

AMENDED AND RESTATED
DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR
AUTUMN COVE SUBDIVISION

THIS AMENDED AND RESTATED DECLARATION OF RESTRICTIONS AND PROTECTIVE COVENANTS FOR AUTUMN COVE SUBDIVISION (the "Declaration") is made this 27 day of March 2003, by Piedmont Partners, a South Carolina General Partnership, hereinafter referred to as the "Declarant". All capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Declaration.

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David Hamilton, Clerk of Court
York County, Courthouse
Instrument Number: 000116722

STATEMENT OF PURPOSE

Declarant previously imposed a Declaration of Restrictions and Protective Covenants for Autumn Cove Subdivision, a copy of which was recorded February 23, 2001, in Record Book 3459 at Page 282 in the Office of the Clerk of Court for York County, South Carolina (the "First Declaration"). It is the intention of this instrument to amend and restate the First Declaration and the provisions of this Declaration shall supercede the provisions of the First Declaration.

Prior to the recordation of the First Declaration, Declarant was the owner of certain property located in York County, South Carolina, which is more particularly described in that certain Deed to Piedmont Partners from Crescent Resources, Inc. dated June 21, 2000 and recorded July 6, 2000 in Record Book 3185 at Page 63 in the Office of the Clerk of Court for York County, South Carolina (the "Total Property").

The First Declaration was imposed on the property described therein being shown and designated as Lots 113-167, 258 and 260 on Final Plat of Autumn Cove at Lake Wylie Phase IA prepared by Williams Engineering, Inc. dated February 12, 2001 and recorded in Plat Cabinet B, Slide 314, Page 3; and by Application of Restrictive Covenants to Additional Property recorded in Record Book 4141 at Page 129 to property described on Final Plat for Autumn Cove at Lake Wylie, Phase 3, Consisting of Lots 206 through 254, shown on a plat thereof recorded in Plat Cabinet C, Slide 19, Page 5; and subsequently by Application of Restrictive Covenants to Additional Property to property described on Final Plat for Autumn Cove at Lake Wylie, Phase 2, Consisting of Lots 168 through 205, shown on a plat thereof recorded in Plat Cabinet B, Slide 375, Page 10. These three (3) Plats are collectively known as the "Recorded Plats".

Declarant desires to provide for the creation (on the property shown on the Recorded Plats together with other portions of the Total Property and contiguous or nearby property hereafter made subject to this Declaration as another Phase as provided herein) of a residential community of attached and detached single-family residences which has been named AUTUMN COVE SUBDIVISION (the "Development").

Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and to enhance the value and amenities of all properties within the Development. Furthermore, Declarant desires to provide for the maintenance and

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upkeep of certain Common Areas within the Development, including, but not limited to, parcels designated as "Common Area" "Conservation Storm Drainage Easement", "Boat Storage" "Pool" and other parcels similarly designated and being shown on the Recorded Plats and other plats to be recorded (collectively the "Common Areas"). As part of such Common Area, Declarant desires to construct and provide for the maintenance and upkeep of the Common Areas as more fully described herein for the common use and benefit of all Owners.

Declarant desires to provide for a system whereby all Owners will pay for the maintenance and upkeep of the Common Areas. All Owners in the Development will pay the cost associated with leasing the street lights and the cost of maintenance and upkeep of the Common Areas as such Owners are entitled to use and enjoy.

To these ends, Declarant desires to subject the real property described herein to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each Owner thereof.

Declarant further desires to create an organization 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 values and amenities in the Development, to ensure the residents' enjoyment of the specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas and amenities.

To that end the Declarant has or will cause to be incorporated under South Carolina law, Autumn Cove Owners Association, Inc. (or if said name shall not be available, a similar name), as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant, by this Declaration, does declare that all of the property described herein is and 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 real property described herein and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof

ARTICLE I

DEFINITIONS

Section 1. "Additional Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions filed in the Office of the Clerk of Court for York County, South Carolina with regard to a certain Phase, section or portion of the Property, as more particularly described in Article II, Section 2 hereof.

Section 2. "Additional Property" shall mean and refer to additional real estate near or contiguous to the Property which may be made subject to the terms of this Declaration in accordance with the provisions of Article II, Section 2 of this Declaration.

Section 3. "Amenity Area" or "Amenity Areas" shall mean and refer to the parcel or parcels of land labeled "Open Space Recreation Area" (or the like) on the Map, together with any parking area, or other recreational amenity or facility constructed or placed thereon for the common use and enjoyment of all Owners.

Section 4. "Architectural Changes Committee" shall have the meaning set forth in Article VIII, Section 2 hereof.

Section 5. "Architectural Control Committee" shall mean and refer to the committee appointed by the Board to oversee the development and enforcement of architectural control standards and restrictions with respect to the Development and to perform certain other functions described in the Declaration.

Section 6. "Architectural Landscape" shall have the meaning as set forth in Article VIII, Section 3 hereof.

Section 7. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for the Association.

Section 8. "Association" shall mean and refer to AUTUMN COVE OWNERS ASSOCIATION, INC., (or similar name) a South Carolina non-profit corporation, its successors and assigns.

Section 9. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 10. "Boat Storage Area" shall mean and refer to that area set aside and designated for the storage of boat which shall be available on a first come-first service basis as managed by the Certified Property Manager referred to in Article IV, Section 5 of this Declaration.

Section 11. "Bylaws" shall mean and refer to the Bylaws for the Association.

Section 12. "Common Area" or "Common Areas" shall mean and refer to the Amenity Area, the Open Space Areas, Entrance Monument, Parking Area, Street Lights, Boat Storage Area, Pool Area and the Roadways, including sidewalks, drainage facilities and other improvements located therein (prior to their acceptance for maintenance by the York County Public Works Department, or other governmental entity, collectively) and any other property specifically shown and designated on the Map as "Common Open Area," "Common Open Space" or other similarly described parcels, all shown hatched, or otherwise designated, on the Recorded Plats or plats to be recorded. The Common Areas shall be owned by the Association (except as otherwise provided herein) for the common use, benefit and enjoyment of the Owners.

Section 13. "Declarant" shall mean and refer to Piedmont Partners and such of its successors and assigns to whom the rights of Declarant hereunder are transferred by written instrument recorded in the Office of the Clerk of Court for York County, South Carolina.

Section 14. "Development" shall mean and refer to Autumn Cove Subdivision, a single-family residential development being developed on the Total Property by Declarant.

Section 15. "Dwelling" shall mean and refer to a structure for the use and occupancy as a detached or attached single-family residence. Each Lot shall contain no more than one (1) Dwelling.

Section 16. "Entrance Monument" shall mean and refer to the monument and entrance signs located on one or more of the Open Space Area parcels; together with the lighting, irrigation system, fencing, landscaping and other improvements constructed, or to be constructed, within such areas, to be used as entryways for the Development, and for the purposes set forth in this Declaration.

Section 17. "Featured Builder" means NVR, Inc. and/or its affiliates, St. Lawrence Homes and/or its affiliates, or any other designated builder chose by the Declarant that purchases a Lot or Lots for the purpose of construction homes for sale.

Section 18. "Guidelines" shall mean and refer to the Architectural and Landscape guidelines.

Section 19. "Improvement" shall have the same meaning as set forth in Article IX, Section 4.

Section 20. "Lot" or "Lots" shall mean and refer to the separately numbered parcels depicted on the Map, which Lots do not include the Common Areas.

Section 21. "Map" shall mean and refer to (i) the Recorded Plats, (ii) any map of Additional Property, and (iii) any revision of any such map recorded in such Office.

