Doc ID: 001112670065 Type: DEE
BK 1542 PG 137-201

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

HARBOR OAKS

Drawn by and mail to:
Kennedy Covington Lobdell & Hickman, L.L.P.
113 East Main Street, 3rd Floor
[P.O. Box 11429]
Rock Hill, SC 29731-1429

mgs
7120

008124

2447150.03
LIB: CHARLOTTE

Table of Contents

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HARBOR OAKS ("Declaration") is made as of the 1st day of November, 2006, by CRESCENT COMMUNITIES S.C., LLC, a Delaware limited liability company.

Declarant is the developer and owner of certain real property located in Oconee County, South Carolina, which is hereinafter described as the "Property." Declarant desires to create on the Property a single family residential subdivision to be named Harbor Oaks.

Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances, and to enhance the value of all properties within the Development. Furthermore, Declarant desires to provide for the construction, maintenance and upkeep of any Common Areas and related easements within the Development, all for the common use and benefit of all Owners (or with respect to Common Areas dedicated to the use and benefit of certain Owners, to the exclusion of other Owners, only those Owners benefiting from such Common Area).

Declarant desires to provide for a system whereby all Owners (or with respect to Common Areas dedicated to the use and benefit of certain Owners, to the exclusion of other Owners, the Owners benefiting from such Common Area) will pay for the maintenance and upkeep of any Common Areas, in accordance with an established budget set by the Board of Directors.

Declarant desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each Owner.

Declarant further desires to create a South Carolina non-profit corporation to be known as HARBOR OAKS OWNERS ASSOCIATION, INC. to which will be delegated and assigned the powers of owning, maintaining and administering the Common Areas, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the Assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the value of the Development, to ensure, for the benefit of each Owner entitled thereto, the specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas, as provided in the Declaration and the Bylaws.

NOW, THEREFORE, Declarant, by this Declaration, does declare that all of the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the Property and be binding on all parties owning any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

All capitalized terms used herein shall have the meanings set forth in Article I.

Section 1.1 "Access Lots" means Lots 1-A, 2-A, 3-A, and 4-A, as shown on the Maps. Each Access Lot must at all times be owned by the Owners of Pier Zone Access Lot bearing its corresponding number; that is, Lot 1-A must at all times be owned by the Owners of Lot 1; Lot 2-A must at all times be owned by the Owners of Lot 2; Lot 3-A must at all times be owned by the Owners of Lot 3; Lot 4-A must at all times be owned by the Owners of Lot 4; and Lot 24-A must at all times be owned by the Owners of Lot 24.

Section 1.2 "Additional Property" shall mean and refer to (i) any additional real estate adjacent or contiguous to the Property shown on the Map recorded in Map Book B159 at page(s) 9 -10 in the Office of the Clerk of Court for Oconee County, South Carolina, or (ii) any property located within four thousand (4,000) feet of any boundary of the Property shown on the Map, all or a portion of which may be made subject to the terms of this Declaration in accordance with the provisions of Section 2.2 of this Declaration.

Section 1.3 "Annual Assessment" shall mean and refer to the amount to be levied annually by the Association against each Lot, as set forth in Section 5.1.

Section 1.4 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for the Association attached as Exhibit A.

Section 1.5 "Assessments" shall mean and refer to the Annual Assessments, Supplemental Annual Assessments, Special Assessments, Special Individual Assessments, Septic System Assessments and Supplemental Septic System Assessments applicable to a Lot.

Section 1.6 "Association" shall mean and refer to HARBOR OAKS OWNERS ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 1.7 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 1.8 "Bylaws" shall mean and refer to the Bylaws for the Association, substantially in the form attached as Exhibit B, as amended from time to time.

Section 1.9 "Common Area" or "Common Areas" shall mean and refer collectively to the Entrance Monument, Street Lights (if any), Public Roads (prior to their acceptance for maintenance by the Oconee County Public Works Department or other governmental entity), and any other property designated on the Map as "Common Area," "Common Open Area," "Common Open Space," "COS," or other similar designation. The Association shall own, or be granted an easement over, Common Areas for the common use and benefit of all Owners, except that the Private Driveway Easement may be used solely by the Owners of the Private Driveway Lots. The listing and description of the components of the Common Area is illustrative of Declarant's present plans only and is not a guaranty by Declarant or the Association that all or any part of such components will be constructed or installed by Declarant or the Association at any future time. Declarant reserves the right, but not the obligation, to provide additional Common Areas within the Subdivision, and shall have the right to designate which Owners shall be permitted to use any Common Areas or future Common Areas as set forth in Section 2.2 of this Declaration.

Section 1.10 "CPI" shall mean and refer to the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available.

Section 1.11 "Declarant" shall mean and refer to Crescent Communities S.C., LLC, and such of its successors and assigns to whom the rights of Declarant are transferred by written instrument recorded in the Office of the Register of Deeds for Oconee County, South Carolina.

Section 1.12 "Development" shall mean and refer to Harbor Oaks, a single-family residential development proposed to be developed on the Property by Declarant.

Section 1.13 "Entrance Monument" shall mean and refer to the area designated as "Entrance Monument Easement" or "COS" (or similar term) located over a portion of the Common Area, as shown on the Map, and the monuments and entrance signs located on such parcel together with lighting, an irrigation system, landscaping and other Improvements which may be constructed on such Entrance Monument Area, to identify the entrance of the Subdivision.

Section 1.14 "Improvement" or "Improvements" shall mean and refer to any and all man-made changes or additions to any portion of the Property.

Section 1.15 "Lake Buffer Area" shall mean and refer to the area that is fifty (50) feet from the 800' MSL contour or five (5) feet from the 804' MSL contour, whichever is greater.

Section 1.16 "Lot" or "Lots" shall mean and refer to the separately numbered parcels depicted on the Map; provided, however, that the Access Lots shall not be deemed as separate Lots hereunder, but shall for all purposes be treated as a portion of the Pier Zone Access Lots bearing their corresponding numbers (i.e., Lots 1, 2, 3, 4, and 24).

Section 1.17 "Map" shall mean and refer to (i) the map of Harbor Oaks Subdivision recorded in Map Book B159, Page(s) 9-10, in the Office of the Clerk of Court for Oconee County, South Carolina, (ii) any maps of any portions of the Additional Property which are subjected to this Declaration, and (iii) any revisions of such map or maps recorded in the Office of the Clerk of Court for Oconee County, South Carolina.

Section 1.18 "Maximum Annual Assessment" shall mean and refer to the maximum Annual Assessment that may be charged in a calendar year, as set forth in Section, 5.4.1.

Section 1.19 "Maximum Septic System Assessment" shall mean and refer to the maximum Septic System Assessment that may be charged in a calendar year, as set forth in Section 6A.4.1.

Section 1.20 "Member" shall mean and refer to every person or entity that holds a membership in the Association.

Section 1.21 "Mortgage" shall mean and refer to any mortgage constituting a first lien on a Lot.

Section 1.22 "Mortgagee" shall mean and refer to the owner and holder of a Mortgage on a Lot.

Section 1.23 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot within the Development, including the Declarant if it owns any Lot, but excluding any Mortgagee.

Section 1.24 "Pier Zone Access Lots" shall mean and refer to Lots 1 through 4 and Lot 24 as shown on the Map.

Section 1.25 "Private Driveway Easement" shall mean and refer to the easement over the Common Area identified on the Map as "40' Private Road R/W and Easement," which is hereby granted to the Owners of Lots 16, 17, 18, 19 and 20, their heirs, successors and assigns for utilities service and access, ingress, egress to and from such Lots.

Section 1.26 "Private Driveway Lots" shall mean and refer to Lots 16, 17, 18, 19 and 20.

Section 1.27 "Private Driveway" shall mean the driveway to be constructed in the Private Driveway Easement. Declarant shall have the exclusive right to construct the Private Driveway within the Private Driveway Easement in the approximate locations shown on the Map. The Private Driveway shall be maintained in accordance with Article III, Section 3.4 of this Declaration.

Section 1.28 "Property" shall mean and refer to the property shown on the Map, including the Lots, Roadways and Common Areas, together with any leasehold interest or easement which the Association has or may hereafter acquire in any property adjacent to the Development (including, but not limited to, any leases of any submerged land lying within the bed of Lake Keowee).

Section 1.29 "Public Roads" shall mean and refer to all roads and cul-de-sacs in the Subdivision as shown on the Map all to be maintained by the Association as more particularly set forth in Section 4.6 of this Declaration until dedicated and accepted by the Oconee County Public Works Department or other governmental entity.

Section 1.30 "Reserve Fund" shall mean and refer the portion of the Annual Assessment to be used for the purposes set forth in Section 4.7.

Section 1.31 "Roadways" shall mean and refer to the Public Roads.

Section 1.32 "Septic System" shall mean and refer to the ground absorption sewer system serving each Lot, including all pipes, lines, tanks, drain fields, pumps and related apparatus located upon the Lot.

Section 1.33 "Septic System Assessments" shall mean and refer to any amount to be levied annually by the Association against each Lot for the purposes set forth in Section 6A.2.

Section 1.34 "Shared Private Boatslip Lots" shall mean and refer to Lots 31 and 32 (which share a Shared Private Pier), and Lots 34 and 35 (which share a Shared Private Pier) as shown on the Map, and any other Lot so designated in any supplement or amendment to this Declaration, and which have, as an appurtenance to the Lot, the right to use a Shared Private Boatslip in accordance with and as more particularly set forth in Article IV of this Declaration.

Section 1.35 "Shared Private Boatslips" shall mean and refer to those certain boatslips located in and over the waters of Lake Keowee in the Shared Piers, together with any additional Shared Private Boatslips which may be constructed in accordance with the terms of Article II of this Declaration.

Section 1.36 "Shared Private Pier" or "Shared Private Piers" shall mean and refer to the pier or piers containing the Shared Private Boatslips which may be constructed in and over the waters of the Lake Keowee. There are two Shared Private Piers: a Shared Private Pier containing two Shared Private Boatslips for the use of the Owners of Lots 31 and 32; and a Shared Private Pier containing two Shared Private Boatslips for the use of the Owners of Lots 34 and 35.

Section 1.37 "Special Individual Assessment" shall mean and refer to any amount levied by the Association for the purposes set forth in Section 5.6.

Section 1.38 "Special Assessment" shall mean and refer to any amount levied by the Association for the purposes set forth in Section 5.5.

Section 1.39 "Street Lights" shall mean and refer to those certain street lights (if any) that may be constructed upon, within and over the rights-of-way of the Roadways.

Section 1.40 "Supplemental Annual Assessment" shall mean and refer to an amount levied by the Board of Directors in addition to the Annual Assessment, as set forth in Section 5.4.3.

Section 1.41 "Supplemental Septic System Assessment" shall mean and refer to an amount levied by the Board of Directors in addition to the Septic System Assessment, as set forth in Section 6A.4.3.

Section 1.42 "Subdivision" shall mean and refer to Pointe Harbor Subdivision, as shown on the Map.

Section 1.43 "Waterfront Lots" shall mean and refer to Lots 5 through 23 and Lots 25 through 39 as shown on the Map.

Section 1.44 "Water System" shall mean and refer to the central water system constructed by Declarant in order to provide water necessary to serve the Subdivision.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 2.1 Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is located in Oconee County, South Carolina, and is all of that real property shown on the Map.

Section 2.2 Additions to the Property.

