law Firm, P.A., dated February 3, 2010, and February 16, 2010, respectively, and filed of record February 17, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1431 at Page 134, hereinafter "the Modified McNair Mortgage".

The Modified McNair Mortgage modified the McNair Mortgage given by LPC to McNair Law Firm, P.A. on February 12, 2003. The McNair Mortgage contains a future advance clause with a maximum limit of \$1,000,000.00, and is a second mortgage on a portion of the Phase II Property. The McNair Mortgage has always been superior to the LPA Resort Commercial Property Mortgage, and by its terms secures "all other indebtedness" owed by LPC to McNair Law Firm, P.A. In February of 2010, McNair Law Firm, P.A. substantially discounted a large unpaid legal bill owed by LPC, and the parties agreed to secure the repayment of the discounted bill by modifying the McNair Mortgage to maintain the indemnity limits and remove all potential restrictions within the recitals of the original Mortgage. The Modification included a forbearance component whereby McNair Law Firm, P.A. would not commence litigation, and LPC delivered a Confession of Judgment in the amount of \$300,000.00 to McNair Law Firm, P.A. The legal fees owed by LPC to McNair Law Firm, P.A. falls within the definition of "other indebtedness" and the \$300,000.00 fee was secured by the future advance clause within the McNair Mortgage.

On June 1, 2010, LPA, as the owner and holder of the COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated and filed of record May 22, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1243 at Page 58 and a COMMERCIAL MORTGAGE OF REAL PROPERTY AND SECURITY AGREEMENT from LPC to LPA, dated June 10, 2009, and filed of record June 16, 2009, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1264 at Page 125, for consideration given to LPA by LPC, subordinated the Mortgages and related instruments in favor of the McNair Mortgage and the Modified McNair Mortgage.

The consideration given by LPC and received by LPA for this subordination was the receipt by LPA of a first mortgage lien on the Administrative Offices, Plantation House, and Pool House Tract, containing 7.35 Acres and zoned Resort Commercial, and a second mortgage lien given or

Parcel III-B, containing 2.28 Acres.

In November of 2007, the appraised value of the Phase II Property in its undeveloped condition was \$10,020,000.00. In June of 2008, the gross retail value of 47 lots to be situated on this property was \$31,740,000.00. These values were believed to be sufficiently high to support the payment of the first three mortgages. The Administrative Offices, Plantation House, and Pool House Tract were not subject to the McNair Mortgage or the McNair Mortgage as modified. The value of this property to LPA and its members cannot be overstated. The legal fees, discounted or not, were secured under the McNair Mortgage filed in 2003. A Confession of Judgment had been given from LPC to McNair Law Firm, P.A. for the sum of \$360,000.00, and the filing of the Confession was under the control of its holder. I do not believe the Confession of Judgment has been filed, but if it is, it will be junior and subordinate to the Mortgages given by LPC to LPA. The subordination given by LPA simply confirms the priority of the McNair Mortgage. In the event it became necessary for LPA to foreclose its mortgages, LPC agreed it would not assert any defense or offset to the payment or collection of the notes given by LPC to LPA. The subordination was given at a time in exchange for value, and at a time when there was a hope the property encumbered would be sold for a sum sufficiently large to satisfy the first three mortgages and if not, the first and second mortgages with LPA being left in a position to negotiate with the new owner of this parcel. The LPA Resort Commercial Property Mortgage gives LPA the ability to own, through foreclosure, the property encumbered by the LPA Resort Commercial Mortgage, secures the repayment of all the notes with more than a guarantee from RPC, and grants LPA additional security for the repayment of the \$570,000.00 Promissory Note, the \$75,000.00 Promissory Note, and the \$20,000.00 Promissory Note.

Sale of Beach House for Unpaid Taxes

In 2007, the assessed value for the Beach House was \$1,551,000.00. The 2007 ad valorem taxes for the Beach House were paid under protest by LPC. The 2008 and 2009 ad valorem taxes for the Beach House were not paid while the tax appeal remained open. The appeal was settled after the property was sold for non-payment of 2008 ad valorem taxes on November 2, 2009. The property was sold in error, and the tax sale was voided. The assessed value of the Property was established at \$2,000.00 for the years 2007, 2008, 2009, and 2010.

Transfer of Beach House to LPA

On April 22, 2002, on certification of questions from the South Carolina Supreme Court to the United States District Court, it became clear a developer has a duty to ensure the roads and other common areas are in good repair at the time ownership of the common areas area transferred to the property owners association, or, in the alternative, to provide the property owners association with sufficient funds to bring those common areas up to standard as of the date of transfer. There is a fiduciary duty to transfer common areas in good repair. In the event the developer transfers substandard common areas, the developer must, at the time of transfer, provide the funds necessary to bring the common areas up to a standard of reasonably good repair. The developer who breaches this duty, by transferring common areas that are not in reasonably good repair and without the funds necessary to bring the common areas up to standard, is liable for all

damages proximately flowing from the breach, including damages for the continued deterioration of these areas.

On December 29, 2010, LPC resolved to transfer the Beach House to LPA for \$10.00 and the minimization of future ad valorem taxes. This was a condition within the settlement of the tax appeal. The conveyance of the property leaves open any and all questions concerning the liability of LPC, if any, for ad valorem taxes which may be owed by LPC to the County of Georgetown and the liens and assessments which may be owed by LPC to LPA by reason of agreements between the parties. The deed from LPC to LPA, is dated December 29, 2010, and filed of record December 29, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1607 at Page 49. LPA (and its members) have the right to commence a civil action to the extent the Beach House is not in good repair, and LPC has not provided the funds necessary to bring the Beach House up to a standard of reasonably good repair, including the right to claim all damages proximately flowing from a breach of duty, including damages for the continued deterioration of the property.

LPA Reserves Mortgage for Beach House Repairs and Reserves

The Declarant has an obligation under the 2005 Restated Covenants to fund a reserve account with deposits equal to one-third of each Working Capital Assessment collected. The Working Capital Assessment for 2011 is \$1,900.00. The Reserve Account following the transfer of 101 Lots from the Declarant should contain a total of \$63,966.67, in the event the Working Capital Assessment for each year from 2005 through 2010, inclusive, was \$1,900.00.

LPC and LPA retained a contractor to estimate the costs to bring the Beach House into "good condition". The repair estimate was \$42,556.00. On December 29, 2010, LPC agreed to pay LPA the principal sum of \$106,522.67, together with interest thereon as provided in a Promissory Note, and this sum is the total of the reserves owed by LPC to LPA for Working Capital Assessments, and the estimate of the repair expenses for the Beach House.

LPC secured the repayment of the this amount with a Mortgage from LPC to LPA, dated December 29, 2010, and filed of record December 29, 2010, in the Office of the Register of Deeds for the County of Georgetown in Mortgage Book 1608 at Page 70, which encumbers the Cemetery containing 1.38 Acres, the Lakes within Litchfield Plantation, Phase I, the Ricefields containing 74 Acres and 277 Acres, the access to the Ricefields on the Willbrook Line, the Private Roads, Avenues, and Lanes within Litchfield Plantation, the Private Cul-De-Sacs within Litchfield Plantation, and comprehensive access, utility and drainage easements.

I have been retained to represent LPA in a variety of civil actions. The most important of these actions are the following three foreclosure actions.

First, BDC Capital, Inc. f.k.a. BDC Capital, LLC vs. Carriage House Club, Inc., LPC, Mountain View Ventures, Inc., RPC, Louise P. Parsons, Litchfield Plantation Hospitality Group, LLC, South Carolina Department of Revenue, Small Luxury Hotels Of The World, Limited, Murrells Inlet Seafood, LPA, E. Scott Trotter, The Scott Trotter Company, Litchfield Plantation's Country

Inn, Inc., Litchfield Plantation Buyout Group, LLC, The Logan Trotter Company, LLC, and Waverly Creek Realty, LLC", filed under Civil Action No. 2010-CP-22-1265. I have entered an Answer and Affirmative Defense on behalf of LPA to protect the parking, access, and the utilities to the Administrative Building which run over, across and under the 3.36 Acres. The case has been referred with finality to the Master In Equity. This property is not subject to the covenants, and no assessments are owed.

Second. First National Bank of South Carolina vs. RPC, LPC, Allan L. Kidston, McNair Law Firm, P.A., LPA, James A. Parsons, and Small Luxury Hotels of the World Limited, Murrells Inlet Seafood, and Litchfield Plantation Property Owners Association", filed under Civil Action Number 2010-CP-22-1839. FNBSC asserts its Mortgage as a first lien on two (2) pieces, 40 Acres, more or less, which are not subject to the covenants, and Parcel III-B containing 2.28 Acres which are subject to the covenants. The 40 Acres, more or less, are not subject to the covenants, and no assessments are owed on that piece. As instructed, I will cross-claim to foreclose the Mortgages in favor of LPA, and will commence a civil action against RPC and Allan L. Kidston which seeks a declaration to the effect the three (3) RPC Assigned Mortgages and the assignment of the three (3) RPC Assigned Mortgages from RPC to Allan L. Kidston are void and of no effect as to all property encumbered by these mortgages based on the statutes of South Carolina, and documents executed between the parties.

Third. Lawrence A. Shapiro vs. LPC, RPC, Louise P. Parsons, Small Luxury Hotels of the World, Limited, and The Scott Trotter Company", filed under Civil Action No. 2010-CP-22-1967. These pleadings will shortly be amended to include LPA and I will protect the position of LPA as best as possible once the pleadings have been amended.

The work associated with selling all or a portion of Litchfield Plantation continues.

LITC. FIELD PLANTATION ASSOCIATION, INC.

Profit & Loss

April through December 2010

Apr - Dec 10

Every check written
2010 LPA Operating Acct.

Answer will be
checked 3/28/11

Ordinary Income/Expense	
Income	
REVENUE	
Assessments (Regular)	250,037.18
Deferred Assessments	24,798.35
Outside Services Income	43,052.25
Total REVENUE	322,917.78
Total Income	322,917.78
Expense	
01) OPERATING EXPENSES	
Repairs and Maintenance	
General Maintenance	8,203.93
Marsh & Creek Maintenance	2,225.00
Pool Maintenance	5,957.61
Tree Maintenance	1,679.00
Total Repairs and Maintenance	18,065.54
Total 01) OPERATING EXPENSES	18,065.54
02) GENERAL & ADMINISTRATIVE	
Automobile Expense	345.40
Bank Charges	224.00
Equipment Rental	1,349.35
Insurance Expense	20,971.84
Landscaping Supplies	8,822.33
Office Supplies	727.06
Outside Services	320.00
Payroll Tax Expense	16,820.28
Postage and Delivery	370.30
Professional Fees	5,750.00
Property Management Fees	18,000.00
Property Taxes	78.68
Salaries - Gate	71,655.64
Salaries - Grounds	96,707.80
Small Tools and Equipment	635.95
Telephone Expense	749.54
Trash Removal	12,084.62
Uniforms	324.47
Total 02) GENERAL & ADMINISTRATIVE	255,937.26
03) UTILITIES	
Cable	561.86
Electricity	4,324.85
Miscellaneous Utilities	3,305.00
Water & Sewer	5,045.20
Total 03) UTILITIES	13,236.91
Total Expense	287,239.71
Net Ordinary Income	35,678.07
Net Income	35,678.07

LITCHFIELD PLANTATION ASSOCIATION,
INC.

MEMORANDUM

To: Litchfield Plantation Property Owner

From: E. Scott Trotter

RE: 2011 LPA Assessment

Date: February 23, 2011

To date we have not received your 2011 LPA Assessment. Please be advised that effective March 11, 2011, all outstanding assessments will be considered delinquent and a lien automatically filed against the property.

Also, a 10% per annum fee shall be added to your assessment.

Thank you for your prompt payment of the 2011 LPA Assessment.

To go out Monday
2/28/11

LITCHFIELD PLANTATION ASSOCIATION, INC.
PROJECTED BUDGET
2011

	Jan - Dec 11
Ordinary Income/Expense	
Income	
REVENUE	
Assessments (Regular)	235,125.00
Deferred Assessments	50,000.00
Outside Services Income	45,000.00
Total REVENUE	<u>330,125.00</u>
Total Income	<u>330,125.00</u>
Expense	
01) OPERATING EXPENSES	
Repairs and Maintenance	
General Maintenance	10,000.00
Marsh & Creek Maintenance	3,000.00
Pool Maintenance	8,000.00
Tree Maintenance	2,000.00
Total Repairs and Maintenance	<u>23,000.00</u>
Total 01) OPERATING EXPENSES	<u>23,000.00</u>
02) GENERAL & ADMINISTRATIVE	
Automobile Expense	500.00
Bank Charges	200.00
Equipment Rental	150.00
Insurance Expense	30,000.00
Landscaping Supplies	12,000.00
Office Supplies	500.00
Outside Services	500.00
Payroll Tax Expense	20,000.00
Postage and Delivery	500.00
Professional Fees	7,500.00
Property Management Fees	24,000.00
Property Taxes	300.00
Salaries - Gate	85,000.00
Salaries - Grounds	125,000.00
Small Tools and Equipment	500.00
Telephone Expense	1,000.00
Trash Removal	16,000.00
Uniforms	300.00
Total 02) GENERAL & ADMINISTRATIVE	<u>333,950.00</u>
03) UTILITIES	
Cable	750.00
Electricity	6,000.00
Miscellaneous Utilities	4,500.00
Water & Sewer	7,000.00
Total 03) UTILITIES	<u>18,250.00</u>
Total Expense	<u>375,200.00</u>
Net Ordinary Income	<u>-45,075.00</u>
Net Income	<u>-45,075.00</u>

State of South Carolina)

County of Georgetown)

Affidavit of Extension of Class "B" Membership

Whereas, this Affidavit is prepared based on the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc. and joined in by Litchfield Plantation Association, Inc., Resources Planning Corporation, and others, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1, hereinafter referred to as "the 2005 Restated Declaration"; and

Whereas, Article 5.5 of the Restated Covenants addresses the Class "B" voting control, and the sole Class "B" Member is the Declarant, Litchfield Plantation Company, Inc., and the Class "B" Member shall have the number of votes equal to all Class "A" Members plus one (1) vote during the Class "B" share period, and the Class "B" membership ceases and is converted to Class "A" Membership; and

Whereas, the Class "B" share period ends upon the earlier of three (3) events, and the first non-elective event is December 31, 2010, and under the Restated Covenants, this initial Class "B" share period shall be automatically extended for successive periods of five (5) years, provided that in each five-year period prior to the automatic extension the Declarant has sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners; and

Whereas, the automatic extension shall be conclusively established by the Declarant recording an Affidavit stating the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010; and

Whereas, the Declarant has sold more than one hundred (100) Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010.

Personally appeared before me, Litchfield Plantation Company, Inc., by and through its President and Secretary, who after first being duly sworn and under oath, state and acknowledge the automatic extension of the Class B Period under the 2005 Restated Declaration be and hereby is conclusively established based on the recordation of this Affidavit which certifies the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010.

201000011228
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
12-03-2010 AT 02:02 PM.
MISCELLANEOUS 10.00
Book 1591 Page 131 - 1318

Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
2nd day of December, 2010.

Litchfield Plantation Company, Inc.

By:

E. Scott Trotter, its President

(L.S.)

Attest:

Jeffery W. Van Treese, its Secretary

(L.S.)

Signed, sealed and delivered in the presence of:

State of South Carolina

County of Georgetown

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State
aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter,
its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me
personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing
document of their and its own free will and accord for the purposes therein named and
expressed.

Sworn and subscribed to before me this 2nd day of December, 2010.

Notary Public for South Carolina

My Commission Expires:

(Seal)

2. 7. 15

Feb. 7. 2011 3:11PM

No. 0535 P. 3

1:23 PM
01/25/11
Accrual Basis

LITCHFIELD PLANTATION ASSOCIATION, INC.
Profit & Loss
April through December 2010

	Apr - Dec 10
Ordinary Income/Expense	
Income	
REVENUE	
Assessments (Regular)	280,037.18
Deferred Assessments	24,788.35
Outside Services Income	48,082.25
Total REVENUE	322,917.78
Total Income	322,917.78
Expense	
01) OPERATING EXPENSES	
Repairs and Maintenance	
General Maintenance	8,203.93
Marsh & Creek Maintenance	2,225.00
Pond Maintenance	5,057.81
Tree Maintenance	1,878.00
Total Repairs and Maintenance	18,065.54
Total 01) OPERATING EXPENSES	18,065.54
02) GENERAL & ADMINISTRATIVE	
Automobile Expense	345.40
Bank Charges	224.00
Equipment Rental	1,348.35
Insurance Expense	20,871.84
Landscaping Supplies	8,822.33
Office Supplies	727.00
Outside Services	320.00
Payroll Tax Expense	17,101.74
Postage and Delivery	370.30
Professional Fees	5,730.08
Property Management Fees	18,000.00
Property Taxes	78.68
Salaries - Gate	71,858.64
Salaries - Grounds	68,707.80
Small Tools and Equipment	635.85
Telephone Expense	748.54
Trash Removal	12,084.82
Uniforms	324.47
Total 02) GENERAL & ADMINISTRATIVE	258,218.72
03) UTILITIES	
Cable	301.88
Electricity	4,324.85
Miscellaneous Utilities	3,305.00
Water & Sewer	5,045.28
Total 03) UTILITIES	13,236.81
Total Expense	287,821.17
Net Ordinary Income	35,398.81
Net Income	35,398.81

MEMORANDUM

To: Tom Eckard, Maria Cartwright, Joe Johnson, Bob McMahan, Carol Kirby
(Property Owner Committee)

From: E. Scott Trotter

RE: LPA Issues and Concerns

Date: February 25, 2011

Please find below comments and certain information requested by the Property Owners Committee:

1. Insurance "dec" pages regarding various policies carried for the benefit of LPA. All premiums are paid and current.
2. Please find a summary of all notes, mortgages, and other information involving LPA and one copy of these notes and mortgages and agreements. Additional copies may be obtained at reasonable copying charges.
3. Regarding taxes owed by LPA, I have yet to hear from Plant & Moran, LPC and LPA's Accountants prior to 2010, with regard to any taxes potentially owed by LPA for years prior to the 2010/2011 fiscal year which began April 1, 2010. All LPA taxes, payroll and otherwise from April 1, 2010 to present have been paid.
4. Please find a detailed P and L Statement for LPA from April 1, 2010 through December 31, 2010. According to Jenny Parker (237-1309) who prepares these statements, when there are no Accounts Receivable, Accounts Payable or an inventory, a cash basis defaults to an accrued basis. The attached P and L is run on a cash basis.
5. To date, 56 property owners (34%) have paid this 2011 LPA Assessment (\$79,800); outside services collected to date, \$8,178.66; delinquent assessments collected to date, \$8,840.00; and for the first time that I know of, a capital reserve account is open with \$633.27 collected to date. Enclosed is a memorandum going out to property owners today or Monday.
6. Regarding a professional management company taking over LPA operations, please be advised that we have had conversations with Press Courtney at Waccamaw Management regarding that subject. He indicated that there would have to be much housekeeping done at Litchfield Plantation before they would take the job. We would certainly be amenable to Waccamaw Management taking over at the appropriate time.

7. A conversation with a potential buyer is taking place at this time. As you know a new owner of Litchfield Plantation would become the new Declarant and would be responsible for the deficit funding of LPA and the seating of a new Board of Governors.
8. LPC is working on a plan for the projected deficits of the 2011 LPA Operating Budget to be funded. If successful, funds for the projected shortfall will be wired into Charles Nation's escrow account soon to be drawn upon when necessary. If successful, Property Owners will not be asked to fund the shortfall for the 2011 budget.
9. Regarding the Class "B" Period, the Declarant, LPC, considers it as valid through December 31, 2015. Accompanying Declarant Rights are also controlled by LPC during this period. Per the CCRs, LPC reserves the right to refuse to consent to any actions taken at this special meeting.

In conclusion, I am often asked why I continue to align myself with Litchfield Plantation Company (LPC), the company associated with most of the problems we have at Litchfield Plantation. It is very simple, LPC controls the Declarant Rights to Litchfield Plantation and that fact gives me the best chance to recoup the considerable time and money I have invested in Litchfield Plantation. I assure you, our goals relative to the successful development of Litchfield Plantation are very compatible.

cc: Litchfield Plantation Property Owners

State of South Carolina)
)
County of Georgetown) **Affidavit of Extension of Class "B" Membership**

Whereas, this Affidavit is prepared based on the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc. and joined in by Litchfield Plantation Association, Inc., Resources Planning Corporation, and others, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1, hereinafter referred to as "the 2005 Restated Declaration"; and

Whereas, Article 5.5 of the Restated Covenants addresses the Class "B" voting control, and the sole Class "B" Member is the Declarant, Litchfield Plantation Company, Inc., and the Class "B" Member shall have the number of votes equal to all Class "A" Members plus one (1) vote during the Class "B" share period, and the Class "B" membership ceases and is converted to Class "A" Membership; and

Whereas, the Class "B" share period ends upon the earlier of three (3) events, and the first non-elective event is December 31, 2010, and under the Restated Covenants, this initial Class "B" share period shall be automatically extended for successive periods of five (5) years, provided that in each five-year period prior to the automatic extension the Declarant has sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners; and

Whereas, the automatic extension shall be conclusively established by the Declarant recording an Affidavit stating the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010; and

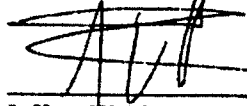
Whereas, the Declarant has sold more than one hundred (100) Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010.

Personally appeared before me, Litchfield Plantation Company, Inc., by
and through its President and Secretary, who after first being duly sworn and under oath, state and acknowledge the automatic extension of the Class B Period under the 2005 Restated Declaration be and hereby is conclusively established based on the recordation of this Affidavit which certifies the Declarant has sold one hundred (100) or more Lots to Non-Affiliated Owners from January 1, 2005, until December 31, 2010.

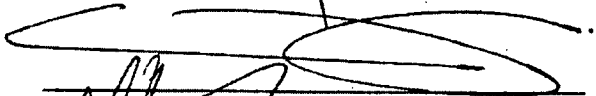
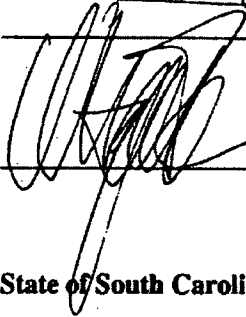
2nd ..
 Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
 _____ day of December, 2010.

Litchfield Plantation Company, Inc.:

By:  _____ (L.S.)
 E. Scott Trotter, its President

Attest:  _____ (L.S.)
 Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 2nd .. day of December, 2010.


