

**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS
FOR
THE ROYAL RESERVE
(formerly known as Outback On Keowee)**

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THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS is made on the date hereinafter set forth by **THE ROYAL RESERVE, LLC**, having an office at 1409 East Washington Street, Greenville, South Carolina 29607 (the "Declarant").

WITNESSETH

WHEREAS, on or about January 11, 2001, Outback on Keowee, LLC ("Original Declarant") entered into and thereafter recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for Outback on Keowee (together with the First Amendment and the Second Amendment identified hereinafter, the "Original Declaration") in the Office of the Register of Deeds for Pickens County, South Carolina, in Deed Book 589 at Page 192, with respect to that certain subdivision described more particularly therein to be known as "Outback On Keowee"; and

WHEREAS, on or about May 30, 2001, Original Declarant entered into and thereafter recorded an Amendment To Declaration of Covenants, Conditions, Restrictions and Easements for Outback on Keowee (the "First Amendment") in the Office of the Register of Deeds for Pickens County, South Carolina in Deed Book 615 at Page 302; and

WHEREAS, on or about June 6, 2002, Original Declarant, together with the Owners of the Lots within the subdivision property, entered into and thereafter recorded a Second Amendment To Declaration of Covenants, Conditions, Restrictions and Easements for Outback on Keowee (the "Second Amendment") in the Office of the Register of Deeds for Pickens County, South Carolina in Deed Book 678 at Page 286; and

WHEREAS, on or about June 6, 2002, Original Declarant and Declarant entered into and thereafter recorded an Assignment And Assumption of Declarant's Rights (the "Assignment") recorded in the Office of the Register of Deeds for Pickens County in Deed Book 678 at Page 306, wherein and whereby Original Declarant assigned unto Declarant and Declarant assumed from Original Declarant all of Original Declarant's rights, title and interest as declarant under the Original Declaration; and

WHEREAS, Declarant now desires to effectuate certain amendments to the Original Declaration, including without limitation the change of the name of the subdivision to "The Royal Reserve", and to restate the Original Declaration, as herein amended, in a single amended and restated instrument embodied in this Declaration.

NOW THEREFORE, for and in consideration of the premises hereinafter described and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Declarant hereby declares that all of the Property (defined below) shall henceforth be held, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, and easements which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having any right,

title or interest in the title to the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

Section 1.1 "Association" shall mean and refer to The Royal Reserve Homeowners' Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

Section 1.2 "Architectural Committee" shall mean the Architectural Committee as identified in Section 5.2.

Section 1.3 "Board" shall mean and refer to the board of directors of the Association.

Section 1.4 "Common Area" shall mean and refer to (a) the Roads, inclusive of curbs and gutters, as identified as "Common Area A" on the Plat, (b) the entrance gate facilities and landscaped easement area, identified as "Common Area B" on the Plat, and (c) the boat ramp area, as identified as "Common Area C" on the Plat.

Section 1.5 "Declarant" shall mean and refer to The Royal Reserve, LLC, its successors and assigns.

Section 1.6 "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Royal Reserve, as the same may be amended, supplemented, renewed or extended from time to time in the manner herein provided.

Section 1.7 "Eligible Mortgagee" shall mean and refer to a lender holding a Mortgage that has notified the Association pursuant to Section 9.2 and has requested all rights available to it under the Association's governing documents and this Declaration.

Section 1.8 "Lot" shall mean and refer to any separately numbered plot of land shown upon the Plat.

Section 1.9 "Member" shall mean and refer to every person or entity who holds Membership with voting rights in the Association.

Section 1.10 "Mortgage" shall mean and refer to any mortgage constituting a first lien on a Lot.

Section 1.11 "Mortgagee" shall mean and refer to the owner and holder of a Mortgage at the time such term is being applied.

Section 1.12 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to a Lot, including Declarant so long as it owns a Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.13 "Plat" shall mean and refer to that certain plat of survey entitled "Final Plat of The Royal Reserve", dated September 30, 2003, prepared by Farmer & Simpson Engineers, Inc., and recorded in the Office of the Register of Deeds for Pickens County in Plat Book 484 at Page 18-19. To the extent of any inconsistency between the Plat and any prior Subdivision plat, the Plat shall be controlling.

Section 1.14 "Roads" shall mean and refer to the private roads located within the Subdivision, consisting of Royal Reserve Way (50' private road), St. Stephen Drive (30' private road), Whitney Drive (30' private road), and St. Christopher Ct. (variable width private road), all as shown on the Plat.

Section 1.15 "Property" shall mean and refer to the property shown on the Plat, including the Common Area and Lots.

Section 1.16 "Subdivision" shall mean and refer to The Royal Reserve, formerly known as the Outback on Keowee, as the same is shown on the Plat, and consisting of the Lots and the Common Area.

ARTICLE II **PROPERTY RIGHTS**

Section 2.1 Owners' Easements Of Enjoyment. Every Owner shall have a perpetual non-exclusive right and easement of use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer is signed by Owners representing two-thirds of the Association Membership, as determined in accordance with Article III, and has been recorded;

(b) the right of the Association to impose reasonable regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

(c) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money secured by a mortgage against the Common Area for the purpose of improving the Common Area and facilities thereon. No mortgage of the Common Area shall be effective unless an instrument agreeing to such mortgage of the Common Area is signed by Owners representing two-thirds of the Association Membership, as determined in accordance with Article III.

(d) the right of the Association to exchange portions of the Common Area with Declarant for substantially equal areas of the Property for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Area or any other purpose or reason.

(e) the right of the Association to make assessments described herein.

Section 2.2 Leases Of Lots. Any lease agreement between an Owner and a lessee for the lease of such Owner's Lot (including the residence thereon) shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, and the Articles of Incorporation and the By-laws of the Association, and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots shall be in writing. Other than the foregoing there is no restriction on the right of any Owner to lease his Lot.