2.2.1 Declarant may cause any portion of the Additional Property (including Common Areas) to be made subject to the terms and scheme of this Declaration by filing one or more Supplemental Declarations in the Office of the Clerk of Court for Oconee County, South Carolina, containing a description of the Additional Property and a statement by the Declarant of its intent to extend the operation and effect of this Declaration to the Additional Property. Declarant may also cause or permit additional Shared Private Piers and/or Shared Private Boatslips to be constructed and made subject to the terms and scheme of this Declaration by the filing of one or more Supplemental Declarations describing the location and number of Shared Private Piers and/or Shared Private Boatslips to be added and containing a statement by Declarant of its intent to extend the operation and effect of this Declaration to the additional Shared Private Piers and/or Shared Private Boatslips. Notwithstanding the foregoing, the covenants and restrictions established herein as applied to, or imposed upon, the Additional Property may be altered or modified by the filing of one or more Supplemental Declarations as provided in Subparagraph (b) below.

2.2.2 Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Declarant to reflect the different character of the Additional Property. No Supplemental Declaration shall revoke or modify the covenants and restrictions contained herein with respect to the Property previously subjected to this Declaration, nor revoke or modify the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for amendment set forth in Section 11.3 of this Declaration.

ARTICLE III

PROPERTY RIGHTS

Section 3.1 Ownership of Common Areas. On or before ten (10) years from the date this Declaration is recorded, Declarant shall convey fee simple title by limited warranty deed (or

grant an easement) to the Common Areas to the Association, to be owned and maintained by the Association. Declarant reserves the right to construct (i) the Entrance Monument(s) to be located at the entrance to the Development, and (ii) the Public Roads and Private Driveway, as reflected on the Map, for the use and benefit of the Owners who are entitled to use such Common Areas as provided in this Declaration. Notwithstanding the recordation of any Map or any other action by Declarant or the Association, all Common Areas shall remain private property and shall not be considered as dedicated to the use and benefit of the public (with the exception of the Public Roads, which will eventually be dedicated and accepted for public maintenance by the Oconee County Public Works Department or other governmental entity).

Section 3.2 Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy the Common Areas, and such right shall be appurtenant to and conveyed with title to such Owner's Lot, subject to the following:

3.2.1 the right of the Association to promulgate and enforce reasonable rules and regulations governing the use of the Common Areas;

3.2.2 the right of the Association to suspend the voting rights of an Owner in the Association and the right of the Association to suspend the right to use certain or all of the Common Areas by an Owner for any period during which any Assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any violation or infraction of its published rules and regulations;

3.2.3 the right of the Declarant or the Association to grant utility, drainage and other easements across the Common Areas;

3.2.4 the provisions of Article VII of this Declaration; and

3.2.5 The exclusive rights of the Owners of the Private Driveway Lots to use the Private Driveway Easements and Private Driveways, as set forth in Section 3.4 of this Article III below.

Section 3.3 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, the Owner's right of enjoyment to the Common Areas and facilities located thereon to the members of the Owner's family and his guests, tenants, or invitees.

Section 3.4 Easement for and Maintenance of Private Driveway. Declarant hereby grants, establishes and reserves, for the benefit of Declarant and its successors and assigns owning a Private Driveway Lot, a perpetual easement over the Common Area identified on the Map as "40' Private Road R/W and Easement" for the purpose of providing utility services, access, ingress, and egress to and from the Private Driveway Lots from Rollingwood Drive. Such easement shall be subject to the right of the Association to enter onto the Private Driveway Easement as reasonably necessary to maintain the Common Area, and to repair and maintain the Private Driveway, if the Association elects to repair and maintain the Private Driveway as provided below. The Private Driveway shall be maintained and periodically repaired as needed by the Owners of the Private Driveway Lots at their sole cost and expense, with such costs being shared equally by all Private Driveway Lot Owners. The Association shall have the option (but

shall have no obligation) to repair and maintain the Private Driveway if it has not been maintained and repaired by the Owners of the Private Driveway Lots. The costs of any such repair and maintenance shall be a Special Individual Assessment against such Lots. No Owners other than the Owners of the Private Driveway Lots shall have the right to use the Private Driveway Easements or Private Driveways.

ARTICLE IV

THE ASSOCIATION; MAINTENANCE; SHARED PRIVATE PIERS AND BOATSLIPS

Section 4.1 Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be governed by the Bylaws.

Section 4.2 Classes of Lots and Voting Rights. The voting rights of the Members shall be appurtenant to the ownership of Lots. There shall be two (2) classes of Lots with respect to voting rights:

4.2.1 Class A Lots. All Lots shall be Class A Lots, except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of the Lot to one (1) vote for each Class A Lot owned. When more than one person owns an interest (other than a leasehold, security interest or mortgage) in any Lot, all such persons shall be Members and their appurtenant voting rights shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

4.2.2 Class B Lots. Class B Lots shall be all Lots owned by Declarant that have not been conveyed to purchasers who are not affiliated with Declarant. Declarant shall be entitled to four (4) votes for each Class B Lot owned by it.

Section 4.3 Relinquishment of Control. The Class B Membership shall cease and be converted to Class A Membership on the first to occur of the following events:

4.3.1 when the number of votes in the Class A Membership exceeds the total number of votes outstanding in the Class B Membership; or

4.3.2 upon the expiration of ten (10) years after the recordation of this Declaration; or

4.3.3 upon the election of Declarant, in its sole discretion, to terminate its Class B Membership and to convert the Class B Lots to Class A Lots. Any such election, to be effective, must be in writing and recorded in the Office of the Clerk of Court for Oconee County, South Carolina.

Section 4.4 Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Development as well as its own books, records, and financial statements which will be available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours.

Section 4.5 Management Contracts. The Association is authorized to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation level to be established by the Board of Directors and to perform any or all of the powers and duties of the Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association, with or without cause, upon no longer than ninety (90) days prior written notice to the manager, without payment of a termination fee.

Section 4.6 Maintenance. Prior to their acceptance for public maintenance, the Association shall maintain the Public Roads, provided that Declarant, in its sole discretion, has the right to reimburse the Association for maintenance costs until the Oconee County Public Works Department or other governmental entity accepts the Public Roads for maintenance. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the Public Roads shall conform to the standard of maintenance (if one is ascertainable) that would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Public Roads for maintenance.

The Common Areas shall be maintained as more particularly described below:

4.6.1 Maintenance of the Entrance Monument(s) shall include maintenance, repair and reconstruction, when necessary, of the monuments, signage, irrigation, planters and lighting located within the Easement Area, and providing and paying for landscaping and utility charges for irrigation and lighting of the monument and signage located thereon (if any).

4.6.2 All Common Areas (and all Improvements located thereon) shall be kept clean and free from debris and maintained in an orderly condition, together with the landscaping thereon (if any) in accordance with the highest standards for private parks, including any repair and replacement of any landscaping, utilities, or Improvements located thereon.

4.6.3 The Association shall not be responsible for the maintenance of any Lot or any portion of any Lot or the Improvements within the boundaries thereof, with the exception of the Entrance Monument(s) if located on any Lot.

If the Association exercises its rights under Section 4.8, maintenance of the Shared Private Boatslips and the Shared Private Pier(s) applicable thereto, shall include the maintenance, repair and reconstruction, when necessary, of such Shared Private Piers and Shared Private Boatslips, including all lighting, water lines and other fixtures, wire, railings, and

other facilities located thereon, and providing and paying for utility charges therefor. Maintenance of the Shared Private Boatslips, if the Association exercises its right under Section 4.8, may include maintenance of those paths located upon the Shared Private Boatslip Lots in passable condition for pedestrian use. Owners of Shared Private Boatslip Lots upon which such paths or other facilities used to access the Shared Private Boatslips are located shall not block, impede access over, or place or construct any other natural or artificial barricade or impediment over all or any portion of such areas.

Declarant hereby reserves, for the benefit of itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, tenants, invitees, designees, successors and assigns, and to each Owner of a Shared Private Boatslip Lot, their family members, tenants, guests, invitees, successors and assigns, a perpetual non-exclusive easement, license, right and privilege of passage and use, both pedestrian and non-motorized vehicular, over and across those portions of Lots as indicated on the Maps for ingress and egress to and from the Shared Private Boatslips and the Shared Private Piers.

Section 4.7 Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the following purposes:

4.7.1 the periodic maintenance, repair, reconstruction and replacement of the Common Areas and any Improvements located on such Common Areas (including, but not limited to the Public Roads prior to acceptance for public maintenance) which the Association is obligated to maintain;

4.7.2 to fund unanticipated expenses of the Association; and/or

4.7.3 to acquire equipment or services deemed necessary or desirable by the Board of Directors, from time to time, in its discretion.

The Reserve Fund shall be collected and maintained out of the Annual Assessment as set forth in Section 5.2. The amount of the Reserve Fund shall be determined, from time to time, by the Board.

Section 4.8 Shared Private Boatslips and Shared Private Piers. The rights to each Shared Private Boatslip shall be appurtenant to and may not be separated from the ownership of the applicable Shared Private Boatslip Lot and shall only be assigned as provided below. The Shared Private Piers and Shared Private Boatslips are not Common Areas, and the Association shall have no obligation for maintenance thereof, but shall have certain rights to maintain the Shared Private Boatslips and Shared Private Piers in its discretion to the extent set forth herein. Each Shared Private Pier Lot Owner shall have, and is hereby granted, a perpetual, non-exclusive easement for pedestrian ingress and egress over such easement areas over the Shared Private Boatslip Lots as are shown on the Maps, to and from the Shared Private Boatslips used by such Shared Private Pier Lot Owner. ALL SHARED PRIVATE BOATSLIP LOT OWNERS, BY

PURCHASING PROPERTY SUBJECT TO THIS DECLARATION, ACKNOWLEDGE THAT THEY SHALL BE RESPONSIBLE FOR MAINTAINING ANY PERMIT, LICENSE OR LEASE ALLOWING FOR THE USE OF ANY PIER, DOCK, BOATSLIP STRUCTURE OR OTHER SIMILAR IMPROVEMENT WITHIN OR UPON THE WATERS OF LAKE KEOWEE (THE "LAKE"); THAT SUCH PERMIT, LICENSE OR LEASE SHALL BE LIMITED IN DURATION; THAT THEY SHALL BE SOLELY RESPONSIBLE FOR THE MAINTENANCE OF ANY SUCH PIER, DOCK, BOATSLIP STRUCTURE, OR OTHER SIMILAR IMPROVEMENT WITHIN OR UPON THE WATERS OF THE LAKE; AND THAT NEITHER DECLARANT, NOR THE ASSOCIATION, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS OR AFFILIATES OF EITHER OF THEM, SHALL HAVE ANY LIABILITY ARISING DIRECTLY OR INDIRECTLY OUT OF OR IN ANY WAY RELATED TO ANY SUCH PERMIT, LICENSE, LEASE, OR MAINTENANCE.

4.8.1 The interest in the Shared Private Boatslip shall not be separated from the ownership of the Shared Private Boatslip Lot to which it is appurtenant, but, rather, shall run with the title to such Shared Private Boatslip Lot. A conveyance by a Shared Private Boatslip Lot Owner of its ownership interest in a Shared Private Boatslip Lot shall automatically assign to the transferee of such ownership interest all rights and duties of said Shared Private Boatslip Lot Owner with respect to such Shared Private Boatslip.