 Notary Public for South Carolina
 My Commission Expires: 2. 7. 15 .
 (Seal)

Instrument
201000011228

Book Page
1591 1318

101418 Nation
201000011228
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
12-03-2010 At 02:02 pm.
MISCELLANEOUS 10.00
Book 1591 Page 131 - 1318
Wanda J. Prevatte

LITCHFIELD PLANTATION ASSOCIATION, INC. PROJECTED BUDGET 2011

	Jan - Dec 11
Ordinary Income/Expense	
Income	
REVENUE	
Assessments (Regular)	235,125.00
Deferred Assessments	50,000.00
Outside Services Income	45,000.00
Total REVENUE	330,125.00
Total Income	330,125.00
Expense	
01) OPERATING EXPENSES	
Repairs and Maintenance	
General Maintenance	10,000.00
Marsh & Creek Maintenance	3,000.00
Pool Maintenance	8,000.00
Tree Maintenance	2,000.00
Total Repairs and Maintenance	23,000.00
Total 01) OPERATING EXPENSES	23,000.00
02) GENERAL & ADMINISTRATIVE	
Automobile Expense	500.00
Bank Charges	200.00
Equipment Rental	150.00
Insurance Expense	30,000.00
Landscaping Supplies	12,000.00
Office Supplies	800.00
Outside Services	500.00
Payroll Tax Expense	20,000.00
Postage and Delivery	500.00
Professional Fees	7,500.00
Property Management Fees	24,000.00
Property Taxes	300.00
Salaries - Gate	85,000.00
Salaries - Grounds	125,000.00
Small Tools and Equipment	300.00
Telephone Expense	1,000.00
Trash Removal	16,000.00
Utilities	300.00
Total 02) GENERAL & ADMINISTRATIVE	333,860.00
03) UTILITIES	
Cable	750.00
Electricity	6,000.00
Miscellaneous Utilities	4,500.00
Water & Sewer	7,000.00
Total 03) UTILITIES	18,250.00
Total Expenses	375,200.00
Net Ordinary Income	-45,075.00
Net Income	-45,075.00

State of South Carolina)
)
 County of Georgetown)

Assignment of Declarant's Rights

This Assignment of Declarant's Rights ("Agreement") is made as of the 15th day of February, 2005, by and among The Scott Trotter Company, a South Carolina Corporation ("STC") located at 129 Luvan Boulevard, Georgetown, SC 29440, and Resources Planning Corporation, a Michigan Corporation ("RPC") located at 1655 Palm Beach Lakes Boulevard, Suite 1010-C, West Palm Beach, FL 33401, and Litchfield Plantation Company, Inc., a South Carolina Corporation ("LPC"), located at P.O. Box 290, Kings River Road, Pawleys Island, SC 29585, (RPC and LPC sometimes hereinafter referred to collectively as the "Developer").

Whereas, STC entered into a Contract of Sale and Purchase with First Federal Savings and Loan Association of Charleston ("FFC"), Successor by Merger, to Peoples Federal Savings and Loan Association of South Carolina ("PFSL"), and the Contract of Sale and Purchase concerns the sale of all real and personal property, including any rights as a Declarant or Co-Developer of Litchfield Plantation, from FFC to STC.

Whereas, STC intends to transfer and convey to Developer any and all Declarant's Rights or Co-Developer rights arising from or out of Civil Action No. 98-CP-22-559 filed in the County of Georgetown, State of South Carolina, a case entitled "Peoples Federal Savings & Loan Association of South Carolina v. Resources Planning Corporation, Litchfield Plantation Company, Inc., Litchfield Plantation Association, Inc., et al", including any and all opinions, remands and remittiturs derived therefrom.

Whereas, RPC together with LPC is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the land records in Book 98, Page 36 on May 27, 1971 ("the 1971 Restrictive Covenants"), as amended by that certain Amendment to Declaration of Restrictive Covenants recorded in the land records on December 30, 1988 in Deed Book 317, at Page 227 ("the 1988 Amendments"), (the 1971 Restrictive Covenants and 1988 Amendments, collectively, the "Restrictive Covenants").

NOW THEREFORE, in consideration of the foregoing, and of the mutual promises and covenants contained herein in that certain Exchange Contract of Sale by and between LPC, RPC, and STC, with an effective date of December 22, 2004, (the "Exchange Contract of Sale"), STC, LPC and RPC have entered into this Agreement as follows:

Page 1 of 5

GEORGETOWN COUNTY PARCEL # _____

SPE

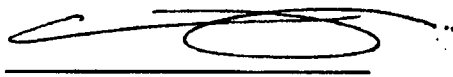
1. STC does hereby unconditionally and irrevocably grant, bargain, sell, assign, and convey to RPC and LPC (whether now existing or hereinafter arising), all of the rights STC has or may have as a Declarant, Developer, or Co-Developer under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association, or any and all other rights which may inhere in or to STC through assignment and purchase from FFC of all rights as a "Co-Developer", as that term is defined within and by an Opinion issued by the South Carolina Supreme Court, Opinion No. 25812, issued in Civil Action No. 98-CP-22-559 filed in the County of Georgetown, State of South Carolina.
2. RPC and LPC acknowledge and agree STC is not responsible for any obligations or liabilities of the Declarant or Developer under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligations or liability of any kind to any owner of any condominium or lot within Litchfield Plantation.
3. STC warrants to Developer that, as of the date hereof, it has not executed any prior conveyance or assignment of any Declarant's, or Developer's, or Co-Developer's rights.
4. This Agreement and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of RPC, LPC and STC.
5. In the event any obligation or any portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof.
6. This Agreement is to be construed under the laws of the State of South Carolina.
7. STC shall, at no cost to STC, do any and all things necessary, or take any action requested by RPC and LPC, to carry out the intent of this Agreement.
8. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

Witness the Hand and Seal of The Scott Trotter Company, by and through its duly authorized officer, this 15th day of February, 2005.

The Scott Trotter Company, a South Carolina Corporation:

By:  (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:

 Crystal M. Houston

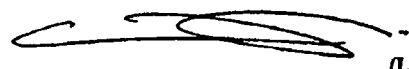
State of South Carolina)

County of Georgetown)

Acknowledgment

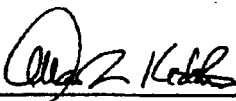
I, Charles Owen Nation, II, a Notary Public in the County and State, do certify The Scott Trotter Company, by and through E. Scott Trotter, its President and duly authorized officer, this day appeared before me personally and did acknowledge he did sign, seal and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 15th day of February, 2004.

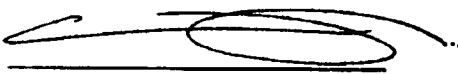
 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2. 7. 10
(Seal)

Witness the Hand and Seal of Resources Planning Corporation, by and through
its duly authorized officer, this 15th day of February, 2005.

Resources Planning Corporation:

By:  (L.S.)
Allan L. Kidston, its President

Signed, sealed and delivered in the presence of:

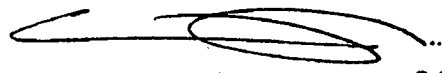
 Capital M. Shyken

State of South Carolina)
County of Georgetown)

Acknowledgment

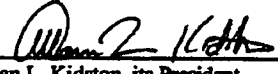
I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Resources Planning Corporation, by and through its duly authorized officer, Allan L.
Kidston, this day appeared before me personally and did acknowledge he and it did sign, seal and
deliver the foregoing document of his and its own free will and accord for the purposes therein
named and expressed.

Sworn and subscribed to before me this 15th day of February, 2005.

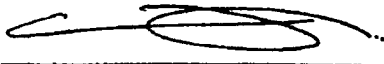
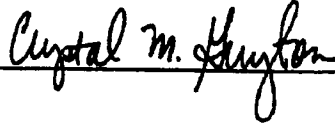
 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2. 7. 15
(Seal)

Witness the Hand and Seal of Litchfield Plantation Company, by and through its
duly authorized officer, this 15th day of February, 2005.

Litchfield Plantation Company:

By:  (L.S.)
Allan L. Kidston, its President

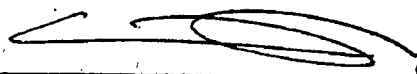
Signed, sealed and delivered in the presence of:

State of South Carolina)
)
County of Georgetown) Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Litchfield Plantation Company, by and through its duly authorized officer, Allan L.
Kidston, this day appeared before me personally and did acknowledge he and it did sign, seal and
deliver the foregoing document of his and its own free will and accord for the purposes therein
named and expressed.

Sworn and subscribed to before me this 15th day of February, 2005.

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2. 7. 15.
(Seal)

000002982 02/24/2005 801614 P00179

19413 Nation

000002982 04:48P
RECORDED 02/24/2005
BK:801614 Pg:00174 Pages:6
Fee:11.00 State:0.00
County:0.00
Georgetown County, SC
Register of Deeds
Wanda S. Grevette

Scott Snotter Company

to

Resources Planning Corporation
Litchfield Plantation Company
Inc

Assign declarants rights

RECORDED ON THE 28 DAY
OF February A.D. 20 05
Charles W. Freeman
AUDITOR, GEORGETOWN CO., SC

THIS AGREEMENT IS SUBJECT TO MANDATORY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT AND IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976) AS AMENDED.

ASSIGNMENT OF DECLARANT RIGHTS

THIS ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this ____ day of October, 2005, by and between Litchfield Plantation Company, Inc., a South Carolina corporation (the "Declarant"), and Lawrence A. Shapiro, an individual and resident of the Commonwealth of Virginia (the "Lender").

RECITALS

1. WHEREAS, Lender is the holder of certain commercial mortgage of real property and security agreement (the "Mortgage"), given by Declarant dated July 25, 2002 and recorded in the Office of the Clerk of Court for Georgetown County, South Carolina (the "Land Records").
2. WHEREAS, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants") (the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants are sometimes collectively referred to as the "Restrictive Covenants"); and
3. WHEREAS, Litchfield Plantation Association, Inc., a South Carolina non-profit corporation, is the owner's association formed pursuant to the Restrictive Covenants (the

GEORGETOWN COUNTY PARCEL # _____

SPE

"Association") and is governed by certain Articles of Incorporation (the "Articles of Incorporation") and Bylaws ("Bylaws") dated on or about April 13, 1971, and as amended from time to time thereafter.

4. WHEREAS, Lender is accommodating Declarant, Louise P. Parsons and Resources Planning Corporation by agreeing to their request to substitute certain collateral consisting of approximately 11.51 acres and described in Exhibit "A" and generally referred to as the Substituted Collateral (the "Substituted Collateral") in exchange for the Lender's Agreement to release from the Mortgage and to reassign certain Declarant's Rights relating to a 7.54 acre parcel, being part of the Development Parcel described in that certain Assignment of Declarant's Rights recorded August 7, 2002 in Land Records Book 1298, Page 246. The parties agreement to release and substitute collateral is reflected in the certain Release of Mortgage Lien and Substitution of Collateral executed of approximate even date herein.

5. Except as otherwise specifically stated herein, nothing in this Agreement shall affect the Lender's rights under that certain Promissory Note dated July 25, 2002, Commercial Mortgage of Real Property and Security Agreement dated July 25, 2002, recorded Georgetown County Register of Deeds Office, Book 1792, Page 74 et seq., that Assignment of Declarant's Rights dated July 25, 2002, recorded Georgetown County Register of Deeds Office Book 1298, Page 246 et seq., and any other documents related to the above described July 25, 2002, Promissory Note, Mortgage and Assignment.

6. Except as otherwise specifically stated herein, capitalized terms used herein without definition shall have the meaning given to such terms in the Loan Documents (as defined in the Loan Agreement), and/or the Restrictive Covenants.

NOW THEREFORE, in consideration of the foregoing, and of the mutual promises and covenants contained herein and that certain Loan Agreement (the "Loan Agreement") between Declarant, Resources Planning Corporation, Louise P. Parsons and Lender dated as of July 25, 2002, Lender and Declarant have entered into this Agreement as follows:

7. Confirmation of the Mortgage / Grant of Security Interest

The Declarant hereby acknowledges and confirms that in executing the Partial Release of Mortgage Lien and Substitution of Collateral to Lender, LPC granted to Lender a security

interest in all of LPC's rights and interests with respect to the property described in the Mortgage, whether now existing or hereafter arising. Declarant does hereby unconditionally and irrevocably grant to Lender a security interest in and a lien upon (whether now existing or hereinafter arising): i) Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Substituted Collateral under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth in Exhibit "B" attached hereto and incorporated herein by reference (collectively the "Declarant's Rights"). The aforesaid Grant is hereby made subject to the Mortgage and shall be deemed to have been made in accordance with all of the Mortgage's terms and conditions thereof and for the purpose of securing the payment and performance of the obligations of the Declarant, Louise P. Parsons and Resources Planning Corporation under the Loan Documents, including, without limitation, the Note, the Mortgage and the Loan Agreement, and the terms and provisions of the Loan Documents are incorporated herein by reference, as if set forth in length herein. Such Grant is in addition to and not in substitution for any rights which Lender may otherwise have.

8. Additional Covenants of Declarant.

The Declarant hereby further covenants and agrees with Lender as follows:

- a. That the Declarant will not, without the prior written consent of Lender: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the property (as defined in the Mortgage), (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the property described in Exhibit "A" without the prior written consent of Lender, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth in Exhibit "B" attached hereto or which would in any way materially and adversely affect the right of Lender, Lender's

successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell lots, single-family residences, townhomes or condominiums located or to be located on the Substituted Collateral.

- b. That the Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Lender with such evidence of such performance as Lender may reasonably request from time to time.
- c. That Declarant acknowledges and agrees that Lender is not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any owner of any condominium or lot within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Lender makes no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the property, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Lender responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Lender to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Lender nor the execution of the Mortgage, the Loan Agreement, the Partial Release of Mortgage Lien and Substitution of Collateral, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Lender

shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.

- d. The Declarant hereby warrants to Lender that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Substituted Collateral; (b) has not performed any acts nor executed any instruments which might prevent Lender from exercising the terms and provisions of the Mortgage, the Loan Agreement, this Agreement, the Partial Release of Mortgage Lien and Substitution of Collateral, or any other document executed and delivered by Declarant to Lender or which would limit Lender in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole owner of the Declarant's Rights as they relate to the Substituted Collateral; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.
- e. Lender has no liability or obligation whatsoever to pay any association dues or fees until and unless Lender obtains title to all or any part of the Substituted Collateral through foreclosure, deed in lieu of foreclosure, or otherwise.

9. Miscellaneous.

This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of the Declarant and Lender. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or in the Mortgage, Loan Agreement, this Agreement, the Partial Release of Mortgage Lien and Substitution of Collateral or any other

agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Lender to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Lender, to carryout the intent of this Agreement. This Agreement shall bind, and the rights hereunder shall inure to the benefit of the parties hereto, the successors and assigns of each party and any purchaser at foreclosure sale or grantee under a deed in lieu of foreclosure.

10. Duplicate Originals, Execution and Counterparts.

Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

In witness whereof, the undersigned have caused this instrument to be executed as of the day and year first above written.

(Signatures to Follow)

LITCHFIELD PLANTATION COMPANY, INC.
a South Carolina corporation

By: [Signature]
Jeffery W. Van Treese, its Vice President

WITNESSES:

Sign: [Signature]
Print: Darlene M. Brinkley

Sign: [Signature]
Print: Joseph R. Cohen

STATE OF FLORIDA)
) SS
COUNTY OF PALM BEACH)

On this 27 day of September, 2005 before me personally appeared Jeffery W. Van Treese, Vice President of Litchfield Plantation Company, Inc., a South Carolina corporation, who is personally known to be the person whose name is subscribed to this Assignment of Declarant's Rights, and he acknowledged that he executed the foregoing instrument.

[Signature]
State of Florida Notary
My Commission Expires

(Notary Seal)



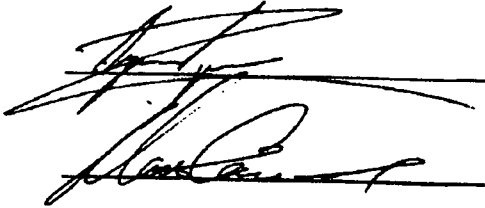
ACCEPTED BY LAWRENCE A. SHAPIRO
LEN SEA

Witness the Hand and Seal of Lawrence A. Shapiro, as Mortgagee, this 5th

day of October, 2005.

Lawrence A. Shapiro (L.S.)
Lawrence A. Shapiro

Signed, sealed and delivered in the presence of:



State of Virginia)

County of Arlington)

Acknowledgment

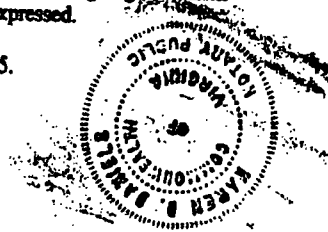
I, Karen B. Daniels, a Notary
Public in the County and State aforesaid, do certify Lawrence A. Shapiro, this day appeared
before me personally and did acknowledge he did sign, seal and deliver the foregoing document
of his own free will and accord, for the purposes therein named and expressed.

Sworn and subscribed to before me this 5th day of October, 2005.

Karen B. Daniels (L.S.)
Notary Public for Virginia
My Commission Expires: Feb. 28, 2009

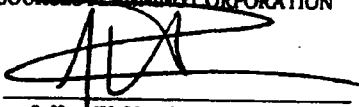
~~(Seal)~~ Witness the Hand and Seal of Louise P. Parsons, as Mortgagor of

Substituted Property, this _____ day of October, 2005.



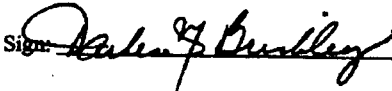
RESOURCES PLANNING CORPORATION hereby agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be bound by all of the terms, conditions and obligations set forth therein.

RESOURCES PLANNING CORPORATION

By: 

Jeffery W. Van Treese
its Vice President

WITNESSES:

Sign: 

Print: Darlene M. Brinkley

Sign: 

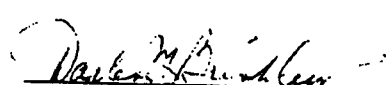
Print: Joseph R. Cohen

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

) SS

On this 27 day of September, 2005 before me personally appeared Jeffery W. Van Treese, Vice President of Resources Planning Corporation, a Michigan corporation, who is personally known to be the person whose name is subscribed to this Assignment of Declarant's Rights, and he acknowledged that he executed the foregoing instrument.


State of Florida Notary
My Commission Expires

(Notary Seal)

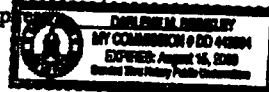


EXHIBIT "A"

DESCRIPTION OF SUBSTITUTED COLLATERAL

Substituted Collateral

Exhibit "A":

All and singular, all that certain piece, parcel or tract of land containing 11.51 acres lying and being in Tax District No. 4, Georgetown County, South Carolina, and being within Litchfield Plantation. Said tract is more particularly described as beginning at a pipe located on the western edge of River Road and running S 33° 59' West along the western edge of River Road 696.83 feet to a point; thence, turning and running N 86° 18' West 208.39 feet to a pipe; thence, turning and running S 81° 31' West 514.5 feet to a pipe; thence, turning and running N 13° 29' 40" West 321.06 feet to a point on the eastern edge of Chapel Creek Road; thence, turning and running N 61° East along the eastern edge of Chapel Creek Road 46.5 feet to a pipe; thence, turning and running S 45° 50' East 140.82 feet to an iron; thence, turning and running S 89° 05' East 47.95 feet to an iron; thence, turning and running N 51° 35' East 40.4 feet to an iron; thence, turning and running N 29° 40' East 40.7 feet to an iron; thence, turning and running N 50° 30' East 98.5 feet to an iron; thence, turning and running N 41° 50' West 131.81 feet to a pipe located on the eastern edge of Chapel Creek Road; thence, turning and running along the eastern edge of Chapel Creek Road for a radius of 1,400 feet and an arc distance of 239.32 feet to a pipe; thence, turning and running S 34° 32' East 198.40 feet to a pipe; thence, turning and running N 57° 05' 52" East 106.89 feet to a pipe; thence, turning and running N 35° 56' East 217.59 feet to a pipe; thence, turning and running N 29° 04' East 103.62 feet to a pipe; thence, turning and running N 5° 10' 14" East 119.7 feet to a pipe on the western edge of All Saints Road; thence, turning and running S 66° 15' E 127.49 feet along the eastern edge of All Saints Road to a pipe; thence, continuing along the eastern edge of All Saints Road for an arc distance of 136.86 feet to a pipe; thence, continuing in the same direction for an arc distance of 170.66 feet to a pipe; thence, continuing for an arc distance of 51.33 feet to a pipe, which pipe is the beginning point on River Road. The property described above more fully appears and is shown on a plat entitled "COMPILED PLAT OF 11.51 ACRES, A PORTION OF LITCHFIELD PLANTATION, PREPARED FOR RESOURCES PLANNING CORPORATION", prepared by Wendell C. Powers, R.L.S., dated January 7, 1986, attached to a Quit Claim Deed from The Scott Trotter Company to Louise P. Parsons, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 193, and on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9.

This being a portion of the property conveyed by Quit Claim Deed from The Scott Trotter Company to Louise P. Parsons, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 193.

EXHIBIT "B"DESCRIPTION OF DECLARANT RIGHTS

The following Declarant Rights are hereby assigned to Lender with respect to the Substituted Collateral described in Exhibit "A".

1. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as Amended, as such rights relate to the Substituted Collateral including, without limitation, (i) the right to construct additional condominiums apartments or townhouses within the Substituted Collateral on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Substituted Collateral platted and recorded for use as a condominium or townhouse property to be divided and sold as residential lots; and (iii) the right, within the Substituted Collateral, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assigned reservation.
2. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as Amended, as such rights relate to the Substituted Collateral including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums on the Substituted Collateral and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
3. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as Amended, as such rights relate to the Substituted Collateral including, without limitation, owner's easement of use of roads and common areas, easement for



utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.

4. Any and all rights reserved unto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Substituted Collateral, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Substituted Collateral.
5. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the maximum number of lots which can be built upon the Substituted Collateral. Provided, however, there shall be a maximum designation of 69 units, and in no event shall there be an average density in excess of six (6) units per acre.
6. Any and all other rights reserved unto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Lender, Lender's successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell lots, single-family residences, townhomes or condominiums located or to be located on the Substituted Collateral.

Lender understands and agrees that the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Substituted Collateral. Lender further understands and agrees that Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understands and agrees that in the event Lender, Lender's successors or assigns or a purchaser at foreclosure or grantee under deed in lieu of foreclosure acquires the Substituted Collateral, such Owner shall be entitled to those numbers of Class "A" votes as determined by Lender under Paragraph 5 above.

000020033 10/07/2005 801717 P00133

30640 NATION

000020033 12:12P
RECORDED 10/07/2005
Bk:101717 Ps:00120 Pages:14
Fee:19.00 State:10.00
County:10.00
Georgetown County, SC
Register of Deeds
Wanda J. Grevette

Litchfield Plantation Company
Inc

to

Lawrence A. Shapiro

Assign Declarants rights
11.51 ac Litchfield Plantation

ASSIGNMENT OF DECLARANT RIGHTS

This ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this 17th day of December, 2009, by and between Litchfield Plantation Company, Inc., a South Carolina corporation (the "Declarant"), and C. Clarke McNair and E. Chandler McNair, individuals and residents of the State of South Carolina (the "Owners").

