

BYLAWS
OF
THE CRESCENT
PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I
ASSOCIATION

The following Bylaws shall govern the operation of The Crescent Property Owners' Association, Inc.

Section 1. Association. In conjunction with the development of The Crescent subdivision as shown on the plat recorded in the Beaufort County Register of Deeds Office in Plat Book 66 at Page 156 ("Property"), a South Carolina non profit corporation known as The Crescent Property Owners' Association, Inc. has been formed ("Association"). The offices of the Association shall be at the offices of Centex Homes, a Nevada general partnership ("Declarant"), located at 2019 Park Street, Columbia, South Carolina 29201, or such other place as may be subsequently designated by the Board of Directors of the Association.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the Association. All terms used herein and not otherwise defined shall have the meaning ascribed to them in the Covenants for the Property which were recorded in the Beaufort County Register of Deeds Office in Official Record Book 1146 at Page 751 ("Covenants").

Section 3. Personal Application. All present or future Owners, tenants, or their employees, or any other person who might use the Property in any manner, are subject to these Bylaws as they may be amended from time to time. The acquisition or rental of any Homesite, or the act of occupancy of any of any Homesites, will signify that these Bylaws, and any authorized amendments to the foregoing are accepted and ratified, and will be complied with by the Homesite Owner, lessor, their guests or invitees.

ARTICLE II
VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Eligibility. Any Owner is deemed to have consented to be a Member of the Association. There shall be one membership for each Homesite owned. Transfer of ownership of a Homesite, either voluntary or by operation of law, shall terminate membership in the Association, and said membership becomes vested in the transferee. When more than one Person is a Class A Member by virtue of an ownership interest in the same Homesite, the vote for such Homesite shall be exercised as they among themselves determine, but in no event shall more than one vote be cast

with respect to any Homesite. In the event of disagreement among such Persons and an attempt by two or more of them to cast the vote of such Homesite, such persons shall not be recognized and the vote of such Homesite shall not be counted

Section 2. Voting. Voting shall be done in accordance with Section 4.03 of the Covenants.

Section 3. Majority Vote. As used in these Bylaws, the term Majority Vote shall mean fifty-one percent (51%) or more of the total number of Class A and Class B votes.

Section 4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a Majority Vote as defined in Section 3 of this Article shall constitute a quorum.

Section 5. Proxies. Member votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting.

Section 6. Voting Of Members. The vote of a majority of the Class A and Class B Members' votes represented at any meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where in the Covenants, or in these Bylaws, or by law, a higher percentage vote is required.

ARTICLE III

THE CRESCENT HOMEOWNERS ASSOCIATION, INC.

Section 1. Association Responsibilities. The Association shall have the responsibility of administering the Property and electing the Board of Directors.

Section 2. Place Of Meetings. All meetings of the Association shall be at the offices of the Association, or at such other place as designated by the Board of Directors or the Management Agent and stated in the notice of meeting.

Section 3. Annual Meetings. The annual meetings of the Association shall be held once a year during the month of December or at such other time as a majority of the Owners may agree upon. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws, and there shall be a report by the President or Secretary-Treasurer on the activities and financial condition of the Association. The Owners may also transact such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Secretary to call a special meeting of the Owners as directed by: (i) resolution of the Board of Directors; (ii) at the request by a majority of the Directors; (iii) or upon a petition signed by twenty percent (20%) of the Owners and presented to the Secretary. A notice of any special meeting shall state the time and place of such meeting and the purpose or purposes thereof. No business shall be transacted at a special meeting except as stated in the notice. If an Owner intends to raise a matter at a special meeting, said Owner shall submit such request in writing to the Secretary or President at least ten (10) days before the date notice is to be mailed to the Owners in order for such matter to be included in the Notice of Special Meeting.

Section 5. First Meeting. The first meeting of the Association shall be held in the month of December, 1999.

Section 6. Notice Of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, to each Owner of record at least fifteen (15), but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this Section 6 shall be considered notice served. The notice of meeting shall include any matters the Owners intend to raise at the meeting if a request is submitted to the Secretary or President in writing at least ten (10) days prior to notice being mailed, which requests sets forth the matters to be raised.

Section 7. Quorum Requirements. A Majority of the Owners present in person or by proxy constitutes a quorum for any meeting purpose.

Section 8. Adjourned Meeting. If any meeting of the Association cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The time, date, and place of the meeting shall be set and announced before adjournment of the first meeting. Upon the reconvening of said meeting a quorum shall be constituted if thirty percent (30%) of the Owners are present in person or by proxy at said reconvened meeting.

Section 9. Order Of Business. The order of business at all Annual Meetings of the Association shall be as follows:

- (a) Roll Call.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading of Minutes of Preceding Meeting.
- (d) Reports of Officers.
- (e) Reports of Committees.
- (f) Election of Inspectors of Election.
- (g) Election of Directors.
- (h) Unfinished Business.
- (i) New Business.

The order of business at a Special Meeting of the Association shall include items (a) through (d) above, and thereafter, the agenda shall consist of the items specified in the notice of meeting.

Section 10. Record Date. The Board of Directors shall fix a record date for determining Owners entitled to notice of and to vote at each annual or special meeting. Such record date shall be at least ten (10) days, but not more than forty (40) days before the meeting. Only Owners holding title to Homesites as reflected in the Beaufort County records on the record date shall be entitled to notice.

Section 11. Action By Written Consent. Whenever the vote of Owners at a meeting is required or permitted by these Bylaws to be taken in connection with action of the Association, the meeting and vote of Owners may be waived if a majority of Owners who would have been entitled to vote consent in writing to such action being taken. Notice of such action shall be given to all Owners, unless all Owners participated in the approval of such action.

Section 12. Waiver And Consent. Any Owner may waive any notice of meeting required by these Bylaws if the waiver is submitted in writing, signed by the Owner entitled to notice, and delivered to the Association prior to the date of the meeting. An Owner's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the Owner objects to holding the meeting or transacting business at the meeting at the beginning of the meeting. Further, an Owner's attendance at a meeting waives objection to considerations of a particular matter at the meeting that is not within the purpose described in the notice for the meeting, unless the Owner objects to the consideration of the matter at the time when it is presented at the meeting.

Section 13. Membership List. After a record date for a notice of meeting has been fixed by the Board of Directors, a complete list of Members of the Association shall be prepared by the Secretary or Treasurer. This Membership list shall list the Members and shall include the addresses and number of votes each Member is entitled to vote at the meeting. Such list shall be maintained in the office of the Association beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting.

Section 14. Rules of Order. Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Covenants or these By-Laws.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number And Qualification. The affairs of the Association shall be governed by a Board of Directors ("Board") comprised of three (3) or five (5) persons. As set forth in Section 4.07 of the Covenants, the Declarant shall have the initial power to appoint the Board. So long as the Declarant retains this power, Directors need not be Members. Once the Declarant no longer has the power to appoint the Board, all Directors shall be Members.

Section 2. General Powers And Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association.

Section 3. Specific Powers And Duties. In addition to the general powers referenced above, the Board shall be responsible for the rights and privileges set forth in Section 3.02 of the Covenants and to exercise all other rights and privileges granted to the Board under the Covenants and under the South Carolina non-profit corporation Act of 1994, as amended from time to time.

Section 4. Management Agent. The Board of Directors may retain a Management Agent, at the compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Any contracts with the Management Agent shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts.

Section 5. Board Of Directors.

(a) Declarant Appointment. The Board of the Association shall consist of three (3) members appointed by Declarant. The right of Declarant to appoint members of the Board also includes the right to remove and replace appointees until such time as Declarant's rights to appoint members to the Board ceases. As set forth in Section 4.07 of the Covenants, Declarant shall retain these rights until sixty (60) days after the first of the following events shall occur: (i) the expiration of twenty (20) years from the date of the recording of the Covenants; (ii) the date upon which three-fourths (3/4) of the Homesites which may be developed on the Property and on the Additional Property shall have been conveyed, by Declarant to an individual owner or owners for residential occupancy; or (iii) the surrender by Declarant of the authority to appoint and replace directors by an express amendment to the Covenants executed by the Declarant and recorded in the Beaufort County Register of Deeds Office. Each Owner by acceptance of a deed to or other conveyance of a Homesite vests in Declarant such authority to appoint and replace directors and officers of the Association.