Any deed of trust, mortgage or other encumbrance (collectively, "Encumbrance") of a Shared Private Boatslip Lot shall also encumber each Shared Private Boatslip Lot Owner's appurtenant interest in any Shared Private Boatslip, even if not expressly included therein. Provided, however, no mortgagee, trustee or other person claiming by, through or under any instrument creating any Encumbrance shall by virtue thereof acquire any greater rights in such Shared Private Boatslip than the Shared Private Boatslip Lot Owner may have at the time of the Encumbrance.

4.8.2 All Shared Private Boatslip Lot Owners having an interest in a Shared Private Boatslip within a particular Shared Private Pier shall have the duty and responsibility, at such Shared Private Boatslip Lot Owners' sole cost and expense, to operate, use and maintain (or cause to be maintained, as the case may be) such Shared Private Pier and all Shared Private Boatslips and other improvements located therein in a well-maintained, safe, clean and attractive condition at all times (all such costs and expenses, including, without limitation, insurance premiums, taxes and maintenance and repair costs and reasonable reserves for repair and replacement, being referred to herein as the "Boatslip Maintenance and Operation Costs"). In this regard, each Shared Private Boatslip Lot Owner shall be responsible for the timely payment in each case of the proportion of such Boatslip Maintenance and Operation Costs as the number of Shared Private Boatslips in which such Shared Private Boatslip Lot Owner has an interest within such Shared Private Pier bears to the total number of Shared Private Boatslips within such Shared Private Pier.

If any Shared Private Boatslip Lot Owner fails in any of the duties or responsibilities of such Shared Private Boatslip Lot Owner as set forth in this subparagraph, then the other Owner entitled to use the other Shared Private Boatslip in such Shared Private Pier may give such defaulting Shared Private Boatslip Lot Owner written notice of such failure and such defaulting Shared Private Boatslip Lot Owner, within ten (10) days after receiving such notice (which notice shall be deemed to have been received on the first business day after such notice is deposited in an official depository of the United States mail, addressed to the party(ies) to whom it is intended to be delivered, and sent by certified mail, return receipt requested), must cure any failure to perform the duties and responsibilities of such defaulting Shared Private Boatslip Lot Owner as described in this subparagraph. Should any such defaulting Shared Private Boatslip Lot Owner fail to fulfill this duty and responsibility within such ten (10) day period, then such other Owner, or the Association, acting through its authorized agent or agents, at the request of such other Owner, or Declarant (so long as it owns any portion of the Property), acting through its authorized agent or agents, at the request of such other Owner, shall have the right and power to enter onto the applicable Shared Private Pier and perform such duties and/or responsibilities without any liability for damages for wrongful entry, trespass or otherwise to any party. The Shared Private Boatslip Lot Owner for whom such duties and/or responsibilities are performed shall be liable for the cost of such performance, together with interest on the amounts expended by the other Owner, Association or Declarant in connection with same computed at the highest lawful rate as shall be permitted by law from the date(s) such amounts are expended until repayment to the other Owner, the Association or Declarant, as the case may be, and for all costs and expenses incurred in seeking the compliance of such Shared Private Boatslip Lot Owner with the duties and responsibilities hereunder, and such Shared Private Boatslip Lot Owner(s) shall reimburse the other Owner, the Association or Declarant, as the case may be, on demand for such costs and expenses (including interest as above provided). If such Shared Private Boatslip Lot Owner shall fail to reimburse the other Owner, the Association or Declarant, as the case may be, within thirty (30) days after the mailing to such Shared Private Boatslip Lot Owner of statement(s) for such costs and expenses, then, without limitation of any other rights of the Association or Declarant, the Association may impose a Special Individual Assessment against such Shared Private Boatslip Lot Owner. Upon collection of such Special Individual Assessment, the amount thereof shall be paid to whichever party (i.e., the other Owner, the Association, or Declarant) incurred the costs and expenses of curing such default.

4.8.3 The use of all Shared Private Piers, Waterfront Lot Piers, Shared Private Boatslips, and Waterfront Lot Boatslips shall be subject to each of the following:

(i) all laws, statutes, ordinances and regulations of the Federal Energy Regulatory Commission ("FERC") and all federal, state and local governmental bodies having jurisdiction thereon;

(ii) the conditions and terms of any permit issued by, and the rules and regulations for use established by, Duke Energy Corporation, its successors and assigns; and

(iii) any rules and regulations adopted by the Board of Directors.

4.8.4 Shared Private Piers containing the Shared Private Boatslips may be used only by Owners of Shared Private Boatslip Lots, their families, guests and invitees, and each Shared Private Boatslip may only be used by the Owner(s) of the Shared Private Boatslip Lot to which such Shared Private Boatslip is appurtenant, their families, guests, tenants and invitees. Members owning Shared Private Boatslip Lots may adopt rules and regulations with respect to the Shared Private Boatslips and Shared Private Piers.

ARTICLE V

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay Assessments to the Association, as hereinafter provided. Any such Assessment, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment is due or levied. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed.

Section 5.2 Purpose of Annual Assessment. The Annual Assessment shall be used as follows:

5.2.1 to repair, maintain, reconstruct (when necessary), keep clean and free from debris, the Common Areas, as more particularly set forth in Section 4.6 of this Declaration, with the exception of the Private Driveway Easements and the Private Driveway, which are to be repaired, maintained and reconstructed by the Owners of the Private Driveway Lots;

5.2.2 to maintain and repair the Public Roads, as more particularly set forth in Section 4.6 of this Declaration;

5.2.3 to pay all costs associated with the lease of any Street Lights, including but not limited to, monthly lease payments and utility costs;

5.2.4 to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association;

5.2.5 to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws;

5.2.6 to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws;

5.2.7 to maintain the Reserve Fund, as set forth in Section 4.7 and;

5.2.8 to pay the costs or maintenance of storm drainage facilities as set forth in Section 7.8 of Article VII below.

Section 5.3 Payment of Annual Assessment; Due Dates. The Annual Assessment shall commence as to each Lot on January 1, 2007. The initial Annual Assessment for the calendar year beginning January 1, 2007 shall be Six Hundred Dollars ($600.00) per Lot, which amount shall be due and payable in full no later than January 31, and prorated on a calendar year basis. The Annual Assessment for each and every year beginning January 1, 2008 shall be in an amount as set by the Board of Directors, in accordance with Section 5.4, and shall be due and payable in one (1) annual installment, due and payable no later than January 31st of each such year. The Board of Directors shall set the amount of the Annual Assessment as to each Lot for any calendar year at least thirty (30) days prior to January 1st of such calendar year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the installment due, to each Owner on or before January 1st of such calendar year. The failure of the Association to send, or of an Owner to receive, such notice shall not relieve any Owner of its obligation to pay the Annual Assessment. Notwithstanding the foregoing, the Board of Directors may alter the dates of the fiscal year for setting the Annual Assessment and may increase or decrease the frequency of collection of Annual Assessment installments in any reasonable manner.

Section 5.4 Maximum Annual Assessment; Supplemental Annual Assessment.

5.4.1 For each year following the initial Annual Assessment, the Board of Directors has the authority to increase the Annual Assessment each year by a maximum amount equal to the previous year's Annual Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the CPI. If the CPI is discontinued, the Board shall use the index most similar to the CPI that is published by the United States Government indicating changes in the cost of living. If the Annual Assessment is not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessment may be increased by that amount in a future year, in addition to the maximum increase permitted under the

terms of the preceding sentence for such future year, by a vote of the Board of Directors, and without a vote of the Members.

5.4.2 After the initial Annual Assessment, the Maximum Annual Assessment may be increased above the maximum amount set forth in Section 5.4.1 by a two-thirds (2/3) vote of each Class of Members who are voting in person or by proxy at the annual meeting or at a special meeting duly called for this purpose, in accordance with the Bylaws.

5.4.3 The Board of Directors may set the Annual Assessment at an amount not in excess of the Maximum Annual Assessment. If the Board of Directors sets less than the Maximum Annual Assessment for any calendar year and thereafter, during such calendar year, determines that such lesser Annual Assessment cannot fund important and essential functions of the Association, the Board of Directors may, without a vote of the Members, levy a Supplemental Annual Assessment in accordance with the Bylaws. In no event shall the sum of the Annual Assessment and Supplemental Annual Assessment for any year exceed the applicable Maximum Annual Assessment for such year other than as set forth in Section 5.4.2.

Section 5.5 Special Assessment. In addition to the Annual Assessment authorized above, the Association may levy, in any calendar year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Area Improvements which are not originally constructed by Declarant; (ii) the reconstruction, repair or replacement of the Common Areas, including all Improvements located thereon, and including fixtures and personal property related thereto; or (iii) any other extraordinary, unanticipated cost which cannot otherwise be funded through the established Assessments for that current year. Provided, however, each such Special Assessment must be approved by a two-thirds (2/3) vote of each Class of Members voting in person or by proxy at the annual meeting or at a special meeting duly called for this purpose, in accordance with the Bylaws.

Section 5.6 Special Individual Assessment. In addition to the Annual Assessments, Supplemental Annual Assessments, and Special Assessments authorized above, the Board of Directors shall have the power to levy a Special Individual Assessment applicable to any particular Lot Owner (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas and/or any Improvements located thereon, caused by any act or omission of such Owner(s), members of such Owner's family, or such Owner's agents, guests, tenants, employees, or invitees and not the result of ordinary wear and tear; or (ii) for payment of liquidated damages, reimbursement amounts, fines, penalties or other charges imposed against any particular Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws, the Guidelines or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws. Provided, however, that Declarant shall not be obligated to pay any Special Individual Assessment, except with Declarant's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 5.6 shall be fixed in the Board of Directors' resolution authorizing such Special Individual Assessment. Upon the

establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 5.7 Assessment Rate.

5.7.1 Subject to the exception set forth in Section 5.7.2, the Annual, Assessments must be fixed at a uniform rate for all Lots, and

5.7.2 Annual Assessments, Supplemental Annual Assessments and Special Assessments for each Lot owned by Declarant and unoccupied as a residence shall be one-third (1/3) of the Annual Assessments, Supplemental Annual Assessments and Special Assessments for each other Lot in the Subdivision not owned by Declarant.

ARTICLE VI

GENERAL ASSESSMENT PROVISIONS

Section 6.1 Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 6.2 Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessment (or installment thereof) not paid by its due date, shall bear interest from such due date at the rate of eighteen percent (18%) per annum or the highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner or foreclose the lien against the Lot and the right to use the Common Areas, and interest, late payment charges, costs and reasonable attorneys' fees related to such action or foreclosure shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments by not using the Common Areas, or by abandoning his Lot.

Section 6.3 Subordination of the Lien to Mortgages. The lien of the Assessments provided for in Articles V, VI and VI-A of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot. Sale or transfer of any Lot shall not affect the Assessment lien. The sale or transfer of any Lot pursuant to Mortgage foreclosure, or any proceeding in lieu thereof, however, shall extinguish the lien of such Assessments as to payments that became due prior to such sale or transfer. Provided, however, that the Board of Directors may, in its sole discretion, determine that such unpaid Assessments should be collectable pro rata from all Owners, including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners, notwithstanding the fact that such pro rata portions may cause the applicable Assessment (as applicable), to be in excess of the applicable Maximum Assessment amount permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any Assessments

thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any Mortgage as above provided.