RECITALS

WHEREAS, Owners are the owners of real property more particularly described shown as "5.05 AC." on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive, and other easements and property rights as are more particularly described in Exhibit "A" attached hereto and expressly incorporated herein by reference ("Property") and

WHEREAS, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants") (the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants are sometimes collectively referred to as the "Restrictive Covenants"); and

WHEREAS, Litchfield Plantation Association, Inc., a South Carolina non-profit corporation, is the owner's association formed pursuant to the Restrictive Covenants (the "Association") and is governed by certain Articles of Incorporation (the "Articles of Incorporation") and Bylaws ("Bylaws") dated on or about April 13, 1971, and as amended from time to time thereafter.

WHEREAS, Owners have purchased the Property and have entered into a Lease with an Option to Purchase in reliance on the terms of this document, and except as otherwise specifically stated herein, capitalized terms used herein without definition shall have the meaning given to such terms in the Restrictive Covenants.

NOW THEREFORE, in consideration of the foregoing, and of the mutual promises and covenants contained herein, the undersigned parties agree as follows:

1. Declarant unconditionally and irrevocably grants to Owners, their heirs and assigns, any and all of the Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Property under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth below (collectively the "Declarant's Rights"), for the purpose of inducing Owners to purchase the Property:
 - a. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, (i) the right to construct any structure within the Property on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Property to be divided and sold as residential lots; and (iii) the right, within the Property, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assignment, and to connect all roads and utilities to roads and utilities serving other properties.
 - b. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums or any structure on the Property and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
 - c. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, Owner's easement of use of roads and common areas, easement for utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.
 - d. Any and all rights reserved onto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Property, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Property.

- e. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the minimum and maximum number of lots and Dwelling Units which can be built upon the Property.
 - f. Any and all other rights reserved onto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Owners, Owners' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Property.
- 2. Owners understand and agree the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Property.
 - 3. Owners understand and agree Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understand and agree that Owners shall be entitled to those numbers of Class "A" votes as determined by Owners under Paragraph 1(c) above.
 - 4. Additional Covenants of Declarant. The Declarant hereby further covenants and agrees with Owners as follows:
 - a. Declarant will not, without the prior written consent of Owners: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the Property, (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the Property more particularly described in Exhibit "A" without the prior written consent of Owners, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth herein or which would in any way materially and adversely affect the right of Owners, Owners' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums located or to be located on the Property.
 - b. Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Owners

with such evidence of such performance as Owners may reasonably request from time to time.

- c. Declarant consents to Owners taking any and all actions necessary to connect any and all utilities necessary to serve the Property and its development, and to connect access to the development of the Property by pavement to the utilities and to the pavement in rights of way adjacent to the Property.
- d. Declarant acknowledges and agrees that Owners are not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any owner of any condominium or lot or Dwelling Unit within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Owners make no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the Property, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Owners responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Owners to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Owners nor the execution of the Lease Agreement with Option to Purchase, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Owners shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.
- e. Declarant hereby warrants to Owners that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Property; (b) has not performed any acts nor executed any instruments which might prevent Owners from exercising the terms and provisions of the Lease Agreement with Option to Purchase, this Agreement, or any other document executed and delivered by Declarant to Owners or which would limit Owners in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole owner of the Declarant's Rights as they relate to the Property; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.
- f. Owners shall have no liability or obligation whatsoever to pay any association dues or fees or regular assessments or special assessment or working capital

contributions until and unless Declarant, or its successors and assigns, fails to exercise the Option to Purchase contained within the Lease Agreement with Option to Purchase.

- g. The Declarant initially designates seven (7) Lots as the maximum number of Lots which can be built upon the Property as a Bulk Sale Parcel at the time of the sale in accordance with Section 5.9 of the Restated Declaration. Owners, as the Declarant of the Property following the recordation of this document, shall have the full and unfettered right to amend the maximum number of Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Property as a Bulk Sale Parcel. Commencing on the date the Option to Purchase contained within a Lease Agreement and Option to Purchase is either not exercised or terminates, the Declarant for the Property reserves and shall have the right to amend the maximum number of Lots which can be built on the Property as a Bulk Sale Parcel, and following the amendment, the Property shall only be subject to the number of Lots so designated by the Declarant for the Property for all assessments and working capital contributions. The obligation of the Owners, their heirs and assigns, to pay regular and/or special assessments and working capital contributions shall be determined by the number of units so designated by the Declarant of the Property.

5. Miscellaneous.

- a. This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of the Declarant and the heirs and assigns of the Owners. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or in the Lease Agreement with Option to Purchase, this Agreement, or any other agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Owners to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Owners, to carry out the intent of this Agreement. This Agreement shall bind, and the rights

hereunder shall inure to the benefit of the parties hereto, the successors and assigns of each party and any purchaser under the Option to Purchase.

- b. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

In witness whereof, the undersigned have caused this instrument to be executed as of the day and year first above written.

Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
17th day of December, 2009.

Litchfield Plantation Company, Inc.:

By: [Signature] (L.S.)
E. Scott Trotter, its President

Attest: [Signature] (L.S.)
Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:

[Signature]
[Signature]
State of South Carolina)
County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

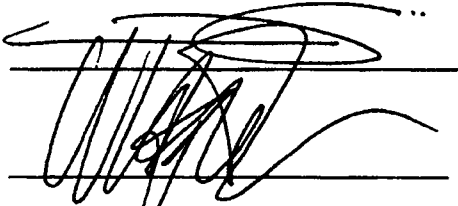
Sworn and subscribed to before me this 17th day of December, 2009.

[Signature]
Notary Public for South Carolina
My Commission Expires: 7.7.15
(Seal)

Witness the Hand and Seal and acceptance of the undersigned Owner this
17th day of December, 2009.

E. Chandler McNair (L.S.)
E. Chandler McNair

Signed, sealed and delivered in the presence of:



State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles O. McNair, Jr., a Notary Public
in the County and State aforesaid, do certify E. Chandler McNair, this day appeared before me
personally and did acknowledge he did sign, seal, and deliver the foregoing document of his own
free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 17th day of December, 2009.



Notary Public for South Carolina

My Commission Expires: 8.7.15

(Seal)

Witness the Hand and Seal of one of the Lessors and Optionors this 17th day
of December, 2009.

C. Clarke McNair (L.S.)
C. Clarke McNair

Signed, sealed and delivered in the presence of:

C. J. Gills
E. E. Waddell

State of South Carolina)

County of Richland)

Acknowledgment

I, Brandon Clarke, a Notary Public
in the County and State aforesaid, do certify C. Clarke McNair, this day appeared before me
personally and did acknowledge he did sign, seal, attest and deliver the foregoing document of
his own free will and accord for the purposes therein named and expressed.

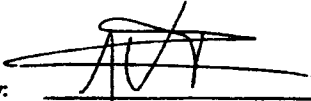
Sworn and subscribed to before me this 17th day of December, 2009.

B. Clarke
Notary Public for South Carolina
My Commission Expires: July 5th 2015
(Seal)

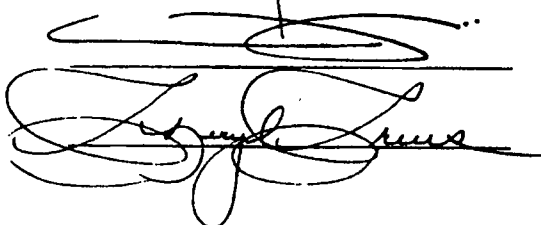
RESOURCES PLANNING CORPORATION hereby agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be bound by all of the terms, conditions and obligations set forth therein.

Witness the Hand and Seal of Resources Planning Corporation, this 17th day of December, 2009.

Resources Planning Corporation:

By:  (L.S.)
Jeffery W. Van Treese, its Vice-President

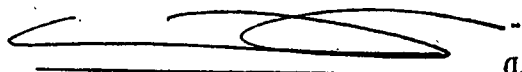
Signed, sealed and delivered in the presence of:



State of South Carolina)
County of Georgetown) Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Resources Planning Corporation, by and through Jeffery W. Van Treese, its Vice-President, this day appeared before me personally and did acknowledge he and it did sign, seal and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed.

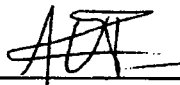
Sworn and subscribed to before me this 17th day of December, 2009.

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2.7.15
(Seal)

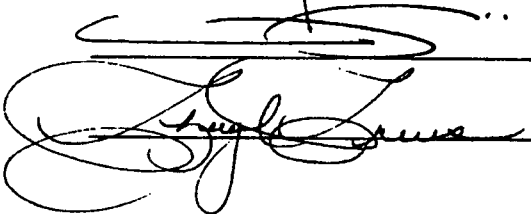
LITCHFIELD PLANTATION ASSOCIATION, INCORPORATED hereby agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be bound by all of the terms, conditions and obligations set forth therein.

Witness the Hand and Seal of Litchfield Plantation Association, Incorporated,
this 17th day of December, 2009.

Litchfield Plantation Association, Incorporated:

By:  (L.S.)
Jeffery W. Van Treese, its Duly Authorized Member

Signed, sealed and delivered in the presence of:



State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Association, Incorporated, by and through Jeffery W. Van Treese, its duly authorized Member of the Board of Governors, this day appeared before me personally and did acknowledge he and it did sign, seal and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 17th day of December, 2009.

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2. 7. 13
(Seal)

Exhibit "A":

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "5.05 AC." on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive.

The property described above is sometimes hereinafter referred to as "the Property", which butts and bounds as follows:

- a. To the North by property shown as "74 AC. +/-, RICEFIELDS, BLOCK A" on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive and 3; and
- b. To the East by property shown as "3.36 AC.", and by property shown as "7.35 AC." on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive; and
- c. To the West and South by property shown as "Landing Road" and "C, 1.64 ACRES +/- (ROAD)" on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive (Parcel C also being shown as "C, 1.64 +/- ACRES" on a plat entitled "PLAT OF THE LITCHFIELD PLANTATION MARINA, THE PARKING ARE THEREFOR, AND THE ACCESS ROAD THERETO, SURVEYED FOR RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated June 1, 2002, revised July 17, 2002, and filed of record August 7, 2002, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 435 at Page 10), and by property shown as "B, 0.11 ACRES (PARKING)" on a plat entitled "MAP OF LITCHFIELD PLANTATION PREPARED FOR LITCHFIELD PLANTATION COMPANY, INC. AND RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated February 23, 2005, and filed of

record May 3, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 543 at Pages 1 through 3, inclusive (this property also being shown as "B 0.11 ACRE" on a plat entitled "PLAT OF THE LITCHFIELD PLANTATION MARINA, THE PARKING ARE THEREFOR, AND THE ACCESS ROAD THRETO, SURVEYED FOR RESOURCES PLANNING CORPORATION", prepared by Powers and Associates Surveyors, Inc., dated June 1, 2002, revised July 17, 2002, and filed of record August 7, 2002, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 435 at Page 10.

TMS No.: Portion of 4-413-1

The property described above is hereinafter referred to as the "Property".

The property described above being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

TMS No.: 4-180A-52

ALSO:

ACCESS EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing all forms of access from River Road to the Property ("Access Easement"). This Access Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Access Easement shall include but not be limited to an easement of ingress, regress, and regress over all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading

Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Access Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

UTILITY EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing the underground conveyance of electricity, telephonic messages, gas, sewerage, effluent, water or other public and private conveniences or utilities providing all forms of utility access from River Road to the Property ("Utility Easement"). This Utility Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Utility Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Utility Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book

85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

DRAINAGE EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way, thirty (30) feet in width, fifteen (15) feet in width as measured from the center line of the location of any and all current and future equipment used for the underground conveyance of drainage and storm water drainage, over and across the roadways as they now exist or may hereafter exist leading to and from the Property and River Road, and between the Property and River Road, as well as a nonexclusive and perpetual appurtenant and transferable easement or right of way for the surface conveyance of drainage and storm water drainage, over and across adjoining property for the purpose of providing the underground and above ground conveyance of drainage and storm water drainage from the Property to lakes, detention basins, marshes and wetlands located on or around Litchfield Plantation ("Drainage Easement"). This Drainage Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Drainage Easement shall include but not be limited to an easement allowing construction on, upon, over and under adjoining property and all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Drainage Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of

Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

Instrument Book Page
200900038486 1394 235

91637 Nation

200900038486
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE
12-18-2009 At 04:37 PM.
ASSIGNMENTD 22.00
STATE TAX .00
COUNTY TAX .00
Book 1394 Page 219 - 235
Wanda J. Prevatte

ASSIGNMENT OF DECLARANT RIGHTS

This ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this ____ day of October, 2010, by and between Litchfield Plantation Company, Inc., a South Carolina corporation (the "Declarant"), and Rice Bluff, LLC, a limited liability corporation duly organized and existing under the laws of the individuals and residents of the State of South Carolina (the "Owner").

RECITALS

WHEREAS, Seller has agreed to sell and Owner has agreed to buy Lot 3, Block G, Phase One, within Litchfield Plantation as described on Exhibit "A" attached hereto (the "Property").

WHEREAS, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants") (the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants are sometimes collectively referred to as the "Restrictive Covenants"); and

WHEREAS, Litchfield Plantation Association, Inc., a South Carolina non-profit corporation, is the owner's association formed pursuant to the Restrictive Covenants (the "Association") and is governed by certain Articles of Incorporation (the "Articles of Incorporation") and Bylaws ("Bylaws") dated on or about April 13, 1971, and as amended from time to time thereafter.

WHEREAS, Owner have purchased the Property and have entered into a Lease with an Option to Purchase in reliance on the terms of this document, and except as otherwise specifically stated herein, capitalized terms used herein without definition shall have the meaning given to such terms in the Restrictive Covenants.

NOW THEREFORE, in consideration of the foregoing, and of the mutual promises and covenants contained herein, the undersigned parties agree as follows:

1. Declarant unconditionally and irrevocably grants to Owner, its successors and assigns, any and all of the Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Property under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth below (collectively the "Declarant's Rights"), for the purpose of inducing Owner to purchase the Property:
 - a. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, (i) the right to construct any structure within the Property on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Property to be divided and sold as residential lots; and (iii) the right, within the Property, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assignment, and to connect all roads and utilities to roads and utilities serving other properties.
 - b. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums or any structure on the Property and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
 - c. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as Amended, as such rights relate to the Property including, without limitation, Owner's easement of use of roads and common areas, easement for utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.
 - d. Any and all rights reserved onto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Property, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Property.
 - e. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the minimum and maximum number of lots and Dwelling Units which can be built upon the Property.

- f. Any and all other rights reserved unto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Owner, Owner' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Property.
2. Owner understands and agrees the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Property.
3. Owner understands and agrees Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understand and agree that Owner shall be entitled to those numbers of Class "A" votes as determined by Owner under Paragraph 1(e) above.
4. Additional Covenants of Declarant. The Declarant hereby further covenants and agrees with Owner as follows:
 - a. Declarant will not, without the prior written consent of Owner: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the Property, (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the Property more particularly described in Exhibit "A" without the prior written consent of Owner, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth herein or which would in any way materially and adversely affect the right of Owner, Owner' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums located or to be located on the Property.
 - b. Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Owner with such evidence of such performance as Owner may reasonably request from time to time.

- c. Declarant consents to Owner taking any and all actions necessary to connect any and all utilities necessary to serve the Property and its development, and to connect access to the development of the Property by pavement to the utilities and to the pavement in rights of way adjacent to the Property.
- d. Declarant acknowledges and agrees that Owner are not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any owner of any condominium or lot or Dwelling Unit within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Owner make no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the Property, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Owner responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Owner to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Owner nor the execution of the Lease Agreement with Option to Purchase, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Owner shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.
- e. Declarant hereby warrants to Owner that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Property; (b) has not performed any acts nor executed any instruments which might prevent Owner from exercising the terms and provisions of the Lease Agreement with Option to Purchase, this Agreement, or any other document executed and delivered by Declarant to Owner or which would limit Owner in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole owner of the Declarant's Rights as they relate to the Property; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.
- f. Owner shall have no liability or obligation whatsoever to pay any association dues or fees or regular assessments or special assessment or working capital contributions until and unless Declarant, or its successors and assigns, fails to exercise the Option to Purchase contained within the Lease Agreement with Option to Purchase.

5. Miscellaneous.

- a. This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of the Declarant and the heirs and assigns of the Owner. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or in the Lease Agreement with Option to Purchase, this Agreement, or any other agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Owner to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Owner, to carry out the intent of this Agreement. This Agreement shall bind, and the rights hereunder shall inure to the benefit of the parties hereto, the successors and assigns of each party and any purchaser under the Option to Purchase.
- b. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

In witness whereof, the undersigned have caused this instrument to be executed as of the day and year first above written.

Witness the Hand and Seal of Litchfield Plantation Company, Inc., this

1 day of October, 2010.

Litchfield Plantation Company, Inc.

By: [Signature] (L.S.)
E. Scott Trotter, its President

Attest: [Signature] (L.S.)
Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:

[Signature]

[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 1st day of October, 2010.

[Signature]

Notary Public for South Carolina

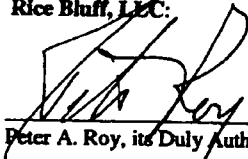
My Commission Expires:

(Seal)

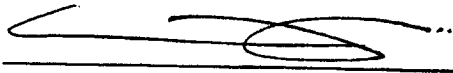
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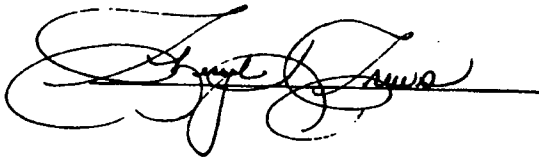
Witness the Hand and Seal of the Owner, Rice Bluff, LLC, this 1st day of
October, 2010.

Rice Bluff, LLC:

By:  (L.S.)
Peter A. Roy, its Duly Authorized Manager

Signed, sealed and delivered in the presence of:





State of South Carolina)

County of Georgetown)

Acknowledgment
)

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Rice Bluff, LLC, by and through Peter A. Roy, its Duly Authorized Manager, this day
appeared before me personally and did acknowledge he and it did sign, seal, attest and deliver
the foregoing document of his and its own free will and accord for the purposes therein named
and expressed.

Sworn and subscribed to before me this 1st day of October, 2010.



Notary Public for South Carolina

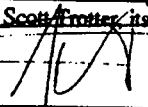
My Commission Expires: 8.7.13

(Seal)

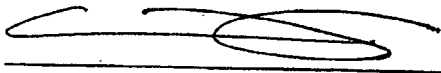
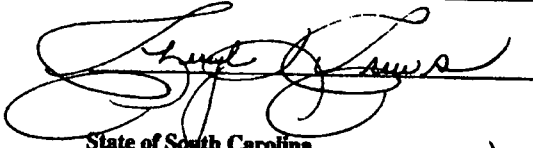
LITCHFIELD PLANTATION ASSOCIATION, INCORPORATED hereby agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be bound by all of the terms, conditions and obligations set forth therein, this 1 day of October, 2010.

Litchfield Plantation Association, Incorporated:

By:  (L.S.)
E. Scott Trotter, its Board Member

By:  (L.S.)
Jeffery W. Van Treese, its Board Member

Signed, sealed and delivered in the presence of:



State of South Carolina)
County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter and Jeffery W. Van Treese, duly authorized Members of the Board of Governors, this day appeared before me personally and did acknowledge they and it did sign, seal and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 1 day of October, 2010.

 (L.S.)
Notary Public for South Carolina
My Commission Expires: 2. 7. 13
(Seal)

Exhibit "A":

All and Singular, all those certain pieces, parcels or lots of land situate, lying and being in Tax District No. 4, Georgetown County, South Carolina, being known and designated as Lot No. 3 of Block "G" of Phase I, Litchfield Plantation, pursuant to a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THE PROPERTY MORE PARTICULARLY DESCRIBED ABOVE IS SUBJECT TO THE FOLLOWING MATTERS OF PUBLIC RECORD:

- a. Declaration of Restrictive Covenants by the Litchfield Plantation Company, Inc., dated January 26, 1971, and filed of record May 27, 1971, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 98 at Page 36, any and all amendments and supplements thereto included.
- b. Amendment to Declaration of Restrictive Covenants by the Litchfield Plantation Company, Inc., dated December 30, 1988, and filed of record December 30, 1988, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 317 at Page 222.
- c. Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc. and joined in by Litchfield Plantation Association, Inc., and Resources Planning Corporation, dated March 28, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1.
- d. Any and all easements.

This being a portion of the property transferred by Quit Claim Deed from The Scott Trotter Company to Louise P. Parsons, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 193.

TMS Number: 4-180A-60

Instrument
201000009192

Book Page
1555 233

99600 Nation

201000009192
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
10-04-2010 At 09:36 am.
ASSIGNMENTD 15.00
Book 1555 Page 224 - 233
Wanda P. Prevatte

ASSIGNMENT OF DECLARANT RIGHTS

This ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this ____ day of November, 2010, by and between Litchfield Plantation Company, Inc., a South Carolina corporation, hereinafter referred to as "the Declarant", and James Carson Benton, Jr., and Ralph R. Teal, Jr., citizens and residents of the State of South Carolina, hereinafter referred to as "the Owners".

RECITALS

Whereas, Seller has agreed to sell and Owners have agreed to buy real property containing 2.545 acres located within Phase One, Litchfield Plantation, as is more particularly described on Exhibit "A" attached hereto and expressly incorporated herein by reference this property hereinafter being referred to as "the Bulk Sale Parcel".

Whereas, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants"), the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants being sometimes collectively referred to herein as the "Restrictive Covenants"; and

Whereas, Litchfield Plantation Association, Incorporated, a South Carolina non-profit corporation, is the association formed pursuant to the Restrictive Covenants, hereinafter referred to as "the Association", and is governed by certain Articles of Incorporation, hereinafter referred to as "the Articles of Incorporation", and Bylaws dated on or about April 13, 1971, and as amended from time to time thereafter, hereinafter referred to as "the Bylaws"; and

Whereas, Owners have purchased the Bulk Sale Parcel and have entered into a Lease Agreement with an Option to Purchase in reliance on the terms of this document, and except as otherwise specifically stated herein, capitalized terms used herein without definition shall have the meaning given to such terms in the Restrictive Covenants.

Now Therefore, in consideration of the foregoing, and of the mutual promises and covenants contained herein, the undersigned parties agree as follows:

1. Declarant unconditionally and irrevocably grants to Owners, their Heirs and assigns, any and all of the Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Bulk Sale Parcel under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth below (collectively the "Declarant's Rights"), for the purpose of inducing Owners to purchase the Bulk Sale Parcel:
 - a. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to construct any structure within the Bulk Sale Parcel on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Bulk Sale Parcel to be divided and sold as residential lots; and (iii) the right, within the Bulk Sale Parcel, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assignment, and to connect all roads and utilities to roads and utilities serving other properties.
 - b. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums or any structure on the Bulk Sale Parcel and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
 - c. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, Owners' easement of use of roads and common areas, easement for utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.
 - d. Any and all rights reserved onto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Bulk Sale Parcel, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Bulk Sale Parcel.
 - e. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the minimum and maximum number of lots and Dwelling Units which can be built upon the Bulk Sale Parcel.