Section 2.3 Declarant's Covenant To Convey Title To Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey and assign its rights and responsibilities to the easements described in Section 2.1 and convey to the Association fee simple title to those portions of the Common Area

that do not lie within the boundaries of any Lot at a time of Declarant's choosing after ten (10) Lots have been sold and dwellings are occupied thereon, but in no event later than January 1, 2013. The portions of the Common Area conveyed to the Association shall be free from monetary liens but subject to the easements established by this Declaration and/or depicted on the Plat. The Association shall accept the conveyance from Declarant of such Common Area pursuant to this Section. Until such time as Declarant has conveyed such portions of the Common Area to the Association, Declarant shall maintain the Common Area and improvements thereon, with the right to use the Annual Assessments and any Special Assessments collected from the Owners for such purposes.

ARTICLE III **MEMBERSHIP AND VOTING RIGHTS**

The Association shall have two classes of voting membership:

Section 3.1 **Class A.** Class A Members shall be all Owners, with the exception of Declarant. The Class A Members shall be entitled to one vote for each Lot owned, with the exception of the Owners of Lots 14, 15, and 16 who shall be entitled to two (2) votes per Lot. When more than one person holds an interest in any Lot, all such persons shall be Members but the Members shall cast a single indivisible vote for the Lot owned by them. The vote for such Lot shall be exercised as they determine, but in no event shall more than a single indivisible vote be cast with respect to any Lot.

Section 3.2 **Class B.** The B Member shall be Declarant, who shall be entitled to two (2) votes for each Lot owned, with the exception of Lots 14, 15, and 16, which (so long as the same shall be owned by Declarant) shall be entitled to three (3) votes each. The Class B membership shall cease and be converted to Class A membership on the first to happen of the following events:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) such date upon which Declarant voluntarily converts it Class B membership into Class A membership by instrument filed with the Association; or
- (c) on January 1, 2013.

ARTICLE IV **COVENANT FOR MAINTENANCE AND ASSESSMENTS**

Section 4.1 **Creation Of The Lien And Personal Obligation Of Assessments.** Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, and Declarant, for each Lot owned by it, is deemed to covenant and agree to pay (a) to the Association (or to Declarant if Declarant has not transferred the collection duty to the Association): (i) annual assessment or charges ("Annual Assessments"); (ii) special assessments for capital improvements ("Special Assessments"); and (iii) special individual assessments as more particularly described below ("Special Individual Assessments"), such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rata share of ad valorem taxes levied against the Common Area; and (ii) a pro rata share of assessments for public improvements to or for the benefit of a Common Area, (together with any late penalties therefor) if the Association shall default in the payment of either or both for a period of six (6) months as hereinafter provided. The Annual, Special and Special Individual Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon each Lot against which each assessment is

made from the date such assessment is made until the date such assessment is paid. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to such Owner's successors in title (provided such successors are bona fide third party purchasers for value with no continuing relationship with such Owner) unless expressly assumed by them.

Section 4.2 Purpose Of Assessments.

(a) The assessments levied by the Association (or Declarant) shall be used exclusively to promote the health, safety and welfare of the Owners and in particular for the improvements, management, care, maintenance and repair of facilities now or hereafter devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to:

- (1) the cost of improvements, repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, and the payment of taxes assessed against the Common Area;
- (2) the maintenance of water and sewer mains, if any, in, upon, across or beneath the Common Area;
- (3) the maintenance and support of any water system not provided, supported or maintained by any governmental or quasi-governmental entity, or water district or sub-district;
- (4) the maintenance of open space, streets, street signs, curbs, gutters, and any sanitary and storm water sewer system which has not been accepted for dedication or maintenance by a public authority or private utility company, and parking areas within the Common Area;
- (5) the procurement and maintenance of liability insurance or other insurance in accordance with the By-laws;
- (6) the improvement, maintenance and repair of the easements located on or within the Common Area, as shown on the Plat;
- (7) the maintenance of entrance ways, landscaping and lighting of the Common Area, the installation and maintenance of privacy fences, the lighting of streets (whether public or private), and the payment of Common Area charges for debris removal, garbage collection, municipal water and sewer services;
- (8) the costs associated with duties of the Architectural Committee;
- (9) the employment of attorneys, accountants, professional management companies, surveyors, engineers and other agents to assist or represent the Association when necessary;
- (10) the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, lighting, fencing, water retention and any other major expense for which the Association is responsible pursuant to the terms of this Declaration.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Property which the Association may be expressly obligated to maintain. Such reserve fund is to be established out of the Annual and Special Assessments.

(c) All monies collected by the Association (or Declarant on its behalf) shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Common Area, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-laws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the Members, no Member shall have the right to assign, hypothecate, pledge or in any manner transfer this Membership interest, except as an appurtenance to his Lot. When an Owner shall cease to be a Member by reason of the divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assessments of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Common Area.

Section 4.3 Maximum Annual Assessment. Until December 31, 2004, the maximum Annual Assessment shall be Five Hundred and no/ 100 (\$500.00) Dollars per Lot, which at Declarant's or the Board's option, may be collected quarterly, semi-annually or annually.

(a) The maximum Annual Assessment for the calendar year immediately following 2004 and for each calendar year thereafter shall be established by Declarant or the Board and may be increased by Declarant or the Board without approval by the Membership by an amount not to exceed ten percent (10%) of the maximum Annual Assessment of the previous year.

(b) The maximum Annual Assessment for the calendar year immediately following 2004 and for each calendar year thereafter may be increased without respect to Section 4.3(a) and without limit by an affirmative vote of two-thirds (2/3) of the Association Membership, determined in accordance with Article III, from Owners represented in person or by proxy, at a meeting duly called for this purpose.

Section 4.4 Special Assessments.

(a) In addition to the Annual Assessments authorized above, Declarant or the Association may levy, in any calendar year, a Special Assessment for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; provided that any such assessment shall have the assent of a two-thirds (2/3) vote of the Association Membership, as determined in accordance with Article III, from Owners represented in person or by proxy at the meeting duly called for this purpose.