Section 22. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 23. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 24. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 25. "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, and including any Featured Builder if it owns a Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 26. "Parking Area" shall mean and refer to the parking lot or lots, to include areas which may be constructed over the Amenity Area(s) for the common use, benefit and enjoyment of the Owners, their families, guests and invitees.

Section 27. "Person" shall mean and refer to any natural person, corporation, joint venture, partnership (general or limited), limited liability company, association, trust or other legal entity.

Section 28. "Phase" shall mean and refer to any phase, section or portion of the Property for which a separate Map or Maps are recorded in the Office of the Clerk of Court for York County, South Carolina.

Section 29. "Pool Area" shall mean and refer to that area used, or to be used, for a development swimming pool and play ground area for the use of all of the Owners in the Development.

Section 30. "Property" shall mean and refer to the property shown on the Map, exclusive of the public rights-of-way as shown on the Map, which Property includes the Lots and the Common Areas as defined herein and as more particularly shown on the Map.

Section 31. "Roadways" 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 Article IV, Section 6 of this Declaration until accepted for dedication and public maintenance by the York County Public Works Department or other governmental entity.

Section 32. "Street Lights" shall mean and refer to those certain street lights which may be constructed upon and over the rights of way of the Roadways, Parking Area and other Common Areas.

Section 33. "Subdivision" shall mean and refer to Autumn Cove Subdivision, as the same is shown on the Map.

Section 34. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions filed in the Office of the Clerk of Court for York County, South Carolina to bring additional property within the coverage of this Declaration and the jurisdiction of the Association, as more particularly described in Article II, Section 2 hereof.

Section 35. "Town Homes at Autumn Cove" shall mean and refer to that Phase of the Development whereon will be constructed approximately ninety-four (94) attached single family residences. See Article IX, below.

ARTICLE II

PROPERTY SUBJECT TO TIES DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and which is and shall be within the jurisdiction of the Association, is located in York County, South Carolina, and is the Property as defined above and as more particularly described and shown on the Map.

Section 2. Additions to the Property

(a) Declarant may cause 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 York 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. 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.

(b) 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. In no event, however, shall any Supplemental Declaration revoke, modify or add to the covenants and restrictions contained herein with respect to the Property, nor revoke, modify, change or add to the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for Amendment set forth in this Declaration.

(c) In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Declarant shall have the right, at its election without the consent of any Owner or Owners, to subject any Phase, section or portion of the Property owned by Declarant to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Clerk of Court for York County, South Carolina, covering only such Phase, section or portion of the Property. Such an Additional Declaration may or may not provide for the establishment of a property owners' association to govern the ownership and/or maintenance of the Property affected by and the enforcement of the provisions of such Additional Declaration. Whether or not a property owners' association is formed pursuant to such Additional Declaration, the Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens imposed

by such Additional Declaration and any amendments thereto, whether or not such right and authority is expressly provided for in such Additional Declaration.

(d) Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that, so long as Declarant owns any part of the Property, the prior written consent of Declarant shall be required for any parties to modify, change and/or amend, in whole or in part, the terms and provisions of this Declaration, any Supplemental Declaration and/or any Additional Declaration or to impose new or additional covenants, conditions, restrictions or easements on any part of the Property.

ARTICLE III

PROPERTY RIGHTS

Section 1. Ownership of Common Areas. Except as otherwise provided herein, Declarant shall convey to the Association the Common Areas to be owned and maintained by the Association. The Declarant reserves the right to construct within the Common Areas (i) certain improvements within the Amenity Area (including, but not limited to, the pool, pool house, parking area); (ii) the Entrance Monument to be located at the entrance to the Development or at the entrance to phases of the development (iii) the Roadways (including sidewalks, drainage facilities and other improvements), as reflected on the Map, for the use and enjoyment of the Owners who are entitled to the use of 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 enjoyment of the public.

Declarant may convey to the Association Common Area parcels, individually or in groups of parcels depending on the completion of improvements, if any, within an individual parcel.

Section 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:

(a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to insure the availability of the right to use the Common Areas to the Owners and the safety of a Owners on the Common Areas,

(b) 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 said Owners Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

- (c) the right of the Declarant or the Association to grant or reserve utility, drainage and other easements across the Common Areas;
- (d) the provisions of Article VIII of this Declaration.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his or her right of enjoyment to the Common Areas and facilities located thereon to the members of his or her family, his or her guests, invitees, or his or her tenants.

ARTICLE IV

THE ASSOCIATION

Section 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 of the Association.

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

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one Person owns an interest (other than a leasehold or security interest) in any Lot, all such Persons shall be Members and the voting rights appurtenant to said Lot 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.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant or Featured Builder which have not been conveyed to occupant purchasers who are not affiliated with the Declarant. Each Class B Lot shall entitle the Owner of said Lot to four (4) votes for each Class B Lot owned by it.

Section 3. Relinquishment of Control. Notwithstanding anything contained herein to the contrary, the Class B membership shall cease and be converted to the Class A membership upon the earliest to occur of (a) the date on which Declarant no longer owns any part of the Property; (b) the date Declarant shall elect, in its sole discretion, that the Class B membership shall cease and be converted to the Class A membership (which election may be made, if at all, upon Declarant giving written notice of the election to the Board); or (c) The earliest to occur of (a), (b) or (c) above shall herein be referred to as the "Turnover Date." After the Turnover Date and for so long as Declarant owns any part of the Property, Declarant shall be a Class A member.

Section 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 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. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

Section 5. Management Contract. The Association is authorized and shall engage the services of a person, firm or corporation, experienced in property management, as a Property Manager to act as managing agent of the Association at a compensation level to be established by the Board and to perform 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 without cause upon one (1) year's prior written notice to the manager without payment of a termination fee.

Section 6. Maintenance. Prior to their acceptance for public maintenance, the Roadways shall be maintained by the Association, provided that the Declarant, in its sole discretion, has the right to reimburse the Association for maintenance costs until the Roadways are accepted for maintenance by the York County Public Works Department or other governmental entity. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the Roadways shall conform to the standard of maintenance (if one is ascertainable) which would be required by the York County Public Works Department or other governmental entity before it would accept such Roadways for maintenance.

The Common Areas, together with all utilities, easements and amenities located within the Common Areas and not otherwise maintained by public entities or utilities, shall be maintained by the Association as more particularly described below:

(a) Maintenance of the Entrance Monument shall include maintenance, repair and reconstruction, when necessary, of the stone monuments, signage, irrigation, planters and lighting located thereon and providing and paying for landscaping, utility charges for irrigation and lighting of the stone monuments and signage located thereon.

(b) Maintenance of the Parking Area and Boat Storage Area shall include repair and reconstruction of the pavement and payment of the costs of lighting.

(c) All Common Areas, including, but not limited to, the Roadways (prior to Governmental acceptance for operation and maintenance), the Amenity Area, Entrance Monument, (and all improvements located thereon), shall be 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 removal and replacement of any landscaping, utilities, or improvements located thereon.

(d) Maintenance of any improvement within the Amenity Area (including, without limitation, any fencing, parking area, pool house, pool, walkways or other recreational amenity or facility located therein) shall include, but not be limited to, any

and all interior and exterior maintenance (including where necessary, repair and/or reconstruction), landscaping and payment of all utility charges related to any such improvement.

(e) 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.

Section 7. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements located on a Common Areas and the Roadways (prior to acceptance) and in order to fund unanticipated expenses of the Association or to acquire equipment or services deemed necessary or desirable by the Board of Directors. Such reserve fund shall be collected and maintained out of the Annual as hereinafter defined.