- f. Any and all other rights reserved unto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Owners, Owners' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Bulk Sale Parcel.
2. Owners understand and agree the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Bulk Sale Parcel.
3. Owners understand and agree Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understand and agree Owners shall be entitled to those numbers of Class "A" votes as determined by Owners under Paragraph 1(c) above.
4. Additional Covenants of Declarant. The Declarant hereby further covenants and agrees with Owners as follows:
 - a. Declarant will not, without the prior written consent of Owners: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the Bulk Sale Parcel, (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the Bulk Sale Parcel more particularly described in Exhibit "A" without the prior written consent of Owners, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth herein or which would in any way materially and adversely affect the right of Owners, Owners' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums located or to be located on the Bulk Sale Parcel.
 - b. Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Owners with such evidence of such performance as Owners may reasonably request from time to time.

- c. Declarant consents to Owners taking any and all actions necessary to connect any and all utilities necessary to serve the Bulk Sale Parcel and its development, and to connect access to the development of the Bulk Sale Parcel by pavement to the utilities and to the pavement in rights of way adjacent to the Bulk Sale Parcel.
- d. Declarant acknowledges and agrees that Owners are not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any Owners of any condominium or lot or Dwelling Unit within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Owners make no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the Bulk Sale Parcel, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Owners responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Owners to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Owners nor the execution of the Lease Agreement with Option to Purchase, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Owners shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.
- e. Declarant hereby warrants to Owners that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Bulk Sale Parcel; (b) has not performed any acts nor executed any instruments which might prevent Owners from exercising the terms and provisions of the Lease Agreement with Option to Purchase, this Agreement, or any other document executed and delivered by Declarant to Owners or which would limit Owners in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole Owners of the Declarant's Rights as they relate to the Bulk Sale Parcel; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.
- f. Owners shall have no liability or obligation whatsoever to pay any association dues or fees or regular assessments or special assessment or working capital contributions until and unless Declarant, or its successors and assigns, fails to exercise the Option to Purchase contained within the Lease Agreement with Option to Purchase.

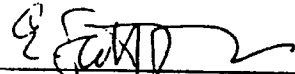
5. Miscellaneous.

- a. This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of the Declarant and the heirs and assigns of the Owners. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or in the Lease Agreement with Option to Purchase, this Agreement, or any other agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Owners to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Owners, to carry out the intent of this Agreement. This Agreement shall bind, and the rights hereunder shall inure to the benefit of the parties hereto, the successors and assigns of each party and any purchaser under the Option to Purchase.
- b. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

In witness whereof, the undersigned have caused this instrument to be executed as of the day and year first above written.

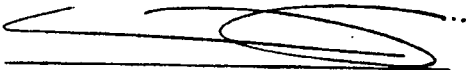
Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
_____ day of November, 2010.

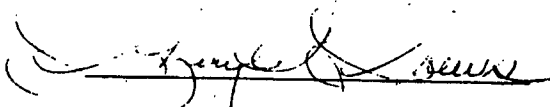
Litchfield Plantation Company, Inc.:

By:  (L.S.)
E. Scott Trotter, its President

Attest:  (L.S.)
Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:





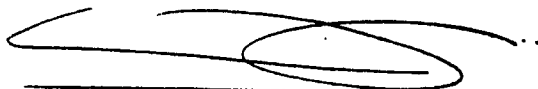
State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this _____ day of November, 2010.



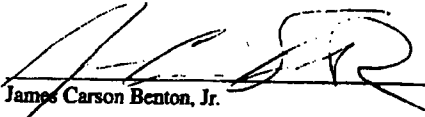
Notary Public for South Carolina

My Commission Expires:

(Seal)

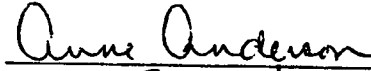
2. 7. 15

Witness the Hand and Seal of the Owners, James Carson Benton, Jr., and
Ralph R. Teal, Jr., this 1st day of November, 2010.


James Carson Benton, Jr. (L.S.)


Ralph R. Teal, Jr. (L.S.)

Signed, sealed and delivered in the presence of:



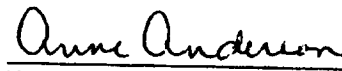

State of South Carolina)

County of Horry)

Acknowledgment

I, ANNE ANDERSON, a Notary Public
in the County and State aforesaid, do certify James Carson Benton, Jr., and Ralph R. Teal, Jr.,
this day appeared before me personally and did acknowledge they did sign, seal, attest and
deliver the foregoing document of their own free will and accord for the purposes therein named
and expressed.

Sworn and subscribed to before me this 1st day of November, 2010.


Notary Public for South Carolina
My Commission Expires: 2-3-14
(Seal)

LITCHFIELD PLANTATION ASSOCIATION, INCORPORATED hereby agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be bound by all of the terms, conditions and obligations set forth therein, this 1st day of November, 2010.

Litchfield Plantation Association, Incorporated:

By: [Signature] (L.S.)
E. Scott Trotter, its Board Member

By: [Signature] (L.S.)
Jeffery W. Van Treese, its Board Member

Signed, sealed and delivered in the presence of:

[Signature]

[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter and Jeffery W. Van Treese, duly authorized Members of the Board of Governors, this day appeared before me personally and did acknowledge they and it did sign, seal and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 1st day of November, 2010.

[Signature] (L.S.)

Notary Public for South Carolina

My Commission Expires:

2. 7. 13

(Seal)

Exhibit "A":

All and singular, all that certain piece, parcel or tract of land situate, lying and being in Tax District No. 4, Georgetown County, South Carolina, containing 3.295 acres, more or less, and being located within Phase I, Litchfield Plantation, and shown as "RESERVED ULTIMATE USAGE DEFERRED" on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and bordered on the East by River Road and on the West by Tuckers Road, and to the North by All Saints Road and on the South by Avenue of Live Oaks, all of which more fully appears by referenced to the above set out plat which plat is incorporated herein by reference as if fully set out. SAVING AND EXCEPTING, HOWEVER, THE FOLLOWING DESCRIBED PROPERTY FROM THE PROPERTY DESCRIBED ABOVE:

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "0.75 acres, 32,638.04 sq. ft. TO BE LEASED FROM RESOURCES PLANNING CORPORATION" on a plat entitled "PLAT SHOWING SALES OFFICE SITE, A NEW 0.75 ACRE LOT, BEING A PORTION OF A RESERVED AREA AT LITCHFIELD PLANTATION, PREPARED FOR THE SCOTT TROTTER COMPANY, LOCATED IN LITCHFIELD PLANTATION, GEORGETOWN COUNTY, SOUTH CAROLINA", prepared by Trico Engineering Consultants, Inc., dated December 28, 2004, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Plat Book 534 at Page 1; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above.

This being the identical property conveyed by Quit Claim Deed from The Scott Trotter Company to Resources Planning Corporation, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 180.

TMS No.: 4-184A-1.1

The property described above is sometimes hereinafter referred to as "the Property".

It is expressly understood and agreed the property is conveyed subject to the following matters of public record:

- a. Declaration of Restrictive Covenants by the Litchfield Plantation Company, Inc., dated January 26, 1971, and filed of record May 27, 1971, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 98 at Page 36, any and all amendments and supplements thereto included.
- b. Amendment to Declaration of Restrictive Covenants by the Litchfield Plantation

Company, Inc., dated December 30, 1988, and filed of record December 30, 1988, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 317 at Page 222.

- c. Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc. and joined in by Litchfield Plantation Association, Inc., and Resources Planning Corporation, dated March 28, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1.

This being the identical property transferred by Deed from Louise P. Parsons, by and through her duly appointed Attorney-in-Fact, Jeffrey W. Van Treese, to Litchfield Plantation Company, Inc., dated November 1, 2010, and filed of record November 1, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1572 at Page 272.

TMS No.: 4-184A-1

ALSO:

ACCESS EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing all forms of access from River Road to the Property ("Access Easement"). This Access Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Access Easement shall include but not be limited to an easement of ingress, regress, and regress over all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Access Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of

Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

UTILITY EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing the underground conveyance of electricity, telephonic messages, gas, sewerage, effluent, water or other public and private conveniences or utilities providing all forms of utility access from River Road to the Property ("Utility Easement"). This Utility Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Utility Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Utility Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

DRAINAGE EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way, thirty (30) feet in width, fifteen (15) feet in width as measured from the center line of the location of any and all current and future equipment used for the underground conveyance of drainage and storm water drainage, over and across the roadways as they now exist or may hereafter exist leading to and from the Property and River Road, and between the Property and River Road, as well as a nonexclusive and perpetual appurtenant and transferable easement or right of way for the surface conveyance of drainage and storm water drainage, over and across adjoining property for the purpose of providing the underground and above ground conveyance of drainage and storm water drainage from the Property to lakes, detention basins, marshes and wetlands located on or around Litchfield Plantation ("Drainage Easement"). This Drainage Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Drainage Easement shall include but not be limited to an easement allowing construction on, upon, over and under adjoining property and all roads shown on a plat entitled **"MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE"**, prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Drainage Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

Instrument
201000010177

Book Page
1572 297

100522 Nation

201000010177
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
11-01-2010 At 04:54 pm.
ASSIGNMENT 18.00
Book 1572 Page 285 - 297

Wanda J. Prevatte

ASSIGNMENT OF DECLARANT RIGHTS

This ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this 27th day of December, 2010, by and between Litchfield Plantation Company, Inc., a South Carolina corporation, hereinafter referred to as "the Declarant", and Litchfield Plantation Buyout Group, LLC, a Limited Liability Company duly organized and existing under and pursuant to the laws of the State of South Carolina, hereinafter referred to as "the "Owner".

RECITALS

Whereas, Seller has agreed to sell and Owner have agreed to buy real property as is more particularly described on Exhibit "A" attached hereto and expressly incorporated herein by reference this property hereinafter being referred to as "the "Bulk Sale Parcel".

Whereas, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants"), the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants being sometimes collectively referred to herein as the "Restrictive Covenants"; and

Whereas, Litchfield Plantation Association, Incorporated, a South Carolina non-profit corporation, is the association formed pursuant to the Restrictive Covenants, hereinafter referred to as "the "Association", and is governed by certain Articles of Incorporation, hereinafter referred to as "the Articles of Incorporation", and Bylaws dated on or about April 13, 1971, and as amended from time to time thereafter, hereinafter referred to as "the Bylaws".

Now Therefore, in consideration of the foregoing, and of the mutual promises and covenants contained herein, the undersigned parties agree as follows:

1. Declarant unconditionally and irrevocably grants to Owner, its Successors and assigns, any and all of the Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Bulk Sale Parcel under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth below (collectively the "Declarant's Rights"), for the purpose of inducing Owner to purchase the Bulk Sale Parcel:

- a. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to construct any structure within the Bulk Sale Parcel on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Bulk Sale Parcel to be divided and sold as residential lots; and (iii) the right, within the Bulk Sale Parcel, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assignment, and to connect all roads and utilities to roads and utilities serving other properties.
- b. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums or any structure on the Bulk Sale Parcel and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
- c. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as Amended, as such rights relate to the Bulk Sale Parcel including, without limitation, Owner' easement of use of roads and common areas, easement for utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.
- d. Any and all rights reserved onto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Bulk Sale Parcel, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Bulk Sale Parcel.
- e. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the minimum and maximum number of lots and Dwelling Units which can be built upon the Bulk Sale Parcel.
- f. Any and all other rights reserved onto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Owner, Owner' successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Bulk Sale Parcel.

2. Owner understands and agrees the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Bulk Sale Parcel.
3. Owner understand and agree Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understand and agree Owner shall be entitled to those numbers of Class "A" votes as determined by Owner under Paragraph 1(e) above.
4. Additional Covenants of Declarant. The Declarant hereby further covenants and agrees with Owner as follows:
 - a. Declarant will not, without the prior written consent of Owner: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the Bulk Sale Parcel, (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the Bulk Sale Parcel more particularly described in Exhibit "A" without the prior written consent of Owner, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth herein or which would in any way materially and adversely affect the right of Owner, Owner's successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums located or to be located on the Bulk Sale Parcel.
 - b. Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Owner with such evidence of such performance as Owner may reasonably request from time to time.
 - c. Declarant consents to Owner taking any and all actions necessary to connect any and all utilities necessary to serve the Bulk Sale Parcel and its development, and to connect access to the development of the Bulk Sale Parcel by pavement to the utilities and to the pavement in rights of way adjacent to the Bulk Sale Parcel.
 - d. Declarant acknowledges and agrees that Owner are not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any Owner of any condominium or lot or Dwelling Unit within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Owner make

no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the Bulk Sale Parcel, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Owner responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Owner to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Owner, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Owner shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.

- e. Declarant hereby warrants to Owner that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Bulk Sale Parcel; (b) has not performed any acts nor executed any instruments which might prevent Owner from exercising the terms and provisions of this Agreement, or any other document executed and delivered by Declarant to Owner or which would limit Owner in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole Owner of the Declarant's Rights as they relate to the Bulk Sale Parcel; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.

5. Miscellaneous.

- a. This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the successors and assigns of the Declarant and the heirs and assigns of the Owner. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or any other agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Owner to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Owner, to

carry out the intent of this Agreement. This Agreement shall bind, and the rights hereunder shall inure to the benefit of the parties hereto, the successors and assigns of each party.

- b. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

In witness whereof, the undersigned have caused this instrument to be executed as of the day and year first above written.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK
SIGNATURE PAGE TO FOLLOW

Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
29th day of December, 2010.

Litchfield Plantation Company, Inc.:

By: [Signature] (L.S.)
E. Scott Trotter, its President

Attest: [Signature] (L.S.)
Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:

[Signature]

[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 29th day of December, 2010.

[Signature]

Notary Public for South Carolina

My Commission Expires:

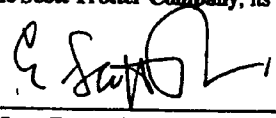
(Seal)

2.7.12

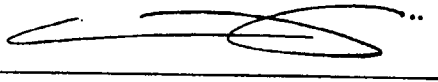
Witness the Hand and Seal of the Owner, **Litchfield Plantation Buyout Group, LLC**, this 27th day of December, 2010.

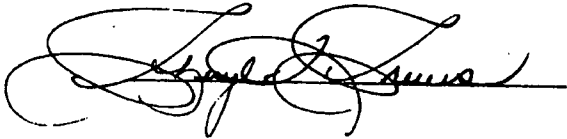
Litchfield Plantation Buyout Group, LLC:

By: **The Scott Trotter Company, its Member and Manager:**

By:  (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:



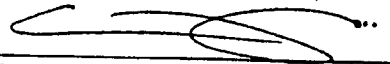


State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify **Litchfield Plantation Buyout Group, LLC**, by and through its Manager, **The Scott Trotter Company**, by and through E. Scott Trotter, its President, this day appeared before me personally and did acknowledge he and it did sign, seal, attest and deliver the foregoing document of his and its own free will and accord for the purposes therein named and expressed. Sworn and subscribed to before me this 27th day of December, 2010.


Notary Public for South Carolina

My Commission Expires: 2.7.12
(Seal)

LITCHFIELD PLANTATION ASSOCIATION, INCORPORATED hereby
agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be
bound by all of the terms, conditions and obligations set forth therein, this 27th day of
December, 2010.

Litchfield Plantation Association, Incorporated:

By: [Signature] (L.S.)
E. Scott Trotter, its Board Member

By: [Signature] (L.S.)
Jeffery W. Van Treese, its Board Member

Signed, sealed and delivered in the presence of:

[Signature]
[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter and
Jeffery W. Van Treese, duly authorized Members of the Board of Governors, this day appeared
before me personally and did acknowledge they and it did sign, seal and deliver the foregoing
document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 27th day of December, 2010.

[Signature] (L.S.)
Notary Public for South Carolina
My Commission Expires: 2.7.15
(Seal)

Exhibit "A":

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "D", 0.75 Acre" on a plat entitled "PLAT OF THE SEWAGE TREATMENT PLANT LOT IN LITCHFIELD PLANTATION SURVEYED FOR GEORGETOWN COUNTY WATER & SEWER DISTRICT", prepared by Wendell C. Powers, L.S., dated October 5, 1979, and filed in the Office of the Register of Deeds for the County of Georgetown.

SAVING AND EXCEPTING THE FOLLOWING PROPERTY NOW OWNED BY GEORGETOWN COUNTY WATER AND SEWER DISTRICT, FROM THE PROPERTY DESCRIBED ABOVE, WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

All and singular, all that certain piece, parcel or tract of land containing nine hundred (900) square feet, a square with each side measuring thirty feet (30'), and lying and being in Tax District No. 4, Georgetown County, South Carolina, and being within Litchfield Plantation, and shown on a plat entitled "PLAT OF A SURVEY OF A PARCEL OF LAND CONTAINING 900 SQ. FT. LOCATED IN LITCHFIELD PLANTATION SUBDIVISION IN TAX DISTRICT NO. 4, GEORGETOWN COUNTY, SOUTH CAROLINA - SURVEYED FOR GEORGETOWN COUNTY WATER & SEWER DISTRICT, prepared by Samuel M. Harper R.L.S., dated April 8, 1991, this plat being labeled Parcel Number 3 and being one (1) of three (3) plats attached as Exhibits to a Condemnation Notice and Tender of Payment filed in Civil Action 92-CP-22-359. This property is contiguous to and west of Litchfield Plantation Horizontal Property Regime II, a horizontal property regime established by a Master Deed dated January 26, 1971, and recorded in the Office of the Register of Deeds for Georgetown County, South Carolina, on May 26, 1971, in Deed Book 98, at Page 166, et seq., any and all amendments included, property bearing Georgetown County Tax Map Number 04-0184A-033-00-00.

The property described above is sometimes hereinafter referred to as "the Property".

The Property is bounded by a private road commonly known as "All Saints Road", and by the nine hundred (900) square feet referenced above, and by that certain piece, parcel or tract of land containing 11.51 acres lying and being in Tax District No. 4, Georgetown County, South Carolina, being within Litchfield Plantation, and being more particularly described as beginning at a pipe located on the western edge of River Road and running S 33° 59' West along the western edge of River Road 696.83 feet to a point; thence, turning and running N 86° 18' West 208.39 feet to a pipe; thence, turning and running S 81° 31' West 514.5 feet to a pipe; thence, turning and running N 13° 29' 40" West 321.06 feet to a point on the eastern edge of Chapel Creek Road; thence, turning and running N 61° East along the eastern edge of Chapel Creek Road 46.5 feet to a pipe; thence, turning and running S 45° 50' East 140.82 feet to an iron; thence, turning and running S 89° 05' East 47.95 feet to an iron; thence, turning and running N 51° 35' East 40.4 feet to an iron; thence, turning and running N 29° 40' East 40.7 feet to an iron;

thence, turning and running N 50° 30' East 98.5 feet to an iron; thence, turning and running N 41° 50' West 131.81 feet to a pipe located on the eastern edge of Chapel Creek Road; thence, turning and running along the eastern edge of Chapel Creek Road for a radius of 1,400 feet and an arc distance of 239.32 feet to a pipe; thence, turning and running S 34° 32' East 198.40 feet to a pipe; thence, turning and running N 57° 05' 52" East 106.89 feet to a pipe; thence, turning and running N 35° 56' East 217.59 feet to a pipe; thence, turning and running N 29° 04' East 103.62 feet to a pipe; thence, turning and running N 5° 10' 14" East 119.7 feet to a pipe on the western edge of All Saints Road; thence, turning and running S 66° 15' E 127.49 feet along the eastern edge of All Saints Road to a pipe; thence, continuing along the eastern edge of All Saints Road for an arc distance of 136.86 feet to a pipe; thence, continuing in the same direction for an arc distance of 170.66 feet to a pipe; thence, continuing for an arc distance of 51.33 feet to a pipe, which pipe is the beginning point on River Road.

The Property is shown as "GEORGETOWN COUNTY WATER & SEWER DISTRICT" on a plat entitled "COMPILED PLAT OF 11.51 ACRES, A PORTION OF LITCHFIELD PLANTATION, PREPARED FOR RESOURCES PLANNING CORPORATION", prepared by Wendell C. Powers, R.L.S., dated January 7, 1986, attached to a Quit Claim Deed from The Scott Trotter Company to Louise P. Parsons, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 193, and is also shown as "D", 0.75 Acre" on a plat entitled "PLAT OF THE SEWAGE TREATMENT PLANT LOT IN LITCHFIELD PLANTATION SURVEYED FOR GEORGETOWN COUNTY WATER & SEWER DISTRICT", prepared by Wendell C. Powers, L.S., dated October 5, 1979, which is filed as an exhibit in various deeds, as well as being filed as Exhibit "B" in two deeds, a Quit Claim Deed from Litchfield Plantation Company, Inc. to Georgetown County Water and Sewer District dated September 13, 2007, and filed of record September 17, 2007, in the Office of the Register of Deeds for the County of Georgetown in Record Book 689 at page 131, and a Quit Claim Deed from the Georgetown County Water and Sewer District to Litchfield Plantation Company, Inc. dated September 14, 2007, and filed of record September 17, 2007, in the Office of the Register of Deeds for the County of Georgetown in Record Book 689 at page 140.

It is expressly understood and agreed the Property is conveyed subject to the following matters of public record:

- a. Declaration of Restrictive Covenants by the Litchfield Plantation Company, Inc., dated January 26, 1971, and filed of record May 27, 1971, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 98 at Page 36; and
- b. Amendment to Declaration of Restrictive Covenants by the Litchfield Plantation Company, Inc., dated December 30, 1988, and filed of record December 30, 1988, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 317 at Page 222; and
- c. Amendment to the Declaration of Protective Covenants, Conditions and Restrictions For Litchfield Plantation and Waiver of Right of First Refusal executed by Litchfield Plantation Company, Inc. and joined in by Litchfield

Plantation Association, Inc., and Resources Planning Corporation, dated March 28, 2005, and filed of record May 3, 2005, in the Office of the Register of Deeds in the County of Georgetown in Deed Book 1642 at Page 1; and

- d. PURCHASE MONEY REAL ESTATE MORTGAGE from The Scott Trotter Company to Litchfield Plantation Company, Inc. dated October 17, 2007, filed of record October 19, 2007, in Record Book 727 at Page 129.

This property described above being a portion of the property conveyed by Deed In Lieu of Foreclosure from The Scott Trotter Company to Litchfield Plantation Company, Inc., dated June 30, 2010, and filed of record July 2, 2010, in the Office of the Register of Deeds for the County of Georgetown in Record Book 1503 at Page 322.