(b) In addition to the Annual Assessments and the Special Assessments for capital improvements authorized above, Declarant or the Board shall have the power to levy a Special Individual Assessment applicable to any particular Lot Owner: (i) for the purpose of paying the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common

Area, whether occasioned by an act or omission of such Owner, a member of such Owner's family, or such Owner's agents, guests, employees or invitees, and not as a result of ordinary wear and tear; (ii) for the payment of actual services rendered (for example, dock or boat ramp maintenance), fines, penalties or other charges imposed against any Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the By-Laws, or any rules and regulations promulgated by the Association or Declarant pursuant to this Declaration or the By-Laws; (iii) with respect to Lots 1 through 3, for the purpose of paying all costs of maintenance, repair, reconstruction or replacement of Retaining Wall #1 and Retaining Wall #3 (as depicted on the Plat) that extend across said Lots, unless such maintenance, repair, reconstruction or replacement is occasioned by an act or omission of an Owner of one of said Lots 1 through 3, a member of such Owner's family, or such Owner's agents, guests, contractors, or invitees and not as a result of ordinary wear and tear, in which case Declarant or the Board shall have the power to levy the Special Individual Assessment against such Owner only; (iv) with respect to Lots 1 through 4, for the purpose of paying all costs of maintenance, repair, reconstruction or replacement of Retaining Wall #2 (as depicted on the Plat) that extends across said Lots, unless such maintenance, repair, reconstruction or replacement is occasioned by an act or omission of an Owner of one of said Lots 1 through 4, a member of such Owner's family, or such Owner's agents, guests, contractors, or invitees and not as a result of ordinary wear and tear, in which case Declarant or the Board shall have the power to levy the Special Individual Assessment against such Owner only; and (v) with respect to Lots 5 through 6, for the purpose of paying all costs of maintenance, repair, reconstruction or replacement of Retaining Wall #4 (as depicted on the Plat) that extends across said Lots, unless such maintenance, repair, reconstruction or replacement is occasioned by an act or omission of an Owner of either Lot 5 or Lot 6, a member of such Owner's family, or such Owner's agents, guests, contractors, or invitees and not as a result of ordinary wear and tear, in which case Declarant or the Board shall have the power to levy the Special Individual Assessment against such Owner only. The due date of any Special Individual Assessment levied pursuant to this Section 4.4(b) shall be fixed in Declarant's Letter or the Board's resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, Declarant or the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least ten (10) days prior to the date upon which such Special Individual Assessment is due.

Section 4.5 Notice And Quorum For Any Action Authorized Under Sections 4.3 And 4.4. Written notice of any meeting called for the purpose of taking any action (to the extent that a meeting is required hereby) under Section 4.3 or 4.4(a) shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies representing sixty percent (60%) of the eligible Association votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6 Rate Of Assessments. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a quarterly, semiannual or annual basis as is approved by Declarant or the Board. Special Individual Assessments shall be established, assessed and collected as described in Section 4.4(b).

Section 4.7 Date And Commencement Of Annual Assessment; Due Dates. The Annual Assessments provided for herein shall commence on the first day of the first month following the issuance of the initial written notice of assessment from Declarant to all Lot Owners, which shall set forth the amount of the initial Annual Assessment and the due date(s) of payment thereof. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year for which such Annual Assessment is issued.

Until such time as Declarant elects, at its sole option, to transfer the establishment and collection of Assessments hereunder to the Association, Declarant shall set and collect all Annual Assessments, Special Assessments and Special Individual Assessments and shall be responsible for maintaining the Common Area and performing other functions set forth in Section 4.2 above. At least thirty (30) days in advance of each Annual Assessment period, Declarant or the Board shall fix the amount of the Annual Assessment and promptly thereafter Declarant or the Board shall cause written notice thereof to be sent to every Owner. In the event Declarant or the Board shall fail to fix the amount of the Annual Assessments in advance of the Annual Assessment for any given period becoming due, the Annual Assessment fixed for the immediately preceding year shall continue in effect until a new Annual Assessment amount is fixed. The due dates shall be established by Declarant or the Board. Declarant or 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 Declarant or the Association as to the status of assessments on a Lot is binding upon Declarant or the Association as of the date of its issuance.

Section 4.8 Effect Of Nonpayment Of Assessments; Remedies Of The Association. Any Annual, Special or Special Individual Assessment not paid within thirty (30) days after its due date shall bear interest from the due date at the rate of ten (10%) percent per annum or the highest rate allowed by law, whichever is lower. Declarant or the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the Lot in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, costs and reasonable attorney's fees for representation of Declarant or the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

Section 4.9 Effect Of Default In Payment Of Ad Valorem Taxes Or Assessments For Public Improvements By Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the Subdivision shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments (including any late payments penalties) in an amount determined by dividing the total taxes and/or assessments and/or penalties due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 4.10 Subordination Of The Lien To Mortgages. The liens provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in this Article. However, the sale or transfer of any Lot which is subject to a Mortgage, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any Mortgage.

ARTICLE V **ARCHITECTURAL CONTROL**

Section 5.1 Review Of Plans And Specifications. All residences, driveways, improvements (including landscaping), fences and other structures initially constructed within the Subdivision (collectively, "Initial Improvements") shall be built in accordance with Plans (as hereinafter defined) which have been previously approved in writing by Declarant or the Architectural Committee established under Section 5.2 below. Under no circumstances shall any construction begin until such written approval has been issued by Declarant or the Architectural Committee. Other than the Initial Improvements, no building, addition, dock, boat house, boat ramp, enclosure, fence, wall, porch, deck, driveway, or any other structure or improvement (collectively "Improvements"), including, without limitation, the alteration or painting of the exterior surface of any existing Improvement or Initial Improvement shall be undertaken upon any Lot unless the plans and specifications and location of the proposed Improvement shall have been expressly approved in writing by the Architectural Committee. No subsequent alteration or modification of any existing Improvements, Initial Improvements or construction, erection or installation of additional Improvements may be undertaken or allowed to remain on any Lot without the review and express written approval of the Architectural Committee, subject to Section 5.6 below.