Section 8. Parking Area. Declarant may construct, and the Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, the paved Parking Area. The Parking Area shall be constructed and maintained in order to provide parking for the Owners, and may be used by Declarant and its assigns and the Owners, their families, guests and invitees, in connection with their use of the Amenity Area.

Section 9. Liability Limitations. Neither Declarant, nor any Association Member, nor the Board, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Association Member, whether or not such other Association Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association making such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost, expense, damage, liability, claims action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

ARTICLE V

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual Supplemental Annual, Special and Special Individual Assessments. The 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 Annual Assessments, Supplemental Annual Assessments, Special Assessments

and Special Individual Assessments, as hereinafter defined, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, 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 fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them, provided such assessments or charges, together with interest, costs, and reasonable attorneys' fees; shall, as set forth above, be a continuing lien upon the Lot against which such assessments or charges are made.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association against each Lot ("Annual Assessments") shall be used as follows:

(a) to repair, maintain, reconstruct (when necessary) and keep clean and free from debris the Common Areas and any improvements located thereon, including, but not limited to, the Amenity Area, Street Lights and Entrance Monuments and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping;

(b) to maintain and repair the Roadways to the standards of the maintenance (if one is ascertainable) which would be required by the York County Public Works Department or other governmental entity before it would accept such Roadway for maintenance;

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

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

(e) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws;

(f) 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, and

Section 3. Payment of Annual Assessments; Due Dates. Annual Assessments provided for herein shall commence as to each Lot on when conveyed by Declarant or Featured Builder to an Owner who is not a Featured Builder. The pro-rated share of the annual sum of \$300.00 shall be collect from the buyer and paid to the Association at the time of closing. The Annual Assessment for the calendar year beginning January 1, 2003 shall be \$300.00 per Lot, which amount shall be due and payable in full no later than January 15, 2003. Thereafter, the Annual Assessment for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Article V, Section 4, and shall be due and payable in one annual payment, such payment being due and payable no later than January 31 of each such year.

The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any calendar year at least thirty (30) days prior to January 1 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 payment due, to each Owner on or before January 5 of such calendar year. The failure of the Association to send, or of a Member to receive, such notice shall not relieve any Member of the obligation to pay Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For years following the first year of Annual Assessments and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessment each year by a maximum amount equal to the previous years Annual Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then the index most similar to the CPI (published by the United States Government indicating changes in the cost of living) shall be used. If the Annual 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 Annual 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.

(b) From and after the first year of Annual Assessments, the maximum annual assessment may be increased above the maximum amount set forth in subparagraph (a) of this Section 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).

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum set forth in Subparagraph (a) of this Section 4 (the "Maximum Annual Assessment"). If the Board of Directors shall levy less than the Maximum Annual 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 assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"). In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year other than as set forth herein.

Section 5. Special Assessments for Capital improvements. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a special assessment ("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, or (6) the reconstruction, repair or replacement of the

Common Areas, including, but not limited to, the Roadways (prior to acceptance for public maintenance), the Amenity Area or the Entrance Monument and all improvements located thereon, including fixtures and personal property related thereto. Provided, however, any such assessment must be approved by Declarant (so long as Declarant owns any part of the Property) and by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration.

Section 6. Special Individual Assessment. In addition to the Annual Assessments and Special Assessments authorized above, the Board of Directors shall have the power to levy a special assessment applicable to any particular Lot Owner ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including the Roadways (prior to acceptance for public maintenance), Amenity Area, Entrance Monument, Street Lights, Common Areas used including all improvements located thereon, whether occasioned by any act or omission of such Lot owner(s), members of such Lot Owner's family, or such Lot Owner's agents, guests, employees or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Lot Owner relative to such Lot Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws. Provided, however, 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 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 7: Assessment Rate.

(a) Subject to the exception set forth in subsection (b) below, Annual, Supplemental Annual and Special Assessments must be fixed at a uniform rate for all Lots;

(b) Annual, Supplemental Annual and Special Assessments for each Lot owned by Declarant shall be one-third (1/3) of the Annual, Supplemental Annual and Special Assessments for each other Lot in the Subdivision not owned by Declarant. Featured Builder shall pay \$125.00 for each Lot purchased at the time of purchase as a fixed rate assessment, in lieu of any other said payments.

ARTICLE VI

GENERAL ASSESSMENT PROVISIONS

Section 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

of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 2. Effect of Nonpayment of Assessments: Remedies of the Association Any Annual, Special, Special Individual, Supplemental, (or installment thereof not paid by its due date as set forth herein, or any other assessment 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 theretofore 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 interest, late payment charges, costs and reasonable attorney's 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 provided for herein by not using the Common Areas and/or such Owner's Common Boatslip, if applicable, or by abandoning such Owner's Lot.

Section 3. Subordination of the Lien to Mortgages The lien of the assessments provided for in Articles V 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 a mortgage foreclosure under any first Mortgage on a Lot or any mortgage, or any proceeding in lieu thereof however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, provided, however, that the Board of Directors may in its sole discretion determine such unpaid assessments to be an Annual, Special, Supplemental, collectable pro rata from all Owners, including the foreclosure sale purchaser. Such pro rata portions are payable by a Owners notwithstanding the fact that such pro rata portions may cause the Annual Assessment to be in excess of the-Maximum Annual Assessment 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 first Mortgage on a Lot or any mortgage.

ARTICLE VII

RESTRICTIONS

Section 1. Residential Restrictions. Each Lot shall be used exclusively for single-family, no transient residential purposes, provided, however, Declarant shall have the right to use the Lots designated from time to time by Declarant for the purpose of construction and operation of construction offices and sales/marketing offices (and for related uses) for the Development. No trade, business or business activity of any kind shall be conducted upon a Lot or any part thereof except by Declarant as described hereinabove or except with the written approval of the Board. Provided, however, the Board may permit a business or business activity to be conducted on a Lot so long as such business, in the sole discretion of the Board, does not otherwise violate the

provisions of this Declaration, does not create a disturbance and does not unduly increase traffic flow or parking congestion on the Property or in the Development. The Board may issue rules regarding permitted business activities. Leasing of a residence on a Lot shall not be considered a business or business activity.

Except those to be utilized by Declarant as described hereinabove, no structure shall be erected, placed, altered, used or permitted to remain on any Lot other than one detached single-family private Dwelling and one private Dwelling for not less than two (2) vehicles and only such other accessory structures as are approved in advance in writing by the Architectural Control Committee pursuant to the Guidelines. No Lot and no Improvements may be used for hotel or other transient residential purposes. Each lease relating to any Lot or any Improvements thereon (or any part of either thereof) must be for a term of at least six (6) months, must be in writing, and must provide that the tenant is obligated to observe and perform all of the terms and provisions hereof applicable to such Lot and/or Improvements.

Section 2. Dwelling Size. Each Dwelling shall contain not less than 1,400 square feet of enclosed heated floor area, exclusive of the areas in heated or unheated basements, vaulted ceiling areas and attics, unheated porches of any type, attached or detached garages, porte-cocheres and unheated storage areas, decks and patios.

Notwithstanding the foregoing requirements, the Architectural Control Committee shall have the right (but not the obligation), because of restrictive topography, lot dimensions or unusual site related conditions or other reasons, to allow variances from such minimum square footage requirements of up to ten percent (10%) of such minimum square footage requirements by granting a specific written variance.