TMS No.: Portion of 04-0184-A-036

ALSO:

ACCESS EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing all forms of access from River Road to the Property ("Access Easement"). This Access Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Access Easement shall include but not be limited to an easement of ingress, regress, and regress over all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Access Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of

Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

UTILITY EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way fifty feet (50') in width over and across the roadways as they now exist or may hereafter exist leading to and from the Property, and River Road, and between the Property and River Road for the purpose of providing the underground conveyance of electricity, telephonic messages, gas, sewerage, effluent, water or other public and private conveniences or utilities providing all forms of utility access from River Road to the Property ("Utility Easement"). This Utility Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Utility Easement shall include but not be limited to an easement allowing construction on, upon, over and under all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Utility Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

ALSO:

DRAINAGE EASEMENT

A nonexclusive and perpetual appurtenant and transferable easement or right of way, thirty (30') feet in width, fifteen (15') feet in width as measured from the center line of the location of any and all current and future equipment used for the underground conveyance of drainage and storm water drainage, over and across the roadways as they now exist or may hereafter exist leading to

and from the Property and River Road, and between the Property and River Road, as well as a nonexclusive and perpetual appurtenant and transferable easement or right of way for the surface conveyance of drainage and storm water drainage, over and across adjoining property for the purpose of providing the underground and above ground conveyance of drainage and storm water drainage from the Property to lakes, detention basins, marshes and wetlands located on or around Litchfield Plantation ("Drainage Easement"). This Drainage Easement shall be subject to any and all matters of public record, and shall be divisible and appurtenant to and shall run with the Property. This Drainage Easement shall include but not be limited to an easement allowing construction on, upon, over and under adjoining property and all roads shown on a plat entitled "MAP OF LITCHFIELD PLANTATION SHOWING THE SUBDIVISION OF PHASE ONE", prepared by Legare Hamilton, C.E.L.S., dated March 4, 1971, and filed of record in the Office of the Register of Deeds for the County of Georgetown in Plat Book W at Pages 8 and 9, and shall expressly include but not be limited to those roads shown as "Tuckers Road" and "Avenue of Live Oaks" and "All Saints Road" and "Landing Road" and "Spreading Road", and "Chapel Creek Road" on plats filed of record. The Property is to be developed and this Drainage Easement may be subsequently conveyed to each and every Grantee of any portion of the Property as and when it is developed.

The property subject to the aforementioned easement being a portion of the property conveyed by deed from Louise Price Smith to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 243, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record January 10, 1969, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 85 at Page 246, and by deed from Young M. Smith, Jr. to Litchfield Plantation, Incorporated, dated December 6, 1968, and filed of record July 31, 1970, in the in the Office of the Register of Deeds for the County of Georgetown in Deed Book 92 at Page 785, the name of Litchfield Plantation, Inc. being changed to Litchfield Plantation Company, Inc. as reflected by Articles of Amendment to the Articles of Incorporation of Litchfield Plantation, Incorporated, dated September 10, 1970, and filed of record September 14, 1970, in the Office of the Register of Deeds for the County of Georgetown in Miscellaneous Book 4 at Page 68.

Instrument
201000012119

Book Page
1608 104

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Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
12-29-2010 At 04:02 pm.
ASSIGNMENT 19.00
Book 1608 Page 91 - 104
Wanda J. Prevatte

ASSIGNMENT OF DECLARANT RIGHTS

This ASSIGNMENT OF DECLARANT RIGHTS (this "Agreement") is made this 30th day of December, 2010, by and between Litchfield Plantation Company, Inc., a South Carolina corporation, hereinafter referred to as "the Declarant", and Tucker's Woods, LLC, a Limited Liability Company duly organized and existing under and pursuant to the laws of the State of South Carolina, hereinafter referred to as "the Owner".

RECITALS

Whereas, Seller has sold and Owner has purchased real property as is more particularly described on Exhibit "A" attached hereto and expressly incorporated herein by reference, this property hereinafter being referred to as "the Bulk Sale Parcel".

Whereas, Declarant is the Developer under that certain Declaration of Restrictive Covenants dated January 26, 1971, and recorded in the Land Records in Book 98 at Page 36 on May 27, 1971, (the "1971 Covenants"), as amended by that certain Amendment to the Declaration of Restrictive Covenants recorded in the Land Records on December 30, 1988 in Deed Book 317 at Page 227 (the "1988 Amendment"), and further amended by that certain Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal recorded May 5, 2005 in Deed Book 1642 at Pages 1 through 134 (the "2005 Restated Restrictive Covenants"), the 1971 Covenants, the 1988 Amendments, and the 2005 Restated Restrictive Covenants being sometimes collectively referred to herein as the "Restrictive Covenants"; and

Whereas, Litchfield Plantation Association, Incorporated, a South Carolina non-profit corporation, is the association formed pursuant to the Restrictive Covenants, hereinafter referred to as "the Association", and is governed by certain Articles of Incorporation, hereinafter referred to as "the Articles of Incorporation", and Bylaws dated on or about April 13, 1971, and as amended from time to time thereafter, hereinafter referred to as "the Bylaws".

Now Therefore, in consideration of the foregoing, and of the mutual promises and covenants contained herein, the undersigned parties agree as follows:

1. Declarant unconditionally and irrevocably grants to Owner, its Successors and assigns, any and all of the Declarant's right as a Declarant, developer, or otherwise reserved to Declarant concerning the Bulk Sale Parcel under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association as set forth below (collectively the

"Declarant's Rights"), for the purpose of inducing Owner to purchase the Bulk Sale Parcel:

- a. Any and all rights reserved onto the Declarant pursuant to Article 3 of the Restrictive Covenants, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to construct any structure within the Bulk Sale Parcel on any lot or lots even though such lot or lots may be platted and recorded as single-family residential in purpose; (ii) the right on any portion of the Bulk Sale Parcel to be divided and sold as residential lots; and (iii) the right, within the Bulk Sale Parcel, to construct roads, to change and alter roads, to install utilities and drainage facilities, and construct such other facilities and amenities necessary or desirable for implementing this assignment, and to connect all roads and utilities to roads and utilities serving other properties.
- b. Any and all rights reserved onto the Declarant pursuant to Article 4 of the Restrictive Covenants, as such rights relate to the Bulk Sale Parcel including, without limitation, (i) the right to approve and certify plans, building locations, architectural standards, building materials, utilities and other aspects concerning the construction of residences, townhouses or condominiums or any structure on the Bulk Sale Parcel and to build any necessary bridges therein. Provided, however, approved single-family residences shall not be less than twenty-five hundred (2,500) square feet (heated and air conditioned), excluding garage, and patio homes (condominiums or townhomes) shall have at least fifteen hundred (1,500) square feet (heated and air conditioned), and that all single-family homes shall have a minimum side, front and rear yard set-back of ten (10) feet.
- c. Any and all rights reserved onto the Declarant pursuant to Article 6 of the Restrictive Covenants, as such rights relate to the Bulk Sale Parcel including, without limitation, Owner' easement of use of roads and common areas, easement for utilities, easements of cross drainage, easement for maintenance and enforcement, easement for lake and pond water and flood water.
- d. Any and all rights reserved onto the Declarant pursuant to Article 8, as Amended, as such rights relate to the Bulk Sale Parcel, including without limitation, the right, to erect and maintain a real estate sales office, signs, storage of building materials as they relate to the Bulk Sale Parcel.
- e. Any and all other rights reserved unto the Declarant pursuant to the Article 5, Section 5.9 or otherwise, to designate the minimum and maximum number of lots and Dwelling Units which can be built upon the Bulk Sale Parcel.
- f. Any and all other rights reserved onto the Declarant pursuant to the Restrictive Covenants, the Articles of Incorporation, or the Bylaws, as Amended, or any related document necessary for Owner, Owner' Successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve,

access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums or any other structures located or to be located on the Bulk Sale Parcel.

2. Owner understands and agrees the Declarant has retained other rights reserved unto the Declarant pursuant to the terms of the Restrictive Covenants which do not affect the Bulk Sale Parcel.
3. Owner understands and agrees Declarant is the sole Class "B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants, and further understands and agrees Owner shall be entitled to those numbers of Class "A" votes as determined by Owner under Paragraph 1(e) above.
4. Additional Covenants of Declarant. The Declarant hereby further covenants and agrees with Owner as follows:
 - a. Declarant will not, without the prior written consent of Owner: (a) exercise any of the Declarant's Rights or any other right reserved to Declarant in the Restrictive Covenants or any other related documents in any manner that materially and adversely affects the operation of the Bulk Sale Parcel, (b) take any action or omit any action, the result of which taking or omission would be the loss, abridgement or termination of any such Declarant's Rights, (c) amend or modify, or approve any amendment or modification, of the Restrictive Covenants, Articles of Incorporation, Bylaws, or any other related document in any way affecting the Bulk Sale Parcel more particularly described in Exhibit "A" without the prior written consent of Owner, or (d) exercise any of the Declarant's Rights as the sole Class "B" member of the Association in any manner that would materially and adversely affect any of the assigned Declarant Rights as set forth herein or which would in any way materially and adversely affect the right of Owner, Owner's Successors or assigns, or purchaser at foreclosure or grantee under a deed in lieu of foreclosure, to subdivide, improve, access, offer for sale, market and sell Dwelling Units, lots, single-family residences, townhomes or condominiums located or to be located on the Bulk Sale Parcel.
 - b. Declarant shall fully perform all obligations, duties, agreements and conditions to be performed by the Declarant under the terms and provisions of the Restrictive Covenants and under applicable law, and that the Declarant shall provide Owner with such evidence of such performance as Owner may reasonably request from time to time.
 - c. Declarant consents to Owner taking any and all actions necessary to connect any and all utilities necessary to serve the Bulk Sale Parcel and its development, and to connect access to the development of the Bulk Sale Parcel by pavement to the utilities and to the pavement in rights of way adjacent to the Bulk Sale Parcel.

- d. Declarant acknowledges and agrees that Owner is not responsible for any of the obligations or obligations of the Declarant under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association, including without limitation, any obligation or liability of any kind to any Owner of any condominium or lot or Dwelling Unit within Litchfield Plantation, and Declarant specifically acknowledges and agrees that in executing this Agreement, Owner make no warranties or covenants to any person or party as to title, merchantability, fitness for any particular purpose, physical condition, or otherwise, as to the Bulk Sale Parcel, or any portion thereof, whether such be expressed or implied. This Agreement shall not operate to place upon Owner responsibility for the control, care, management, or repair of the common amenities of Litchfield Plantation or require the Owner to carry out any of the terms or conditions imposed upon the Declarant pursuant to the terms of any document or agreement, except as specifically set forth herein. The Declarant further acknowledges and agrees that neither the acceptance of this Agreement by Owner, or any other agreement or instrument in connection therewith, shall relieve the Declarant from any of its obligations or duties under the Restrictive Covenants, the Articles of Incorporation and Bylaws of the Association or applicable law and that Owner shall have no duty or obligations under the Restrictive Covenants, the Articles of Incorporation or Bylaws of the Association.
 - e. Declarant hereby warrants to Owner that as of the date hereof (a) it has not executed any prior conveyance or assignment of any Declarant's Rights or other rights reserved to it in the Restrictive Covenants or the Articles of Incorporation or Bylaws of the Association related to the Bulk Sale Parcel; (b) has not performed any acts nor executed any instruments which might prevent Owner from exercising the terms and provisions of this Agreement, or any other document executed and delivered by Declarant to Owner or which would limit Owner in the exercise of his rights thereunder or hereunder; (c) that as of the date hereof, Declarant is the sole Owner of the Declarant's Rights as they relate to the Bulk Sale Parcel; and (d) that the Declarant's Rights have been validly created and reserved in accordance with all applicable requirements of South Carolina law.
5. Miscellaneous.
- a. This Agreement, and the covenants, conditions, warranties, and representations herein contained, shall inure to and bind the Successors and assigns of the Declarant and the heirs and assigns of the Owner. Wherever used, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. If any obligation or portion of this Agreement is determined to be invalid or unenforceable under law, it shall not affect the validity or enforcement of the remaining obligations or portions hereof. This Agreement is to be construed under the laws of the State of South Carolina. All covenants, conditions, provisions, warranties and other undertakings of Declarant contained in this Agreement, or any other agreement executed and delivered by Declarant in connection therewith, heretofore, concurrently or hereafter entered into, shall be

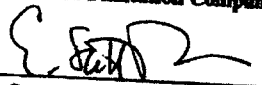
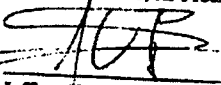
deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of Declarant herein contained. The failure or delay of Owner to exercise or enforce any rights, liens, powers or remedies hereunder or under any of the aforesaid agreements shall not operate as a waiver of such liens, rights, powers and remedies, but all such liens, rights, powers and remedies shall continue in full force and effect. All liens, rights, powers and remedies herein provided for are cumulative and none are exclusive. Declarant shall do any and all things necessary, or take any action requested by Owner, to carry out the intent of this Agreement. This Agreement shall bind, and the rights hereunder shall inure to the benefit of the parties hereto, the Successors and assigns of each party.

- b. Two or more duplicate originals hereof may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party hereto, and each set of counterparts which, collectively, show execution by each party hereto shall constitute one duplicate original.

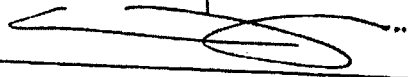
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SIGNATURE PAGE TO FOLLOW

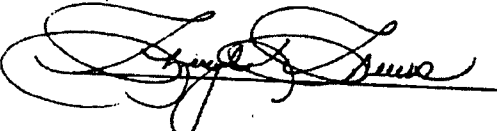
Witness the Hand and Seal of Litchfield Plantation Company, Inc., this
30th day of December, 2010.

Litchfield Plantation Company, Inc.:

By:  (L.S.)
E. Scott Trotter, its President
Attest:  (L.S.)
Jeffery W. Van Treese, its Secretary

Signed, sealed and delivered in the presence of:





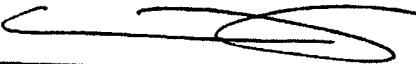
State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Litchfield Plantation Company, Inc., by and through E. Scott Trotter, its President, and Jeffery W. Van Treese, its Secretary, this day appeared before me personally and did acknowledge they and it did sign, seal, attest and deliver the foregoing document of their and its own free will and accord for the purposes therein named and expressed.

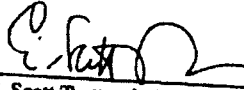
Sworn and subscribed to before me this 30th day of December, 2010.


Notary Public for South Carolina
My Commission Expires: 2.7.15.
(Seal)

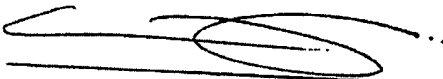
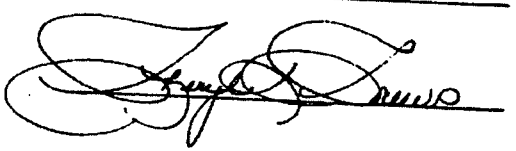
Witness the Hand and Seal of Tucker's Woods, LLC, a South Carolina Limited Liability Company, this 30th day of December, 2010.

Tucker's Woods, LLC, a South Carolina Limited Liability Company:

By: The Scott Trotter Company, its Managing Member:

By:  (L.S.)
E. Scott Trotter, its President

Signed, sealed and delivered in the presence of:

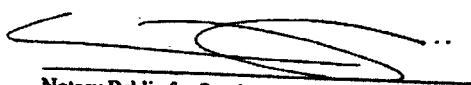
State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do certify Tucker's Woods, LLC, by and through The Scott Trotter Company, its Managing Member, by and through E. Scott Trotter, its President, this day appeared before me personally and did acknowledge he did sign, seal and deliver the foregoing document of his and its own free will and accord, for the purposes therein named and expressed.

Subscribed and sworn to before me this 30th day of December, 2010.


Notary Public for South Carolina

My Commission Expires: 2. 7. 15

(Seal)

LITCHFIELD PLANTATION ASSOCIATION, INCORPORATED hereby
agrees and consents to the aforesaid Assignment of Declarant's Rights and hereby agrees to be
bound by all of the terms, conditions and obligations set forth therein, this 30th day of
December, 2010.

Litchfield Plantation Association, Incorporated:

By: E. Scott Trotter (L.S.)
E. Scott Trotter, its Board Member

By: Jeffery W. Van Treese (L.S.)
Jeffery W. Van Treese, its Board Member

Signed, sealed and delivered in the presence of:

[Signature]
[Signature]

State of South Carolina)

County of Georgetown)

Acknowledgment

I, Charles Owen Nation, II, a Notary Public in the County and State aforesaid, do
certify Litchfield Plantation Association, Incorporated, by and through E. Scott Trotter and
Jeffery W. Van Treese, duly authorized Members of the Board of Governors, this day appeared
before me personally and did acknowledge they and it did sign, seal and deliver the foregoing
document of their and its own free will and accord for the purposes therein named and expressed.

Sworn and subscribed to before me this 30th day of December, 2010.

[Signature] (L.S.)

Notary Public for South Carolina

My Commission Expires: 7. 7. 15

(Seal)

Exhibit "A":

All that certain piece, parcel or lot of land lying, being and situate in Tax District Number Four, County of Georgetown, State of South Carolina, shown as "PHASE TWO 6.29 ACRES 273,785 Sq Ft" on a plat entitled " PLAT SHOWING PHASE TWO, TUCKERS WOODS AT LITCHFIELD PLANTATION, A 6.29 ACRE TRACT, PREPARED FOR TUCKER'S WOODS, LLC LOCATED ON THE WACCAMAW NECK, GEORGETOWN COUNTY, SOUTH CAROLINA ", prepared by Trico Engineering Consultants, Inc., dated November 29, 2007, and filed of record December 5, 2007, in the Office of the Register of Deeds for the County of Georgetown in Plat Slide 664 at Page 1; the aforementioned property having such size, shape, dimensions, butts and bounds as shown on the map or plat referenced above. The property described above is sometimes referred to herein as "the Property".

This being a portion of the property conveyed by deed from Louise P. Parsons, to Tucker's Woods, LLC, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 205, and all of the property conveyed by deed from E. Scott Trotter, to Tucker's Woods, LLC, dated February 15, 2005, and filed of record February 24, 2005, in the Office of the Register of Deeds for the County of Georgetown in Deed Book 1614 at Page 210.

TMS No.: Portion of 4-180A-40

Instrument Book Page
201100001125 1628 206

Nation 103203
201100001125
Filed for Record in
GEORGETOWN SC
WANDA PREVATTE, REGISTER OF DEEDS
02-04-2011 At 02:03 PM.
ASSIGNMENT 15.00
Book 1628 Page 197 - 206
Wanda G. Prevatte

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF GEORGETOWN) FOR THE 15th JUDICIAL CIRCUIT
CASE NO: 2011-CP-22-00319

Litchfield Plantation Association, Incorporated,
Joseph E. Johnston, Thomas Eckard,
Carol E. Kirby, Robert F. McMahan, Jr., and
Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendants.

FILED
GEORGETOWN COUNTY S.C.
2011 NOV -7 PM 1:51
ALMA Y. WHITE
CLERK OF COURT

AFFIDAVIT OF ROBERT W. DIBBLE, JR.

Under oath and penalty of perjury, I state the following:

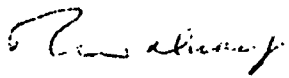
1. My name is Robert W. Dibble, Jr. I am over the age of eighteen (18). I am competent to testify in a court of law. The following facts are accurate and based upon my personal knowledge.
2. I am an attorney licensed by the Supreme Court of South Carolina. I have practiced law since 1967. From September of 1972 until June of 2010, I was a partner or shareholder of the McNair Law Firm, P.A. in Columbia, S.C.
3. I represented Litchfield Plantation Association, Incorporated with regard to the 2005 Amendment to the Declaration of Protective Covenants, Conditions, and Restrictions for Litchfield Plantation.

4. Jeffrey VanTreese represented Litchfield Plantation Company, Inc. with regard to the 2005 Amendment to the Declaration of Protective Covenants, Conditions, and Restrictions for Litchfield Plantation.
5. During my years of practicing law, I have represented several clients regarding covenants and restrictions and property owners associations. Litchfield Plantation was unique in my experience because I was able to obtain the consent of one hundred percent (100%) of the property owners to the terms and provisions of the 2005 Amendment. The property owners' signatures are attached to the 2005 Amendment.
6. Prior to the execution of the 2005 Amendment, I met with the property owners. I advised the property owners as to the terms and conditions set forth in the 2005 Amendment. All the property owners were given ample time to review the 2005 Amendment prior to its execution, and had a full and ample opportunity to independently read and discuss the 2005 Amendment and the Amended Bylaws. To the best of my knowledge, all the property owners took full advantage of this opportunity before they signed the 2005 Amendment.
7. Prior to the execution of the 2005 Amendment, there were negotiations between Litchfield Plantation Association, Incorporated, and Litchfield Plantation Company, Inc. with regard to the terms and conditions set forth in the 2005 Amendment. As with most negotiated contracts, each side fought for provisions that it considered a requirement. Each side also made concessions to the other with regards to provisions on which it could compromise for the sake of forming an agreement.
8. One of the issues discussed by me and Mr. VanTreese was the termination of the Class B Membership of Litchfield Plantation Company, Inc.

9. On behalf of Litchfield Plantation Association, Incorporated, I wanted the Class B status of Litchfield Plantation Company, Inc. terminated in the event Litchfield Plantation Company, Inc. failed to pay dues, assessments or the budget shortfall. Mr. VanTreese on behalf of Litchfield Plantation Company, Inc. refused to agree to this request.
10. After serious and sometimes acrimonious negotiations, Mr. VanTreese and I agreed the Class "B" membership would only be terminated in the event of one of three scenarios which are set forth on pages twenty-five and twenty-six of the 2005 Amendment.
11. A copy of page twenty-five and page twenty-six of the 2005 Amendment is attached hereto as Exhibit "A". The language set forth in Exhibit "A" accurately reflects the parties' intent and negotiated agreement regarding the sole grounds for the termination of Class "B" Membership.
12. Litchfield Plantation Company, Inc. and Litchfield Plantation Association, Incorporated never agreed the Class B membership would be terminated in the event Litchfield Plantation Company, Inc. failed to pay dues, assessments or the budget shortfall.

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SIGNATURE PAGE FOR AFFIANT AND NOTARY PUBLIC TO FOLLOW

FURTHER AFFIANT SAYETH NOT.

 (L.S.)
Robert W. Dibble, Jr.

SWORN to before me this 20th day of October, 2011.


Notary Public for South Carolina
My commission expires: 3-14-2017
(Seal)

5.4 Membership. Every person or entity who is an Owner of a Lot subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

5.5 Voting. The Association shall have two classes of Membership, Class "A" and Class "B".

(A) Class "A". Class "A" Members shall include all Owners except for the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot for which they hold the interest required for membership under Section 5.4; there shall be only one vote per Lot.

(B) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to disapprove actions of the Board and any Committees, are specified in the relevant sections of this Declaration and the Bylaws. During the Class "B" share period; the Class "B" Member shall have the number of votes equal to all Class "A" Members plus one (1) vote. The Class "B" membership shall cease and be converted to Class "A" Membership upon the earlier of the following:

- i) An initial period commencing on January 1, 2005 and ending December 31, 2010; provided, this initial period shall be automatically extended for successive periods of five (5) years, provided that in each five-year period prior to the automatic extension the Declarant has sold 100 or more lots, including the number of Lots or Dwelling Units designated in connection with a Bulk Sale, to non-affiliated Owners;
- ii) When, in its discretion, the Declarant so determines; or

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Amended and Restated Declaration of Protective Covenants, Conditions
and Restrictions for Litchfield Plantation and Waiver of Right of First Refusal

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- iii) One Hundred Eighty (180) Days after the Declarant has sold 90% of all Lots subject to this Declaration.