(b) Turnover of Rights. Upon the final expiration of all rights of Declarant to appoint and replace directors of the Association, a Special Meeting of the Association shall be called to elect a new Board. At this Special Meeting of the Association, the Board shall be increased to five (5) directors. The initial term of office for two (2) directors of the Board shall be fixed at three (3) years. The term of office of two (2) directors of the Board shall be fixed at two (2) years, and the term of office of one (1) director of the Board shall be fixed at one (1) year. At the expiration of the initial term of office of each director of the Board, a successor shall be elected to serve a term of three (3) years. The directors of the Board shall hold office until their successors have been elected and hold their first meeting. All directors shall be subject to replacement, in the event of resignation or death, in the manner set forth in Section 6 of this Article.

Section 6. Vacancies. Subsequent to the turnover of Declarant's rights to appoint the Board as set forth in Section 5, vacancies in the Board of Directors caused by reason other than the removal of a director of the Board by a vote of the Members shall be filled by vote of the majority of the remaining directors. Each person so elected shall be a director of the Board until a successor is elected at the next meeting of the Association. If a quorum cannot be achieved due to vacancies

in the Board, only a majority of the remaining Board shall be required to elect successor Board members.

Section 7. Removal Of Director. Subsequent to the turnover of Declarant's rights to appoint the Board as set forth in Section 5, at any annual or special meeting of the Association, any one or more of the directors of the Board may be removed with or without cause by a majority of Members and a successor may then be elected to fill the vacancy. Any director of the Board whose removal has been proposed to the Association shall be given an opportunity to be heard at the meeting. If a director ceases to be an Owner, said director shall either resign or be removed by the Board. Notwithstanding any other provision contained herein, any director of the Board who was elected by the Members shall only be removed by the Members at a meeting where the purpose, or one of the purposes, as stated in the Notice of Meeting, is the removal of said director.

Section 8. Organizational Meeting. The organizational meeting of the Declarant's appointed first Board shall be held at such time and place as shall be determined by the Declarant. No notice shall be necessary to the newly elected Board members to legally constitute such an organizational meeting, providing a majority of the Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board. Notice of regular meetings of the Board shall be given by the Secretary or Treasurer, or other designated person to each Board member personally, by mail, or facsimile at least two (2) days prior to the day of the meeting. Telephonic meetings are expressly authorized based upon the likelihood that some Board members may be from different geographical locations.

Section 10. Special Meetings. Special meetings of the Board may be called by the President, on three (3) days prior notice to each director, given personally, by mail, or facsimile, which notice shall state the time, place, and the purpose or purposes of the meeting.

Section 11. Waiver Of Notice. Before or at any meeting of the Board, a director may waive in writing notice of such meeting. Attendance or participation by a director at any meeting of the Board shall constitute a waiver of notice. If all directors are present at a meeting of the Board, no notice shall be required.

Section 12. Action Without A Meeting. Actions of the Board may be taken without a meeting if the action is taken by all directors of the Board and evidenced by one or more written consents describing the action taken, signed by each director, and included in the corporate records of the Association.

Section 13. Board Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. Actions and resolutions approved by a vote of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. Directors may participate in a regular or special meeting by, or conduct the meeting through any means of communication by which all directors participating may hear each other simultaneously during the meeting, and directors so participating by this means shall be deemed to be present in person at the meeting. If at any meeting of the Board there is less than a quorum present, the majority of the directors present may adjourn the meeting to another time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called

may be transacted without further notice. Proxies shall not be available for either a Board quorum or for voting purposes.

Section 14. Fidelity Bonds. The Board may require that any Management Agent, officers or employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 15. Compensation. No director shall receive any compensation from the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 16. Liability Of The Board Of Directors. Except as required under the laws of South Carolina, the directors shall not be liable to the Homesite Owners or Members for any mistake of judgment, negligence, or otherwise, except for willful misconduct. To the extent permitted under the laws of South Carolina, the Homesite Owners and Members shall indemnify and hold harmless the Board of Directors against all contractual liability to others arising out of contracts entered into by the Board of Directors on behalf of the Association, unless any such contract is contrary to the provisions of the Covenants or of these Bylaws. Directors who are members of, or employed by Declarant, are authorized and allowed to contract with Declarant and affiliated corporations without being charged with self-dealing.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, and a Secretary and/or Treasurer all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and Assistant Secretary, and such other officers as, in their judgment, may be necessary. One person may hold more than one office.

Section 2. Election Of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal Of Officers. Upon an affirmative vote of a majority of the directors of the Board, any officer may be removed either with or without cause, and a successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. Subsequent to the time Declarant has turned over its rights to appoint directors and officers, as set forth in Article IV, Section 5(b) above, no officer shall continue to serve as such if he or she shall cease to be an Owner.

Section 4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the office.

Section 5. President. The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of

President of an incorporated nonprofit Association, including but not limited to, the power to appoint committees from among the Owners as appropriate to assist in the conduct of the affairs of the Association. The President shall sign all leases, mortgages, deeds and other written contracts and instruments and shall co-sign all checks and promissory notes, and perform all of the duties which may be delegated from time to time by the Board of Directors.

Section 6. Vice President. The Vice President shall take the place of the President and perform the President's duties when the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other director of the Board to perform such duties on an interim basis. The Vice President shall also perform other duties as requested by the Board.

Section 7. Secretary And Treasurer. The offices of Secretary and Treasurer may be combined or separated. The Secretary or Treasurer shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary or Treasurer shall have charge of the record books and papers of the Association and shall authenticate the records of the Association. The Secretary or Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association and shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI

NOTICES

Section 1. Definition. Whenever under the provisions of the Covenants or these Bylaws notice is required to be given to the Board of Directors, the Management Agent or a Member, it shall not be construed to require personal notice; but such notice may be given in writing, by first class, certified or registered mail, by depositing the same in a post office or letter box, in a postpaid sealed envelope, addressed to the Board of Directors, the Management Agent or the Member, at such address as appears on the books and records of the Association. Notice shall be deemed given as of the date of mailing.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

Section 1. Assessments For Common Expenses. All Owners shall be obligated to pay the Assessments imposed by the Association and to meet all Association expenses for upkeep and maintenance of Common Property as set forth in the Covenants.

Section 2. Assessments To Remain In Effect Until New Assessments Made. The omission by the Board of Directors before the expiration of any year to fix the Assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Covenants and Bylaws or a release of any Owner from the obligation to pay Assessments, or an

installment thereof, for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed by the Board at a duly held Board meeting.

Section 3. Records. The Management Agent or Board of Directors shall keep detailed records of the receipts and expenditures affecting the Common Property and any other Association expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owners during reasonable business hours.

Section 4. Default In Payment Of Common Charges. The Board shall take prompt action to collect any Assessment due from an Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. In the event of default by any Owner in paying Assessments, such Owner shall be obligated to pay interest, late charges and collection charges as set forth in the Covenants.

Section 5. Statement Of Assessments. When requested in writing, the Board shall promptly provide any purchaser, Owner, mortgagee or prospective mortgagee of a Homesite with a written statement of all unpaid Assessments due from the Owner of that Homesite for a reasonable fee. The purchaser or mortgagee's liability therefor shall be limited to the Assessment amount as set forth in the statement. Any mortgagee holding a lien on a Homesite may pay any unpaid Assessments payable with respect to such Homesite and upon such payment such mortgagee shall have a lien on such Homesite for the amounts paid of the same rank as the lien of his encumbrance. Any mortgagee holding mortgages on more than five (5) Homesites shall be entitled, upon request, to receive a statement of account on the Homesites securing all of said mortgages once each calendar year without any fee or charge.