No Dwelling erected upon a Lot shall contain more than two and one-half (2 1/2) stories exposed on the front above ground level, provided, however, the Architectural Control Committee shall have the right (but not the obligation), because of steep topography, unique Lot configuration or similar reasons, to allow Dwelling heights of three stories on rear and side elevations where there is an basement walk-out.

Section 3. HVAC Equipment. No air conditioning or heating equipment or apparatus shall be installed on the ground in front of or attached to any front wall, or the front one-third of either side wall, of any Dwelling on a Lot. Additionally, air conditioning and heating equipment and apparatus shall be screened from view from streets by landscape improvements, as more particularly provided in the Guidelines.

Section 4. Exterior Lighting. Exterior lighting on Lots shall be subject to the applicable requirements and limitations in the Guidelines. Night lighting of recreational facilities on Lots is not permitted.

Section 5. 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, unless otherwise approved in advance in writing by the Architectural Control Committee. 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, unless otherwise approved in advance in writing by the Architectural Control Committee. 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. 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. All fences and walls shall be erected in accordance with the provisions of the Guidelines. The restrictions described herein shall not apply to any improvements originally installed by Declarant on any Common Area.

Section 6. Signs. No sign of any kind shall be displayed on any Lot except for sign(s) provided by Declarant or approved in writing, by the Architectural Control Committee. The Architectural Control Committee shall have the power, but not the obligation, to adopt and issue from time to time sign guidelines, as part of the Guidelines, to assist the Architectural Control Committee in reviewing, and approving proposed signs to be erected on the Property. Provided, however, the foregoing, shall not act to restrict or prohibit Declarant or Featured Builder from erecting and maintaining signs and billboards advertising the Property, the Development or portions of either thereof, or for any other purpose, on any portion of the Property owned by Declarant or in the Common Areas.

Section 7. Temporary Structures: Structure Materials. No residence or building of a temporary nature, including a construction trailer, shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic or canvas tent, barn, carport, garage, utility building, storage building or other metal, fiberglass, plastic or canvas structure shall be erected on any Lot or attached to any residence. Provided, however, nothing, herein shall prohibit Declarant or a Featured Builder (subject to the prior written approval of Declarant) from erecting or moving temporary buildings onto Lots owned by Declarant to be used for storage, or for construction or sales offices.

Section 8. Utilities and Satellite Dishes. All utilities and utility connections shall be located underground, including electrical telephone and cable television lines. Transformers, electric, gas or other meters of any type, or other apparatus shall be located at the rear of the buildings constructed on Lots or, if approved by the Architectural Control Committee in writing, located elsewhere on the Lot provided they are adequately screened as required by the Architectural Control Committee in accordance with the provisions of this Declaration. Satellite Dishes shall be no larger than thirty-six inches (36") across and shall be located as required by the Architectural Control Committee.

Section 9. Erosion and Sediment controls. Prior to any earth-disturbing activity, erosion and sediment control measures shall be implemented and undertaken by the Owner or Owner's builder in accordance with the applicable provisions of the Guidelines.

Section 10. Building Envelope. No building or other Improvement on any Lot (including any stoops or porches, patios, decks, terraces, etc.) shall be erected or permitted to remain outside of the "Building Envelope" for that particular Lot as established by the Architectural Control Committee (as to each Lot, the "Building Envelope"). The Building

Envelope approved for any Lot will be available from the Architectural Control Committee on an unrecorded map. Provided, however, and notwithstanding the foregoing to the contrary, (i) docks, piers (including any, gazebos proposed to be attached thereto) and boatslips are exempt from this Building Envelope restriction, provided they are approved by the Architectural Control Committee in accordance with the applicable provisions of the Guidelines, (ii) exterior steps at the front and rear of a Dwelling may project into the setback area established by the Building Envelope up to a distance of five (5) feet, and (iii) fireplace chimney structures projecting from the side of a Dwelling may encroach no more than eighteen (18) inches into the side yard setback established by the Building Envelope. The Architectural Control Committee shall have the right in its sole discretion to make exceptions to any Building Envelope to recognize any special topography, vegetation, Lot shape or dimension, or other site-related conditions. In the event any zoning or subdivision ordinance, floodway regulation or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of such requirements shall conform thereto.

Section 11. Waste. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. During construction of Improvements on a Lot, a rubbish and debris shall be stored, and disposed of in accordance with the rules and regulations set forth in the Guidelines.

Section 12. Combination or Subdivision of Lots. Should the Owner of a Lot own an adjacent Lot(s) and desire that two (2) or more such Lots be considered as one Lot, then such Lots shall (except in connection with the payment of assessments and except as provided herein) be considered as one Lot upon the recordation in the Office of the Clerk of Court for York County, South Carolina, of an instrument by such Owner expressing such intent (such instrument to refer specifically to this section in this Declaration and to identify the Lots to be considered as one Lot, and a copy of such recorded instrument shall be promptly delivered by such owner to the Architectural Control Committee); and in each such case, Building Envelopes, setback lines, and easements reserved in this Declaration shall be adjusted accordingly by the Architectural Control Committee. No Lot shall be subdivided by sale, lease or otherwise without the prior written consent of Declarant. Provided, however, Declarant reserves the right to change the size, boundaries or dimensions of any Lot owned by Declarant for any reason.

Section 13. Restricted Activities in Common Areas. No cutting of vegetation, dumping, digging, filling, destruction or other waste shall be committed on the Common Areas. There shall be no obstruction of the Common Areas, nor shall anything be kept or stored in the Common Areas, nor shall anything be altered, or constructed or planted in, or removed from, the Common Areas, without the prior written consent of the Declarant and the Association. Each Owner shall be liable to the Association and/or Declarant for any damage to any Common Area caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, employees, or invitees. Provided, however, the provisions in this paragraph shall not apply to Declarant in connection with Declarant's construction activities on the Property.

Section 14. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the Generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause

disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any Lot, other than in enclosed garages.

Section 15. Rules of the Board. All Owners of any Lot shall abide by all, rules and regulations adopted by the Board from time to time. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association and/or Declarant for all damages and costs, including attorneys' fees.

Section 16. Entrance Monument Easement. Declarant hereby reserves a non-exclusive perpetual easement for the purpose of landscaping and maintaining the entryway and erecting and maintaining the Entrance Monument for the Subdivision or for any Phase of the Subdivision.

Declarant or the Association shall have the right to landscape and maintain the Easement Tract as an entryway to the Subdivision. Further, Declarant or the Association shall erect and maintain one or more stone monuments with an entrance sign thereon (collectively, the "Entrance Sign") bearing the name of the Development, which Entrance Sign shall be built in accordance with the applicable governmental standards for signs, and Declarant shall erect and maintain lighting for the Entrance Sign, planters and other improvements typically used for an entryway (the Easement Tract, the Entrance Sign, lighting, landscaping, irrigation and other improvements to be constructed on the Easement Tract are herein collectively referred to as the "Entrance Monument Easement" on the Map.

Section 17. Parking: Off-Water Boat Storage.

(a) No vehicles, trucks, vans, cars, trailers, construction equipment, etc. may be parked overnight on any Roadway within the Property.

(b) Commercial-use vehicles and trucks not involved with construction activity on the Property and having a carrying capacity and/or size designation greater than or equal to three-fourths (3/4th) ton, shall not be permitted to park overnight on the Roadways, driveways or otherwise within the Property, unless stored in an enclosed garage. No vehicle of any size which transports inflammnatory or explosive cargo may be kept within the Property at any time. No vehicles that are not in a condition to be normally operated or that do not have a current registration tag may be stored or situated on any Lot for more than thirty (30) days unless stored in an enclosed garage.