ARTICLE VI-A

COVENANT FOR SEPTIC SYSTEM ASSESSMENTS

Section 6A.1. Creation of the Lien and Personal Obligation for Septic System Assessments. Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association, Septic System Assessments for the inspection of each Lot Owner's Septic System. Any such Septic System Assessment, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner effective at the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them, provided such Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a continuing lien upon the Lot against, which such Assessments are made.

Section 6A.2. Purpose of Septic System Assessments. The Septic System Assessments shall be used to inspect each Lot's Septic System to ensure that the Septic System is in compliance with any requirements imposed by the Association or any governmental authority.

Section 6A.3. Payment of Septic System Assessments; Due Date. The Septic System Assessments shall be payable, annually, in advance, and shall commence as to each Lot, and shall be due and payable as to each Lot on the January 1 next following the approval of the initially installed Septic System by the South Carolina Department of Health and Environmental Control ("DHEC"). The initial Septic System Assessments shall be Seventy-Seven and 50/100 Dollars ($77.50) per year for all Septic Systems installed during 2007, commencing January 1, 2008. All Septic System Assessments shall be due and payable in advance on or before January 31 of the applicable calendar year. The Septic System Assessments for 2009 and each and every year thereafter the second year shall be in an amount as set by the Board of Directors, in accordance with Section 6A.4. The Board of Directors shall set the amount of the Septic System Assessment as to each Lot for any year at least thirty (30) days prior to January 1st of such year, and the Association shall send written notice of the amount of the Septic System Assessment to each Lot Owner on or before January 1st of such year. Failure of the Association to send the notice described in this Section 6A.3 shall not relieve the Owners of their liability for Septic System Assessments. Notwithstanding the forgoing, the Board of Directors may alter the dates of the fiscal year for setting the Septic System Assessments, and may increase or decrease the frequency of the collection of the Septic System Assessments (or installments thereof) in any reasonable manner.

Section 6A.4. Maximum Septic System Assessment.

6A.4.1 For years following the first year of Septic System Assessments and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Septic System Assessment each year by a maximum amount equal to the previous year's Septic System Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the CPI. If the CPI is discontinued, then the Board shall use the index most similar to the CPI that is published by the United States Government indicating changes in the cost of living. If the Septic System Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Septic System Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

6A.4.2 From and after the initial Septic System Assessments, the Maximum Septic System Assessment may be increased above the maximum amount set forth in Section 6A.4.1 by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Declarant (so long as Declarant owns any part of the Property).

6A.4.3 The Board of Directors may set the Septic System Assessment at an amount not in excess of the Maximum Septic System Assessment. If the Board of Directors levies less than the Maximum Septic System Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser amount, the Board may, by vote in accordance with the Bylaws, levy a Supplemental Septic System Assessment. In no event shall the sum of the Septic System Assessment and Supplemental Septic System Assessment for any year exceed the applicable Maximum Septic System Assessment for such year other than as set forth herein.

ARTICLE VII

RESTRICTIONS

Section 7.1 Land Use, Building Type and Residential Restriction. All Lots in the Subdivision shall be used only for private residential and recreational purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for use as a single family residential dwelling, unless otherwise provided herein, and only one single-family residential dwelling not exceeding 2½ stories in height above ground shall be erected or permitted to remain upon any Lot. No log cabin (or structure resembling a log cabin, or having the architectural characteristics of a log cabin), mobile home, modular home or shell home may be erected or permitted to remain on any Lot. No carport (i.e. covered, open air structure) is permitted on any lot. A private garage (not exceeding three (3) car capacity), outbuildings, fixed piers and floating boat dock facilities incidental to the residential use of the Lot are permitted, upon the condition that they are not rented, leased nor otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No detached garage or outbuildings

(i.e., any structure that does not share a common wall with the private residence) shall at any time be used as a residence. No outbuilding may be greater than twenty feet (20') in height. No outbuilding shall have more than twenty-five percent (25.0%) of the enclosed floor area of the residence located upon the Lot. The cumulative total of the enclosed area of all outbuildings on a Lot shall not exceed two thousand (2000) feet. Ownership or leasing arrangement for a Lot having the characteristics of a vacation timesharing ownership plan, a vacation time-sharing lease plan or any other form of interval, sequential or shared ownership is expressly prohibited. Furthermore, no boat (including a houseboat), whether existing on a Lot or docked at a fixed pier or floating boat dock that is appurtenant to any Property in the Subdivision, may at any time be used as a residence.

Section 7.2 Dwelling Size. Any one (1) story dwelling erected upon any Lot shall contain not less than one thousand six hundred (1,600) square feet. Any multi-story dwelling shall contain not less than two thousand (2,000) square feet and the first floor shall contain not less than one thousand six hundred (1,600) square feet. The square footage requirements refer to enclosed heated floor area and are exclusive of the area in unheated porches of any type, attached or detached garages, any type of porte cochere, and unheated storage areas, decks or patios.

Section 7.3 Building Construction and Quality. All buildings and outbuildings erected upon any Lot shall be constructed of new material of good grade, quality and appearance and shall be constructed in a proper, workmanlike manner. No single-family residential dwelling with a fair market value of less than Two Hundred Fifty Thousand Dollars ($250,000.00) (in terms of 2006 dollar value), exclusive of the cost of the Lot, shall be permitted on any Lot, unless approved in advance in writing by the Association. No building shall be erected unless it is completely underpinned with a solid brick, brick or stone-covered block or stucco foundation. No exterior surface of any building shall be asbestos shingle siding, imitation brick or stoneroll siding, or exposed concrete or cement blocks. The exterior surface of any garage, outbuilding or appurtenant structure or building erected on or located on any Lot shall be architecturally compatible with, and of material and construction comparable in cost and design to, the exterior surface of the dwelling located on the Lot. All buildings (both residences and any outbuildings) shall have roofs meeting the pitch requirements of Section 7.31 of this Articles VII below, and shall be covered with slate, cedar shakes, tile, composition (fiberglass), or architectural (sculpted) shingles. Tin or rolled roofing material is permitted as accent material only. Mailboxes (both the box and pole and other supports) shall be constructed of black iron or other black metal, with red flag. Mailbox posts shall be at least two inches (2.0") in diameter.

Section 7.4 Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic, vinyl or canvas tent, barn, garage, utility building, storage building or other metal, fiberglass, plastic, vinyl or canvas structure shall be placed on any Lot or attached to any residence. Provided, however, that Declarant reserves the right to erect or move temporary buildings or trailers onto the Lots owned by Declarant, to be used for storage or for construction or sales offices.

Section 7.5 Building Setback Lines. No building on any Lot (including any stoops, porches, or decks) shall be erected or permitted to remain within the front (street right-of-way), side (abutting right-of-way for a corner Lot) or rear building setback lines as noted on the Map or

within the Lake Buffer Area. Piers and dock, facilities are exempt from the rear setback restrictions provided they comply with the provisions set forth in Section 7.24. The foregoing notwithstanding, gazebos or similar minor aesthetic Improvements may encroach within the rear setback, including the Lake Buffer Area, provided that they: (i) are single story; (ii) contain less than one hundred fifty (150) square feet; (iii) are not enclosed by walls or other surfaces unless such surfaces meet the openness test established for perimeter fencing in Section 7.11 and (iv) comply with all applicable governmental requirements. Similarly, front, side or rear entryways which are connected to the residence and are not covered or enclosed in any manner, may encroach within the front, side or rear setback or the Lake Buffer Area, provided that such encroachment does not violate any applicable governmental requirement.

If any zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation applicable to a Lot prescribes greater setbacks, then all buildings erected during the pendency of that zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation shall be governed by the greater setbacks. No masonry mailboxes or other structures or Improvements may be constructed or placed within the right-of-way of any of the Public Roads (so as to prevent such Public Roads from being accepted for maintenance by the Oconee County Public Works Department or other applicable governmental entity). Declarant hereby reserves the right and easement, benefiting Declarant and the Association and burdening the Property, to go upon any Lot or other portion of the Property in order to remove any mailboxes or other structures or Improvements constructed within the right-of-way of any Public Road which will prevent such Public Road from being accepted for maintenance by the Oconee County Public Works Department or other applicable governmental entity. If Declarant or the Association exercises its easement rights pursuant to the terms of this Section 7.5, the Owner of the nonconforming Lot shall reimburse Declarant or the Association (as applicable) within five (5) business days following the submission of an invoice for any costs or expenses incurred by Declarant or the Association. The Association shall have the authority but not the obligation, in its sole discretion, to levy a Special Individual Assessment against an Owner who fails to abide by the terms of this Section 7.5, as well as the expenses to be reimbursed Declarant in the event that Declarant seeks to cure any such violation, and shall be subject to the Association's Assessment collection remedies as specified in Article VI of the Declaration. The exercise or non-exercise of the easement rights contained in this Section 7.5 shall be subject to the discretion of the Declarant or the Association; provided, however, Declarant or the Association shall not have the obligation to exercise such rights.

Section 7.6 Minor Setback Violations. In the event of the unintentional violation of any of the building setback restrictions, in the amount of ten percent (10%) or less of the applicable setback restriction, Declarant reserves the right, but is not obligated, to waive in writing such violation of the setback restrictions upon agreement of the Owner of the Lot upon which the violation occurs and the Owner of any Lot adjoining the violated setback, provided that such change is not in violation of any zoning or subdivision ordinance or other applicable law or regulation or, if in violation, only if a variance or other similar approval has been received from the appropriate governmental authority.

Section 7.7 Combination or Subdivision of Lots. Except as otherwise ,set forth herein, no Lot shall be subdivided by sale or otherwise so as to reduce the Lot area shown on the Map. However, a Lot Owner may combine one Lot with contiguous Lot(s) so long as the parcel or

parcels which result from such combination do not violate any applicable zoning ordinance, subdivision ordinance or other applicable law or regulation. In the event that two or more Lots are completely combined so as to create one parcel, the resulting parcel shall be considered as one Lot for the purposes of this Article VII, but shall continue to be considered as two or more Lots for all other purposes (including voting and Assessments). Furthermore, the Owner of any Lot which combines with all or a portion of a contiguous Lot shall be solely responsible for any costs which may result from such combination, including the costs of relocating any existing easements. Notwithstanding the foregoing, Declarant reserves the right to change the boundaries or dimensions of any Lots still owned by Declarant as may be needed to meet septic system requirements or for any other reason and any Lot or Lots which result from such change by Declarant shall not be subject to any additional Assessment. Furthermore, if any Lots are lost as a result of any such change by Declarant, such eliminated Lot shall not thereafter be subject to Assessments hereunder.

Section 7.8 Utility Easements; Storm Drainage Facility Maintenance. Declarant reserves easements for the installation and maintenance of utilities (electricity, septic system, water, gas, telephone, cable television, etc.) and drainage facilities over the front and rear ten (10) feet of each Lot (with the exception of the Waterfront Lots, which will not have a ten [10] foot easement over the rear of each such Waterfront Lot [i.e., waterside]) and seven and one-half (7.5) feet in width along each side lot line of each Lot. Additional drainage easements and utility easements are reserved as more particularly shown and delineated on the Map and in other recorded easement documents. Within such easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may interfere with drainage and the flow of water within the easement areas. The Owner of each Lot shall maintain that portion of the Lot lying within the easement areas as defined herein and shall maintain any Improvements located thereon, except those Improvements installed and maintained by a public authority or utility company. All transformers and meters must be located at the rear of the dwellings. Declarant reserves the right to create and impose additional easements over any unsold Lot or Lots for road drainage, utility and entry signage installation purposes by the recording of appropriate instruments, and such easements shall not be construed to invalidate any of these covenants.