Section 5.2 Architectural Committee. Until such time as Declarant shall elect to transfer such function to the Board, Declarant shall annually appoint the members of the Architectural Committee, which shall be composed of at least two (2) persons. The exact number of members of the Architectural Committee and the length of their terms may be increased by Declarant or the Board, as applicable, from time to time. Declarant hereby appoints Steve P. Hamblen and Steve C. Spinks as the initial members of the Architectural Committee. Each member shall be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Property. In the event of the death or resignation of any member of the Architectural Committee, Declarant or the Board shall have full authority to designate and appoint a successor. Members of the Architectural Committee may be removed and replaced by Declarant or the Board at any time with or without cause, and without prior notice. At any time, Declarant may elect not to designate the number of and/or appoint the members of the Architectural Committee and may assign this right and responsibility in writing to the Board. In all matters of the Committee, a majority vote shall govern.

Section 5.3 Procedure. An Owner who wishes to make Initial Improvements or Improvements as defined in Section 5.1 above, shall submit to either Declarant (as long as it retains the review/approval function) or the Architectural Committee duplicate sets of building plans, specifications, plot plans and landscape plans, as applicable (the "Plans") for review. One copy of the Plans will be retained permanently by the Architectural Committee and the other set will be returned to the applicant with the notation "approved" or "disapproved" plainly noted thereon. No construction may commence until written approval is rendered. There will be a nonrefundable Three Hundred and no/100 (\$300.00) Dollars Plan review fee due and payable to Declarant or to its designee, if Declarant is reviewing the Plans or to the Association if the Architectural Committee is reviewing the Plans. The review fee must be paid prior to commencement of the review. The review will encompass at a minimum the following criteria:

- (a) quality of workmanship and materials, adequacy of site dimensions and facing of main elevation with respect to nearby streets;
- (b) conformity and harmony of the external design, color, type and appearance of exterior surfaces;

(c) location with respect to building set back lines, easements, topography, and finished grade elevation and effect of location and use on neighboring Lots and Improvements situated thereon and drainage arrangement; and

(d) other standards set forth within this Declaration or as may be set forth within bulletins promulgated by the Architectural Committee, or matters in which the Architectural Committee has been vested with the authority to render a final interpretation and decision.

The Architectural Committee is authorized to request the submission of samples of proposed construction materials. Any material modification or change to the approved Plans must again be submitted to the Architectural Committee for its inspection and approval. Once the Architectural Committee has approved the Plans for the proposed Improvements, the construction of such Improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced within the time set therefor by the Architectural Committee in the written approval (but in no event later than one (1) year after such approval), such approval shall be deemed rescinded and before construction of Improvements can thereafter be commenced on the Lot in question, the Plans therefor must again be approved by the Architectural Committee pursuant to this Article.

Section 5.4 Committee Guidance. The Architectural Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and shall carry forward the spirit and intention of this Declaration. Architectural standards bulletins or other guidelines issued by the Architectural Committee shall be used by the Architectural Committee as a guide to assist the Architectural Committee in reviewing any proposed plans, specifications and materials submitted to the Architectural Committee for approval. In any event, such architectural standards bulletins and/or guidelines may be revised and amended at any time by the Architectural Committee, in its sole discretion, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications or other materials submitted to the Architectural Committee for approval. Current copies of the architectural standards bulletins shall be available to interested persons at the principal office of the Association for a reasonable cost. Although the Architectural Committee shall not have unbridled discretion with respect to taste, design and any standards specified herein, the Architectural Committee shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

Section 5.5 Enforcement. In addition to Declarant's and the Association's rights to enforce the provisions of this Declaration as set forth in Section 10.1 of this Declaration, Declarant and the Architectural Committee shall each have the specific, nonexclusive right to enforce the provisions contained in this Article and/or to prevent any violation of the provisions contained in this Article by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained herein. In the event that the Architectural Committee, Declarant or the Association resorts to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of this Article, the Architectural Committee, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorney's fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot.

Section 5.6 Effect Of Failure To Approve Or Disapprove. If an Owner erects or permits the erection of any Improvements (which have not been approved under this Article V) on a Lot and a suit to enjoin the erection of or require the removal of such Improvements is not brought by any person or entity having standing to sue within four (4) months from the commencement of construction of such Improvements, then this Article shall be deemed to have been fully satisfied. If the Architectural Committee fails to approve or disapprove the

design of any proposed Improvements within sixty (60) days after Plans therefor have been submitted and received, approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or present inadequate information upon which the Architectural Committee can arrive at a decision. Notwithstanding the foregoing, the Architectural Committee shall have no right or power; either by action or failure to act, to waive or grant any variance relating to any mandatory requirements specified in the Declaration.

Section 5.7 Right Of Inspection. The Architectural Committee shall have the right, at its election, to enter upon any Lot during (and after) preparation, construction, erection, or installation of any Improvements to assess whether such work is being performed in conformity with the approved Plans.

Section 5.8 Limitation Of Liability. Neither the Architectural Committee, the members thereof, nor Declarant shall be liable in damages or otherwise to anyone submitting Plans and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance (except where occasioned by gross negligence or intentional conduct) arising out of services performed pursuant to this Declaration.