Section 6. Statement Upon Resale. No Owner shall convey or sell a Homesite unless and until all unpaid Assessments against the Homesite shall have been paid. Such unpaid Assessments, however, may be paid out of the proceeds from the sale of a Homesite or by the Owner's grantee. Upon the written request of an Owner or the Owner's prospective purchaser, the Board or the Management Agent shall furnish a written statement of the unpaid Assessments due from such Owner for a reasonable fee, which shall be conclusive evidence of the payment of Assessments prior to the date of the statement. Further, the Association shall undertake to provide copies of the Covenants, these Bylaws, or other materials regarding the Association upon the written request of an Owner in connection with the sale of a Homesite. A reasonable charge may be made by the Board for the issuance of Assessment statements and Association materials.

Section 7. Maintenance And Repair. All maintenance, repair and replacement to the Common Property shall be made by the Board or its agent and shall be charged to all the Owners as Common Expenses, excepting to the extent that the same may be necessitated by the negligence, misuse or neglect of an Owner, in which such case the expense shall be charged to such Owner.

Section 8. Right Of Entry.

(a) An Owner shall grant the right of entry to the Management Agent or to any person authorized by the Board in case of any emergency originating in or threatening a Homesite, whether the Owner is present at the time or not.

(b) All Owners shall permit other Owners, or their representatives, when so required, to enter their Homesite for the purpose of performing installations, alterations, or repairs

to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, the right of entry shall be immediate.

Section 9. Rules and Regulation. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Property, and dwellings within the Property, and the Common Property, which rules and regulations shall be consistent with the rights and duties established by the Covenants. Such regulations and use restrictions shall be binding upon all owners, occupants, invitees, and licensees, if any, until and unless revised or canceled by the Board or overruled, canceled, or modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class A votes in the Association and by the Class B Member, so long as such membership shall exist.

Section 10. Abatement And Enjoinment Of Violations By Homesite Owners. The violation of any Rules of Conduct or the breach of any provision of the Covenants or Bylaws shall give the Board the right, in addition to any other rights set forth in these Bylaws and the Covenants: (a) to enter the Homesite in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition, that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach and to recover the cost of such enforcement, including attorneys' fees, and until such expense is recovered it shall be a lien upon said Homesite which lien shall be inferior to the lien of all prior mortgages.

Section 11. Fiscal Year. The fiscal year for the Association shall be determined by the Board of Directors.

Section 12. Litigation. No judicial proceeding or litigation shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the votes eligible to be cast by the Owners. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Covenants or Bylaws (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving taxation, including, e.g., challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. In the event any judicial proceeding or litigation is instituted, then the Association shall assess all Owners for the costs of such litigation, including, without limitation, attorneys' fees incurred, and funds from regular Assessments shall not be used for any such claim or litigation.

ARTICLE VIII

INSURANCE

The Board of Directors shall be required to obtain and maintain insurance policies in accordance with the provisions of Section 14.03 of the Covenants.

ARTICLE IX

AMENDMENTS

Section 1. Requirements For Amendments. These Bylaws may be amended only with the consent of at least seventy-five (75%) percent of the Owners of Homesites in the Property. Notwithstanding the foregoing, so long as the Declarant remains the Owner of more than one Homesite in the Property, these Bylaws shall not be amended so as to adversely affect the Declarant without the Declarant's consent.

ARTICLE X

MISCELLANEOUS MATTERS

Section 1. Number. When the context requires, the use of the singular includes the plural.

Section 2. Definitions. The definitions contained in the Covenants apply to these Bylaws.

Section 3. Execution Of Documents. The President, Vice President, or Secretary are responsible for preparing, executing, filing and recording amendments to the Covenants and Bylaws, and shall be authorized to execute any other document which the Association may from time to time be required to execute.

Section 4. Notices. All notices required by these Bylaws shall be hand delivered or sent by mail to the Association at the address of the President; to Homesite Owners at the address of the Homesite or at such other address as may have been designated by such Homesite Owner from time to time in writing to the Association. All notices from or to the Association shall be deemed to have been given when mailed or delivered, except notice of changes of address which shall be deemed to have been given when received.

Section 5. Captions. The captions contained in these Bylaws are inserted as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision of the Bylaws.

Section 6. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 7. Conflict. These Bylaws are set forth to comply with the requirements of the Horizontal Property Act of South Carolina, as amended, and the South Carolina Non-Profit Corporation Act of 1994, and may be amended from time to time. In the event of any conflict between these Bylaws and the provisions of such statutes or the Covenants, the provisions of such statutes or the Covenants, as the case may be, shall control.

Section 8. Waiver. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the violations or breaches thereof which may occur.

Section 9. Inconsistencies. If there are any inconsistencies between the provisions set forth in the Covenants and those set forth in these Bylaws, the provisions of the Covenants shall control.

STATE OF SOUTH CAROLINA) FIRST AMENDMENT TO
) DECLARATION OF COVENANTS, CONDITIONS
 COUNTY OF BEAUFORT) AND RESTRICTIONS FOR THE CRESCENT

THIS SECOND AMENDMENT is made this 25th day of March, 1999, by CENTEX HOMES, a Nevada General Partnership (hereinafter referred to as "Declarant"), of Beaufort County, South Carolina.

W I T N E S S E T H :

WHEREAS, the Declarant recorded the "Declaration of Covenants, Conditions and Restrictions for The Crescent" ("The Crescent Covenants") in the Beaufort County Records on March 11, 1999 in Book 1146 at Page 751, as amended and supplemented from time to time.

WHEREAS, the Declarant desires to further amend the The Crescent Covenants as provided herein.

NOW, THEREFORE, the Declarant hereby declares that the Property shall be held, transferred, sold, conveyed, leased, occupied and used subject to the easement, restrictions, covenants, liens and conditions contained in The Crescent Covenants, as modified by this First Amendment each of which shall be binding upon and insure to the benefit of all parties having any right, title or interest in the Property or any portion thereof, their respective heirs, successors and successors-in-title and assigns.

1. Definitions. All capitalized terms not defined herein shall have the meanings ascribed to them in the Eagle's Pointe Covenants.

2. Amendment. Section 1.04 of The Crescent Covenants is hereby amended as follows:

1.04 Association. "Association" shall mean and refer to The Crescent Property Owners' Association, Inc. (a non-profit corporation organized under the South Carolina Nonprofit Corporation Code), its successors and assigns.

BJG

1603

FILED

JOHN A. SULLIVAN - CHL
CLERK OF DISTRICT COURT

CS

ML

234

99 MAR 26 AM 11:09

BK

1151

PG

2340

FOLDER#

WHEREAS, the Declarant shall encumber the Golf Course Property with certain obligations to establish a membership program for the benefit of "Owners" (as hereinafter defined) within the Residential Area:

WHEREAS, the Declarant is making this Declaration to accomplish the foregoing.

WHEREAS, the Declarant intends at this time to convey the Golf Course Property to Golf Course Developer;

NOW, THEREFORE, the Declarant hereby declares that the Property (and the Additional Residential Area when acquired) shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of and which shall touch, concern and run with the title to the Property (and the Additional Residential Area when acquired) and portions thereof Declaration and which shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Property (and the Additional Residential Area when acquired) or any portion thereof, their respective heirs, successors, successors-in-title and assigns.

ARTICLE I DEFINITIONS

1.01 Definitions. Other than the terms defined elsewhere herein, the following words shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

(a) "Additional Residential Area" shall mean and refer to all of the land shown on the Master Plan, other than the Property together with any other land Declarant elects to subject to this Declaration in accordance with Article VII hereof.