When a purchaser of an individual Lot or Lots takes title thereto from the Declarant, such Purchaser becomes a Class "A" Member. From and after the happening of any of the above events set out in subsection (i), (ii), or (iii), whichever occurs first, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot it owns.

The condition for automatic five-year (5) extensions of the Class "B" share period provided in (B)"I" shall be conclusively established by the Declarant Recording an Affidavit stating the Declarant has sold 100 or more Lots to Non-Affiliated Owners in the preceding five (5) years. A copy of such recorded Affidavit shall be provided to the Association.

5.6 Exercise of Voting Rights. Except as otherwise specified in this Declaration, Bylaws or as required by law, the vote for each Lot owned by a Class "A" Member shall be exercised by the Owner. In any situation in which there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised for such Co-Owners determined among themselves and they shall advise the Secretary of the Association in writing prior to any meeting. Absent such notice to the Association, the Lot's vote shall be suspended if more than one person seeks to exercise it. No Owner shall have a vote if the Owner is not current or more than 60 days in arrears with respect to all money owed to the Association by that Owner.

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiffs,

vs.

Litchfield Plantation Company, Inc.,

Defendant.

Civil Action No. 2011-CP-22-00319

**MEMORANDUM IN SUPPORT OF
PLAINTIFFS' MOTION FOR SUMMARY
JUDGMENT**

FILED
GEORGETOWN COUNTY, S.C.
2011 JUL -7 AM 10:44
CLERK OF COURT
A. Y. WHITE

The plaintiffs have moved for summary judgment on the two causes of action asserted in the plaintiffs' complaint and the defenses and counterclaims asserted in the defendant's amended answer and counterclaim. The Plaintiffs request that this Court issue an Order (1) declaring that Joseph E. Johnston, Thomas Eckard, Carol E. Kirby, Robert F. McMahan, Jr. and Thomas Martin Phillips are the current members of the Board of Governors of Litchfield Plantation Association and (2) declaring that the Class B share period described in the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation ended on January 1, 2011 and (3) dismissing the defendant's counterclaims.

Statement of Case

This action concerns the governance of Litchfield Plantation which is a real estate development located in the Waccamaw Neck area of Georgetown County, South Carolina. Litchfield Plantation is governed by the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation (hereinafter "Covenants") filed May 3, 2005 (Copy attached as Exhibit 1) and the Bylaws promulgated thereunder (Copy attached as Exhibit 2). The developer of Litchfield Plantation is Litchfield Plantation Company, Inc. (hereinafter the "Declarant/Developer") which is a South Carolina corporation. The homeowners association for Litchfield Plantation is Litchfield Plantation Association (hereinafter the "Association"). Declarant/Developer "established the Association for the purpose of

exercising powers of maintaining and administering the Common Areas and the improvements thereon and to be constructed thereon including the roads and maintenance buildings and providing common services, administering and enforcing the Covenants ... and levying, collecting and dispersing assessments and charges...." (Covenants, Article 5, para. 5.1)

This action was filed on March 9, 2011 by the plaintiffs seeking declaratory relief only against the Declarant/Developer in a non jury action pursuant to SC Code Ann § 15-53-10 (1976). The relief sought is a declaration that the individual Plaintiffs are the currently elected members of the Board of Governors of the Association and also a declaration that the Class B share period described in the Covenants expired as of January 1, 2011. The Company has denied all allegations relating to the relief sought. The Company has also asserted three counterclaims. The first counterclaim seeks a declaration that individual plaintiffs are not the current Board of Governors; the second counterclaim seeks dissolution of the current Board and the third counterclaim seeks to ad additional parties.

This motion for summary judgment is brought by the Association and the five members of the Board of Governors whom were elected at the Special Meeting held on February 26, 2011. This lawsuit and Motion are the result of Declarant/Developer's refusal to recognize the Board (Complaint, para. 24, Defendant's Amended Answer and Counterclaim, para. 18) and Declarant/Developer's failure to meet its monetary obligations to the property owners' Association (Trotter Affidavit, para. 6,7,8,9 attached hereto as Ex 3).

The basis for the plaintiffs' motion for summary judgments in regard to the constitution of the Board is that the facts are undisputed that an election for members of the Board of Governors of the Association was held on February 26, 2011. The individual plaintiffs in this action were elected as members of the Board of Governors of the Association by the homeowners but the Declarant/Developer refuses to recognize them as such. The basis for the motion in regard to the Class B share period is that the facts are undisputed that the Declarant/Developer has run into financial difficulties and is in breach of its financial obligations to the Association. The basis for the motion in regard to the

Declarant/Developer's counterclaim is that everyone affected by this action is already a party and thus no additional parties are needed to afford relief in this action.

Standards for Summary Judgment

Summary judgment is proper when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Rule 56(c), SCRCP ("The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."); Madison ex rel. Bryant v. Babcock Center, Inc., 371 S.C. 123, 134, 638 S.E.2d 650, 655 (2006); Houck v. State Farm Fire & Cos. Ins. Co., 366 S.C. 7, 11, 620 S.E.2d 326, 329 (2005); Pittman v. Grand Strand Entm't, Inc., 363 S.C. 531, 536, 611 S.E.2d 922, 925 (2005); B & B Liquors, Inc. v. O'Neil, 361 S.C. 267, 270, 603 S.E.2d 629, 631 (Ct.App. 2004). In determining whether any triable issues of fact exist, the evidence and all reasonable inferences therefrom must be viewed in the light most favorable to the non-moving party; Medical Univ. of South Carolina v. Arnaud, 360 S.C. 615, 619, 602 S.E.2d 747, 749 (2004); Rife v. Hitachi Constr. Mach. Co., Ltd., 363 S.C. 209, 213, 609 S.E.2d 565, 567 (Ct.App. 2005).

The party seeking summary judgment has the burden of clearly establishing the absence of a genuine issue of material fact. Jones v. State Farm Mut. Auto. Ins. Co., 364 S.C. 222, 228, 612 S.E.2d 719, 722 (Ct.App. 2005) (citing McCall v. State Farm Mut. Auto. Ins. Co., 359 S.C. 372, 376, 597 S.E.2d 181, 183 (Ct.App. 2004)). Once the party moving for summary judgment meets the initial burden of showing an absence of evidentiary support for the opponent's case, the opponent cannot simply rest on mere allegations or denials contained in the pleadings. *Id.* citing Regions Bank v. Schmauch, 354 S.C. 648, 660, 582 S.E.2d 432, 438 (Ct.App. 2003). Rather, the nonmoving party must come forward with specific facts showing there is a genuine issue for trial. Jones, 364 S.C. at 228, 612 S.E.2d at 722 (citation omitted). The purpose of summary judgment is to expedite disposition of cases which do not require the services of a fact finder. *Id.* Bradley v. Doe, 374 S.C. 622, 649 S.E.2d 153 (Ct.App. 2007)

Summary Judgment is warranted on the First Cause of Action because the facts are undisputed that the individual Plaintiffs were elected as the Board of Governors at a duly called meeting of the Association.

It is undisputed that the Declarant/Developer has not held an annual meeting of the Association since 2008 (Kirby Affidavit, para. 2, attached hereto as Ex 4). The ByLaws (Art.6, Section 4) and S.C. Code Ann §33-31-701 require such a meeting annually. It is at the annual meeting that Declarant/Developer is required to present to the Association of property owners audited financials, a budget for the next fiscal year and hold an election to seat the five required members of the Board of Governors of the Association. (ByLaws, Art. VI Assessments, para. 4, Art. VI Member's Meetings, para. 4).

On February 2, 2011, a group of five (5) property owners met with Scott Trotter, who was then the President of the Association and President of Declarant/Developer (Trotter affidavit, para. 1, 2) and asked that he schedule an annual meeting; Mr. Trotter refused to do so. (Kirby Affidavit, para.2). Given that there had been no annual meeting for over two (2) years and that the President of the Association refused to call an annual meeting, the property owners called a special meeting as provided in the ByLaws to remove the only two (2) persons serving on the Association board and elect a full five (5) member Board of Governors. (Kirby Affidavit, para. 3, 6).¹

At the Special Meeting held on February 26, the property owners voted to remove the only two Governors of the Association and elected a proper five member Board of Governors. (Kirby Affidavit, para.6, 7) It is this Board that Defendant has refused to recognize and to which it has refused to turn over documents and monies that are necessary for the Board to fulfill its fiduciary obligations to the property owners and the Association.

¹ The ByLaws state that "The business of the Association shall be managed by a Board of Governors which shall consist of five (5) Members [emphasis added]." ByLaws, Art. VII, para. 1; See S. C. Code Ann. §33-31-803 "(a) A board of directors must consist of three or more members... (b) The number of directors may be increased or decreased, but to no fewer than three."

DISCUSSION

Pursuant to the ByLaws of the Association, a special meeting shall be held when called "by the holders of at least five percent (5%) of the voting power of the Association." (ByLaws, Art. VI, Section 5)

The facts are undisputed that:

(1) the Notice of Special Meeting was signed by in excess of five percent (5%) of the Association members and was delivered to E. Scott Trotter, the President of Association, on February 15, 2011.

(Kirby Affidavit, para. 3, 4; Joseph Johnston Affidavit, para.2, attached hereto as Ex 5);

(2) the Notice set forth five purposes for the meeting including (1) the removal of the only two Governors of the Association, E. Scott Trotter and Jeffrey W. Van Treese" and (2) the nomination and election of five (5) new Governors to the Board of the Association. (Kirby Affidavit, para. 3);

(3) notice was given to all property owners known at that time (Capers Johnson Affidavit attached hereto as Ex 6); and,

(4) On February 26, 2011, a valid and duly called Special Meeting of Members of the Association was held at the Carriage House Club located at Litchfield Plantation.

Pursuant to the Bylaws, "At a meeting of Members, a quorum shall consist of Members having a majority of the votes entitled to be cast of Members present either in person or in proxy, and a majority of such quorum shall decide any question that may come before the meeting." (ByLaws, Article VI, para. 5; Kirby affidavit, para. 5). The facts are undisputed (1) that there were one hundred thirty one (131)

Members of the Association in February, 2011 who owned one hundred and sixty five (165) properties;

(2) that the Special Meeting was attended by in excess of ninety (90) members, either in person or by proxy, and (3) a quorum therefore was present. (Kirby Affidavit, para. 4, 5, 6)

A vote by written ballot was taken on the noticed issue of removal of E. Scott Trotter and Jeffrey W. Van Treese from their positions as Governors and officers of the Association. Eighty three (83) Members voted to remove E. Scott Trotter and ninety five (95) Members voted to remove Jeffrey W. Van

Treese. (Kirby affidavit, para. 6). Accordingly, they were duly removed from the Board of Governors of the Association by a majority vote of the Members. (ByLaws, Article VI, para. 5)

Article VII, para. 7 of the ByLaws, provide: "Election to the Board of Governors shall be by written ballot. At the election, the Members of their Proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected, Cumulative voting is not permitted." Following the removal of Messrs. Trotter and Van Treese from the Board, nominations for new Governors of the Association were taken from the floor. Eight (8) individuals were nominated. A vote by written ballot was then held. (Kirby Affidavit, para. 7) The Declarant/Developer's President attended the Special Meeting but did not submit a written ballot on either question. (Trotter Affidavit, Para H)

Of the eight (8) individuals nominated, the five (5) individuals who received the largest number of votes were Joseph E. Johnston, Thomas Eckard, Carol E. Kirby, Robert F. McMahan, Jr. and Thomas Martin Phillips (Kirby affidavit, para. 8), each of whom is a named plaintiff in this action.

Based on the foregoing, the facts are undisputed that the named plaintiffs in this action are the duly elected Governors of Litchfield Plantation Association, Inc. and are entitled to judgment in their favor recognizing them as such.

Summary Judgment is warranted on the Second Cause of Action because the facts are undisputed that the Company has not met its financial obligations to the Association

The plaintiffs have asserted two different grounds for relief in their complaint in connection with the Class B share period. One ground relates to the mismanagement and breach of fiduciary duties by the Declarant/Developer. That ground is not being asserted as a basis for the plaintiffs' summary judgment motion due to discovery not being completed on that issue. The other separate ground for the plaintiffs' declaratory judgment action concerns the failure of the Declarant/Developer to fulfill its financial obligations to the Association. That is the basis for the plaintiffs' motion for summary judgment.

Definition and Effect of the Class B Period

The Class B period is established in paragraph 5.5 of the Covenants. That section creates two different voting classes: the Class A members consist of the Owners of property in the Plantation other than the Declarant/Developer and the Class B Member which is the Declarant/Developer. During the Class B period the Company has the right to control the voting for the Board of Governors of the Association by the provisions of 5.5 (B) which gives the Company one more vote than the Owners. During the Class B period the annual assessment of the homeowners is capped pursuant to Paragraph 5.11 of the Covenants and Article VI paragraph 7 of the Bylaws. During the Class B period the Company is obligated to either fund the shortfall of the Association budget or pay assessments on its unsold property pursuant to paragraph 5.8 which states that during the Class "B" period the Declarant has to "...annually elect to either pay Assessments on all of its unsold Lots or to pay the 'shortage' for each fiscal year." After the termination of the Class "B" period, the Class "B" Member, ie. the Declarant/Developer, is deemed to become a Class "A" Member entitled to one (1) vote for each Lot it owns and for which it is not more than sixty (60) days in arrears. After the termination of the Class "B" share period, the Declarant/Developer is required to pay assessments on its unsold Lots in the same manner as any other Owner. (Bylaws, Article VI, Para 8(b))

Facts Concerning Class B Period

The annual budget of the Association runs approximately \$300,000.00 per year. The assessments paid by the homeowners raise approximately \$200,000.00 per year. (Affidavit of Thomas Eckard, para 5, attached hereto as Ex 7). That leaves a shortfall of approximately \$100,000.00. (Eckard Affidavit, para 5) In the years prior to 2010, the Declarant has always funded the shortfall instead of paying assessments on its unsold property. (Affidavit of E. Scott Trotter, para. 5). The assessment date for the Class A members has been April 1 of each year since 2005. (Affidavit of E. Scott Trotter, para 3; and Bylaws, Article VI, section 7) The maximum assessment was levied upon the homeowners on April 1, 2010 in the amount of \$1,900.00. (Affidavit of Thomas Eckard, para 6). The affidavit of Scott Trotter documents that in January, 2011 an additional assessment was issued to the owners. (Affidavit of E. Scott Trotter, Para 8;

Thomas Eckard, para 6) The reason that the January assessment was rendered was because the Association had run out of money and the Company was unable to fund the shortfall in the Association budget. (Affidavit of E. Scott Trotter, para 8). The evidence is uncontroverted that the Declarant/Developer has neither funded the shortfall nor paid assessments on its unsold lots after January 1, 2011 when the Association budgetary shortfall occurred. (Affidavit of E. Scott Trotter, para 9). These facts are undisputed.

DISCUSSION

Under South Carolina law, restrictive covenants are contractual in nature and the language used in them is to be construed according to its plain and ordinary meaning. Penny Creek v. Fenwick Tarragon, 375 S.C. 267 (Ct. App. 2007). Declaratory relief is a well recognized remedy for construction and violation of covenants. Marathon Fin. Co. v. HHC Liquidation, Corp., 325 S.C. 589, 483 S.E.2d 757 (Ct. App. 1997); Buffington v. T.O.E. Enterprises, 383 S.C. 388, 680 S.E.2d 289 (2009). The enforcement of covenants does not depend on whether monetary relief is claimed. Houck v. Rivers, 316 S.C. 414, 450 S.E.2d 106 (Ct. App. 1994). In this case, the Covenants are clear and unambiguous as to the financial obligation of the Declarant/Developer during the Class B period. Factually, there is no dispute that the Declarant/Developer breached that obligation when it failed to fund the shortfall in the Association budget in January, 2011.

The Covenants do not anticipate that the Declarant/Developer would fail to meet its financial obligations to the Association and, therefore, do not provide a specific remedy for such a breach. Therefore it is incumbent upon the Court to fashion the appropriate remedy. In South Carolina, equitable doctrines should be considered by the Court when enforcing covenants. Bufington, supra 383 S.C. at 393. The only equitable remedy in this case is a declaration that the Class B period has expired. A monetary judgment against the Declarant/Developer serves no purpose nor provides any remedy for the Plaintiffs because the Declarant/Developer is effectively insolvent. (Trotter Affidavit, Para 6 & 8) All of the Declarant/Developer's unsold property in Litchfield Plantation is currently the subject of foreclosure

actions.² A declaration that the Class B period is over will still simply convert the Company's Class B shares into Class A shares that are entitled to the same rights and obligations as the rest of the Owners. Simply put, it would be grossly inequitable to allow the Declarant/Developer to remain in total control of the Association when the Declarant/Developer has not fulfilled its financial obligations to the Association.

The consequences of allowing the admittedly insolvent Declarant/Developer to retain control of the Association are severe. If the Class B period is deemed to still be in existence, the Association will be unable to levy valid assessments against the Owners to pay the expenses of the Association pursuant to the cap when the Association runs out of money in July, 2011 for the remainder of this year. At that time, the Association will be unable to pay for security and landscaping services, pay for its garbage service and unable to pay its taxes and insurance. (Affidavit of Thomas Eckard, para 8) The Association will then have to terminate all the security and landscaping services, cease garbage pickup services and close the community pool and beach house. Each of these consequences will result should the Court not declare as a matter of equity that the Class B period ended when Declarant/Developer failed to meet its financial obligation under the Covenants in January, 2011.

Summary Judgment is warranted on the defendant's counterclaims because the facts are undisputed that the Board election was proper and that there are no additional parties necessary for the resolution of this case

The Declarant/Developer's first and second counterclaims are the opposite of the plaintiffs' claim for declaratory relief. If the Court grants the plaintiffs' motion for summary judgment, then those counterclaims should be dismissed for the same reasons. The plaintiffs' would reassert the grounds set forth previously in this memorandum. As for the Declarant/Developer's third counterclaim to add additional parties, this Court should grant summary judgment in favor of the plaintiffs since the relief sought by the plaintiffs does not affect any Declarant Rights that the Declarant/Developer has granted to

³ The foreclosure actions against the Company pending in Georgetown County are BDC Capital LLC vs Carriage House Club, Inc., et al, Civil Action No. 2010-CP-22-1265; First National Bank of South

third parties and the evidence is undisputed that the Company has not assigned the Class "B" voting rights to any third party.

Initially, it must be noted that the plaintiffs' action does not seek to affect the Declarant Rights as those terms are used in the Covenants. The term Declarant Rights is not even mentioned in the plaintiffs' Complaint. Under the Covenants, Declarant Rights are those rights that are set forth in Article 8 that give the Company the right to develop its property. Article 8 does mention the class B period in three places, sections, 8.1, 8.4 and 8.6.. Section 8.1 allows the a Declarant to designate additional property as common areas during the Class B period. Section 8.4 prohibits the filing of any Declarations during the Class B period without consent of the Declarant/Developer. Section 8.6 allows the Declarant/Developer to add Phase II as part of Litchfield Plantation. The Declarant/Developer is still the owner of Phase II. Therefore, the only party affected by the expiration of the Class B period is the Declarant/Developer who is the defendant in this action.

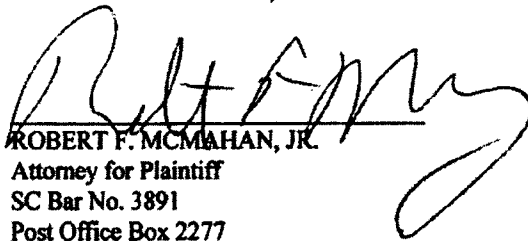
The Declarant/Developer's allegation "upon information and belief" that Declarant/Developer has assigned Class B rights to third parties (Defendant's Amended Answer and Counterclaim, para. 48, emphasis added) is without factual support. Initially, one would certainly expect that Declarant/Developer would know if it transferred Class B rights to a third party and would be able to name any such recipient. Declarant/Developer is unable to do so because the undisputed facts show that there has not been any such transfer. The affidavit of Angela Lawrimore is revealing; the courthouse records do not show any transfer of Class B rights since the Covenants were filed. While the Declarant/Developer has assigned Declarant Rights to others as shown on the Lawrimore affidavit attached hereto as exhibit 8. Class B rights were not transferred in any of those Assignments. In fact in the last Assignment of Declarant Rights to Tucker's Wood, LLC filed February 24, 2011 (attached to the Lawrimore affidavit as Exhibit H) the Declarant/Developer, who is defined as the Declarant under that assignment, specifically stated in paragraph 3 that "Owner understands and agrees Declarant is the sole

"Class B" association member pursuant to Article 5, Section 5.5 of the Restrictive Covenants and further understands and agrees that Owner shall be entitled to those numbers of Class "A" votes as determined by Owner under Paragraph 1 (e) above." Unless the Declarant/Developer filed a false document on February 24, 2011 or unless the Declarant/Developer has transferred Class B rights after the date of the title report, April 8, 2011, then the Class B rights have not been transferred. Of course it is incumbent on the Declarant/Developer to come with evidence at this summary judgment hearing to show that there is a factual dispute on this issue. Failing any proof of a transfer of Class B rights, the Court should render summary judgment in favor of the plaintiffs on the defenses raised by the Declarant/Developer in this action.

Conclusion

Based upon the forgoing the plaintiff's request that this Court grant the Plaintiff's motion for Summary Judgment and issue an Order declaring the individual plaintiffs to be the current members of the Board of Governors of the Association and declaring that the Class B period ended on January 1, 2011 and dismissing the Defendant's Counterclaims.