Section 5.9 Disclaimer. DECLARANT, THE ASSOCIATION, THE ARCHITECTURAL COMMITTEE AND EACH MEMBER THEREOF, ON BEHALF OF THEMSELVES AND THEIR AGENTS AND CONSULTANTS, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, MARKET VALUE, CONSTRUCTION COSTS OR ANY REPRESENTATION CONCERNING SAME, AND NO WARRANTIES OF ANY KIND SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS OR APPROVALS MADE OR APPROVED BY DECLARANT, THE ASSOCIATION, OR THE ARCHITECTURAL COMMITTEE AND NEITHER DECLARANT, THE ASSOCIATION, NOR THE ARCHITECTURAL COMMITTEE, OR ANY MEMBER THEREOF SHALL BE LIABLE TO ANY OWNER OR ANY OTHER PERSON ON ACCOUNT OF ANY CLAIM, LIABILITY, DAMAGE OR EXPENSE SUFFERED OR INCURRED BY OR THREATENED AGAINST ANY OWNER OR SUCH OTHER PERSON ARISING OUT OF OR IN ANY WAY RELATED TO THE SUBJECT MATTER OF ANY REVIEW, APPROVAL, ACCEPTANCE, INSPECTION, PERMISSION OR CONSENT WHICH MUST BE OBTAINED FROM DECLARANT, THE ASSOCIATION, OR THE ARCHITECTURAL COMMITTEE, WHETHER GRANTED OR DENIED.

Section 5.10 Compensation. No member of the Architectural Committee shall be entitled to compensation arising out of services performed pursuant to this Article except an architect or engineer who has been requested by Declarant or the Architectural Committee to perform a professional review of the proposed plans. The Association shall reimburse members of the Architectural Committee for reasonable out-of-pocket expenses incurred by such members in the performance of their duties as members of the Architectural Committee.

ARTICLE VI EXTERIOR MAINTENANCE

Section 6.1 Common Area. Following the transfer of the Common Area from Declarant to the Association, the Association shall maintain all components of the Common Area.

Section 6.2 Dwellings And Improvements. Each Owner shall be responsible for the maintenance of his or her dwelling and structures on such Owner's Lot. Maintenance shall include, without limitation, painting,

replacement and care of roofs; gutters, down spouts, windows, shutters, screens, exterior building surfaces, driveways, walks and other exterior improvements.

Section 6.3 Yards. Lots shall be kept in their natural condition as much as feasible, and shall not be heavily landscaped. In the event that landscaping is done by any Owner, that Owner shall maintain the landscaping as provided herein. Each Owner shall be responsible for maintaining (or seeing that a service provider maintains) his or her yard in a high quality condition and shall maintain the integrity and design of the landscaping plan approved by Declarant or the Architectural Committee. Every Owner of a vacant, unlandscaped or unimproved Lot shall keep the Lot free of debris and unsightly underbrush, and dead trees or dangerous tree limbs. All contractors shall remove all rubbish, building material wastes and trash and shall not permit any unsanitary conditions to exist on any Lot on which they are constructing a dwelling. Declarant or the Association may, from time to time, contract with a single yard maintenance service (the "Vendor") to provide periodic basic yard maintenance service for the front and side yards of each Lot. As long as Declarant or the Association elects to maintain a selected Vendor service, each Owner shall use the Vendor and the actual costs of this service shall be paid by each Owner in addition to the Annual Assessment. Owners may, but shall not be required, to use the services of the Vendor for maintenance of the back yards of Lots. Declarant or the Association at any time and from time to time may cease the selected Vendor service in which case the Owner shall maintain his or her front and side yard.

Section 6.4 Association Rights. In the event that an Owner neglects or fails to maintain his or her yard and/or the exterior of his or her dwelling in a manner consistent with other Lots and dwellings in the Subdivision, the Association may, but shall not be obligated, to provide such exterior maintenance as specified above at the Owner's sole cost and expense. However, the Association shall first give written notice to the Owner of the specific items of exterior maintenance or repair the Association intends to perform and the Owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself or herself. The determination as to whether an Owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with other Lots and dwellings in the Subdivision shall be made by the Board, in its sole discretion.

Section 6.5 Access And Reimbursement. In order to enable Declarant or the Association to accomplish the foregoing, Declarant hereby reserves for itself, the Association, and their employees, agents and independent contractors, the right and easement to unobstructed vehicular and pedestrian access over and upon each Lot at all reasonable times to perform only the exterior maintenance as provided in this Article. In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall be assessed to the Owner as a Special Individual Assessment and if such cost remains unpaid, it shall become a lien against the Lot of such Owner. Declarant, the Association, and their respective directors, officers, agents, employees, independent contractors, members and managers shall not be liable for any personal injury or property damage or other incidental or consequential damages occasioned by any act or omission in the inspection, repair or maintenance of any yard, dwelling or Lot as described in this Article VI in the absence of gross negligence or intentional misconduct.

ARTICLE VII USE RESTRICTIONS

Section 7.1 Residential Use Of Property. Except as set forth in Section 7.30 below, all Lots shall be used for single family, residential purposes only, and no business or business activity including but not limited to repair shops, daycare, nursing facilities or church congregation meetings shall be carried on or upon any Lot at any time. Nothing herein shall prevent Declarant from using any Lot owned by Declarant for the purpose of carrying on business related to the development, improvement and sale of Lots. To the extent allowed by

applicable zoning laws, Owners shall have the right to maintain private offices in dwellings located on any of the Lots so long as such use is incidental to the primary residential use of the dwelling and does not involve the conduct of business with customers, clients or others in person upon a Lot. No residence or dwelling upon a Lot shall contain less than 1800 square feet of heated space.

Section 7.2 Setbacks And Building Lines. Each Improvement and all Initial Improvements which shall be erected on any Lot shall be located within the building and setback lines for each Lot as set forth on the Plat. In no event shall any dwelling be erected and located upon any such Lot in a manner which violates the requirements and provisions of any applicable zoning ordinances and subdivision regulations.

Section 7.3 Walls And Fences. No fence or wall shall be erected, placed, or altered on any Lot unless approved in writing by Declarant or the Architectural Committee pursuant to Article V of this Declaration prior to the commencement of construction. No fence or wall shall be erected or permitted on any portion of any Lot from the front Lot line to the rear sill line of the residence. No fence shall be higher than six (6) feet. No chain link, wire or metal fences or gates shall be permitted unless approved by the Architectural Committee. Declarant or its designee shall have the absolute right to temporarily or permanently remove or relocate a section or sections of fences, irrespective of location or ownership, for the purpose of constructing a residence on an adjoining Lot or for any purpose necessary for the orderly development or maintenance of the Subdivision. Fencing which must be replaced or repaired must be done so with comparable or superior materials and design.