(c) The Owner of each Lot will be responsible for providing on such Owner's Lot a sufficient paved parking area for all vehicles normally parked and/or situated on or in regard to such Lot.

(d) No recreational vehicles or related equipment, including any boat, houseboat, trailer, motor home or "camper" vehicle may be maintained, stored or kept on any portion of the Property, except in enclosed garages or in an enclosure specifically approved for such maintenance or storage by the Architectural Control Committee.

Boats may be parked in the area designated as Boat Storage Area, wherein individual spaces shall be designated for an Owner on a first come/first served basis.

(e) No construction office trailers may be placed, erected or allowed to remain on any Lots during construction, except as approved in writing by the Architectural Control Committee. Provided, however, nothing herein shall prohibit Declarant from erecting or moving temporary buildings onto Lots owned by Declarant to be used as construction or sales offices. Other construction vehicles (trucks, vans, cars, construction equipment, equipment trailers, etc.) may be left overnight on the Property (including any Lot or Roadway) only in accordance with such rules as may be established by the Architectural Control Committee.

Section 18. Public Sewer System; No Septic Tank. Declarant shall cause to be constructed a sanitary sewer system in order to provide sanitary sewer service necessary to serve the Subdivision (the "Sewer System"). Upon its completion of the Sewer System and all mains, pipes and equipment and other personal property which is part thereof, Declarant or the association shall use reasonable good faith efforts to dedicate the Sewer System to The City of Rock Hill or other government authority. All owners are required to connect into the Sewer System for domestic sewer service. The Sewer System shall be the sole provider of sanitary sewer service to the Subdivision, and no septic tank may be installed within any Lot for the purpose of providing domestic sewer service.

Section 19. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclear unhealthy, unsightly; or unkempt condition on his or her property. No Lot shall be used, in whole or in part, for the deposit, storage or burial of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; or shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within any Lot, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Development. There shall not be maintained on any Lot any plants or animals or device or thing of any sort whose activity or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Development. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law.

Section 20. 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 Dwelling or other Improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. All construction must be completed within one (1) year after the date upon which it commenced, unless a longer time is approved by the Architectural Control Committee. Any damage to the Roadways, curbs or sidewalks or any part of any Common Area or any utility system caused by an Owner or

Ownes builder or such builder's contractors or subcontractors she be repaired by such responsible Owner Any builder of Improvements (and such builder's contractors and subcontractors) on any portion of the Property shall keep such portion of the Property free of unsightly construction debris, in accordance with the construction rules established by the Architectural Control Committee, and shall similarly keep contiguous public and private areas free from any dirt, mud, garbage, trash, or other debris which is occasioned by construction of Improvements. The Board may levy a Special Individual Assessment against an Owner's Lot to pay for the cost of repairing any damage to Roadways, curbs or sidewalks or any part of any Roadway, Common Area or utility system, to pay for the cost of cleaning public and private areas, including the Roadways, and to pay for the cost of the removal of garbage, trash or other debris, which are occasioned by the activities of an Owner or Ownes builder or such builder's contractors or subcontractors during, the construction of Improvements.

Section 21. Public Water System; No Wells. Declarant shall cause to be constructed a water system in order to provide water supplies necessary to serve the Subdivision (the "Water System"). AE 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 this Declaration, or within the Roadway rights-of- way. Upon its completion of the Water System and all mains, pipes and equipment and other personal property which is part thereof, Declarant or the Association shall use reasonable good faith efforts to dedicate the Water System to The County of York or other governmental authority. AH Owners are required to connect into the Water System for domestic water service. The Water System shall be the sole provider of water supply to the Subdivision, and no well may be dug or constructed on any Lot for the purpose of providing domestic water supply.

Section 24. Mail and Newspaper Boxes. All Mail and Newspaper Boxes shall be constructed or installed on any Lot in accordance with the applicable provisions of the Guidelines.

Section 25. Animals. No animals, livestock or poultry shall be raised, bred or kept on any portion of the Property except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided that they do not create a nuisance (in the judgment of the Board) such as, but without limitation, by noise, odor, damage or destruction of property or refuse. The number of household pets kept or maintained outside the Dwelling on a Lot shall not exceed three (3) in number, except for newborn offspring of such household pets which are all under nine (9) months in age. Dogs shall at all times whenever they are outside of a Dwelling be on a leash or otherwise confined in a manner acceptable to the Board. Animal control authorities shall be permitted to enter the Development and the Property to patrol and remove pets and wild animals. All pets shall be registered, licensed and inoculated as required by law. No fenced dog enclosure or other structure for pets may be constructed or maintained on any Lot unless the same has been approved in writing by the Architectural Control Committee.

Section 26. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of

Improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots. Each Owner shall comply with all laws, regulations, ordinances (including, without limitations applicable zoning ordinances) and other governmental rules and restrictions in regard to the Lot(s) or other portion of the Property owned by such Owner.

ARTICLE VIII

ARCHITECTURAL AND LANDSCAPE GUIDELINES

Section 1. General. Notwithstanding anything contained in this Declaration to the contrary, no Improvements, including, without limitation, site preparation on any Lot, or erection of buildings or exterior additions or alterations to any building situated upon the Property, or any landscaping or cutting of trees on any Lot shall be commenced, erected or maintained on any portion of the Property, subject to the provisions of Section 7 hereof, until: (a) the Architectural Control Committee, appointed as hereinafter provided, has approved the plans and specifications therefor and the location of such Improvements and has given its written approval for commencement of construction, all in accordance with the terms and requirements in the Guidelines; (b) the fees set forth in or contemplated in this Article IX have been paid, and (c) the contracts identified in this Article IX have been executed. The provisions of this Article IX shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any Lot or upon any of the Common Areas.

The Board may delegate to the Architectural Control Committee any powers or authority reserved or granted to the Board under this Article IX.

Section 2. Composition of Architectural Control Committee. So long as Declarant owns any Lot or other portion of the Property, the members of the Architectural Control Committee shall be appointed by Declarant. At such time as Declarant no longer owns any Lot or other portion of the Property or at such earlier date as Declarant releases its right to appoint the members of the Architectural Control Committee, the members of the Architectural Control Committee shall thereafter be appointed by the Board. The members of the Architectural Control Committee shall be appointed annually and will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the body then having the authority to appoint such members (Declarant or the Board, as the case may be). The members of the Architectural Control Committee need not be Owners of property in the Development. In the event of the death or resignation of any member of the Architectural Control Committee, the party or body then having the authority to appoint members to the Architectural Control Committee shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the party or body then having the authority to appoint such members. Notwithstanding anything contained herein to the contrary, the Architectural Control Committee shall have the right, power and authority to employ and/or use the services of any architects, engineers or other professionals as it deems necessary or advisable, in its sole

discretion to carry out the duties and obligations of the Architectural Control Committee as described in this Article IX.

Section 3. Architectural and Landscape Guidelines

(a) The Architectural Control Committee shall, from time to time, publish and promulgate architectural landscape and lake buffer guidelines (the "Architectural and Landscape Guidelines"). The Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Control Committee in reviewing plans and specifications for Improvements. The Guidelines shall also set out, among other things, the procedures for submission, review and approval of plans and specifications (for the construction of Improvements) to the Architectural Control Committee and the fees to be imposed by the Architectural Control Committee, as more specifically described in Section 8 hereof. In any event, the Guidelines shall not be binding upon the Architectural Control Committee, may be revised and amended at any time by the Architectural Control Committee, in its sole discretion, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials (for the construction of Improvements) submitted to the Architectural Control Committee for approval.