(b) "Association" shall mean and refer to the property owners' association to be formed to be the administrating body and entity of certain land use covenants other than this Declaration, which will initially encumber the Initial Residential Area and subsequently encumber the Additional Residential Area.

(c) "Best Management Practices" shall mean and refer to construction, operation and the maintenance practices to control the water quality goals as defined herein.

(d) "Dwelling" shall mean and refer to any improved portion of the Property (or Additional Residential Area) intended for use as a single family residential attached or detached dwelling located within the Property (or Additional Residential Area).

(e) "Entry Road" shall mean and refer to that portion of the "Primary Road" as more fully described on Exhibit "D" attached hereto.

(e) "Golf Course" shall mean and refer to the golf course as developed by the Golf Course Developer.

(g) "Homesite" shall mean and refer to any parcel of land shown as a residential building lot upon any recorded subdivision plat of any portion of the Residential Area.

(h) "Initial Residential Area" shall mean and refer to that first portion of the Property designated as Residential Area by Declarant in the Residential Covenants.

(i) "Lagoon System" shall mean and refer to the designed and to be developed system of lagoons specifically designed and to be constructed and developed for storm water management within the Property, as more particularly shown on the Lagoon Plan (the "Lagoon Plan") attached hereto as Exhibit "E".

(j) "Master Plan" shall mean and refer to that certain proposed Master Plan of The Crescent prepared by Wood & Partners, Inc., as revised, a copy of which is attached hereto as Exhibit "F".

(k) "Owners" mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Lot or Dwelling Unit, excluding, however, those persons having such an interest under a mortgage. In the event there is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, any installment land sales contract covering any lot or dwelling, the owner of such lot or dwelling shall be the purchaser under said contract and not the fee simple title holder. An installment land sale contract shall be an instrument whereby the purchaser is required to make payment for the lot or dwelling for a period extending beyond nine (9) months from the date of the contract and where the purchaser does not receive title for such lot or dwelling until all such payments are made although the purchaser is given use of such lot or dwelling.

(l) "Residential Area" shall mean and refer to those areas designated on the Master Plan as amended from time to time for residential neighborhoods.

(m) "Residential Covenants" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions for The Crescent which shall initially encumber the Initial Residential Area and which shall subsequently encumber the Additional Residential Area.

(n) "Survey". Plat dated May 7, 1998, last revised November 11, 1998 and recorded on September 21, 1998 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 66 at Page 157 and re-recorded in Plat Book 67 at Page 171, said record office.

ARTICLE II LAGOONS

2.01 Lagoon System. Declarant is responsible at Declarant's sole cost and expense to repair and maintain that portion of the Lagoon System (including, all piping) located on the Residential Property. Golf Course Developer is responsible at Golf Course Developer's sole cost and expense to repair and maintain that portion of the Lagoon System (including, all piping) located on the Golf Course Property. Each party shall maintain such items in a good condition consistent with other first class residential golf course communities. In addition, Declarant will be responsible for the construction and maintenance of all piping located underneath any roads and the structures associated with such piping, all as shown on the Lagoon Plan. The Declarant and the Golf Course Developer have agreed to cooperate in the maintenance of the entire Lagoon System in order to allow same to operate as one cohesive system. Golf Course Developer agrees to use its good faith efforts to keep the lagoons on the Golf Course Property charged.

2.02 Best Management Practices. All construction, development, operation and ownership of the Property (including the Additional Residential Area) or portions thereof, shall be done in such a way as to attempt to follow four treatment recommendations to be utilized in the construction, development, operation and ownership of the Property (including the Additional Residential Area) and its components. The four recommendations include minimization of directly connected impervious areas, filter strips and grass swales, multi-cell wet detention systems and storm water reuse. These treatment recommendations are summarized as follows:

(a) Minimization of Directly Connected Impervious Area. Minimization of directly-connected impervious areas ("DCLA") involves directing stormwater runoff to lawns rather than direct discharge to secondary stormwater conveyance facilities. Directly connected impervious area is defined as the impermeable area that drains directly to the improved drainage system, such as paved gutters, improved ditches or pipes. The minimization of DCLA delays the concentration of flows into the improved drainage system and maximizes the opportunity for rainfall to infiltrate at or near the point at which it falls. The layout for the Dwellings constructed on the Lots should be designed to minimize DCLA.

(b) Grassed Swales and Vegetated Filter Strips. Swales, grassed waterways and vegetated filter strips should be designed and constructed along streets within the Property and the Additional Residential Area. The swales should be a shallow trench with side slopes flatter than three (3) feet horizontally to one (1) foot vertically. The swales should contain contiguous areas of standing or flowing water only following rainfall and shall be planted with or contain vegetation suitable for soil stabilization, stormwater treatment, and nutrient uptake. A vegetated filter strip is a strip of land across which stormwater from a street, parking lot, rooftop, or other pervious surface sheet-flows before entering adjacent stormwater conveyances or receiving waters. Notwithstanding the above, the construction of the roads within the Initial Areas have been approved by Beaufort County, South Carolina to allow for curb and gutters.

(c) Wet Detention Systems. Multiple wet detention pond systems which include extended wet detention facilities will comprise the primary stormwater management system within the Property. These systems should incorporate deeper areas for sedimentation, shallow littoral areas for the treatment of dissolved constituents, discharge structures which will capture the first inch of runoff and allow for a slow bleed down.

(d) Stormwater Reuse. Stormwater reuse systems should be designed to prevent the discharge of a given volume of stormwater into surface waters by deliberate application of stormwater runoff for irrigation or industrial uses. Areas that may be irrigated include the Golf Course and open areas within the Residential Area.

ARTICLE III PRIMARY ROADS

3.01 Responsible Party. The Declarant shall construct the Primary Roads, including, without limitation, the Entry Road, within the Residential Area in a good, workmanlike and lien free manner. The Golf Course Developer shall have the sole responsibility for the development, construction and maintenance of the cart paths on the Golf Course Property. Declarant hereby agrees at Declarant's sole cost and expense (but subject to reimbursement as described below) to maintain, or cause to be maintained, the Entry Road (including the entranceway landscaping and signage) to at least the standards of Hilton Head National and Eagle's Pointe and, in any event, in compliance with the requirements of Beaufort County, South Carolina.

3.02 Reimbursement. Golf Course Developer will reimburse Developer for 50% of the actually incurred costs of the maintenance, repair and replacement of the Entry Road landscaping, up to a maximum amount of \$8,000 per annum. Said amount may be increased with the mutual agreement of Declarant and Golf Course Developer, which consent will not be unreasonably withheld. In addition, said amount may be increased in the same percentage as the increase in the consumer price index from year to year (subject to a cap of 5% per year) if and only if Golf Course Developer is advised, in writing, of such increase on or before February 1st of any year. In addition, Golf Course Developer will pay Developer \$7,000 per year to be used for the repair and replacement of the Entry Road. All common area commercial costs associated with the entranceway and Entry Road shall be established as a separate category from the budget for maintenance of other common areas.

3.03 Association Responsibility. Declarant shall be responsible for all other costs associated with the maintenance, repair and replacement of the Entry Road, Entry Road landscaping, irrigation and signage and the other Primary Roads.

ARTICLE IV DEVELOPMENT OF CRESCENT POINTE GOLF LINKS

4.01 Restricted to Use as a Golf Club. The Golf Course Property shall be restricted to use and operation as a golf course and golf club and related recreational or social activities. Additionally, the Golf Course Developer will have the right to hold special events on the Golf Course which may result in the Golf Course being unavailable for use by the Owners on a temporary basis.