Section 7.4 Subdivision Or Combination Of Lots. One or more Lots or parts thereof may be subdivided and/or combined with adjacent Lots to form a single building Lot when (i) such combination is permitted by all applicable laws and regulations and (ii) such combination is approved, in writing, by the Architectural Committee. In such event, the building line requirements provided herein and those shown or noted on the Plat shall apply to such Lots as re-subdivided or combined and side line easements set forth on the Plat shall be moved to follow the new side line so that the easement would run along the newly established side line.

Section 7.5 Obstructions To View At Intersections. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

Section 7.6 Delivery Receptacles And Property Identification Markers. Delivery receptacles (including the size, location, design, numbering and lettering thereof) for mail and newspapers shall be selected by Declarant or the Architectural Committee and installed and maintained at the cost of the Owner.

Section 7.7 Use Of Temporary Structures. No structure of temporary nature, unless approved in writing by the Architectural Committee, shall be erected or allowed to remain on any Lot. No trailer, mobile home, motor home, modular home; shell home, camper, shack, tent, or other structure of a similar nature shall be used as a residence, either temporarily or permanently on any Lot. This Section shall not be construed to prevent Declarant or an Owner's contractor from using sheds, trailers or other temporary structures during construction.

Section 7.8 Completion Of Construction. Declarant and the Association shall each have the right to take appropriate legal action, whether at law or in equity, to compel the immediate completion of: (i) any initial residence not completed within one (1) year from the later of the date of the issuance of the building permit or the commencement of construction; and (ii) any Improvement or landscaping (other than any Initial Improvement) not completed in accordance with Lot development plans and specifications approved by the Architectural Committee within one (1) year from the date of such commencement.

Section 7.9 Livestock. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. Such household pets must not cause unsanitary conditions and must not constitute a nuisance, or unreasonable threat to any Owner, family member, guest, invitees or others coming into the Subdivision, including specifically, mail carriers, yard workers, delivery persons or meter readers. The number of household pets kept and maintained shall not exceed three (3) in number except for newborn offspring of such household pets which are under nine (9) months in age, unless approved in writing by the Architectural Committee. The Owner thereof shall be responsible for properly disposing of animal waste. All Owners of animals shall be responsible for any noise, nuisance, or odor that may be created. All animals must be vaccinated and licensed as required by any state and local ordinances.

Section 7.10 Offensive Activities. No noxious, offensive or illegal activities shall be carried on or allowed to exist in the streets of the Subdivision or upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots, including, but not limited to, offensive floodlights, bells, telephones, music, noise level of pets, air pollutants or surface water pollutants. The Architectural Committee shall have the right to restrict outdoor lighting and/or any noise or activity which such Committee may determine to be a nuisance to any other Owner.

Section 7.11 Signs. No temporary or permanent advertising signs or billboards shall be erected or placed on any Lot. This restriction shall not apply to: (i) signs described in Section 8.2; (ii) signs used to identify and advertise the subdivision as a whole, during the development and construction period; nor (iii) signs for selling or leasing Lots and/or houses, but only if one sign of not more than four (4) square feet is used. Any other proposed signs are subject to the prior review and written approval of the Architectural Committee. The provisions of this Article shall not apply to notices posted in connection with judicial or foreclosure sales conducted with respect to a Mortgage or to any regulatory hearings.

Section 7.12 Aesthetics, Screening, Underground Utility Service. Clotheslines, garbage cans and equipment shall be screened to conceal them from view of neighboring Lots and streets. All residential utility service and lines to residences shall be underground. There shall be no above-the-ground outdoor swimming pools or hot tubs, provided, however, this provision shall not exclude small, portable pools designed for small children.

Section 7.13 Antennae. No radio, television, data or voice transmission or reception towers or antennae shall be erected on any structure or within the Property without the prior written approval of the Architectural Committee.

Section 7.14 Trailers, Trucks, School Buses, Boats, Boat Trailers. No boats, boat trailers, house trailers, mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, junked vehicles, or vehicles on blocks shall be kept, stored or parked overnight either on any street or on any Lot, except within an area designated by the Association for such vehicles. In addition, no vehicle of any kind may be kept, stored or parked on any unpaved area of a Lot or Common Area. Notwithstanding the foregoing, passenger automobiles may be parked in driveways. The foregoing will not be interpreted, construed or applied to prevent the temporary nonrecurrent parking of any vehicle, boat or trailer for a period not to exceed 48 hours upon any Lot. Declarant may designate from time to time one or more locations within the Property upon which Owners shall have the right to park and/or store boats for their personal use and enjoyment. Vehicle parking shall not be permitted along or upon roadways within the Subdivision other than temporary passenger vehicle parking for guests and invitees of Owners and only so long as such parking does not unreasonably obstruct normal vehicular usage of such roadways.

Section 7.15 Garbage And Refuse Disposal. No Lot or street shall be used or maintained as a dumping ground for rubbish, yard trash, branches, leaves or grass clippings. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose. All incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. Declarant or the Association may contract with one garbage/trash removal service (the "Trash Removal Service") from time to time to provide periodic pickup of garbage and yard trash. As long as Declarant or the Association elects to maintain a selected Trash Removal Service, each Owner shall use such service and the costs of this service shall be paid by each Owner in addition to the Annual Assessment. Declarant or the Association at any time and from time to time may cease the selected Trash Removal Service program in which case the Owner shall arrange for the pickup and removal of his or her own garbage and yard trash. If rubbish, litter or other trash remains on any Lot in excess of fifteen (15) days, the same shall be removed by the Owner of such Lot, at the Owner's expense, upon written request of the Association. If the Owner refuses to move such trash, the Association, at its option, shall have it removed and the cost thereof shall be assessed to the Owner as a Special Individual Assessment and shall become a lien against the Lot of such Owner.