Within certain drainage easements shown on the Maps and/or on other locations within the Property as initially installed by Declarant, there are underground storm drainage pipes, rip-rap, and similar storm drainage facilities. Each Owner shall be responsible for routine exterior maintenance of any such facilities located on his or her Lot, at such Owner's sole cost and expense, so that stormwater may continue to flow properly through such pipes and all drainage facilities, including keeping pipe outlets and swales clear of debris, leaves, and other material which may impede such flow of stormwater. If any Owner fails to perform such maintenance, the Association shall have the right, but not the obligation, to enter upon such Owner's Lot to perform such maintenance, and to assess the cost thereof as a Special Individual Assessment. If any obstruction within any such storm drainage facilities, whether on a Lot or on Common Area, is caused by the acts or omission of any Owner or an Owner's contractor (e.g., siltation resulting from construction activities), the Owner whose acts or omissions whose contractor's acts or omissions caused such obstruction shall remedy such obstruction at such Owner's sole cost and expense, and if such Owner fails to do so, the Association shall have the right, but not the obligation, to remedy such obstruction and to assess the cost thereof as a

Special Individual Assessment. If any obstruction within any such storm drainage facilities occurs on a Lot or on Common Area, and the Association reasonably determines that the source thereof cannot be determined with a reasonable degree of accuracy, the Association shall have the right, but not the obligation, to remedy such obstruction and to pay the cost thereof from the Annual Assessments or reserve funds collected from all Lot Owners.

Section 7.9 Entrance Monument. Declarant hereby grants, establishes, creates and reserves for the benefit of Declarant and the Association, and their successors and assigns, nonexclusive perpetual easements for the purpose of landscaping and maintaining the entryway and erecting and maintaining the Entrance Monument for the Subdivision shown as "Entrance Monument Easement" on the Map. Declarant or the Association shall have the right to enter, landscape and maintain the Entrance Monument as an entryway to the Subdivision. Further, Declarant or the Association may erect and maintain one or more monuments, with an entrance sign bearing the name of the Subdivision and Declarant and may erect and maintain lighting for the Entrance Monument, planters and other Improvements typically used for an entryway.

Section 7.10 Stormwater Drainage Easements. Declarant hereby establishes and reserves, itself and for the Association and all Owners easements for drainage of stormwater runoff from the Lots and Roadways within the Subdivision, across all portions of the Common Areas. Additionally, each Lot shall be subject to an easement hereby reserved, established, and granted, for drainage of stormwater runoff in accordance with the drainage plan for the Subdivision and the common law of the State of South Carolina, and also as may be shown on the Maps.

Section 7.11 Fences and Walls. No wooden fence or brick or stone wall may be erected nearer the front lot line of a Lot than the front face of the dwelling located on such Lot. In the case of a corner Lot, no sideyard fence shall be located nearer than the side of the house facing the side street line. No wooden fences or brick or stone walls greater than six (6) feet in height are permitted. Chain link or other metal fencing is not permitted, except that 2" x 4" metal mesh may be used with split rail fencing to contain animals or children within rear or side yards. Perimeter fencing shall not have more than fifty percent (50%) of any of its surface closed as viewed from a point on a line of sight perpendicular to the line of the fence. A wall constructed of brick or stone and used in lieu of a fence is exempt from the openness test. Provided, however, that the restrictions described in this Section 7.11 shall not apply to any Improvements originally installed by Declarant on any Common Area.

Section 7.12 Signs. No signs of any kind may shall be displayed to the public view on any Common Area, other than the Entrance Monuments as set forth in Section 7.9. No signs of any kind may be displayed to the public view on any Lot, with the following exceptions which may not exceed five (5) square feet in size: (a) one sign (on the Lot only) advertising the Property for sale or rent; (b) one sign on the Lot only used by a builder to advertise the Lot during the construction and sales period; and (c) temporary political signs. These restrictions shall never apply to permanent Entrance Monuments or to temporary entry signs or advertising by Declarant, or for sale signs installed by Declarant or its agents prior to the sellout of the Subdivision.

Section 7.13 Antennas; Satellite Dishes or Discs. No radio or television transmission or reception towers, antenna, satellite dishes or discs shall be erected or maintained on any Lot, except that one (1) dish or disc not exceeding one (1) meter in diameter or diagonal measurement for receiving direct broadcast satellite service ("DBS") or multi-point distribution services ("MDS") may be erected and maintained on each Lot. No roof-mounted antenna, dishes or discs shall be permitted on any Lot if adequate broadcast reception can be obtained without mounting such equipment on the roof of the house; provided, however, that if such roof-mounted equipment is required, no antenna or related structures may be mounted on masts exceeding twelve (12) feet in height above the highest roof line ridge of the house. Any dish, disc, or antenna (with associated mast) shall be reasonably camouflaged and screened from view from Lake Keowee and the Roadways, and shall not be located in the area between the street right-of-way line and the minimum building setback lines applicable to the Lot. In cases where an antenna wire does not require the use of a mast, landscaping or some other means to reduce its visual impact must camouflage such wire.

Section 7.14 Lot Maintenance; Trash Disposal. Each Owner shall keep his Lot, and the area adjacent to the Lot between the edge of the public road right-of-way and the edge of the Roadway pavement, or curb, in a clean and orderly condition and shall keep the Improvements thereon in a suitable state of painting and repair, promptly repairing any damage caused by fire or other casualty. No clothes line may be erected or maintained on any Lot. No Lot shall be used in whole or in part for storage of trash of any character whatsoever and no trash, rubbish, stored materials or similar unsightly items shall be allowed to remain on any Lot outside of an enclosed structure, except when temporarily placed in closed, sanitary containers pending removal by trash collection authorities or companies.

Section 7.15 Off-Road Parking; Off-Water Boat Storage. Each Lot Owner shall provide a concrete or asphalt driveway prior to the occupancy of any dwelling constructed on the Lot that provides space for parking two (2) automobiles off the Roadways. No truck or commercial vehicle in excess of one-ton load capacity, or any vehicle under repair, wrecked or junked motor vehicle shall be parked upon or permitted to remain on any Lot, Common Area, or other portion of the Property. No trailer, motor home, recreational vehicle, camper or boat shall be used as a residence, either temporarily or permanently. No trailer, motor home, recreational vehicle, camper or boat shall be parked upon or be permitted to remain on any Lot for a period exceeding twenty-four (24) hours, unless it is parked off the Roadways and not within the front or side yard of the Lot. All automobiles, trucks, trailers, campers, motor homes and recreational vehicles must have a current license plate affixed and all such vehicles must be parked in an enclosed garage, or on a concrete or asphalt driveway.

Section 7.16 Sewage Disposal. Every dwelling erected on any Lot shall be served by Septic System approved by DHEC for the disposal of sewage, or connected to a private or public sewage disposal system. All Septic Systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with, all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction. Every Septic System must be installed with a filter and "riser" to facilitate inspection. Each Owner shall furnish to the Board a copy of the DHEC approval for the Septic System installed upon such Owner's Lot immediately following such Owner's receipt thereof. Declarant does not make any representations regarding the future availability of municipal sewer service.

Section 7.17 Public Water System; No Wells. Declarant shall construct the Water System. All water mains, pipes and other equipment necessary for the operation and maintenance of the Water System shall be located within the utility easements described in Section 7.8, or within Public Road rights-of-way. Upon its completion, the Water System and all mains, pipes, equipment and other personal property which is part thereof, shall become the property of the City of Wahalla, a public utility company duly licensed and operating under the authority granted by the South Carolina Public Service Commission. The Water System shall be the sole source of potable water for the Subdivision, and no well may be dug or constructed on any Lot for the purpose of providing a domestic water supply.

Section 7.18 Nuisances. No noxious or offensive trade or activity shall be carried on or upon any Lot or Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No substance, thing or material shall be kept upon any Lot or Common Area that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or Common Area with the exception of dogs, cats, or other household pets, which may be kept or maintained provided they are not kept, bred, or maintained for commercial purposes. No more than three (3) household pets shall be kept or maintained per Lot, except for newborn offspring of such household pets that are under nine (9) months in age.

Section 7.19 Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed houses or other Improvements shall be permitted to exist on any Lot or Common Area, except during such reasonable time period as is necessary for completion. The exterior of all houses and other structures must be completed within one (1) year from the date of commencement of construction (including grading work), except where such completion is impossible due to strikes, fires, national emergency or natural calamities. No construction materials of any kind may be stored on any Lot within forty-five (45) feet of any Roadway curbs. The responsible Owner or builder shall repair any damage to any Roadways, curb or sidewalk or any part of any Common Area or any utility system caused by their negligence. If such responsible party fails to repair such damage, Declarant or the Association may make or provide for such repairs, and the responsible Owner shall immediately reimburse the repairing party for its reasonable out-of-pocket expenses in making such repairs. The Owner of each Lot and any builders shall at all times keep contiguous public and private areas free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of Improvements on the Lots, Roadways, and any Common Areas. Declarant or the Association may provide for the cleaning of public and private areas due to the activities of the responsible party and may assess the responsible party a reasonable charge not to exceed the actual cost for such cleaning. Declarant and each Owner or builder shall, consistent with standard construction practices, keep all portions of the Lots, Roadways, and Common Areas free of unsightly construction debris and shall at all times during construction either provide dumpsites for the containment of garbage, trash or other debris which is caused by construction of Improvements on a Lot or Common Areas, or take other measures consistent with standard construction practices necessary to keep the Lot, Roadways, and all Common Areas free of such garbage, trash, or other debris. Each Owner and its builder shall be responsible for erosion control protection during any grading, site preparation or earth-disturbing operation.

Section 7.20 Removal of Trees and Other Vegetation. All trees, shrubs and ground cover within the Lake Buffer Area are considered to be "protected" vegetation in that cutting and clearing generally is not permitted therein without the prior written consent of Declarant or the Association. Subject to local ordinances and Duke Energy Lake Services, the practical exceptions to this rule are that dead or diseased trees and poisonous plants may be removed, underbrush may be selectively cleared within two (2) feet of the ground, individual trees may be limbed up to one-third (1/3) of the tree height, and ground covers may be planted, and a six (6) feet path may be cleared to provide access to piers, Any "Mature trees" more than twenty (20) feet from the footprint of the dwelling or detached garage or more than five (5) feet from the driveway may not be cut down or otherwise removed without the specific written approval of the Declarant or the Association. For purposes of this Declaration, "Mature trees" shall mean all evergreen or deciduous trees with a caliper of four (4) inches or greater.

Furthermore, in the event that trees, shrubs or ground cover are completely removed (as opposed to thinned) in connection with the improvement of any Lot, such cleared portions of the Lot shall be covered with grass or shall be landscaped with plants, shrubs, trees, mulch, wood chips, pine needles and/or similar landscaping Improvements. However, lawn grass cannot be planted inside the Lake Buffer Area.

Declarant hereby reserves the right and easement benefiting Declarant and/or the Association, to go upon any Lot or other portion of the property to replant or order the replanting of any trees, shrubs or other vegetation removed within the Subdivision in violation of the terms of this Section 7.20. If Declarant and/or the Association, exercises its easement rights pursuant to the terms of this Section 7.20, the Owner of the nonconforming Lot shall reimburse Declarant and/or the Association (as applicable) within fifteen (15) business days following the submission of an invoice for any costs or expenses incurred. The exercise or nonexercise of the easement rights contained in this Section 7.20 shall be subject to the discretion of the Declarant and/or the Association, provided that Declarant and/or the Association, shall not have the obligation to exercise such rights.