(b) The Guidelines shall also be explanatory and illustrative of the general intent of the landscape development of the Property and are intended as a guide to assist the Architectural Control Committee in reviewing plans and specifications for landscape Improvements. In addition, the Guidelines shall establish approved standards, methods and procedures for landscaping, landscape management and landscape maintenance in the Property. Such authorized standards, methods and procedures shall be utilized by Owners and their contractors and subcontractors, and the approval by the Architectural Control Committee of any landscaping, plan or other landscaping improvement in connection with landscaping on a Lot or other portion of the Property shall be based upon the conformity of such plan or improvement with the Guidelines.

(c) The Architectural Control Committee is also hereby authorized to publish and promulgate from time to time, and revise and amend at any time in its sole discretion, construction rules to be followed by Owners and builders performing work or constructing or installing Improvements (including landscape Improvements) on the Property.

(d) The Architectural Control Committee may issue and amend the Guidelines from time to time and may publish and promulgate different Guidelines for different Phases, sections or portions of the Property.

Section 4. Definition of "Improvements". The term "Improvement" or "Improvements" shall mean and include any and all man-made changes or additions to a Lot, including, but not limited to, the location, materials, size and design of all buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, antennae, satellite dishes, etc.)-storage sheds or areas, piers,

docks and boatslips, roofed structures; parking areas; fences, statuaries and fountains, pet "runs," lines and similar tethers or enclosures; landscaping (including cutting trees); hedges, mass plantings, irrigation equipment, apparatus and systems, driveways, signs, site preparation, changes in grade or slope, exterior illumination, and changes in any exterior color or shape. The definition of Improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Control Committee, provided such replacement or repair does not change exterior colors, materials, designs or appearances from that which were previously approved by the Architectural Control Committee.

Section 5. Enforcement.

(a) It is Declarant's intent that the architectural control provisions of this Declaration and any Additional Declarations are to permit control of the architectural design and landscaping and to establish quality standards for construction and construction activity in the Development and to help preserve values of properties in the Development. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Development and to Declarant, and to the values of their respective properties in the Development, a monetary measure of which harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/or to prevent any violation of the provisions contained in this Article VIII by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions. Declarant hereby specifically reserves and grants unto the Architectural Control Committee, the Board and any agent or member thereof the right of entry and inspection upon any portion of the Property for the purpose of determination by the Architectural Control Committee or the Board whether there exists any construction of any Improvement which violates the terms of any approval by the Architectural Control Committee, the terms of the Guidelines, the terms of this Declaration or any Additional Declaration, or the terms of any amendments hereto or thereto.

(b) As to nonconforming or unapproved Improvements, the Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including without limitation, the demolition and removal of any unapproved Improvements) if such Improvements were commenced or constructed in violation of this Article. In addition the Association may, but has no obligation to, cause such restoration, demolition and removal to be performed and to levy the amount of the cost thereof as a Special Individual Assessment against the Lot or portion of the Property upon which such Improvements were commenced or constructed. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of the Guidelines, the Association shall be entitled to recover court costs, attorneys' fees and expenses incurred by the Association and/or the Architectural Control Committee in connection therewith, which costs, fees and expenses may be

levied as a Special Individual Assessment against the Lot or other portion of the Property upon which such Improvement was commenced or constructed.

Section 6. Failure of the Architectural Control Committee to Act. If the Architectural Control Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof and of the Guidelines or to reject them as being inadequate or unacceptable within thirty (30) business days after receipt thereof, and provided such submittal was a full and complete submittal, in accordance with the Guidelines, of all items that were to have been submitted to the Architectural Control Committee, and provided the Architectural Control Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within ten (10) days after additional written request to act on such items is delivered to the Architectural Control Committee following the passage of such first above-described thirty (30) business day period, it shall be conclusively presumed that the Architectural Control Committee has approved such conforming plans and specifications and other submittals, EXCEPT that the Architectural Control Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration or any Additional Declaration and EXCEPT FURTHER, that the Architectural Control Committee shall not be deemed to have waived any of the requirements set forth in Section 8, Section 9 or Section 10 hereof. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally and reject or approve the balance. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials.

Section 7. Variances. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install Improvements which are at variance with restrictions, requirements or provisions of this Declaration or any Additional Declaration from which a variance is permitted, pursuant to the terms hereof or thereof. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Control Committee has not expressly and in writing approved such request within thirty (30) business days of the submission of such request. No member of the Architectural Control Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the Want of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder or under any Additional Declaration against any other Owner.

Section 8. Fees Required by the Architectural Control Committee. The Architectural Control Committee, in its sole discretion, may require that each Person submitting plans and specifications for Improvements to the Architectural Control Committee pay one or more fees to the Architectural Control Committee or to Declarant as a condition to commencement of

construction of such Improvements. Such fee(s), including the amount(s), payee and purpose(s) thereof shall be established by, and may be increased from time to time by, the Architectural Control Committee and shall be set forth in the Guidelines.

Section 9. Notices and Submittals. Notices and submittals to the Architectural Control Committee shall be in accordance with the notice provisions set forth from time to time in the Guidelines.

Section 10. Separate Committee for Changes to Existing Improvements. The Board shall have the right, power and authority, in its sole discretion, to appoint a committee separate and apart from the Architectural Control Committee to review plans and specifications for any and all renovations, changes and additions to existing Improvements located on a Lot or other portion of the Property (herein, the "Architectural Changes Committee"). Should the Board appoint such an Architectural Changes Committee, then the Architectural Control Committee shall relinquish to the Architectural Changes Committee its authority to review plans and specifications for any such changes to existing Improvements, and the Architectural Changes Committee shall be solely responsible for review and approval of the same. The composition of the Architectural Changes Committee shall be determined by the Board in its sole discretion and the procedure for submission, review and approval of plans and specifications to and by the Architectural Changes Committee shall be set forth in the Guidelines. Notwithstanding the foregoing, nothing herein shall be deemed to obligate the Board to appoint an Architectural Changes Committee, and until an Architectural Changes Committee is appointed, the Architectural Control Committee shall be responsible for reviewing and approving or disapproving all plans and specifications for renovations, changes and additions to existing Improvements in accordance with the provisions of this Article IX and the Guidelines.

Section 11. Limitation of Liability. No member of the Architectural Control Committee or the Architectural Changes Committee shall be liable for claims, causes of action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article VIII. Neither the Architectural Control Committee, nor the Architectural Changes Committee (if applicable), nor the members thereof, nor the Association, nor Declarant, nor any officers, directors, members, employees, agents or affiliates of any of them shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of or the failure to approve or disapprove of, any plans and specifications. The approval of plans and specifications by the Architectural Control Committee or the Architectural Changes Committee (if applicable) shall not be deemed or construed as a representation or warranty of the Architectural Control Committee or the Architectural Changes Committee (as the case may be), Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi governmental laws, ordinances, rules and regulations or (ii) as to the structural soundness, quality, durability, suitability, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications; and any responsibility or liability therefor is hereby disclaimed. Every person who submits plans and specifications, and every Owner, agrees

that he will not bring any action or suit against Declarant, the Association, any Association, the Architectural Control Committee, the Architectural Changes Committee (if applicable), the Board, or the officers, directors, members, employees, agents or affiliates of any of them to recover any such damages and hereby releases, demises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this Declaration, and no other person firm or entity, including without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

Section 12. Miscellaneous. Members of the Architectural Control Committee and, if applicable, the Architectural Changes Committee, in the sole discretion of the party or body appointing such members i.e., either Declarant or the Board, as the case may be) may be compensated for their services. The Association shall reimburse members of the Architectural Control Committee and the Architectural Changes Committee (if applicable) for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the Architectural Control Committee and the Architectural Changes Committee (if applicable), including those incurred in connection with the exercise of their enforcement or other powers as provided herein, shall be borne by the Association; provided, however, nothing herein shall be deemed to negate the Association's right to an award of court costs, attorneys' fees and expenses in accordance with Section 5 of this Article VIII.