Section 7.16 Changing Elevations. No Owner shall excavate or extract earth from any Lot or Common Area for any business or commercial purpose. No elevation changes shall be permitted which materially affect the surface grade of surrounding Lots, unless approved in writing by the Architectural Committee. The foregoing restrictions shall not prohibit the grading and altering of the elevation of a Lot in connection with the construction of a residence upon such Lot in conformity with the Plans that have been approved by Declarant or the Architectural Committee.

Section 7.17 Sewage System. Sewage disposal shall be through municipal systems, private utility company or individual septic system approved by appropriate State and local agencies.

Section 7.18 Water System. Water shall be supplied through a municipal water system, private utility company, or such other water delivery system as is approved by appropriate State and local agencies.

Section 7.19 Utility Facilities. Declarant reserves the right to approve the necessary construction, installation, relocation and maintenance of utility facilities, including but not limited to water, gas, cable television service, electricity, telephone, and sanitary and storm sewage systems.

Section 7.20 Model Homes. Declarant shall have the right to construct and maintain model homes on any of the Lots. "Model Homes" shall be defined as those homes used for the purpose of inducing the sale of other homes within the Property.

Section 7.21 Driveways. All driveways shall be constructed of concrete or other substance approved in writing by the Declarant or the Architectural Committee and of a uniform quality.

Section 7.22 Waiver Of Setbacks, Building Lines And Building Requirements. Either the Declarant or the Architectural Committee may waive minor unintentional violations (ten percent (10%) or less) of the setbacks and building lines provided for in Section 7.2. Such waiver shall be in writing and recorded in the Office of the Register of Deeds for Pickens County. A document executed by Declarant or the Architectural Committee shall be, when recorded, conclusive evidence that the requirements of Section 7.2 have been complied with. The Architectural Committee may also handle violations of setback and boundary line by amending the Plat (provided the consent of any affected Owner is obtained). Nothing contained herein shall be deemed to allow Declarant or the Architectural Committee to waive violations which are enforceable by governmental authorities.

Section 7.23 Fuel Storage Tanks. All heating oil, propane, or other fuel storage tanks shall be buried underground consistent with applicable safety precautions. Each Owner shall be responsible for any dumping, leakage or spillage, and for any cleaning thereof, and shall indemnify the Association, other Members, and Declarant of all liability, expenses and causes of action resulting from such spillage or leakage.

Section 7.24 Window Air Conditioning Units. No window air conditioning unit shall be installed on any side of a residence which faces a street in the Subdivision.

Section 7.25 Clothes Lines. No clothes lines shall be allowed on any part of a Lot which is visible from a street in the Subdivision.

Section 7.26 Fireworks. No fireworks of any kind shall be used or stored on any Lot, or in the Common Area or on any portion of the Property or upon any public or private road within the Subdivision, unless prior approval is granted by the Board.

Section 7.27 Hunting And Firearms. The Subdivision and all of the Property is and shall be considered a wildlife sanctuary. Hunting of any animal or bird by any means, including but not limited to gun, rifle, pistol, bow and arrow, crossbow, dart, blowgun or other means, is prohibited. The discharge of any firearm, unless in self defense, is prohibited in the Subdivision.

Section 7.28 Boundary Pins. No property pins or other property boundary markers shall be removed by any Owner. In the event the same are removed or disturbed, it shall be the responsibility of the Owner to replace them.

Section 7.29 Conflict With Statutes Or Regulations. In the event of any conflict of the provisions hereof with any zoning ordinances or statutes or subdivision laws or regulations, which may be in effect from time to time, and which would require a more stringent or strict standard or use than required or permitted herein, then the terms, conditions and requirements of such more stringent law, statute or regulation shall apply.

Section 7.30 Company Retreat Facility. Declarant, upon obtaining all applicable governmental permits and otherwise satisfying the requirements and provisions of all applicable zoning ordinances and subdivision regulations, shall have the right but not the obligation to use all or portions of Lots 14, 15 and/or 16 for the purpose of the development and construction of a company retreat facility thereon, which Lot shall be used for purposes incidental to the operation of a company retreat facility. The restrictions set forth in Sections 7.1 and 7.2 hereof shall not be applicable to the Improvements, if any, which are erected on Lots 14, 15, and/or 16.

ARTICLE VIII EASEMENTS

Section 8.1 Utilities. Easements for installation, maintenance and removal of utilities (including but not limited to water, electricity, telephone, gas, sewer and cable television service) and drainage facilities are reserved by the Declarant as indicated on the Plat. In addition to the easements which are drawn on the Plat, the Declarant hereby reserves: (i) a ten (10) foot drainage and utilities easement along the front of all Lots outside the street right of ways; (ii) a five (5) foot drainage and utilities easement along all side and interior Lot lines; and (iii) a ten (10) foot drainage and utilities easement along all property lines which are adjacent to property outside the Subdivision. Within these easements no structures, planting or other material shall be placed or

permitted to remain which may interfere with the installation, maintenance or removal of utilities, or which may change the direction of flow of drainage channels in the drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The reservation of such easements shall include the right to cut trees and shrubs, grade swales or ditches, lay pipes and do such other things as may be reasonably necessary and required to provide necessary drainage. Declarant shall have the right to perform such work, but shall not be required to do so. The easement area of each Lot shall be maintained by the Owner of the Lot, except for those improvements for which the Association, a public authority, or a utility company is responsible. An easement is hereby established for the benefit of any public authority, utility service provider, and any other person or firm providing utility services to the Property under agreement with or at the direction of Declarant or the Association, over all such Common Area as may be reasonably necessary for the setting, removal and reading of meters, and the maintenance, replacement and removal of water, sewer and drainage facilities and for the fighting of fires and collection of garbage, if available. Declarant and the Association shall have the power and authority to grant and establish upon, over and across the Common Area such additional easements as may be necessary or desirable for the providing of service or utilities to the Common Area or Lots.