4.02 Landscaping, Fencing and Signage on the Golf Course. The Golf Course Developer shall have the right to place landscaping, signage, etc. at the boundary lines of the Golf Course as reasonably necessary to prevent trespass, to regulate play on the Golf Course and to frame golf holes; provided, however, such landscaping, fencing, or signage, etc. shall not in the reasonable opinion of Declarant unreasonably obstruct any lot owners view of the Golf Course from a Dwelling, subject to landscaping and vegetation required for framing holes as suggested by the Golf Course architect

4.03 Association Room. The Golf Course Developer shall construct and maintain an Association Room in the clubhouse. The Association Room shall be a minimum of 640 square feet and shall be located to have convenient access to the bar, the restaurant and the locker rooms. The Association Room shall be furnished and decorated in a manner which is substantially similar to the rest of the clubhouse. The Association shall not pay any maintenance fee or other cost with regard to the use or maintenance of the Association Room provided the Association pays the Association Room Assessment to Golf Course Developer as follows: The Association shall pay to Golf Course Developer the amount of \$165.00 (the "Association Room Assessment") for each Homesite within the Residential Area for which a Certificate of Occupancy has been issued for a Dwelling upon such Homesite (a "Completed Home"). Notwithstanding the above, the maximum payment to Golf Course Developer by the Declarant and/or the Association shall be \$75,000.00. The Association Room Assessment shall be a one-time fee and be payable only once for each Completed Home. Upon completion of the clubhouse, the Association shall pay to Golf Course Developer Room Assessment for each Completed Home which exists at that time. Thereafter, within thirty (30) days following the end of each fiscal quarter, the Association shall pay to Golf Course Developer Assessment for each additional Completed Home which came into existence prior to the expiration of such fiscal quarter and for which an Association Room Assessment has not previously been paid.

4.04 Maintenance. Golf Course Developer will cause the Golf Course and the Golf Course facilities to be maintained in a good condition including the cart paths, greens, fairways, tee boxes, bunkers and roughs as to planting, mowing, irrigation, raking, blowing, removal of debris and lake dredging and stabilization, etc. Such maintenance will include winter overseeding of fairways, tee boxes and greens.

ARTICLE V CRESCENT POINTE GOLF LINKS COMMUNITY MEMBERSHIP

5.01 General. The Golf Course Developer intends to develop a golf facility allowing full-time play by resident members, non-resident members and daily fee players. The Golf Course

Developer has agreed to offer to Owners various membership options which are set forth below. NEITHER MEMBERSHIP IN THE ASSOCIATION, OWNERSHIP OR OCCUPANCY OF A HOMESITE SHALL CONFER ANY OWNERSHIP INTEREST IN THE GOLF COURSE.

5.02 Membership Options. All Owners may have use of the Golf Course facility regardless of their membership class. In addition to being able to play the course in the same manner as any member of the general public. Owners are entitled to a fifteen (15%) percent discount on "posted rack rates" for golf and cart fees and shall have use of the Association Room. Further, the following membership options are offered to Owners:

(a) Base Membership. owners may join the Crescent Pointe Golf Links with the payment of a Two Thousand Five Hundred Dollar (\$2,500) initiation fee per family, and annual dues of One Thousand Eight Hundred Dollars (\$1,800) per adult family member who wishes to use the Golf Course per year. This membership plan will entitle each registered adult to an unlimited number of rounds of golf per year and a fifteen (15%) percent discount on cart fees and non-final markdown pro shop merchandise. Base Members will be entitled to a twenty-four (24) hour advance tee time reservation. Dependant children living at home will be able to play golf at Crescent Pointe Golf Links under the "Member's Children Program".

(b) Founders Club Membership. Owners may join the Crescent Pointe Golf Links with the payment of a Fifteen Thousand Dollar (\$15,000) initiation fee, and annual dues of Three Thousand Dollars (\$3,000) per family, per year. This membership plan will entitle the family to an unlimited number of rounds of golf per year and a fifteen (15%) percent discount on cart fees and non-final markdown pro shop merchandise. In addition, these members shall be entitled to a thirty (30) day advance tee time reservation. Founders Club Memberships will be limited to thirty (30) Owners.

(c) Cart Ownership Memberships. Owners may own and operate golf carts with the payment of an annual trail fee of One Thousand Two Hundred Dollars (\$1,200) for individual users or Two Thousand Dollars (\$2,000) per family. The Golf Course Developer may impose certain reasonable restrictions on member-owned golf carts.

(d) Due and Fees. All dues and fees as outlined in the above membership programs are to be set and may not be increased for a fixed period of three (3) years from the day the Crescent Pointe Golf Links opens for general play by the public. Thereafter dues and fees may be increased at a rate not to exceed fifteen (15%) percent per year.

(e) Declarant Memberships. The Golf Course Developer agrees to provide three (3) Founders Club Memberships to Declarant at no charge for its use. These memberships are transferable on a calendar year basis only, and must be approved by the Golf Course Developer. Fees for accompanied guests may be waived with approval of the Crescent Pointe Golf Links Manager.

(i) Private/Public Club. The Golf Course may be any of a private, semi-private or public golf facility. If Golf Course Developer converts to a private golf club, initiation fees paid by a then current member shall be credited toward the purchase of a new membership. In no event shall Golf Course Developer be obligated to remit to a member any compensation other than a credit toward a new membership at conversion.

ARTICLE VI GOLF COURSE COVENANTS AND RESTRICTIONS

6.01 General. For the benefit of the Golf Course, the Residential Area shall be subject to the following covenants and restrictions.

6.02 Restrictions Against Distractions. Owners of Homesites adjacent to the Golf Course as well as their families, tenants, guests, invitees and pets, shall be obligated to refrain from any actions which would distract from the playing qualities of the Golf Course. Such prohibited activities shall include, but not be limited to: burning materials where smoke will cross the Golf Course, owning dogs or other pets under conditions which interfere with the Golf Course play due to their loud barking or other actions, playing of loud radios, televisions, stereos and musical instruments, running, bicycling, skateboarding, walking or trespassing in any way upon the Golf Course, picking up balls or any other similar interference with play.

6.03 Liability. None of Declarant, Golf Course Developer, nor the Association, nor any of their respective appointees, directors, officers, employees, contractors, consultants, shareholders, affiliates, assignees, successors, nominees or agents shall in any manner be held liable or responsible, either directly or indirectly, for any damage to a Dwelling, Homesite or any improvement thereon or personal property, or any injury to a person due to any golf ball, whether in motion or at rest, which has been driven from the golf course or its environs, and each Owner, for themselves and their guests and invitees acknowledge that risk of injury to persons or property are inherent to persons or property located upon or in close proximity to a golf course, and agree that they assume all risks resulting therefrom, including but not limited to, claims of negligent design of the golf course, Dwellings and negligent construction of improvements or location of improvements.

6.04 Concurrent Development.

(a) AS OF THE DATE THIS DECLARATION IS EXECUTED, DECLARANT AND THE GOLF COURSE DEVELOPER ARE SEPARATE AND DISTINCT COMPANIES, AND ARE NOT PARTNERS NOR JOINT VENTURERS. IN ADDITION, AS OF THE DATE THIS DECLARATION IS EXECUTED, IT IS THE INTENTION OF DECLARANT AND THE GOLF COURSE DEVELOPER THAT THE GOLF COURSE SHALL BE A SEPARATELY OWNED GOLF COURSE, SEPARATE AND DISTINCT FROM THE ASSOCIATION AND THE DECLARANT. THE GOLF COURSE AND THE GOLF COURSE ENVELOPE SHALL NOT BE PART OF THE COMMON PROPERTY

AND NEITHER THE ASSOCIATION NOR ANY OWNER SHALL HAVE ANY RIGHT IN AND TO THE GOLF COURSE OR THE AMENITIES CONTAINED THEREIN, INCLUDING THE RIGHT TO ENTER UPON OR USE THE GOLF COURSE FACILITIES, EXCEPT FOR SUCH RIGHTS GRANTED TO THE GENERAL PUBLIC.