Declarant and/or the Association shall have the authority, in their sole discretion, to levy a Special Individual Assessment against an Owner who cuts, damages, or removes any trees, shrubs or other vegetation on any part of the Common Areas, their Lot or any other Lot in violation of the provisions contained in this Section 7.20. The Tree Valuation Schedule relating to damaged or destroyed trees set forth below, as well as all related expenses to be reimbursed, shall be considered a Special Individual Assessment against the respective Owner's Lot, entitling Declarant and/or the Association to the Assessment collection remedies specified in Article VI of this Declaration.

Section 7.21 Lake Buffer Vegetation Requirements.

Tree pruning within the Lake Buffer Areas is allowed by removing only lateral limbs from the lower one-third (1/3) of the tree's height. Topping is not allowed.

Planting of additional trees, shrubs, groundcovers and perennials within the Lake Buffer Areas may be allowed if done with minimal disturbance to root systems of existing trees.

Section 7.22 Tree Valuation Schedule and Reimbursement Obligations Relating to Damaged or Destroyed Trees. With the care given to protecting and preserving existing trees as outlined above and as set forth herein, there should be little or no damage to trees during the course of construction on any Lot. However, accidents and possibly even negligence on the part of contractors and/or subcontractors may occur to some limited degree, resulting in the destruction of existing trees intended to remain on the Lot after the completion of construction of the Improvements thereon. The Tree Valuation Schedule, set forth below, will be used to place an appropriate monetary value on any and all such existing trees severely damaged and/or destroyed within the tree preservation areas. Quantifying the value of existing trees will provide each Lot Owner with a method for calculating the proper amount of reimbursement such Lot Owner must pay to the Association upon written request as a result of the irreparable damage to, or destruction of, existing trees caused by a contractor's or subcontractor's construction operations on the Lot. The Association shall use the reimbursement amount to rehabilitate, restore and/or replace, as appropriate, the damaged or destroyed trees to the extent practicable and the reimbursement amount shall constitute a Special Individual Assessment under this Declaration. The Association shall retain any of the reimbursement amount not used for this purpose. For purposes of the Tree Valuation Schedule, the tree's trunk diameter is measured at twelve (12) inches above existing grade level. Trunk diameters that fall between any two sizes presented in the Tree Valuation Schedule shall be assigned a value calculated proportionally.

A qualified arborist and/or landscape architect, at the Lot Owner's expense, shall evaluate the quality of the damaged or destroyed tree(s), as they would have existed prior to their being damaged or destroyed. The Tree Valuation Schedule shall be used to determine the replacement value.

Tree Valuation Schedule

Trunk Diameter Inches (DBH)	Cross Section Square Inches	Deciduous Tree Value	Evergreen Tree Value
2	3	$102.72	$89.88
4	13	$445.12	$389.48
6	28	$958.72	$838.88
8	50	$1,712.00	$1,498.00
10	79	$2,704.96	$2,366.84
12	113	$3,869.12	$3,385.48
15	177	$6,060.48	$3,502.92
20	314	$10,751.36	$9,407.44
30	707	$24,207.68	$21,181.72
48	1,809	$61,940.16	$54,197.64

This schedule is calculated using plant appraisal techniques derived from The Guide for Plant Appraisal, 9th Edition, published by *The Council of Tree and Landscape Appraisers* and *The International Society of Arboriculture*, in conjunction with information provided by the Southern Chapter of the International Society of Arboriculture. This schedule may be superseded by the most current, updated, information available from future editions and/or official publications.

Section 7.23 Replacement of Damaged or Destroyed Trees. The Association in its sole discretion, may require the planting of additional trees as a result of disturbance, damage, or

destruction of existing trees on individual Lots. In this instance, a replanting plan may be requested by the Association, detailing the size, type, and location of replacement vegetation. All vegetation planted for the purposes of replacement must be guaranteed for one year after installation. Any vegetation that is noted as dying, dead, or otherwise in poor health at the end of its first installation year will be required to be replaced. If such trees are replaced, the newly installed trees will also be subject to an additional one-year guaranteed requirement.

Under circumstances of extreme weather conditions, the Association may, in its sole discretion, grant a Lot Owner a postponement of any required replanting provided for herein. The request for such a postponement must be submitted in writing to the Association. Postponements of such replanting will be considered only for the hotter summer months between mid June and mid September and for prolonged periods of below-freezing weather forecasted during the winter months.

All trees replanted to replace dead, dying, or other vegetation in poor health will be considered "protected" regardless of caliper size.

Section 7.24 Docks, Piers and Boat Houses. Duke Energy Corporation controls access to, use of, and water levels in Lake Keowee. Any Owner, Declarant and the Association must receive permission from Duke Energy Corporation (or a successor manager of Lake Keowee under authority from the Federal Energy Regulatory Commission ["FERC"]) prior to placing or constructing any pier, structure or other Improvement within or upon, or conducting any activity altering the topography of, the hydroelectric project surrounding and encompassing the waters of Lake Keowee. Declarant makes no oral, express or implied representation or commitment as to the likelihood of any Owner obtaining such permission, nor as to the continued existence, purity, depth or levels of water in Lake Keowee, and Declarant shall have no liability with respect to these matters. Construction of any such Improvements is also subject to the recorded restrictions and easements affecting the Lot.

Subject to the foregoing and to the other provisions of this Declaration, any Waterfront Lot Owner that is not a Shared Private Boatslip Lot owner may construct one (1) pier, provided that such Lot is not in an area where the narrowness of a cove precludes construction of a dock or pier as determined by Duke Energy Corporation and/or any governmental entity having jurisdiction at the time such Improvements are to be constructed. Any waterfront Improvement shall have a low profile and open design to minimize obstruction of neighbors' views. Enclosed docks or boathouses will not be allowed either on the water or within the Lake Buffer Area. Covered docks must have pitched roofs, colored green or brown and must be one level, not to exceed more than twenty (20) feet in height. Covered docks must not be enclosed. Two-level or multi-level docks are not permitted.

The placement, construction, or use of the piers, boatslips, and of any other pier, dock, boatslip structures or other Improvements within or upon, or the conducting of any activity altering the topography of, the hydroelectric project surrounding and encompassing the waters of Lake Keowee, is and shall be subject to each of the following:

7.24.1 easements, restrictions, rules, regulations and guidelines for construction and use promulgated by the Association;

7.24.2 all laws, statutes, ordinances and regulations of all Federal, State and local governmental bodies having jurisdiction thereof, including without limitation, FERC; and

7.24.3 rules and regulations, privileges and easements affecting the Property and the waters and submerged land of Lake Keowee established by Duke Energy Corporation, its successors and assigns. Duke Energy Corporation is the manager of Lake Keowee under authority granted by FERC, and its current management plan runs through August 31, 2016. As manager of Lake Keowee, Duke Energy Corporation controls access to, the use of, and the water level in Lake Keowee. All Owners, the Association, the Declarant and any builders must receive permission from Duke Energy Corporation [or a successor manager of Lake Keowee, under authority from FERC] prior to any alterations therein, including the construction and continued use and maintenance of any dock, pier, or boatslip.

No Waterfront Lot Owner or Pier Zone Access Lot Owner shall construct a pier of any kind, boat mooring or any other structure outside the pier zone designated on the Map applicable to such Lot, unless otherwise approved by Duke Energy Lake Services.

Section 7.25 Boat Ramps. No boat ramps of any kind shall be permitted on any Lot, and no boat shall be placed in (or removed from) the waters of Lake Keowee from any Lot, provided however, small watercraft such as canoes, dinghies, and jet skis may be launched from any Lot if launched without a ramp. All other watercraft shall be launched from a public boat ramp outside the Subdivision.

Section 7.26 Rights of Duke Energy Corporation. Duke Energy Corporation has certain privileges and easements affecting the Development which include the right, privilege and easement of backing, ponding, raising, flooding or diverting the waters of Lake Keowee and its tributaries upon and over the Development, as more specifically described in the deed from Duke Energy Corporation to Declarant.

Section 7.27 Non-waiver. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of any provision contained herein or referred to herein shall be held to be a waiver by that party of any right available to the party upon the recurrence or continuance of said violation or the occurrence of a different violation.

Section 7.28 Pier Zone Access Lots. Lots 1A, 2A, 3A, 4A and 24A ("Access Lots") as shown on the Map have been created by Declarant for the sole purpose of providing Lots 1, 2, 3, 4 and 24 with access to Lake Keowee. No Pier Zone Access Lot may not be separated in ownership from its appurtenant Access Lot. The Access Lots may only be used for the purpose of providing the Owner of the Pier Zone Access Lot and Access Lot with pedestrian access and access by golf cart or similar electric motorized access (but not access by automobile) to Lake Keowee for the construction, operation, use and maintenance of a Pier within the Pier Zone adjoining such Owner's Access Lot (which Pier may be constructed only after obtaining the permits and approvals described herein). No permanent structure of any kind may be constructed on any Access Lot, and the only Improvements which may be installed on any

Access Lot are a six (6) foot pathway providing access to any such Pier, any requirements of utilities facilities serving such Pier, and parking area within the area designated for parking on the Map. Such pathways are subject to any local ordinance and/or any requirements of Duke Energy Lake Services. For all purposes under the Declaration, each Pier Zone Access Lot and its corresponding Access Lot shall be deemed a single Lot, including for purposes of voting and imposition of Assessments. Declarant hereby grants, established, creates and reserves for the benefit of Lots 2, 3 and 4, Declarant and Association, and their successors and assigns, an exclusive perpetual easement over Lots 1A, 2A and 3A as shown on the Map for pedestrian and vehicular access and parking.

Section 7.29 Construction Rules.

7.29.1 Applicability. These construction rules (collectively, the "Construction Rules") shall apply to all Lot Owners and their builders, and any reference to an Owner shall also apply to the Owner's builder and subcontractors. All Owners shall abide by the Construction Rules and such other rules as the Board may establish from time to time.

7.29.2 Construction Escrow Deposit. A Construction Escrow Deposit is required to be paid to the Association by each Lot Owner in the amount of $3,000.00 prior to the commencement of construction. The Construction Escrow Deposit shall be deposited by the Association in an escrow account. The Construction Escrow Deposit paid by an Owner may thereafter be used by the Association for any of the following purposes:

7.29.2.1 To pay for the cost to repair any damage to the Roadways or Common Areas caused by the Owner or the Owner's builder or subcontractors and not repaired by the responsible Owner or such Owner's builder or subcontractors.

7.29.2.2 To complete any landscaping which has not been completed upon completion of a residence on any Lot.

7.29.2.3 To pay for the cost of completing any Improvements, if and to the extent the Owner fails to complete such Improvements consistent with the terms of this Declaration.

7.29.2.4 To pay for the cost of restoring or replacing any trees, other vegetation, grades or other natural features improperly removed, altered or destroyed by the Owner, or Owner's builder or subcontractors.

7.29.2.5 To reimburse Declarant and/or the Association for the cost of cleaning up any significant amount of dirt, cement, or debris left by the Owner or by the Owner's builder or subcontractors on any street, if and to the extent such materials and debris is

not immediately removed by the Owner or the Owner's builder or subcontractors.