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Dated: June 6, 2011

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**SUPPLEMENTAL MEMORANDUM IN
SUPPORT OF PLAINTIFFS' MOTION FOR
SUMMARY JUDGMENT ON
TERMINATION OF THE CLASS "B"
PERIOD**

The sole issue pending before this Court is Plaintiffs' Motion for Summary Judgment declaring that the Class B share period has ended. The only issues of material fact are whether Defendant (1) paid the budget shortfall for 2010, or (2) paid the 2010 assessments on its property. It is undisputed that Defendant did not. Scott Trotter, President of Defendant in 2010 has already admitted under oath in his First Affidavit that the property owners were assessed three months, early in January, 2011, "due to the inability of Litchfield Plantation Company to either fund the shortfall in the Litchfield Plantation Association budget or pay assessments on its property." (First Trotter Affidavit, para. 1, 8, 9)

After the hearing held by this Court on September 8, 2011, Defendant were granted leave to file an affidavit from John Miller and a Second affidavit from E. Scott Trotter. Both affidavits seek only to create a smoke screen to cloud the issue on which this Court permitted them to file affidavits. In neither affidavit does Defendant establish -- or even assert -- that it paid either the budget shortfall of Plaintiff homeowners' association or assessments on its property for 2010. The fact and amount of the shortfall are established without dispute by the Affidavit of Jack Bosselli, submitted by Plaintiff on September 26, 2011. Defendant Litchfield Plantation Company, Inc. ("LPC" or "Declarant") simply wants to retain

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CLERK OF COURT

control of the Plaintiff homeowners' association for its own financial gain without meeting the financial obligations *it created for itself* in the governing documents (the "CCR's" and ByLaws.).¹

Affidavit of John Miller

Mr. Miller did not become President of Defendant until April 21, 2011. (Miller Affidavit, para. 2). Consequently, he has no personal knowledge of Declarant's failure to pay the "shortfall" or pay annual assessments on its property in 2010 as required by Section 5.8 of the CCR's.² Accordingly, Miller's affidavit is irrelevant to Plaintiffs' pending Motion.³ SCRCP 56(e);

Second Trotter Affidavit

The majority of the statements in Mr. Trotter's twenty-five paragraph Second affidavit do not address the termination of the Class B share period, and/or are not based on personal knowledge⁴, and/or are legal conclusions.⁵ As the Supreme Court held in Dawkins v. Fields, 354 S.C.58, 580 S. E.2nd 433 (2003) affidavits to be considered at summary judgment are required to be based on personal knowledge. In Dawkins the Supreme Court reversed the Court of Appeals for basing its decision on a verified complaint based on matters alleged on information and belief and an affidavit that consisted of legal conclusions.

¹ As succinctly admitted by Trotter, "Litchfield Plantation Company, Inc. has, and other parties have, a vested interest in maintaining the Class "B" share period, an underpinning to the value of the assets owned and mortgaged by Litchfield Plantation Company, Inc." Second Trotter Affidavit, para.20.

² Miller's implication that Defendant's failure to pay either the budget shortfall or assessments on its property should be excused because it did not receive a demand for payment is disingenuous. (Miller Affidavit, para. 4) Trotter admits in his First Affidavit that Declarant funded the shortfall in Plaintiff homeowners' association budget instead of paying assessments on its property in 2007, 2008 and 2009.(First Trotter Affidavit, para. 5). The CCR's unequivocally provide that "Unless the Declarant otherwise notifies the Board in writing at least 30 days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year." (CCR's, Sec. 5.8)

³ Also disingenuous is Miller's assertion that because the invoice to Declarant for the July, 2011 supplemental assessment shows a zero balance, nothing is owed by LPC. (Miller Affidavit, para.5) Note that Miller does not say that Declarant paid its assessments. (It has not.)This assessment of *all* property owners was required to pay for ongoing maintenance, trash pick-up, guard and other expenses.

⁴ Paragraphs 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 22, 24 and 25 of Trotter's Second Affidavit each state only that Trotter "believes" the statements therein and therefore all such statements must be disregarded. SCRCP 56(e); Dawkins, supra.

⁵ Paragraphs 17, 18, 19, 20, 21 and 22 are simply the self-serving legal conclusions of a failed developer and at times inaccurate paraphrases of the CCR's which also must be disregarded. See Dawkins, supra, at 68, citing

Trotter attempts to justify the Declarant's nonpayment and create a red herring for the Court by asserting that he and Jeffrey Van Treese, acting as Governors of LPA in late 2010, were authorized to change the Association's fiscal year and that change somehow justified accelerating the *annual*⁶ assessment on the property owners, an act that it is undisputed was required solely because Declarant refused to pay *its* obligations. Trotter and Van Treese were neither authorized to change the fiscal year⁷ nor to order an annual assessment before April 1, 2011 because they did not have a quorum of a validly constituted Board of Governors in order to take such action. Mr Trotter's second affidavit in paragraph 5 establishes that there were only two Board members at the time they changed the fiscal year. In December, 2010, Trotter and Jeffrey Van Treese were the only two persons on the Board of Governors of LPA. (Second Trotter Affidavit, para. 5; Kirby Affidavit, para. 6). The Amended and Restated ByLaws of LPA require a five (5) member board (Art. VII) and S.C. Code Ann§Sec. 33-31-803 (1976) requires a *minimum* of three (3) directors. "In the absence of any statutory or other controlling provisions, the common-law rule that a majority of a whole board is necessary to constitute a quorum applies, and the board may do no valid act in the absence of a quorum." Garris v. Governing Board, 333 S.c. 432, 511 S.E.2d 48 (1999) citing Prosser v. Seaboard Airline RR 216 SC 33, 44, 56 S.E. 2d 591, 595(1949); Gaskin v Jones, 198 SC 508, 513, 18 S.E.2d 454,456 (1942). In this case since the Board was supposed to consist of five members and the action was taken by only two members, there was no quorum and no valid change of the fiscal year.

Even if the change in fiscal year was deemed to be proper, that has no effect on the assessment date. The fiscal year of the Association and the annual assessment date of property owners have never been concurrent. (See Kirby Affidavit, para.9) The "annual" assessment has always been on April 1 of each year. (First Trotter Affidavit, para. 3; Kirby Affidavit, para. 8) The fiscal year has run from Nov. 1 until Oct. 31. (Kirby Affidavit, para. 9). While Trotter says in his second Affidavit that he "believes" the

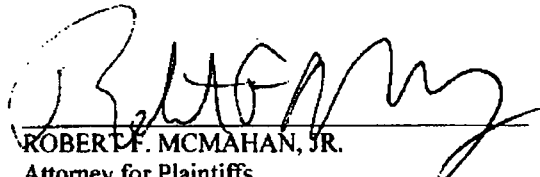
Wright, Miller & Kane: "ultimate or conclusory facts and conclusions of law, as well as statements made on ...
"information and belief" cannot be utilized on a summary-judgment motion."

⁶ Annual assessments are specified in the CCR's Sec. 5.7(A) and ByLaws, Art. VI; "Annual" is defined as "occurring or happening every year or once a year." Merriam-Webster Dictionary.

change of fiscal year was "justified for accounting reasons or other good cause", (Second Trotter Affidavit, para. 7), the only "accounting" or other cause for the change was because "Litchfield Plantation Company has not paid any part of the budget of the Litchfield Plantation Association nor paid any assessments on its currently owned property from April, 2010 until (Trotter resigned) on March 28, 2011. All funds used to pay the budget of Litchfield Plantation Association after January 1, 2011 came from the homeowners." (First Trotter Affidavit, para. 9). Regardless, a change in the fiscal year is irrelevant to and does not justify the Declarant accelerating the "annual" assessment on property owners under any rationale.

Wherefore, having established that there are no material facts in dispute, Plaintiffs are entitled to judgment as a matter of law that the Class B share period terminated as of January, 2011.

HARRIS & GRAVES, P.A.


ROBERT F. MCMAHAN, JR.
Attorney for Plaintiffs
South Carolina Bar No. 3891
PO Box 2277
Conway, SC 29585
843-234-2390

Conway, South Carolina

Dated: 9-28-2011

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**PLAINTIFFS' ANSWERS TO
DEFENDANT'S SUPPLEMENTAL
INTERROGATORY ANSWERS**

The plaintiffs hereby answer the defendant's supplemental interrogatories dated
September 19, 2011 as follows:

9. a. Plaintiffs believe that the budget shortfall occurred on December 15, 2010
when 4 payroll checks from the Association to its employees and 2 other checks were returned
by Plantation Federal for insufficient funds.

b. The plaintiffs are unaware of whether there has ever been a determination
of the exact amount of the budget shortfall by anyone. The shortfall would consist of \$22,000.00
of expenses for December, 2010 that were not paid until January, 2011 as set forth in paragraph
5 of the affidavit of Jack Bocelli and the expenses for the Association for the period of time from
January 1, 2011 until March 31, 2011 in the amount of \$112,000 as set forth in paragraph 6 of
the affidavit of Jack Bocelli submitted earlier less the amounts of income the Association
received in January 1, 2011 through March 31, 2011 from landscaping services rendered to
Tuckers Wood and individual property owners. .

c. The exact amount of the shortfall has not been calculated.

d. The person who determined that there was a shortfall was E. Scott Trotter, who was the President of the Defendant, Litchfield Plantation Company, when he made that determination.

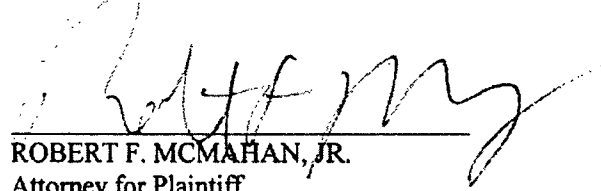
e. The Defendant's president, Scott Trotter, was the person who stated that there was a shortfall. As such the Defendant had knowledge of the shortfall at that time since the knowledge of the Defendant's president is imputed to the Defendant.

f. The Plaintiffs are unaware of what demands the Defendant's president made to the Defendant and is prevented from making an inquiry about that at this time since the Defendant's former president is represented by counsel.

g. The Plaintiffs are unaware of what response the Defendant gave to the Defendant's president or if one was given.

h. The bank statement of Litchfield Plantation Association that is attached to the affidavit of Jack Bocelli that has already been served on the Defendant and the letters dated April 30, 2010, October 20, 2010, November 19, 2010 and December 23, 2010 from the Defendant's former president, E. Scott Trotter, that has already been provided to the Defendant in response to the Defendant's First Request for Production of Documents.

HARRIS AND GRAVES, P.A.



ROBERT F. MCMAHAN, JR.

Attorney for Plaintiff

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rfm@harrisgraves.com

Conway, South Carolina

Dated: 11/10-11

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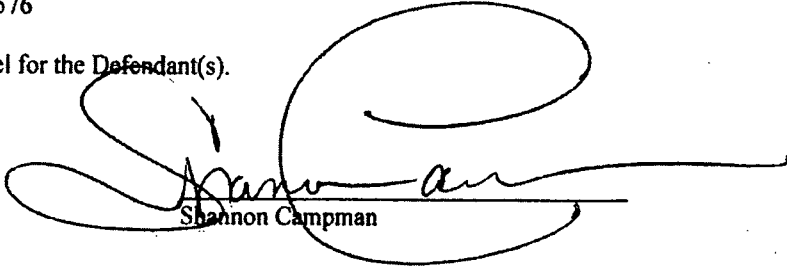
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CERTIFICATE OF SERVICE BY MAIL

Shannon Campman says that she is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on November 10, 2011, she mailed in a sealed envelope, postage prepaid, a copy of Plaintiff's Answers to Defendant's Supplemental Interrogatory Answers. to:

Mark D. Neill, Esquire
Post Office Box 2810
Murrells Inlet, SC 29576

the name and address of counsel for the Defendant(s).



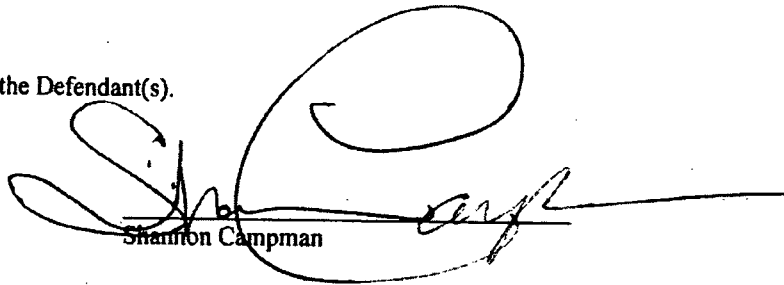
Shannon Campman

CERTIFICATE OF SERVICE BY MAIL

Shannon Campman says that (s)he is the Paralegal for the Attorney for the Plaintiff, with offices at Conway, South Carolina, and that on November 10, 2011, (s)he mailed in a sealed envelope, postage prepaid, a copy of Plaintiff's Answers to Defendant's Supplemental Interrogatory Answers to:

Howell V. Bellamy
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, SC 29578

the name and address of counsel for the Defendant(s).



Shannon Campman

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**PLAINTIFFS' MEMORANDUM IN
OPPOSITION TO DEFENDANT'S MOTION
FOR SUMMARY JUDGMENT**

The Defendant, Litchfield Plantation Company (hereinafter the "Defendant" has moved for summary judgment on the Class B voting rights issue. The Defendant's motion should be denied because the facts are undisputed that the Defendant is in breach of its financial obligations to Litchfield Plantation Association (hereinafter "LPA") and there is evidence that the Defendant has breached its fiduciary duties to LPA.

Counsel for the Defendant has filed an affidavit from Robert W. Dibble, Jr. Esq. ("Dibble"), former counsel for LPA and the individual property owners, in support of the Defendant's Motion for Summary Judgment on the Class B issue. In that affidavit Dibble asserts that he represented LPA in the negotiations with the Defendant to amend the Covenants, Conditions and Restrictions ("CCR's") which govern Litchfield Plantation and that in those negotiations Jeffrey Van Treese negotiated on behalf of the Defendant. Dibble further asserts in his affidavit that he reached an agreement with Van Treese that the Defendant's Class B voting rights would terminate "only" upon one of the three scenarios set forth in the CCR's and that those scenarios are the "sole" grounds for the termination of the Class B voting rights. Based on that affidavit Plaintiffs anticipate that the Defendant will assert at the hearing that its financial default does not give rise to a termination of the Class B voting rights.

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CLERK OF COURT
GEORGETOWN COUNTY, SC
RFm

A. The Dibble Affidavit Should be Excluded

The Dibble affidavit should not be considered in this hearing because (1) it has never been served on the Plaintiffs as required by SCRCivP 5 (a), (2) it violates the parole evidence rule, and (3) it is the result of unethical conduct on behalf of Dibble

- 1. The Dibble affidavit has never been served on the Plaintiffs and therefore cannot be considered in this hearing.**

The Company has moved pursuant to SCRCivP 56 (b) for summary judgment. That rule does not require that any affidavits be served at all. However, SCRCivP 5 (a) requires that certain documents be served on each of the parties of record. While not specifically mentioned in Rule 5(a), affidavits should be considered as being "(1) other similar papers". The Plaintiffs became aware of the existence of the Dibble affidavit through an article in the newspaper that referred to the affidavit as well as Defendant's Motion for a Temporary Injunction which also was not served upon the Plaintiffs. The Plaintiffs acquired a copy of both documents only by going to the Clerk of Court's office. The Defendant should not be allowed to ignore the rules of civil procedure. The only appropriate response to the Defendant's ignoring the rules is to exclude the affidavit.

- 2. The Dibble affidavit seeks to add terms to the CCR's that are not written in the CCR's and as such is not admissible pursuant to the Parole Evidence Rule.**

The Defendant has submitted the Dibble affidavit in order to add terms to the CCR's that are not written in the CCR's. The Dibble affidavit uses the terms "only" in paragraph 10 and "sole" in paragraph 11 and references an agreement with Van Treese in paragraph 10. The CCR's are a written document and do not use the terms "only" or "sole" or reference any agreement along the lines of paragraph 10 of the Dibble affidavit in the sections concerning the duration of the Class B period. (CCR's section 5.5 attached to Plaintiff's Memorandum in Support of Its Motion for Summary Judgment as exhibit 1).

SC Code Ann 36-2-202 (1976) sets forth the parole evidence rule in South Carolina. That law states:

Terms with respect to which the confirmatory memoranda of the parties agree to or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented

(b) by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Since the Dibble affidavit seeks to add terms to the CCR's that are not written in the CCR's, the first inquiry should be whether the CCR's are intended to be a complete and exclusive statement of the terms of the CCR's. Page 2 of the CCR's in the second paragraph, last sentence states "The purpose of this Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation is to incorporate into one document **all** covenants, conditions and restrictions applicable to Litchfield Plantation." (emphasis added). The use of the term "all" proves that the written CCR's are intended to be a complete and exclusive statement of the terms as set forth in SC Code Ann 36-2-202 (b).

This case is remarkably similar to the case of J.B. Colt Co. v. Britt, 129 S.C.236, 123 SE 845 (1924) referenced in the comments to SC Code Ann 36-2-202 (1976) in which the Supreme Court held that the phrase "this instrument covers **all** the agreements between the purchaser and the company" (emphasis added) was held to have effectively excluded the admission of parole evidence. Therefore the portions of the Dibble affidavit that seek to add the terms "only" and "sole" to the CCR's violates the parole evidence rule and should not be considered in the Defendant's Motion for Summary Judgment.

3. The Dibble affidavit should be excluded because it violates the South Carolina Rules of Professional Conduct

In his affidavit, Dibble states that he represented LPA in regard to negotiation of the 2005 Amendments to the CCR's. That is only partly true. Dibble also represented each of the individual property owners¹ in the negotiations (Affidavit of Robert Klemme, attached hereto as Exhibit 1 ,

¹ Dibble admits that he represented the property owners as well as LPA in his own letter attached as Exhibit A to Kirby affidavit, last paragraph. Given that Dibble solicited and obtained the signatures of individual property

affidavit of Robert Charnley attached hereto as Exhibit 2 , affidavit of Carol Kirby attached hereto as Exhibit 3, affidavit of Edward Meehan attached hereto as Exhibit 4 , and affidavit of James Davies attached hereto as Exhibit 5.). Letters written by Dibble himself confirm that he represented the individual property owners. (see attachments to Meehan, Kirby and Davies affidavits). As counsel for the individual property owners and LPA, Dibble has obligations under the Rules of Professional Conduct both to LPA and the individual property owners.

It is both telling and significant that Dibble failed to mention his representation of the individual property owners because he has an obligation of confidentiality under Rule 1.6 of the Rules of Professional Conduct to each of them and an obligation not to use information in connection with the representation to the disadvantage of the his former clients under Rules 1.8 (b) and 1.9 (c).

Rule 1.6 requires that a lawyer shall not reveal information relating to the representation of a client unless the client gives informed consent . Rules 1.8(b) and 1.9(c)(1) and (c)(2) specify a lawyer's duties with respect to the use of information to the disadvantage of clients and former clients and impose an affirmative obligation on a lawyer not to reveal information relating to the lawyer's prior representation of a former client.

Dibble did not seek permission from his former clients before disclosing this confidential information to the Company. (Klemme affidavit para 7, Charnely affidavit para 7, Kirby affidavit, para. 7 and Meehan affidavit, para 9) Put bluntly, Dibble has turned on his former clients to assist their adversary.² By doing so Dibble has blatantly violated his duties imposed by the Rules of Professional Conduct throughout his affidavit. It must also be noted that in obtaining and using the Dibble affidavit, counsel for LPC may have violated Rule 8.4, which provides that it is misconduct for a lawyer to knowingly assist or induce another attorney to violate the Rules of Professional Conduct. Almost seven

owners, they obviously were each his clients. See Dibble affidavit, para. 5. (regarding obtaining the signatures of 100% of the property owners).

(7) years after the CCR's went into effect, it is inconceivable that Dibble unilaterally decided to submit an affidavit in this action.

The damage to Dibble's former individual clients has been done by filing this affidavit in the Court. The contents have already been publicized by the newspapers. The question for this Court is whether the Company will be allowed to gain an advantage by these violations of the Rules of Professional Conduct. The only appropriate remedy for these violations is to exclude the Dibble affidavit.

B. If the Court finds that the Dibble affidavit is admissible, there is still factual evidence that there was no mutual assent to the purported CCR terms set forth in his affidavit by the property owners

Under South Carolina law the parties to an agreement must mutually assent to all of the terms of the agreement. Edens v. Laurel Hill, Inc., 271 S.C. 360, 247 S.E.2d 434 (1978). In this case there is certainly at a minimum a factual dispute as to whether the property owners and the Plaintiffs assented to the terms set forth in the Dibble affidavit. Dibble now asserts in his affidavit for the first time (and almost seven (7) years after amendment of the CCR's), that he agreed with the representative of the Defendant that the Class B period would terminate "only" under the three circumstances set forth on pages twenty-five and twenty-six of the CCR's and that those three circumstances are the "sole" grounds for termination of the Class B period.

The CCR's do not contain any such limiting language. So even if the property owners had read every word on each of the fifty-one (51) pages of the amended CCR's before agreeing to the amendment, they would not find the purported limitation on termination of the Class "B" period Dibble now asserts. There simply is *no language whatsoever* in the CCR's to alert the property owners that there was any limitation of remedy for a financial default by the Defendant. . Of course exculpatory clauses in contracts are required to be explicit under South Carolina law. McCune v. Myrtle Beach Indoor Shooting

² The McNair Law Firm, of which Dibble was a partner, is owed \$300,000 in legal fees by LPC, the entity on whose behalf Dibble submitted his affidavit. (See Mortgage from LPC to McNair attached hereto as Exhibit 6)

RFM

Range, Inc., 364 S.C. 242, 612 S.E.2d 462 (Ct. App. 2005). Limitation of remedies clauses should be governed by the same principles.

Nor was any such limitation of remedies disclosed to the property owners by Dibble. Dibble wrote each property owner a personal letter in February, 2005, in which he set forth eight (8) "basic points of the Amendment," points which he described as the "highlights of the amendments" (Exhibit A to Kirby Affidavit and Exhibit to Meehan affidavit.). Yet nowhere in his letter did Dibble ever mention his current assertion that the property owners would have *no remedy whatsoever* if the Defendant defaulted on its financial obligations to them. Moreover, the evidence is undisputed that Dibble never informed the property owners of any such limitations in any other way. (Kirby affidavit, paras 5 and 6, Meehan affidavit, paras.5 and 6, Klemme affidavit, para. 5 and Charnley affidavit, para. 5)

The property owners would not have agreed to the amended CCR's had Dibble told them that the Defendant could maintain its Class B voting control over LPA and thus over all facets of its operations even if it did not meet its financial obligations which are clearly set out in the CCR's. (Klemme affidavit, para. 6, Meehan affidavit, para.8; Kirby affidavit, para.6; Charnley affidavit, para. 6) Given that the approval of 100% of the property owners was needed, it is understandable that Dibble neither disclosed in the CCR's or in his correspondence to the individual property owners his purported agreement to free the Defendant of the consequences of its failure to meet its financial obligations to LPA. Given the lack of disclosure to the property owners of the terms and agreements set forth by Dibble in his affidavit, it cannot be said that the property owners who were the signatories to the CCR's assented to those terms.

C. The Evidence Will Prove that the Defendant has used its control over LPA to take money from LPA on four separate occasions, which is a breach of the Defendant's fiduciary duties to LPA

1. Plaintiffs' have still been unable to take depositions in this case

Initially it must be noted that the Plaintiffs have been unable to take the 30(b)(6) deposition of the Defendant or the deposition of Scott Trotter, the former president of both LPA and the Defendant, due to the Defendant's actions. While the Court ruled in its previous Order in this case that the Plaintiffs be

allowed to take the depositions mentioned above, the earliest date that the Company and Intervenor, Trotter, would agree to as a date for those depositions was November 7, 2011. The Plaintiffs promptly noticed those depositions (see Notice of Depositions dated October 5, 2011 attached hereto as Exhibit 7). On October 21, 2011, the Company served its Second Amended Answer and Counterclaims upon the Plaintiffs in which it asserted for the first time claims for actual and punitive damages against the individual Plaintiffs and LPA.³ Those claims triggered coverage under the E&O policy for LPA. The E&O carrier appointed Douglas Baxter, Esq. to represent the Plaintiffs on those counterclaims. Understandably, Mr. Baxter was not prepared to go forward with depositions on such short notice and therefore the depositions had to be postponed in order to give Mr. Baxter time to prepare.⁴ Because of the delay in depositions caused by the Company's untimely counterclaims, the portion of the Defendant's Motion for Summary Judgment regarding whether the Class B voting rights should be extinguished due to Defendant's breaches of fiduciary duty should be continued until discovery has been allowed pursuant to SCRCivP 56(f).