(b) WHILE DECLARANT HAS MADE REASONABLE EFFORTS TO ENSURE THAT THE GOLF COURSE WILL BE DEVELOPED, OWNED AND OPERATED IN THE MANNER DESCRIBED HEREIN, DECLARANT IS UNDER NO OBLIGATION TO DEVELOP A GOLF COURSE, NOR DOES DECLARANT GUARANTEE THAT A GOLF COURSE OR GOLF CLUB WILL CONTINUE TO BE OPERATED ON THE GOLF COURSE ENVELOPE.

ARTICLE VII ANNEXATION

7.01 Submission of Additional Residential Area. Declarant shall have the option and right from time to time, without the necessity of consent by the Golf Course Developer, the Association, or the Owners, but subject to Section 7.02 of this Article, to submit all or a portion of the Additional Residential Area to this Declaration and thereby to cause the Additional Residential Area, or such portions thereof as may be submitted, to become part of the Property. This option may be exercised by the Declarant in accordance with the conditions and limitations set forth in Section 7.02 of this Article, which are the only conditions and limitations on such right. Notwithstanding the foregoing, Declarant will comply with Section 9.10 hereof.

7.02 Conditions on Annexation. Any annexation as Permitted in Section 7.01 of this Article shall be in accordance with the following terms and conditions:

(a) The option to submit the portions of the Additional Residential Area may be exercised at any time and from time to time until twenty (20) years from the date this Declaration is recorded; provided, however, that the Owners of Homesites to which two-thirds of the Class A votes in the Association appertain, all as set forth in the Residential Covenants, exclusive of any vote or votes appurtenant to Homesites then owned by Declarant, may consent to the extension of such option by vote taken not more than one (1) year prior to the date upon which such option will expire.

(b) Portions of the Additional Residential Area may be added at different times, and there are no limitations fixing the boundaries of those portions or regulating the order in which any such portions may become part of the Property.

(c) The option reserved by Section 7.01 of this Article may be exercised by the Declarant alone (without the consent of the Golf Course Developer, the Association or any Owner) by the execution by the Declarant of an amendment to this Declaration which shall

be filed of record in the Office of the Register of Deeds for Beaufort County, South Carolina. Any such amendment shall expressly submit the portion of the Additional Residential Area which is to become part of the Property, and upon the exercise, if any, of such option, the provisions of this Declaration shall be understood and construed as embracing all of the Property, including the initial phase and such portions of the Additional Residential Area as have become part of the Property by annexation. The foregoing is not intended to limit Declarant's obligations contained in Section 9.10 hereof.

(d) Should the option to add the Additional Residential Area or any portion thereof not be exercised within the term specified herein or be otherwise released or terminated by Declarant, Declarant shall not be obligated to impose on the Additional Residential Area or any portion thereof any covenants, conditions or restrictions whatsoever.

7.03 Proposed of Future Development of Additional Residential Area. Notwithstanding any other provision contained in this Declaration, Declarant is under no obligation to acquire or develop any portion of the Additional Residential Area. Any references to "proposed" or "future" development are for the Declarant's reference only, and any portion of the Additional Residential Area may be developed by the Declarant as Declarant in its sole discretion sees fit; provided, however, if acquired by Declarant such Additional Residential Area shall be subjected to this Declaration.

7.04 Withdrawal of Property. Declarant reserves the right to amend this Declaration with the prior written approval of Golf Course Developer, which approval may be withheld in its sole and absolute discretion, so long as Declarant holds the unexpired option to expand the Property pursuant to this Article, without prior notice and without the consent of any other person (i.e., other than Golf Course Developer) for the purpose of removing certain portions of the Property then owned by Declarant from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Property desired to be effectuated by Declarant.

ARTICLE VIII EASEMENTS

8.01 Primary Roads. The Declarant does hereby reserve for the benefit of the Golf Course Developer and the "Golf Course Users" (as hereinafter defined) a perpetual non-exclusive easement appurtenant to the Golf Course Property for vehicular and pedestrian access to and from U.S. Highway 278 to the Golf Course along the Entry Road. The easement granted by the Declarant herein shall be subject to the right of the Declarant to borrow money and encumber the Entry Road, the right of the Declarant to adopt, enforce, and amend from time to time, reasonable, non-discriminatory rules and regulations pertaining to the use of the Entry Road and the right of the Declarant to grant easements or rights-of-way to any public utility, corporation, public agency or public governmental authority; provided, however, in no event is Declarant permitted to charge Golf Course Developer or Golf Course Users any charge for use of the Entry Road. Furthermore, Declarant does hereby reserve for the benefit of the Golf Course Developer and Golf Course Users

a perpetual non-exclusive easement for vehicular and pedestrian ingress and egress and for installing, operating, repairing and maintaining irrigation lines across, along and under all of the Primary Roads as necessary or convenient for golf course play, operation, maintenance or repair. Golf Course Developer will repair any damage to the Primary Roads caused by Golf Course Developer or its contractor in exercising its easement rights hereunder.

8.02 Lagoon System. The Declarant hereby reserves a maintenance and repair easement for the benefit of the Declarant and the Golf Course Developer to effectuate and enforce the provisions of this Declaration relating to the Lagoon System. The easement reserved herein may be utilized by the Declarant and the Golf Course Developer in any reasonable manner to develop, construct, repair, replace, operate and maintain the Lagoon System. Without limiting the foregoing, Golf Course Developer shall have perpetual easements to utilize (and, if necessary, repair, replace and maintain) the Lagoon System and perpetual easement to use all water located within the Lagoon System and the Lagoon System will not be modified, impaired or restricted in any manner without the approval of Golf Course Developer. Additionally, should either the Declarant or the Golf Course Developer fail to repair and maintain their respective portion of the Lagoon System (herein, the "Defaulting Party"), and if such failure continues for fifteen (15) days following receipt of written notice from the other party (the "Non-Defaulting Party") of such failure, then the Non-Defaulting Party shall have the right (but not the obligation) to access the unimproved portions of the Defaulting Party's Property (including the Additional Residential Area) to perform such maintenance and/or repair, at the sole cost and expense of the Defaulting Party. The Defaulting Party will reimburse the Non-Defaulting Party for all costs incurred by the Non-Defaulting Party, together with interest thereon at a rate of 12% per annum, on or before the date five (5) days following receipt of written notice requesting payment and including reasonable evidence confirming the amount claimed. In the event the Defaulting Party fails to reimburse the Non-Defaulting Party on or before the expiration of said five (5) day period, the Non-Defaulting Party shall have the right to lien the Defaulting Party's property and foreclose on that lien in accordance with the requirements of local law. This easement shall be exercised in a manner to reasonably minimize inference with the operation of the Defaulting Party's Property (including the Additional Residential Area if acquired).

8.03 Cart Path/Irrigation Line.

(a) Declarant hereby reserves for the exclusive benefit of the Golf Course Developer and Golf Course Users temporary non-exclusive easements, on, under, across and through the Property (and the Additional Residential Area, when acquired), for the construction, maintenance and use of cart paths and irrigation lines between noncontiguous portions of the Golf Course Property. The Golf Course Developer may gravel or pave such cart paths areas pending installation of the roadways by Declarant. Said easement shall terminate upon dedication of the rights of ways, which dedication shall establish a permanent easement for said construction, maintenance and use of said cart paths and irrigation lines.

(b) Declarant further reserve for the exclusive benefit of Golf Course Developer and Golf Course Users perpetual, exclusive easements for vehicular and pedestrian ingress and

gress and for use, operation, repair and maintenance of irrigation lines over, through and under the areas defined as "Access Easements" on the Survey.