7.29.2.6 To pay for the cost of enforcing any of the Owner's other obligations under the Declaration.

7.29.2.7 To pay any other costs, fines or expenses which, by the express terms of these Restrictions, may be deducted from the Construction Escrow Deposit. Except for the reimbursements described above the Association shall give an Owner prior notice that it intends to use such Owner's Construction Escrow Deposit for a particular purpose. Such Owner thereafter shall have twenty-four (24) hours from the date of the notice to complete the performance that is required and for which the Association intended to use such Owner's Construction Escrow Deposit or, if the performance cannot be completed during that time, to begin the performance and to thereafter diligently pursue such performance to completion. Upon the completion of all Improvements and all Landscape Improvements and the performance of all other obligations by an Owner pursuant to the terms of this Declaration, the Association shall return to such Owner the unused portion (if any) of such Owner's Construction Escrow Deposit.

7.29.3 Construction Hours and Noise. All construction activities must be conducted and all deliveries must be made from 7:00 a.m. until 8:00 p.m. Monday through Saturday; provided, however, no construction activities shall be conducted and no deliveries shall be made on July 4, Labor Day, Thanksgiving Day, Christmas Day or New Year's Day. Additionally, certain construction activities are permitted on Sundays but such activities shall be performed in a manner as to be considered "low impact" by the Board in its sole discretion; excessive noise and the use of heavy equipment shall be prohibited on Sundays. No loud radios or distracting noise (other than normal construction noise) will be allowed within the Subdivision during construction. This is distracting to Lot Owners. Normal radio levels are acceptable within the interior of fully enclosed homes. Radio and stereo speakers shall not be mounted on vehicles or outside of homes under construction.

7.29.4 Rubbish and Debris. In order to maintain a neat and orderly appearance at all times throughout the Subdivision, the following rubbish and debris rules must be strictly followed:

7.29.4.1 Exterior Construction Debris. With regard to all construction debris located on a Lot outside the walls of a residence that is under construction, the following rules shall apply:

7.29.4.2 At the end of each day on which work occurs on the Lot, all lightweight, blowable construction debris, such as roofing paper, insulation bags, foam sheathing, polyethylene, etc., must be placed in a silt fence pen or other approved containment device on the Lot.

7.29.4.3 At the end of the day on each Friday or Saturday, all non-blowable construction debris, such as wood scraps, shingles, brickbands, drywall, bricks and masonry blocks, must be gathered into neat piles.

7.29.4.4 During the last three (3) days of every month, all debris must be taken off the Lot and out of the Subdivision, leaving the silt fence pen or other approved containment device and the Lot free of all debris.

7.29.4.5 No Burning or Burial. Burning or burial of construction debris or vegetation is prohibited.

7.29.5 Roadway Cleaning. The Association shall have the right, without notice, to clean up any significant amount of dirt, gravel, cement, etc., left on any Roadway if the same is not immediately removed by the responsible Owner, to charge the cost of such clean up to the responsible Owner and to receive reimbursement for the expense of such clean up from the responsible Owner.

7.29.6 Silt Fences. Silt fences and/or other devices for sedimentation control shall be installed where necessary or as directed by the Association.

7.29.7 Material Storage. No construction materials, equipment or debris of any kind may be stored on any Roadway, curb, or twenty (20) feet from edge of curb, on any adjacent Lots or otherwise than in the locations approved by the Association.

7.29.8 Trailers. No construction office trailers may be placed, erected or allowed to remain on any Lot or in any other area in the Subdivision, except as approved in writing by the Association.

7.29.9 Gravel Drives. Prior to the commencement of construction on a Lot, the Owner of such Lot or such Owner's contractor shall provide at the approved driveway location a gravel drive with a minimum of five (5) inches of #5 crushed stone base from the paved street toward the house under construction.

7.29.10 Parking. All vehicles must be parked so as not to impede traffic or damage vegetation. No vehicles (trucks, vans, cars, trailers, construction equipment, etc.) may be left parked on any streets within the Subdivision overnight. Construction vehicles may be left on the gravel drive of a Lot

overnight only if additional use of the vehicle will be made within the following three (3) days. Subcontractors are to be instructed to park on the street adjacent to the Lot or on the gravel drive, not in Common Areas or within the Roadway rights-of-way.

7.29.11 Miscellaneous Practices. The following practices are prohibited within the Subdivision:

(a) Changing oil of any vehicle or equipment;

(b) Allowing concrete suppliers and contractors to clean their equipment in areas other than the Lot on which the house is being constructed;

(c) Carrying and/or discharging any type of firearms, except by law enforcement officials and security personnel, authorized in writing by the Association;

(d) Careless disposition of cigarettes and other flammable material; and

(e) Operators of vehicles are required to use due care to ensure that they do not spill any damaging materials while within the Subdivision. If spillage does occur, it is the responsibility of the operator of the vehicle to properly clean up the spill. Any such clean up operations completed by the Declarant or the Association will be charged to the responsible party. Any spills must be reported to the Association and Declarant in writing as soon as possible.

7.29.12 Pets. Builder and contractor personnel may not bring pets into the Subdivision.

7.29.13 Common Areas. Except with the prior written permission of the Association, builder and contractor personnel are not allowed in the Common Areas, and no construction access will be allowed across the Common Areas.

7.29.14 Portable Chemical Toilets. An enclosed and regularly serviced portable chemical toilet must be provided at each residence under construction, and must be located in as inconspicuous a location as possible at least twenty (20) feet from the edge of curb unless approved by the Associaiton.

7.29.15 Vehicular Traffic and Speed Limits. All vehicles must travel at safe operable speeds for construction traffic through an inhabited neighborhood.

7.29.16 Signs. Building permits are the only sign or documentation that may be posted at a residence or on a Lot during construction. Business signs or other forms of advertisement are not permitted. Building permits are to be attached to a post in a manner protected from the elements and in no event may building permits or any other signage or documentation be attached to trees.

7.29.17 Property Damage. Any damage to streets and curbs, drainage inlets, water meters or boxes, streetlights, street markers, mailboxes, walls, fences, etc. may be repaired by Declarant or the Association and the cost of such repairs will be billed to the responsible Owner. If not paid promptly, the repair cost will be assessed as a Special Individual Assessment. If any telephone, cable TV, electrical, water or other utility lines are cut, it is the responsible party's obligation to report such an accident within thirty (30) minutes to the Declarant or the Association, and any cost incurred in connection with repairing such damage shall be borne by the responsible party.

7.29.18 General Builder Responsibilities. Builders are encouraged to maintain strict control over subcontractors to minimize soil and mud build-up in streets. Builders are advised to educate employees and subcontractors as to the location of the Lake Buffer Areas, the restrictions applicable to the Lake Buffer Areas and the ramifications for violation of the provisions of this Declaration with respect thereto (i.e., fines). Planning home construction with the erosion control measures specifically in mind will be crucial to the success of each builder in the Subdivision. In addition to protecting the Lake Buffer Areas and controlling erosion, builders are encouraged to develop Lot plans which preserve natural wooded areas wherever possible and which minimize Lot grading and disturbance. Alignment of utilities and access should be planned to minimize the cutting of mature trees.

7.29.19 Construction Escrow Deposit. A Construction Escrow Deposit is required to be paid to the Association by each Lot Owner in the amount of $3,000.00 prior to the commencement of construction. The Construction Escrow Deposit shall be deposited by the Association in an escrow account. The Construction Escrow Deposit paid by an Owner may thereafter be used by the Association for any of the following purposes:

7.29.19.1 To pay for the cost to repair any damage to the Roadways or Common Areas caused by the Owner or the Owner's builder or subcontractors and not repaired by the responsible Owner or such Owner's builder or subcontractors.

7.29.19.2 To complete any landscaping which has not been completed upon completion of a residence on any Lot.

7.29.19.3 To pay for the cost of completing any Improvements, if and to the extent the Owner fails to complete such Improvements consistent with the terms of this Declaration.

7.29.19.4 To pay for the cost of restoring or replacing any trees, other vegetation, grades or other natural features improperly

removed, altered or destroyed by the Owner, or Owner's builder or subcontractors.

7.29.19.5 To reimburse Declarant and/or the Association for the cost of cleaning up any significant amount of dirt, cement, or debris left by the Owner or by the Owner's builder or subcontractors on any street, if and to the extent such materials and debris is not immediately removed by the Owner or the Owner's builder or subcontractors.

7.29.19.6 To pay for the cost of enforcing any of the Owner's other obligations under the Declaration.

7.29.19.7 To pay any other costs, fines or expenses which, by the express terms of these Restrictions, may be deducted from the Construction Escrow Deposit. Except for the reimbursements described above the Association shall give an Owner prior notice that it intends to use such Owner's Construction Escrow Deposit for a particular purpose. Such Owner thereafter shall have twenty-four (24) hours from the date of the notice to complete the performance that is required and for which the Association intended to use such Owner's Construction Escrow Deposit or, if the performance cannot be completed during that time, to begin the performance and to thereafter diligently pursue such performance to completion. Upon the completion of all Improvements and all Landscape Improvements and the performance of all other obligations by an Owner pursuant to the terms of this Declaration, the Association shall return to such Owner the unused portion (if any) of such Owner's Construction Escrow Deposit.

Section 7.30 Exterior Materials and Colors. Exterior materials shall be stucco, stone, cedar shake, horizontal siding, or tan or brown brick masonry. Red brick houses are not permitted. Post and beam accents are encouraged. When there is a change of material from front to side, front veneer material must be wrapped to cover 24" of the adjoining side. The practical exception to this would be a cedar shake and lap siding combination. Horizontal siding used must be fully back-supported to maintain a straight and even outer surface and must be fully and properly finished. Natural weathering of exterior wood materials is not desired. Imitation stone, brick-like materials or vinyl siding are generally discouraged and may be used only upon prior written approval of the Association. Homes constructed on Waterfront Lots shall use the same or similar exterior materials on all sides of the structure. Primary colors are earth tones of tans, browns, grays, greens, and highlighted with subdued shades of red, green, grays, tans or cream trim are required unless otherwise approved by the Association.

Section 7.31 Roofs. Roofs and roof pitches shall be in proportion to the overall size and shape of the private residence and outbuildings with a minimum overhang of 12 inches.

Steep roofs that incorporate traditional dormer or shed roof elements with pitches of 5:12 to 12:12 are generally acceptable. Double pitch roofs may utilize a minimum 9:12 roof for the main body of the roof and a minimum 6:12 roof over the porch elements. Shed roof elements may utilize 2:12 to 4:12 pitches. Except as specifically approved otherwise in writing by the Association, the minimum roof slope for the main house structure shall be eight (8) vertical to twelve (12) horizontal and the maximum roof slope shall be twelve (12) vertical to twelve (12) horizontal. Acceptable roofing materials are (i) wood shingles, (ii) wood shakes, (iii) natural or man-made slate, (iv) tile or (v) minimum twenty-five (25) year warranty, variegated (not solid) color, dimensional architectural (sculpted) style, composition (fiberglass) shingles. Gutters and downspouts that drain water from roofs, designed to empty into natural drainage systems such as crushed rock beds or grass-lined swales and carry water away from foundations, paved surfaces and adjoining lots are encouraged.