ARTICLE IX

INSURANCE

Section 1. Board of Directors. The Board of Directors shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Areas, including, but not limited to the Pool Area, to the extent that the Association has assumed responsibility in the event of casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes; and

(b) Commercial general liability insurance on the common areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury and property damage; provided, should additional coverage and higher limits be available

at reasonable cost which a reasonable prudent person would obtain, the Association shall obtain such additional coverages or limits; and

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law; and

(d) Directors and officers liability coverage;

(e) Such additional insurance as the Association, in the exercise of its business judgment, determines advisable.

Section 2. Premiums: Premiums for all insurance in Section 1, above, shall be Common Expenses.

Section 3. Policy Requirements: The Association shall arrange for a periodic review of the sufficiency of its insurance coverage by one or more qualified persons, at least one of whom must be familiar with insurance replacement costs in the York County, South Carolina area. All Association policies shall provide for a certificate of insurance to be furnished to the Association.

The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense.

All insurance coverage obtained by the Association shall:

(a) be written with a company authorized to do business in South Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Association deems appropriate; and

(b) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members.

(c) contain an inflation guard endorsement; and

(d) include an agreed amount endorsement, if the policy contains a co-insurance clause; and

(e) provides that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Areas as a Member of the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Areas other than that of a Member); and

(g) include an endorsement precluding cancellation, invalidation, or suspension, or non-renewal by the insurer on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation, and allowance of a reasonable time to cure; and

(h) include an endorsement precluding cancellation, invalidation or condition to recovery under the policy on account of any act or omission of any one or more individual Owners or members of their households, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition the Association shall use reasonable efforts to secure insurance policies that provide:

(a) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(b) a waiver of the insurer's right to repair and reconstruct instead of paying cash; and

(c) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and

(d) a cross liability provision; and

(e) a provision vesting the in the Association's Board exclusive authority to adjust losses; provided, no Mortgagee having and interest in such losses may be prohibited from participating in the settlement negotiations, if any, relating to the loss.

Section 4. 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 Articles V hereof.

Section 5. Owner's Personal Property. The Association or the Declarant shall not be liable in any manner for the safekeeping or conditions of any boat or other personal property belonging to or used by any Owner or his family, guests or invitees, located on or used at the Boat Storage Area, Parking Area or other Common Areas. Further, the Association or the 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, guests or invitees located on or used at the Boat Storage Area, Parking Area or other 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 or other insurance for damage to or loss of such property. By virtue of taking title to a Lot within the Development, each Owner acknowledges that neither the Association nor Declarant has any obligation to provide any insurance for any portion of such Owner's Lot or any Dwelling or other property located thereon.

ARTICLE X

RIGHTS OF MORTGAGEES

wit: Section 1. Rights of Mortgagees. Any Mortgagee shall have the following rights, to

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

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

(c) 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 may designate in writing;

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

(e) 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

(f) to be given prompt written notice of any eminent domain or condemnation proceeding affecting the Property.

Whenever any Mortgagee desires the provisions of this Section 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.

Section 2. Books and Record. Any Mortgagee will have the right to examine the books and records of the Association during, any reasonable business hours.

Section 3. 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 immediate reimbursement therefor from the Association.

ARTICLE XII

CONDEMNATION

Declarant, in addition to any other easements granted or reserved herein, hereby reserves unto itself, its successors and assigns, and grants to the Association and any other persons or entities hereinafter set forth, the following non-exclusive easements on, upon, over, across, through and under the Property. In addition, Declarant hereby reserves unto itself, its successors and assigns, the right, on behalf of itself and the Association, to grant additional easements on, upon, over, across, through and under the Common Areas and any portion of the Property owned by Declarant as deemed to be in the best interests of and proper for the Development, including but not limited to, easements in favor of Declarant, the Association and any designees of the foregoing, the Owners, and all their family members, guests, invitees and lessees and to various governmental and quasi-governmental authorities and agencies and private concerns for the purposes and uses hereinafter specified.

Section 1. Easements and Cross-Easements on Common Areas. Declarant, for itself, its designees and the Association reserves the right to impose upon the Common Areas henceforth and from time to time such easements and cross-easements for ingress and egress, installation, maintenance, construction and repair of utilities and facilities including, but not limited to, electric power, telephone, cable television, master antenna transmission, governmental and quasi-governmental purposes, sewer, water, gas, drainage, irrigation lake access and maintenance, storm water management, lighting, television transmission garbage and waste removal, emergency services, and the like as it deems to be in the best interests of, and necessary and proper for the Development or any portion thereof.

Section 2. Use of Common Areas. Subject to any limitation or restriction set forth in this Declaration, Declarant, declares that the Common Areas are subject to a perpetual nonexclusive easement in favor of Declarant, the Association and their designees, the Owners and all their family members, guests, invitees and lessees, and appropriate governmental and quasi-governmental agencies to use the Common Areas for a proper and normal purposes including, but not limited to, ingress, egress and access for the furnishing of services and utilities and for such use of the facilities as the same are reasonably intended in accordance with the terms of this Declaration. If ingress or egress to any Lot or other portion of the Property is through any Common Area, any conveyance or encumbrance of such area is subject to this easement.

Section 3. Right-of-Way Over Roadways. 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, lessees, invitees, designees, successors and assigns, and to each Owner of a Lot, their family members, guests, invitees, successors and assigns, and to all governmental and quasi-governmental agencies and service entities having jurisdiction over the Property while engaged in their respective functions, a perpetual nonexclusive easement, license, right and privilege of passage and use, both pedestrian and vehicular, over and across the Roadways for the purpose of providing access, ingress and egress to and from, through and between the Property.

Section 4. Right of the Association and Declarant to Enter Upon the Common Area. Declarant hereby reserves for the benefit of itself, Its successors in interest and assigns, and grants to the Association and all agents, employees or other designees of Declarant or the

Association an easement for ingress, egress and access to enter upon or over the Common Areas for the purposes of inspecting any construction, proposed construction, or Improvements or fulfilling the rights, duties and responsibilities of ownership, administration maintenance and repair of Declarant or the Association, as appropriate. Such easement includes an easement in favor of the Association and Declarant to enter upon the Common Areas now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter redesignated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing contained herein shall be interpreted as imposing any obligation upon the Association or Declarant to maintain, repair, or construct Improvements which an Owner is required to maintain, construct or repair.

Section 5. Easement for Encroachments. Declarant hereby reserves, for the benefit of itself, its successors in interest and assigns, and grants to the Association, the Owners, their successors and assigns, easements for encroachments, to the extent necessary, in the event any portion of the Improvements located on any portion of the Property now or hereafter encroaches upon any of the remaining portions of the Property as a result of minor inaccuracies in survey, construction or reconstruction, or due to settlement or movement. Any easement(s) for encroachment shall include an easement(s) for the maintenance and use of the encroaching Improvements in favor of Declarant, the Association, the Owners and all their designees.