3.04 Golf Course Easements. The Declarant grants to the Golf Course Developer, together with Golf Course Developer's lessees, tenants, subtenants, servants, independent contractors, agents, members, guests, invitees, successors and assigns (collectively the "Golf Course Users") a non-exclusive easement over and across the Residential Area (the "General Development Easement") for the following purposes:

- (a) Flight and retrieval of golf balls over, across and upon the Residential Area;
- (b) Doing every act necessary and incident to playing golf on the Golf Course, including, but not limited to, the creation of usual and common noise levels associated with golf play, and the play while standing out of bounds of a golf ball that lies within bounds as permitted by the rules of golf as are from time to time applicable;
- (c) Creation of noise related to normal maintenance and operation of the Golf Course and Residential Area, including, but not limited to, the operation of mowing, raking and spraying equipment subject to the Residential Covenants.
- (d) The General Development Easement shall be rendered null and void (and replaced with Paragraph (e) of this Section) with respect to any portion of the Residential Area that is or becomes the subject of a governmentally approved subdivision plat recorded in the applicable land records (a "Plat") creating a residential or commercial lot (a "Lot") from the later of (i) the closing date and (ii) the date that such Plat is recorded in the applicable land records.
- (e) The Developer, grants to the Golf Course Users a non-exclusive easement over and across each Lot from the later of (i) the closing date and (ii) the date that a Plat creating such Lot is recorded in the applicable land records for the following purposes:
 - (i) Flight and retrieval of golf balls over, across and upon such Lot;
 - (ii) Doing every act necessary and incident to playing golf on the Golf Course, including, but not limited to, the creation of usual and common noise levels associated with golf play, and the play while standing out of bounds of a golf ball that lies within bounds as permitted by the rules of golf as are from time to time applicable;
 - (iii) Creation of noise related to normal maintenance and operation of the Golf Course and Residential Area, including, but not limited to, the operation of mowing, raking and spraying equipment subject to the Residential Covenants.
- (f) The existence of these easements shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall the Declarant or the Association

be held liable for any damage or injury resulting from errant golf balls or the exercise of these easements.

8.05 Encroachment Easements. If, after the construction of the Golf Course is complete, minor encroachments exist of the Golf Course onto the Residential Area or the Residential Area onto the Golf Course, the Declarant and Golf Course Developer hereby grant each other easements which shall allow said encroachments to exist, so long as they are not expanded in any way. Further, should any improvement constituting an encroachment ever be abandoned for a period of six (6) months or destroyed, the easement for that particular encroachment shall be terminated. The Declarant and Golf Course Developer shall cooperate with each other to locate and accommodate said minor encroachments.

8.06 Construction Easement. Declarant hereby reserves in favor of Golf Course Developer temporary easements for access to all the parcels comprising the Golf Course Property across the paved roads and unpaved roadbeds currently located within the Initial Residential Area (and when acquired the Additional Residential Area) leading to points where such roads or roadbeds are contiguous to the Golf Course Property for the purpose of constructing the Golf Course and Golf facilities. Golf Course Developer will be responsible for any damage to the paved roads or grade of roadbeds caused by the use of said easements by Golf Course Developer or Golf Course Users. The use of such easements shall not unreasonably interfere with the construction of the roadways and installation of utilities by Declarant and said easements will terminate upon the earlier of (i) dedication of the roadways; or (ii) completion of the Golf Course and Golf facilities.

8.07 Owners are prohibited from constructing improvements including, but not limited to, building (temporary or permanent), fences, walls, swimming pools, swing sets, sand boxes, and other such playground apparatus and the planting or removal of landscaping and trees without the prior written consent of Golf Course Developer within 10 feet from the lot line of lots adjacent to the Golf Course Property without first obtaining the prior written approval of Golf Course Developer, which approval shall not be unreasonably withheld. Additional restrictions on development adjacent to the Golf Course will be contained in the Residential Covenants.

ARTICLE IX GENERAL PROVISIONS

9.01 Amendments. The provisions of this Declaration may only be amended by the Declarant with the written approval and consent of Golf Course Developer. Neither the Lot Owners nor the Association shall have the right to amend this Declaration. If and when Declarant has turned over control of the Association to the Owners, this Declaration may be amended by an instrument signed by Golf Course Developer and two-thirds (2/3) of the then Owners of Dwellings substantially affected by such change of Covenants, has been recorded, agreeing to change said Covenants in whole or in part.

9.02 Enforcement. Declarant and each Owner shall comply strictly with this Declaration and any published rules, regulations as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in any deed or other instrument of conveyance to his Dwelling unit, if any. Failure to comply with any of the same shall be grounds for imposing fines or for instituting an action to recover sums due for damages and/or injunction relief. Such actions to be maintainable by Declarant or Golf Course Developer. Should the Declarant or Golf Course Developer employ legal counsel or enforce any of the foregoing, all costs incurred of such enforcement, including court costs and reasonable attorney's fees shall be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration and the rules, regulations are essential for the effectuation of the general plan of development contemplated hereby, it is hereby declared that any breach thereof may not be adequately compensated by recovery of damages and that the Declarant and Golf Course Developer, as applicable, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure or omission on the part of the Declarant or Golf Course Developer, as applicable, in exercising any right, power or remedy herein shall be construed as an acquiescence thereto and shall be deemed a waiver of the right to enforce such right, power or remedy, thereafter, as the same violation or breach or as to a violation or breach occur prior or subsequent thereto and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Declarant for or on account of any failure to bring any action.

9.03 Duration. The provisions of this Declaration shall run with and bind title to the Property and the Additional Residential Area when acquired, shall be binding upon and inure to the benefit of the Golf Course Developer, all Owners of the Golf Course Developer, and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of ninety-nine (99) years from and after the date of the recording of the Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said ninety-nine (99) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period, unless an instrument, signed by Golf Course Developer and two-thirds (2/3) of the then Owners of Dwellings has been recorded agreeing to terminate this Declaration. Every purchaser or grantee of any interest in any of the Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby.

9.04 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Mrs. Rose Kennedy, mother of former U.S. President John Fitzgerald Kennedy.

9.05 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the Office of the Register of Deeds for Beaufort County, South Carolina. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.

9.06 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

9.07 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

9.08 No Trespass. Whenever the Declarant or Golf Course Developer or their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of the Property (or the Additional Residential Area), the entering thereon and the taking of such action shall not be deemed to be trespass.

9.09 Signage. It is intended that there will be a single sign at the entranceway which identifies both the Residential Area and the Golf Course. This single sign will be mutually reasonably acceptable to Golf Course Developer and Declarant.

9.10 Covenants with Respect to the Additional Residential Area. Declarant hereby acknowledges and agrees, for the benefit of Golf Course Developer, to record this Declaration against the Additional Residential Area immediately upon acquisition by Declarant, its successors or assigns, of all or any portion of the Additional Residential Area. It is the intent of Declarant that all of the land identified on the mater Plan be encumbered by this Declaration. Declarant further acknowledges and agrees that this covenant is a material inducement to the Golf Course Developer's acquisition of the Golf Course Property and the construction of the Golf Course. If Declarant fails

to so record this Declaration this Declaration shall be deemed to encumber such Additional Residential Area in any event.

9.11 Further Assurance. Declarant and Golf Course Developer hereby agree to amend this Declaration if reasonably requested to do so by the other party in order to effectuate the intent and purpose of this Declaration. All such amendments must be mutually reasonably acceptable to the Declarant and Golf Course Developer.

[remainder of page intentionally left blank]

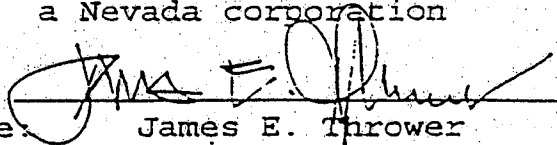
IN WITNESS WHEREOF, this Declaration was executed by the Declarant on the day and year first above written.