Roof vents, roof power vents, plumbing vent pipes and skylights will not be permitted on roofs visible from any street, unless approved in advance in writing by the Association. Roof vents, roof power vents, rain diverters, skylight housings, plumbing vent pipes and non-copper flashing shall be painted to blend with the roof shingles, except that flashing applied to vertical surfaces may be painted to blend with the vertical materials where more appropriate.

Eave lines shall align whenever possible. Eaves and rakes shall be accented by multiple fascia boards, cove and crown moldings or gutters.

ARTICLE VIII

INSURANCE

Section 8.1 Board of Directors. The Board of Directors shall obtain and maintain at all times the following types of insurance:

8.1.1 Fire and Casualty. All Improvements and all fixtures included in any Common Areas and all personal property and supplies belonging to the Association shall be insured in an amount equal to 100% of the current replacement cost up to the amount specified in the insurance policy (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the current replacement cost of such Improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire, windstorm, vandalism and malicious damage and all perils covered by a standard "all risk" insurance policy. All such policies shall provide that the Board of Directors and the insurance company shall approve adjustment of loss. In addition to the provisions and endorsements set forth in Section 8.4, the fire and casualty insurance described herein shall contain the following provisions:

8.1.1.1 a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents, tenants and invitees; and

8.1.1.2 a provision that the coverage will not be prejudiced by act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

8.1.2 Public Liability. The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine to be customary for projects similar in construction, location and use to any Common Areas, and customary for the activities and obligations of property owners' associations for projects similar to the Development, covering each member of the Board of Directors, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common Areas and out of the activities of the Association; provided, however, that in no event shall the amounts of such public liability insurance ever be less than $1,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property, including loss of use thereof, occurring upon, in or about, or arising from or relating to, the Property or any portion thereof. Such insurance shall include endorsements covering cross-liability claims of one insured against another, including the liability of the Association and/or the Owners as a group to a single Owner. The Board of Directors shall review such limits annually. Until the first meeting of the Board of Directors following the initial meeting of the Owners, such public liability insurance shall be in amounts of not less than $1,000,000 per occurrence for claims for bodily injury and property damage.

8.1.3 Fidelity Coverage. The Board of Directors shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds belonging to or administered by the Association, in an amount determined by the Board of Directors in its discretion. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

8.1.4 Other Coverage. Such other insurance coverages, including flood insurance and worker's compensation, as the Board of Directors shall determine, from time to time, to be necessary or desirable.

Section 8.2 Premium Expense. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a common expense to be collected from the Owners pursuant to Article V.

Section 8.3 Special Endorsements. The Board of Directors shall make diligent effort to secure insurance policies that will provide for the following:

8.3.1 recognition of any insurance trust agreement entered into by the Association;

8.3.2 coverage that may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five (45) days prior written notice to the named insured, any insurance trustee and all Mortgagees; and

8.3.3 coverage that cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or any Mortgagee.

Section 8.4 General Guidelines. All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of South Carolina and holding a rating of "A-VII" or better by the current issue of A.M. Best's Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of, and provide that all proceeds thereof shall be payable to, the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance. The property and public liability insurance policies shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association, the Owners or the Mortgagees; (2) loss payments are contingent upon action by the carriers, Directors, policy holders or Members; or (3) there are limiting clauses (other than insurance conditions) which could prevent Owners or Mortgagees from collecting the proceeds.

Section 8.5 Owner's Personal Property. The Association or Declarant shall not be liable in any manner for the safekeeping or conditions of any personal property belonging to or used by any Owner or his family, tenants, guests or invitees, located on or used at the Common Areas. Further, the Association or Declarant shall not be responsible or liable for any damage or loss to or of any boat, its tackle, gear, equipment or other property located thereon, or any other personal property of any Owner, his family, tenants, guests or invitees located on or used at the Common Areas. Each Owner shall be solely responsible for all such boats and other personal

property and for any damage thereto or loss thereof, and shall be responsible for the purchase, at such Owner's sole cost and expense, of any liability insurance or other insurance for damage to or loss of such property.

ARTICLE IX

RIGHTS OF MORTGAGEES

Section 9.1 Approval of Mortgagees. Unless at least seventy-five percent (75%) of the Mortgagees holding Mortgages on Lots located within the Development then subject to the full application of this Declaration have given their prior written approval, the Association shall not:

9.1.1 except as otherwise specifically provided herein, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or Improvements thereon which are owned, directly or indirectly, by the Association; provided, however, the granting of easements for utilities or other purposes pursuant to the terms of the Declaration shall not be deemed a transfer within the meaning of this provision;

9.1.2 except as otherwise specifically provided herein, change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;

9.1.3 fail to maintain fire and extended coverage insurance on insurable Improvements in any Common Areas in the Subdivision (with the exception of Public Roads) on a current replacement cost basis in an amount not less than 100% of the insurable value as set forth in Article VIII; or

9.1.4 use the proceeds of any hazard insurance policy covering losses to any part of any Common Area for a purpose other than the repair, replacement or reconstruction of the damaged Common Areas.

Section 9.2 Additional Rights. Provided that a Mortgagee has given written notice to the Association as hereafter provided, a Mortgagee shall have the following rights:

9.2.1 to be furnished at least one copy of the annual financial statement and report of the Association within ninety (90) days following the end of each fiscal year;

9.2.2 to be given notice by the Association of any meeting of the Association's membership, and to designate a representative to attend all such meetings;

9.2.3 to be given prompt written notice of default under the Declaration, the Bylaws or any rules and regulations promulgated by the Association by any Owner owning a Lot encumbered by a Mortgage held by the Mortgagee, such notice to be sent to the principal office of such Mortgagee or the place which it designates in writing;

9.2.4 to be given prompt written notice of any casualty loss to the Common Areas, or loss by eminent domain, condemnation or other taking of (i) the Common Areas or (ii) any Lot encumbered by a Mortgage held by the Mortgagee;

9.2.5 to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

9.2.6 to be given prompt written notice of any action which requires the consent of any or all of the Mortgagees as specified herein.

Whenever any Mortgagee desires the provisions of this Section 9.2, to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Lot or Lots upon which any such Mortgagee holds any Mortgage or identifying any Lot owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee. In the event a Mortgagee fails to give written notice as provided in the immediately preceding sentence, the Mortgage shall not be entitled to the benefits of this Section 9.2.

Section 9.3 Books and Records. Any Mortgagee will have the right to examine the books and records of the Association during any reasonable business hours.

Section 9.4 Payment of Taxes and Insurance Premiums. The Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed prompt reimbursement from the Association.

ARTICLE X

CONDEMNATION

Section 10.1 Partial Taking: Without Direct Effect on Lots. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Areas, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Areas. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Areas, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the

condemnation of the Common Areas. Such proceeds shall be used to restore the Common Areas with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein shall prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damage relating to loss of value of the affected Lots or Improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear, by the Board of Directors, in its sole discretion.

Section 10.2 Partial or Total Taking: Directly Affecting Lots. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 10.1 and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of anyone or more of the Lots or Improvements, fixtures or personal property thereon, shall be paid to the Owners of the affected Lots and their Mortgagees, as their interests may appear. If all of the Property shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Areas shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

Section 10.3 Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Section 9.2.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Enforcement. Declarant, being the developer of other subdivisions in the area of the Subdivision, wishes to maintain a high standard in the appearance and quality of the Subdivision. Though damages would be difficult to measure, the failure of the Owners or the Association to abide by the terms, covenants and restrictions contained in this Declaration would result in irreparable damage to Declarant and its reputation. Accordingly, Declarant, during the term of this Declaration as set forth in Section 12.4, as well as the Association or any Owner or Owners, shall have the right, but not the obligation, to enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restriction, condition, covenant, reservation, lien or charge, either to restrain violation thereof or to recover damages therefor. Declarant, the Association and each Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this

Declaration and the Bylaws and any duly authorized rules and regulations governing the Development against the Association.

In addition, the Association and the Owners hereby covenant and agree that they shall exercise their power of enforcement hereunder in order to maintain a first class subdivision in appearance and quality, and that they shall, upon the request of Declarant, enforce any restriction, condition, covenant or reservation contained in this Declaration deemed by Declarant, in its sole discretion, to have been violated, using all remedies available to them at law or in equity. Failure by Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Declarant hereby reserves the right and easement, but not the obligation, to go upon any portion of the Common Areas at any time in order to repair and maintain such Common Areas where needed, in Declarant's sole discretion, to bring such Common Areas within the standards required by Declarant. If Declarant goes upon the Common Areas to perform maintenance and/or repairs for such purpose, the Association hereby agrees to reimburse Declarant in full for the cost of such maintenance and/or repairs, upon receipt of a statement for such costs from Declarant, for maintenance and/or repair of the Common Areas.

In addition to the remedies available to it at law, in equity, or pursuant to the other terms of this Declaration, the Association shall have the power to impose reasonable fines for violations of this Declaration, the Bylaws, or the rules and regulations promulgated by the Association. Prior to the imposition of any such fine, a hearing shall be held before the Board, or before an adjudicatory panel appointed by the Board, to determine if the fine should be imposed. The Lot Owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed One Hundred and Fifty Dollars ($150.00) may be imposed for the violation and, without further hearing, for each day after the decision that the violation occurs until the violation ceases. Such fines shall be Special Individual Assessments.

Section 11.2 Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall not affect any other provisions of this Declaration, which shall remain in full force and effect.

Section 11.3 Amendment.

11.3.1 Amendment by Owners. The covenants, conditions, and restrictions of this Declaration may be amended at any time and from time to time by an instrument signed by Owners holding two-thirds of the votes appurtenant to the Lots which are then subject to this Declaration; provided, however, that such amendment must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record.

11.3.2 Amendment by Declarant. Declarant may, at Declarant's option, amend this Declaration without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause this Declaration

to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other similar agency. Declarant, without obtaining the approval of any other person or entity, for so long as Declarant is the Owner of any Lot in the Development, may also make (a) amendments or modifications hereto which do not involve a change which materially adversely affects the rights, duties or obligations specified herein; and/or (b) any addition or amendment that Declarant is authorized to make under other Sections of this Declaration.

Section 11.4 Term. The covenants and restrictions of this Declaration, as they may be amended from time to time in accordance with Section 11.3 above, are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of twenty (20) years from the date this Declaration is recorded; after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the Lots, plus Declarant, has been recorded, agreeing to terminate said covenants and restrictions in whole or in part. Provided, however, that the residential use restrictions set forth in Section 7.1 of this Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed by its duly authorized officer as of the day and year first above written.

CRESCENT COMMUNITIES S.C., LLC,
a Delaware limited liability company

WITNESSES:

First Witness

Second Witness

By: _____
Vice President

FILED FOR RECORD
BOONE COUNTY, S.C.
REGISTER OF DEEDS
2006 NOV -2 P 4:20

2447150.03
LIB: CHARLOTTE

STATE OF South Carolina

COUNTY OF Oconee

Personally appeared before me, Jeanne G. Coleman (First Witness) and made oath that he/she saw the within named Crescent Communities S.C., LLC by Scott Munday its Vice President sign, seal, and deliver the within written instrument; and that he/she with Cammie H. Greer (Second Witness) witnessed the execution thereof.

Sworn to before me this 1st day of November, 2006

Jeanne G. Coleman
(Signature of First Witness)

Patricia L Emerson
Notary Public for South Carolina

My Commission Expires: 02/10/10

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2006 NOV -2 P 4:20

2447150.03
LIB: CHARLOTTE