2. Defendant has Breached its Fiduciary Duty to Plaintiffs by Improperly Taking Money from LPA

As a proffer as to what the Plaintiffs will establish after discovery, the evidence will show that during the time the Defendant has controlled LPA, it has improperly taken at least \$715,000 from LPA in the last 5 years. On May 22, 2009 the Defendant took \$570,000.00 from LPA that came from a real estate closing and gave back a note signed by Alan Kidston (copy attached hereto as Exhibit 8). At the time of that transaction, Alan Kidston was president of both the Defendant and president of LPA. On June 10, 2009 the Defendant took \$75,000.00 from LPA and gave back a note signed by Jeffery Van Tresse (copy attached hereto as Exhibit 9). At that time Van Tresse was Vice President of the Defendant and a

³ The Company did not seek an Order of this Court allowing it to file a Second Amended Answer and Counterclaims as required under SCRP 15, and this Second Amendment is the subject of a pending Motion to Dismiss filed by Douglas Baxter, Esq. The Company filed its Answer and Counterclaims on April 29, 2011 and filed its First Amended Answer and Counterclaims on May 27, 2011. Plaintiff's Second Amended Answer and Counterclaims was not submitted until five (5) months later.

member of the Board of Governors of LPA. On June 21, 2009 the Defendant took \$20,000.00 from LPA. To the Plaintiffs' knowledge, no note was ever signed for that transaction however an unsigned note has been provided. (copy attached hereto as Exhibit 10). On June 1, 2010 the Defendant took \$50,000 from LPA and gave back a note. (copy attached as Exhibit 11) That note was signed by Intervenor Trotter who at the time was president of both LPA and the Defendant.

The CCR's unequivocally provide that the monies of LPA shall be used only for LPA expenses. (CCR's, Art. 5, Section 5.17 (B)). It also is important to note that the terms of these notes are unreasonably advantageous to the Defendant. The interest rate on each note is set at prime and there are no interim payments due on the notes. In contrast to these transactions are those loans entered into between the Defendant and third parties in arms length transactions. The Defendant had to pay 13% interest on its loan from BDC Capital Inc. with monthly payments of interest (See Judgment of Foreclosure, para. 8 attached hereto as Exhibit 12). On the loan made to the Defendant by Lawrence Shapiro, the Defendant had to pay 16% interest with monthly payments of interest. (See certified copy of Note attached as Exhibit A to the Complaint in matter of Shapiro v. Litchfield Plantation Company et al, Civil Action No. 2010-CP-22-1967 attached hereto as Exhibit 13).

South Carolina law provides that a developer owes a fiduciary duty to the property owners association and its members much like that owed by promoters of a corporation to investors. Concerned Dunes West Residents, Inc., v. Georgia-Pacific Corporation, 349 S.C. 251, 562 S.E.2d 633 (2002). As held by the Court in Goddard v. Fairways Development General Partnership, 310 S.C. 408, 426 S.E.2d 828 (Ct App 1993) when there is a fiduciary relationship between a developer and property owners due to the developer's control of the property owners association, the conduct of the developer must be governed by the business judgment rule and must be free of bad faith, dishonesty and self dealing. It must be noted that this Defendant has already been found to have breached its fiduciary duties to LPA in the Order of the Honorable Clyde A Eltzroth, page 18, dated December 11, 1986 in the case of Eugene F. McManus et al. v. Litchfield Plantation Company, Inc. C/A 84-CP-22-512 (Copy attached as Exhibit 14). The

Defendant's taking of money from LPA while in control of LPA under the Class B period constitutes bad faith and self dealing and is a breach of its fiduciary duties by the Defendant, as well as a breach of the explicit terms of the CCR's section 5.17 (B) As such, the Defendant's motion should be denied at this time so that full discovery can be held on these issues.

D. The Company Remains in Breach of its Financial Obligations and Termination of the Class B Period is the Only Effective Remedy

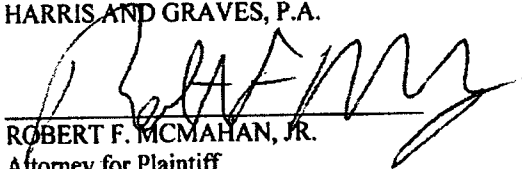
At the hearing in September counsel for the Defendant stated to this Court that the Defendant was not in default regarding its financial obligations under the CCR's and was granted leave to submit affidavits on that issue. The affidavit of Scott Trotter attached to the Plaintiffs' Memorandum in Support of their Motion for Summary Judgment and the affidavit of Jack Boselli undisputedly prove otherwise. "Litchfield Plantation Company has not paid any part of the budget of the Litchfield Plantation Association nor paid any assessments on its currently owned property from April, 2010 until March 28, 2011"[when Trotter resigned as President]. All funds used to pay the budget of Litchfield Plantation Association after January 1, 2011 came from the homeowners." (First Trotter Affidavit, para. 9). The first affidavit of John Boselli shows that the checking account statement of LPA had a negative balance on December 15, 2010. The supplemental affidavit of John Boselli (attached hereto as Exhibit 15) further establishes without dispute that Defendant's financial default continues to the present date. **The bottom line is that Defendant has not paid one cent to support the operations of LPA since March, 2010.** In the meantime the property owners have had to pay far in excess of what the CCR's require under Section 5.11.

Since April 1, 2010 each property owner has been assessed \$1,950 on April 1, 2010, \$1,425 on January 1, 2011 and \$1,200 on August 1, 2011. (Affidavit of Thomas Eckard para. 6 attached to the Plaintiffs' Memorandum in Support of Motion for Summary Judgment and Supplemental Affidavit of John Boselli paragraph 3). Those assessments will only pay the LPA budget through the end of 2011. However, under the provisions of 5.11 establish a cap on property owner assessments of \$1,800 per year

as adjusted for CPI. So while the property owners should have only been assessed approximately \$4,000 for the two year period starting April 1, 2010 through March 31, 2012, they have been assessed \$4,575 for the period of April 1, 2010 through December 31, 2011. An additional assessment will be required on January 1, 2012 to fund the LPA budget for 2012.

The CCR's are silent on the remedy for this default. The law of remedies in South Carolina provides that "(t)he law endures no injury, from which damage has ensued, without some remedy; but directs the application of principles already established to every new combination of circumstances that may be presented for decision." Watson v. American Colony Ins. Co., 179 S.C. 149, 183 S.E. 692, 693-94 (1936). Equitable relief is only available when there is no adequate remedy at law. However, an adequate remedy is one which is as certain, practical, complete and efficient to attend the ends of justice and its administration as the remedy in equity. Milliken & Company v. Morin, 386 S.C. 1, 685 S.E.2d 828 (Ct. App. 2009). It is not enough that there is some remedy at law, but that remedy must be as practical, efficient and prompt as the remedy in equity. Chisolm v. Pryor, 207 S.C. 54, 35 S.E.2d 21 (1945). In this case the Company is broke. Its property is in foreclosure. A judgment for money damages does no good to the Plaintiffs since the judgment is uncollectible. The only complete, practical, efficient remedy that attends the ends of justice is the declaration that the Class B period ended when the Company defaulted on its financial obligations. For the above reasons the Defendant's Motion for Summary Judgment should be denied.

HARRIS AND GRAVES, P.A.


ROBERT F. MCMAHAN, JR.

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(843) 234-2390
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Conway, South Carolina
Dated: December 6, 2011

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**PLAINTIFFS' MEMORANDUM IN
OPPOSITION TO E. SCOTT TROTTER'S
MOTION TO INTERVENE**

FILED
GEORGETOWN COUNTY, S.C.
SEP -6 AM 9:22
JAMES Y. WHITE
CLERK OF COURT

A Motion for Joinder and Intervention has been filed by E. Scott Trotter (hereinafter "Trotter") in this action. The Motion should be denied due to the following reasons: 1. Trotter has no personal rights that are affected by this litigation; 2. Trotter's Motion is untimely and will delay the adjudication of the existing parties' rights; 3. the existing Defendant adequately represents Trotter's position; 4., intervention by Trotter is sought to further his defense in a pending criminal action and 5. Trotter's intervention will change the nature and character of this action.

PROCEDURAL HISTORY

This action was filed on March 9, 2011 by the plaintiffs seeking declaratory relief only against the Defendant in a non jury action pursuant to SC Code Ann § 15-53-10 (1976). The relief sought is twofold, a declaration that the individual Plaintiffs are the currently elected members of the Board of Governors of the Association and also a declaration that the Class B share period described in the Covenants expired as of January 1, 2011. The Defendant has filed an Answer and has denied all allegations relating to the relief sought. The Defendant has also asserted three counterclaims. The first counterclaim seeks a declaration that individual plaintiffs are not the current Board of Governors; the second counterclaim seeks dissolution of the current Board and the third counterclaim seeks to add additional parties.

At the time that the action was commenced Trotter was the president of the Defendant, Litchfield Plantation Company, Inc. (Affidavit of E. Scott Trotter attached hereto as Exhibit A) The Summons and Complaint were personally served upon Trotter on March 11, 2011. (Affidavit of Service attached hereto as Exhibit B). The Defendant filed an Answer on April 26, 2011 and later filed an Amended Answer and Counterclaim. The Defendant served an Amended Answer and Counterclaim together with Interrogatories and Requests for Production of Documents on the Plaintiffs on May 24, 2011. The Plaintiffs served Responses to the Defendant's Interrogatories and Request for Production of Documents on June 7, 2011. The Plaintiffs also filed a Motion for Summary Judgment on June 7, 2011. The Plaintiffs' Motion for Summary Judgment was placed on a roster in mid July, 2011 to be heard on September 8, 2011. A status conference was held in this case on July 22, 2011 that was attended by all parties as well as Trotter's counsel. On July, 29, 2011 Trotter filed his motion. Trotter's motion was filed 4 months and 18 days after he was personally served with the Summons and Complaint in this matter. On July 1, 2011 Trotter was arrested and charged with Grand Larceny by the Georgetown County Sheriff for converting Promissory Notes and Mortgages with a value of \$926,881.00 that belonged to the Plaintiff, Litchfield Plantation Association, to Trotter's own company, Litchfield Buyout Group. That charge is still pending in the Georgetown Court of General Sessions under Warrant Number J-520966 (Copy attached as Exhibit C).

FACTUAL BACKGROUND

A Special Meeting of the Homeowners was held on February 26, 2011. A Notice of the Special Meeting was personally delivered to Trotter on February 15, 2011 (See Affidavit of Joseph Johnson attached as Exhibit D). That Notice is attached to the Johnson affidavit and set forth the issues to be raised at that meeting. The meeting was held on February 26, 2011 and Trotter attended the meeting as President of the Defendant. (Trotter affidavit, Ex. A para 11) In that meeting Trotter was removed as a member of the Board of Governors by a vote of the owners and the individual plaintiffs were elected to the Board of Governors. Trotter then resigned as president of the Defendant on March 28, 2011 (Trotter Affidavit, Ex A para 1). On April 27, 2011 Trotter filed an Assignment of Promissory Notes, Guarantees

and Mortgages in the Georgetown County Clerk of Court's office (hereinafter the "Assignment", Copy attached as Exhibit E). The Plaintiffs were not notified of the Assignment until June 16, 2011. Trotter was arrested on July 1, 2011.

DISCUSSION

Trotter has moved for intervention and joinder pursuant to SCRCivP 19(a) and 24 (a). Both rules require that he have an interest related to the subject matter of the litigation. Rule 24 (a) also requires that an intervenor's motion be allowed only if made on a timely basis and if the applicant's interest is not adequately represented by existing parties. The comment to Rule 19 states

Dean Lightsey, in Code Pleading, notes that the number of cases in which there is truly an "indispensable party" in whose absence the court should not proceed are very rare. *Id.* at 109-110. The Rule provides for joining such a party as a defendant or involuntary plaintiff similar to Code § 15-5-40. Case law interpreting the Federal Rule makes it clear that the absence of a party does not automatically deprive the court of jurisdiction to resolve the interests of the parties before it. This changes some older state precedents which have held that such defects were jurisdictional. See *Green v. Niver*, 43 S.C. 359, 21 S.E. 263 (1894); *Gooch v. Elliott*, 120 S.C. 245, 113 S.E. 72 (1922)

In this case Trotter's interest in being the President and on the Board of Governors of the Association is solely derived from his Presidency of the Defendant from which he has now voluntarily resigned. Until this year, the Defendant controlled the election of the Board of Governors pursuant to the provisions of the Amendment to the Declaration of Protective Covenants, Conditions and Restrictions for Litchfield Plantation dated May 3, 2005. (hereinafter the "Covenants" copy attached hereto as Exhibit F). Under paragraph 5.5 of the Covenants the voting for the Board of Governors is controlled by the Defendant as long as the Class B share period is in effect. Trotter's position on the Board was at the whim and control of the Defendant. However, after this action was commenced Trotter voluntarily resigned as President of the Defendant and holds no position with the Defendant. (Trotter affidavit Ex A, para 1). Therefore, unless the Defendant contends that Trotter is a current Board member, Trotter has no continuing interest in being on the Board. The Defendant's attorney has asserted in a letter dated June 6, 2011 that Trotter is not the Defendant's designated president or Board member of the Association. (Copy attached as Exhibit G). Thus, Trotter has no continuing interest in being a member of the Board of Governors of the Association as that term is used in Rules 19(a) and 24(a).

This case also involves whether the Class B share period expired on January 1, 2011. The plaintiffs contend that it did due to the Defendant's inability to meet its financial obligations to the Association. Only the Defendant can assert the Class B share period rights pursuant to the Covenants. Trotter has no interest affected by whether the Class B period has expired given his voluntary disassociation from the Defendant.

Additionally the Motion made by Trotter is untimely and the delay prejudices the rights of the existing litigants. Trotter was personally served with the Summons and Complaint in this case on March 11, 2011. He did not file his Motion until 4 months and 18 days after he was served with the Summons and Complaint. His intervention at this late date will delay the resolution of this matter. A hearing on the plaintiffs' Motion for Summary Judgment is scheduled for September 8, 2011 at 9:30. The addition of Trotter will require the postponement of the Summary Judgment hearing. It is important to the existing parties that clarification of the voting rights of the Defendant pursuant to the Class B period be resolved prior to the next election. The Bylaws require that Board elections be held in November of each year (Bylaws, Article VI, section 4 and Article VII sections 7 and 8 attached hereto as Exhibit H). It is anticipated that the next Board election will be held on November 19, 2011. To allow Trotter to intervene after failing to assert his rights for the past four and a half months will delay the resolution of the voting rights issue and create uncertainty as to how to conduct the next election which will prejudice the rights of the plaintiffs. Of course after that election, the issue concerning the composition of the existing Board of Governors will be moot since another Board will then be elected.

An inquiry must be made into the reason for Trotter's attempt to intervene. Understand that the position of member of the Board of Governors and President do not come with a salary. Article VII, section 4 of the Bylaws state that "No Governor shall receive compensation for any service he or she may render to the Association." The position of President likewise carries no salary or compensation. The only event that has occurred that explains Trotter's current interest in this case is his arrest for Grand Larceny on July 1, 2011. The only inference is that Trotter's newfound interest in this case is due to the pending criminal charges against him. A review of the signature block of the Assignment that gave rise

to his arrest shows that Trotter transferred the Association's assets to his own company acting in his capacity as President of the Association. It is uncertain whether Trotter will attempt to use his intervention in this pending litigation as an excuse or justification in his pending criminal action. Of course it is also likely that Trotter will attempt to use the discovery provisions of the Rules of Civil Procedure to further his defense in the criminal case. As the Court is aware, the Rules of Criminal Procedure do not allow the taking of depositions. Additionally, if Trotter is allowed to intervene in the pending litigation a question will arise as to whether he will assert his 5th Amendment rights to not incriminate himself in his deposition. Mr. Trotter's deposition was noticed and a subpoena served on him earlier in this case (Copies attached hereto as Exhibit I). That deposition was postponed at Defendants' counsel's request and due to the Defendant's Motion for Protective Order.

To allow Trotter to intervene in this action will also change the nature of this action. If Trotter is allowed to file a pleading, the Association will be required by SCRCivP 13 (a) to either assert compulsory counterclaims or forfeit those counterclaims. The Association has legal claims against Trotter arising from his actions as President of the Association. These claims include the claim for conversion related to the Assignment. Other claims that will have to be asserted against Trotter involve his taking of \$75,000 of Association funds on June 9, 2008 and allowing \$20,000 of Association funds to be taken by his fellow Board member on July 21, 2009 in exchange for certain Notes that are believed to either be worthless or not executed at all (Copies of Notes attached hereto as Exhibits J& K). To allow Trotter to intervene in this action will require that these claim be brought in this action and will convert this action from a declaratory judgment action to a claim for monetary relief. The Defendant may likewise be faced with the choice to either assert claims against Trotter or waive them due to the requirements of SCRCivP 13(a). Of course given that this case has been pending for 6 months, it will be reached for trial in the normal course in another 6 months. Completing the discovery on these additional issues in that short a period of time will be difficult.

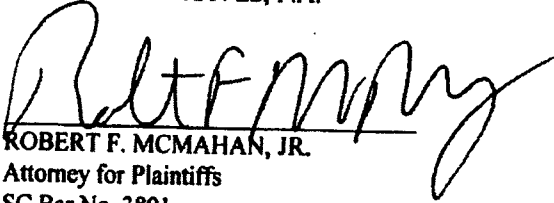
Finally, the Motion filed by Trotter contains the grounds on which he asserts that the Board election was improper. There is no reason why the existing Defendant cannot make the same arguments

in opposition to the Plaintiffs' claim for relief. The existing Defendant has the same legal position and interest as Trotter insofar as the February 26, 2011 board election is concerned and thus Trotter's interest is adequately represented by the existing Defendant as required by Rule 24(a).

For the foregoing reasons, the Plaintiffs hereby request that the Court deny Trotter's Motion for Joinder and Intervention.

Respectfully submitted,

HARRIS AND GRAVES, P.A.



ROBERT F. MCMAHAN, JR.

Attorney for Plaintiffs

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Conway, South Carolina

Dated: 9-2-2011

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

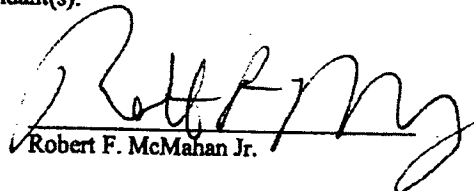
Civil Action No. 2011-CP-22-00319

**CERTIFICATE OF SERVICE
BY HAND DELIVERY**

Robert F. McMahan Jr., says that he is the Attorney for the Plaintiff, with offices at Conway, SC, and that on September 2, 2011, he hand delivered in a sealed envelope a copy of Plaintiff's Memorandum in Opposition to Scott Trotter's Motion To Intervene to:

Mark D. Neill, Esquire
Neill Law Firm
Post Office Box 2810
Murrells Inlet, SC 29576

the name and address of counsel for the Defendant(s).


Robert F. McMahan Jr.

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP -6 AM 9:23
ALMA Y. WHITE
CLERK OF COURT

STATE OF SOUTH CAROLINA
COUNTY OF GEORGETOWN

IN THE COURT OF COMMON PLEAS

Litchfield Plantation Association, Inc., Joseph E.
Johnston, Thomas Eckard, Carol E. Kirby, Robert
F. McMahan, Jr. and Thomas Martin Phillips,

Plaintiff(s),

vs.

Litchfield Plantation Company, Inc.,

Defendant(s).

Civil Action No. 2011-CP-22-00319

**CERTIFICATE OF SERVICE
BY HAND DELIVERY**

Shannon Campman says that she is a Paralegal for the Attorney for the Plaintiff, with offices at
Conway, SC, and that on September 2, 2011, she hand delivered in a sealed envelope, a copy of Plaintiff's
Memorandum in Opposition to Scott Trotter's Motion To Intervene to:

Howell V. Bellamy
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, SC 29578

the name and address of counsel for the Defendant(s).


Shannon Campman

FILED
GEORGETOWN COUNTY, S.C.
2011 SEP -6 AM 9:23
ALMA Y. WHITE
CLERK OF COURT

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM THE GEORGETOWN COUNTY
Court of Common Pleas

Larry B. Hyman, Jr., Circuit Court Judge

Appellate Case No. 2012-212842

Litchfield Plantation Association, Inc., Joseph E. Johnson, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr., and Thomas Martin Phillips Appellants/Respondents,

v.

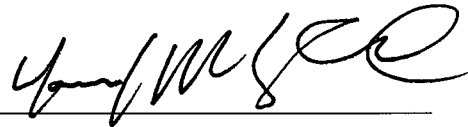
Litchfield Plantation Company, Inc. Respondent/Appellant,

and,

E. Scott Trotter Intervenor.

Certificate of Counsel

I certify that the Record on Appeal contains all material proposed to be included by any of
the parties and not any other material.



December 2, 2013

Timothy W. Bouch
Michael S. Seekings
Yancey A. McLeod III
Leath Bouch & Seekings, LLP
92 Broad Street, Post Office Box 59

RECEIVED

DEC 03 2013

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM THE GEORGETOWN COUNTY
Court of Common Pleas

Larry B. Hyman, Jr., Circuit Court Judge

Case No. 2011-CP-22-319

Litchfield Plantation Association, Inc., Joseph E. Johnston, Thomas Eckard, Carol E. Kirby,
Robert F. McMahan, Jr., and Thomas Martin Phillips Appellants,

v.

Litchfield Plantation Company, Inc. Respondent,

and,

E. Scott Trotter Intervenor.

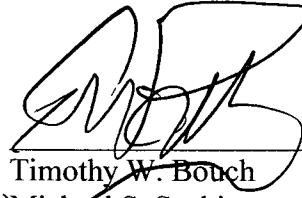
PROOF OF SERVICE

I certify that I served The Record on Appeal on December 2, 2013, by depositing a copy
of it in the United State Mail, postage prepaid, addressed as follows:

Mark D. Neill, Esquire
The Neil Law Firm
P.O. Box 2810
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Attorney for Respondent
Litchfield Plantation Company, Inc.

Robert S. Shelton
Bellamy Law Firm
P.O. Box 357
Myrtle Beach, S.C. 29578
Attorney for Respondent/Intervenor
E. Scott Trotter

December 2, 2013

A handwritten signature in black ink, appearing to read 'Timothy W. Bouch', is written over a horizontal line.

Timothy W. Bouch
Michael S. Seekings
Yancey A. McLeod III
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92 Broad Street, Post Office Box 59
Attorneys for Appellants