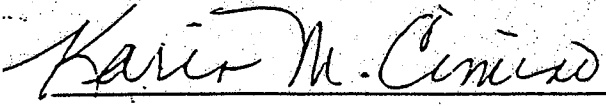
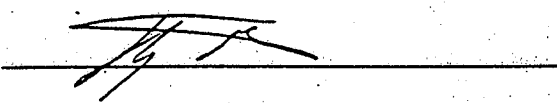
WITNESS:

DECLARANT:

CENTEX HOMES,
a Nevada General Partnership

By: Centex Real Estate Corporation,
a Nevada corporation

By: 
Name: James E. Thrower
Its: Division Manager

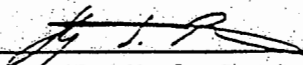



STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that JAMES E. TAROWEK, its DIVISION MANAGER, of Centex Homes, a Nevada general partnership, personally appeared before me on behalf of the partnership this day and, in the presence of two witnesses, acknowledge the due execution of the foregoing instrument.

Witness my hand and seal this 27 day of November, 1998.



Notary Public for South Carolina
My Commission Expires: 7-09-04

Exhibit "A"

All those certain pieces, parcels or lots of land lying and being in Bluffton Township, Beaufort County, South Carolina, consisting of "Parcel I" having and containing 226.547 acres, more or less, "Parcel II" having and containing 22.565 acres, more or less, "Parcel III" having and containing 14.004 acres, more or less, and "Parcel IV" having and containing 3.442 acres, more or less, and being more fully shown and depicted on that certain plat entitled "A Boundary Plat of The Crescent Tract I, Bluffton Township, Beaufort County, South Carolina", said plat being prepared by Coastal Surveying Co., Inc., Antoine Vinel, S.C.R.L.S. # 9064, said plat being dated May 7, 1998, and recorded on September 18, 1998 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 66 at Page 156. For a more detailed description of metes and bounds, courses and distances, reference is made to said plat of record.

Exhibit "B"

All those certain pieces, parcels or lots of land lying and being in Bluffton Township, Beaufort County, South Carolina, consisting of "Parcel A" having and containing 22.57 acres, more or less, "Parcel B" having and containing 12.98 acres, more or less, "Parcel C" having and containing 3.42 acres, more or less, "Parcel D" having and containing 60.42 acres, more or less, "Parcel E" having and containing 34.30 acres, more or less, "Parcel F" having and containing 36.58 acres, more or less, "Parcel G" having and containing 17.03 acres, more or less, "Parcel H" having and containing 19.21 acres, more or less, and "Parcel I" having and containing 14.00 acres, more or less, and being more fully shown and depicted on that certain plat entitled "A Boundary Plat of The Crescent Golf Course, Bluffton Township, Beaufort County, South Carolina", said plat being prepared by Coastal Surveying Co., Inc., Antoine Vinel, S.C.R.L.S. # 9064, said plat being dated May 7, 1998, last revised November 11, 1998 and recorded on September 21, 1998 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 66 at Page 157 and re-recorded in Plat Book 67 at Page 171, said record office. For a more detailed description of metes and bounds, courses and distances, reference is made to said plats of record.

Exhibit "C"

All those certain roadways shown and depicted on that certain Proposed Master Plan for The Crescent, which are more particularly described as:

Crescent Drive

Meridian Point Drive

Carrington Point Drive

Crescent Circle

Exhibit "D"

Crescent Drive

EXHIBIT C

LEGEND

RESIDENTIAL LAGOON

GOLF COURSE LAGOON

RESIDENTIAL DRAINAGE PIPE

GOLF COURSE DRAINAGE PIPE

NOTE:

1. ALL STRUCTURES ASSOCIATED WITH PIPE ARE ASSUMED PART OF THE PIPE.

NORTH

THE CRESCENT
BEAUFORT COUNTY, SOUTH CAROLINA
LAGOON PLAN

PREPARED FOR
CENTEX HOMES
MURFreesboro, SOUTH CAROLINA

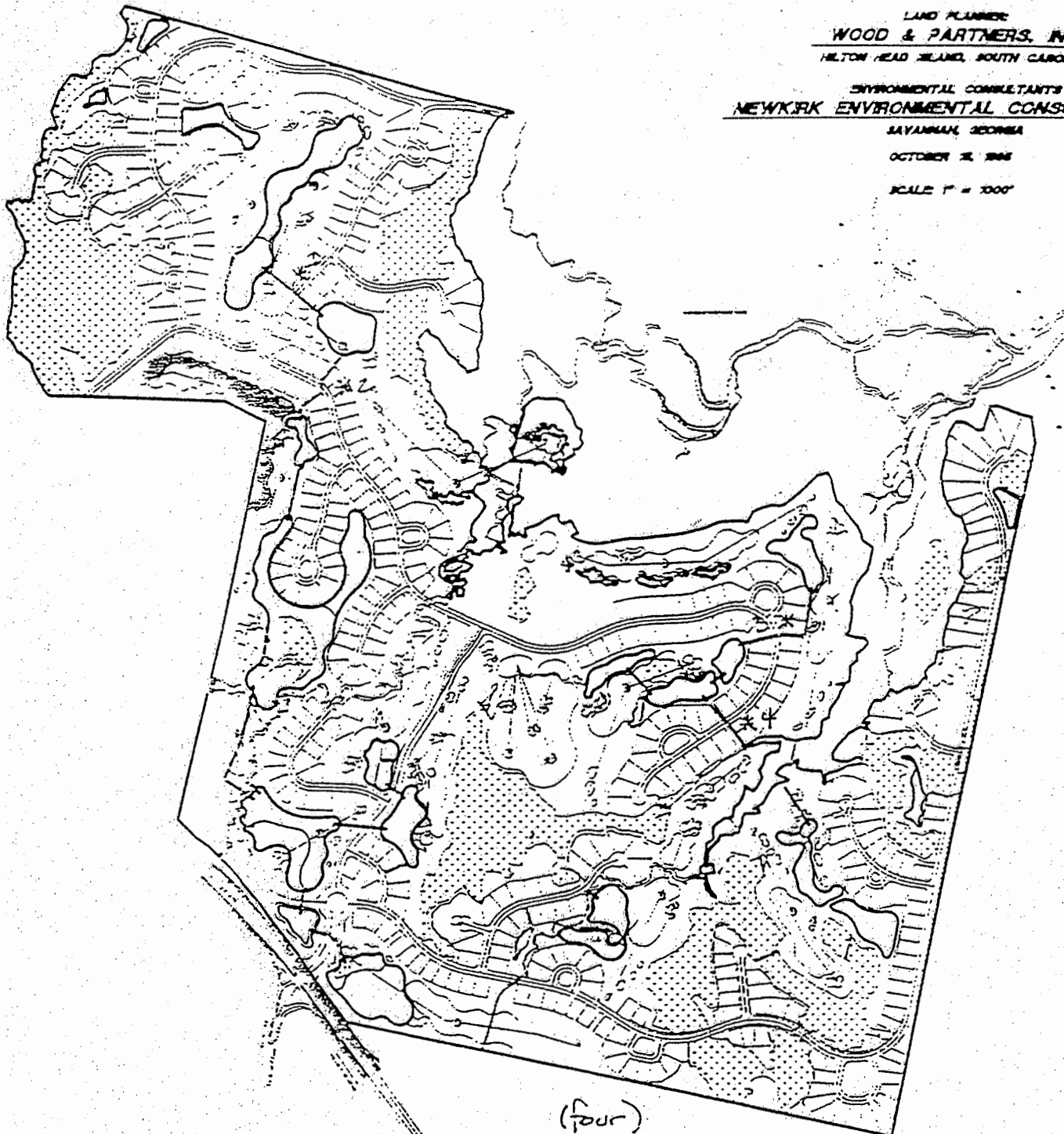
PREPARED BY:
THOMAS & HUTTON ENGINEERING CO.
SAVANNAH, GEORGIA

LAND PLANNER
WOOD & PARTNERS, INC.
HILTON HEAD ISLAND, SOUTH CAROLINA

ENVIRONMENTAL CONSULTANTS
NEWKIRK ENVIRONMENTAL CONSULTANTS
SAVANNAH, GEORGIA

OCTOBER 22, 1986

SCALE 1" = 1000'



(four)

* all road crossings (manhole to manhole) are responsibility of Centex