Section 6. Utility and Drainage Easement. The Property shall be subject to a easements and rights-of-way for utilities and drainage shown on the Map, including, but not limited to, those certain easements shown and designated on the Map as:

- (a) "Storm Drain Easement"; and
- (b) "Sanitary Sewer Easement."

Such easements are hereby reserved for the use of Declarant, its successors and assigns, and are hereby established for the use of the Association, its successors and assigns. Additionally, Declarant hereby reserves, for the benefit of itself its successors and assigns, and grants to the Association, its successors and assigns, a non-exclusive easement and right-of-way over, under and along a 10-foot strip of land adjacent to the front boundary line of all Lots a 5-foot strip of land adjacent to the side boundary lines of all Lots and a 5-foot strip of land adjacent to the rear boundary line of all Lots for the installation and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service, cable service, water, irrigation, sanitary sewer and drainage facilities, storm drainage and/or other utilities. Within the above-described easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may change the direction or flow of drainage channels in the easements. This reservation of easements shall not prohibit the construction of driveways, at locations approved by the Architectural Control Committee, over such easements.

Section 7. Declarant's Right to Assign Easements: Maintenance of Easement Areas. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved

by it hereunder. The areas burdened by the easements and rights-of-way reserved by Declarant on each Lot or other portion of the Property pursuant hereto, including any Improvements in such areas, which are not to be maintained by the Association or a public authority or utility, shall be maintained continuously by each Owner of such Lot or other portion of the Property, but no structures, plantings or other material shall be placed or permitted to remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Declarant and/or the Association may exercise the rights reserved in this Article for the purpose of enforcing the provisions of this Section 7. Notwithstanding the above, the Association and/or Declarant shall have the right, but not the obligation, to maintain the landscaping in the easement areas on any Lot.

Section 8. Easement Reserved for the Association and Declarant. Full rights of access, ingress and egress are hereby reserved by Declarant for itself and the Association at all times over and upon any Lot or other portion of the Property for the exercise of the easement rights described in this Article as well as the maintenance and repair rights described below and for the carrying out by Declarant or the Association of the rights, functions, duties and obligations of each hereunder; provided, that any such entry by Declarant or the Association upon any Lot or portion of the Property shall be made with the minimum inconvenience to the Owner of such property as is reasonably practical, and any damage caused as a result of the gross negligence of Declarant, the Association or their employees or agents shall be repaired by Declarant or the Association, as the case may be, at the expense of Declarant or the Association, as the case may be.

Section 9. Additional Easements. Declarant shall have the right to grant over, under, across and upon any portion of the Property owned by Declarant, and the Board shall have the authority, in its sole discretion, to grant over, under, across and upon the Common Areas, such easements, rights-of-way, licenses and other rights in accordance with or to supplement the provisions of this Declaration or as may otherwise be desirable for the development of the Development, by the execution, without further authorization, of such grants of easement or other instruments as may from time to time be necessary or desirable. Such easements may be for the use and benefit of persons who are not Association Members or Owners.

Section 10. No Merger of Easements. The easements hereby established shall not be terminated by merger or otherwise, except upon execution and recordation of an instrument specifically terminating any such easement.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. Declarant, being the developer of other subdivisions in the area of the Development, wishes to maintain a high standard in the appearance and quality of the Development. Though damages would be difficult to measure, the failure of the Owners and 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 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, covenant, reservation, lien or charge, either to restrain violation thereof or to recover damages therefor. Each Owner and the Declarant 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 hereby covenants and agrees that it shall exercise its power of enforcement hereunder in order to maintain a first class development in appearance and quality, and that it 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 the Association at law or in equity. The 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. Should Declarant go upon the Common Areas to perform maintenance and repairs for such purpose, the Association hereby agrees to reimburse Declarant in full for the cost of such maintenance and repairs, upon receipt of a statement for such cost from Declarant. 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.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. This Declaration may be amended or modified at any time and from time to time by an agreement signed by Owners holding a majority of votes appurtenant to the Lots which are then subject to this Declaration; provided, however, any amendment to this Declaration 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.

Notwithstanding anything in this Section 3 to the contrary, 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. In addition, Declarant, without obtaining the approval of any other person or entity, may make amendments or modifications hereto which are correctional in nature only and do not involve a change which materially adversely affects the rights, duties or obligations specified herein.

Section 4. Term. The covenants and restrictions of this Declaration are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of thirty (30) 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 a majority of the then Owners 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 Article VII of this Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

ARTICLE IX

TOWN HOMES AT AUTUMN COVE

Section 1. Town Homes at Autumn Cove. Town Homes at Autumn Cove is a phase of the Development included in the Total Property, and is that area designated as Town Homes at Autumn Cove wherein will be constructed approximately ninety-four (94) attached single family residences. Town Homes at Autumn Cove shall be subjected to a separate Declaration of Restrictions and Protective Covenants for Town Homes at Autumn Cove (the "Town Homes Covenants") and shall not be subject to this Declaration, except as hereinafter provided.

Section 2. Pool Area. The Common Area and facilities located or to be located therein, designated as "Pool Area", which includes the swimming pool and playground and their related facilities and equipment, shall be for the use of the Owners subject to this Declaration and the use of the Owners subject to the Town Homes Covenants, equally as to all Owners.

Section 3. Ownership of Pool Area. Declarant shall convey the Pool Area to Autumn Cove Owners Association, Inc. and Town Homes at Autumn Cove Owners Association, Inc., jointly. The rights to use and enjoy the Pool Area shall be the same as contained in Article III hereof and Article III of the Town Homes Covenants and subject to the same limitations.

Section 4. Swimming Pool Committee. Each of the Autumn Cove Owners Association, Inc. and the Town Homes at Autumn Cove Owners Association, Inc. shall appoint three (3) of its directors to be members of the "Swimming Pool Committee". One of the members from the Autumn Cove Owners Association, Inc. shall be a non-voting member during years with even dates and one member appointed from the Town Homes at Autumn Cove Owners Association, Inc. shall be a non-voting member during years with odd dates.

Section 5. Rules, Regulations and Management of the Pool Area. Declarant, or the Pool Committee if the Declarant has conveyed the Pool Areas as provided for in Section 3, above shall provide rules and regulations for the use of the Pool Area and shall further provide for the management, maintenance, construction, reconstruction, repair, replacement of the facilities in the Pool Area.

Section 6. Cost and Expenses of the Pool Area. All of the Owners of Lots in the Development, including the owners of Lots in Town Homes at Autumn Cove shall each pay a pro-rata share of the costs and expenses of the Pool Area. A portion of the assessments provided for in Article V of these covenants and Article V of the Town Homes Covenants shall be designated for the costs and expenses of the Pool Area. (If an Owner of a detached single

family dwelling is assessed \$100.00 for Pool Area, an Owner of an attached single family dwelling shall also be assessed \$100.00 for the Pool Area).

Section 3. Management Contract. The Association for Town Homes at Autumn shall engage the services of the same Property Manager as provided for in this Declaration Article IV, Section 5.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, all as of the day and year first above written.

Signed, Sealed and Delivered
In Presence of

PIEDMONT PARTNERS, a South
Carolina General Partnership

[Signature]
Witness

By [Signature]
Partner

[Signature]
Witness

STATE OF SOUTH CAROLINA

COUNTY OF York

The foregoing instrument was acknowledged before me this 27 day of March, 2008 by D. Oliphant, III, as partner of Piedmont Partners, a South Carolina partnership, on behalf of said partnership.

[Signature]
Notary Public of the State of South Carolina
My Commission Expires: 4/5/2010

[NOTARIAL SEAL]