Section 8.2 Other Easements. Easements for the installation, maintenance and removal of Subdivision signs, landscaping and lighting surrounding same are reserved by Declarant, as indicated on the Plat. In addition to the easements which are drawn on the Plat, Declarant hereby reserves for itself and the Association an access easement for the purpose of maintaining all water wells identified on the Plat. Declarant reserves for itself, the Association and any public authority having responsibility for same, a perpetual non-exclusive easement consisting of a five (5) foot strip on each Lot running parallel to and tangent with the street rights of way of the roadways comprising Common Area A for the purpose of installing, maintaining and removing any street signs or traffic control signs required or permitted to be placed in the Subdivision by the Declarant or any public authority having jurisdiction over the Subdivision. Declarant shall further have the right to grant such easements as may be necessary or desirable to provide utilities, including maintenance and service easements for all such power, water, waste water, telephone, cable television, or such other utilities and services as are or may hereafter be provided to the Subdivision. Additionally, the Declarant reserves for itself an access and service easement, including the right to construct a cart path of concrete or other suitable material, along the entire waterfront of the Subdivision, which path shall not exceed ten (10) feet width, being that waterfront, more or less, along Lots #1-13.

Section 8.3 Company Retreat Lot Easements. The easements set forth in this Article VIII shall apply to Lots 14, 15 and 16; provided however, that Declarant shall have the right to modify and amend said easements by the execution and recordation of an instrument accomplishing said modification and amendment in order to accommodate the development, construction, identification, operation and maintenance of the company retreat facility, if any, to be located on Lots 14, 15 and/or 16.

Section 8.4 Retaining Wall Easements. There are hereby declared and granted perpetual exclusive easements for the benefit of Declarant and the Association upon and across those portions of Lots 1 through 6 with respect to Retaining Walls #1, 2, 3, and 4 as depicted on the Plat, which easements shall have only such width as shall be reasonably necessary to enable Declarant, the Association, or its or their agents, representatives, inspectors, and/or contractors to inspect, maintain, improve, repair, reconstruct or replace the same, and which easements shall be for the sole purpose of granting unto Declarant, the Association, and its or their agents, representatives, inspectors, and/or contractors the right and power to inspect, maintain, improve, repair, reconstruct or replace the aforesaid Retaining Walls.

Section 8.5 Binding Effect. The easements granted and reserved in this Declaration shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Property.

ARTICLE IX
RIGHTS RESERVED UNTO LENDERS

Section 9.1 Obligation Of Association To Eligible Mortgagees. So long as any Eligible Mortgagee shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Eligible Mortgagee shall have the following rights:

(a) To inspect the books and records of the Association during normal business hours and, upon request, to be furnished with at least one (1) copy of any annual financial statement and report of the Association.

(b) To be given notice by the Association of (i) the scheduling of any meeting of the membership to be held for the purpose of considering any proposed action that requires consent of a specified percentage of Eligible Mortgagees; (ii) any condemnation or casualty loss affecting the Common Areas or any portion thereof; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (iv) any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Lot encumbered by a Mortgage held by an Eligible Mortgagee, such notice to be given in writing and to be sent to the principal office of such Eligible Mortgagee, or to the place which it may designate in writing.

(c) Any decision to terminate the Association for reasons other than substantial destruction or condemnation of the Property shall require the prior written consent of Eligible Mortgagees representing at least sixty-seven percent (67%) of the votes allocated to Lots subject to Mortgages held by Eligible Mortgagees. Any amendment to the Declaration or the By-laws which changes any of the following shall require the prior written consent of Eligible Mortgagees representing at least fifty-one percent (51%) of the votes of Lots that are subject to Mortgages held by Eligible Mortgagees: (i) any alienation, release, transfer, hypothecation or other encumbrance of the Common Areas, other than those specific rights vested in the Association under Article II hereof; (ii) voting rights; (iii) assessments, assessment liens or subordination of such liens; (iv) reserves for maintenance, repair and replacement of Common Area maintained by the Association; (v) insurance or fidelity bonds; (vi) responsibility for maintenance and repairs; (vii) reallocation of interests in the Common Area or rights to their use; (viii) convertibility of Lots into Common Area; (ix) imposition of any restriction on an Owner's right to sell or transfer his Lot; (x) restoration or repair of the Common Area (after damage insured by the hazard insurance or after partial condemnation) in a manner other than as specified in this Declaration or the By-laws; (xi) any action to terminate the legal status of the Association after substantial destruction or condemnation of the Property occurs; or (xii) any provisions that expressly benefit the Eligible Mortgagees.

Section 9.2 Requirements Of Mortgagee. Whenever any Mortgagee desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Association by United States Certified Mail, Return Receipt Requested, at the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Mortgagee holds any first lien or identifying any Lot or Lots owned by such Mortgagee and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Mortgagee.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 Enforcement. Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of the Declaration, the Articles of Incorporation or the By-laws of the Association. In the event that Declarant, any Owner, the Architectural Committee, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, Architectural Committee, or the Association, as applicable, shall be entitled to recover losses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot. Failure by Declarant, the Association, the Architectural Committee, or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Declarant and the Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

Section 10.2 Severability. Invalidation of any one of the covenants or restrictions set forth in this Declaration by judgment or court order shall not affect any other provision which shall remain in full force and effect.

Section 10.3 Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date that this Declaration is recorded in the Office of the Register of Deeds for Pickens County, after which time they shall be automatically extended for successive periods of ten (10) years unless during the final year of such initial or then current renewal term the Owners of not less than seventy five percent (75%) of the Association Membership, determined in accordance with Article III, shall agree in writing to terminate this Declaration at the end of such term.. In such event, a written instrument setting forth such decision shall be recorded in the real estate records of Pickens County.

Section 10.4 Amendment.

(a) Declarant reserves and shall have the right to amend this Declaration for the purpose of resolving any ambiguity in or any inconsistency between the provisions contained herein, and to make any additional covenants, restrictions, and easements applicable to the Property which do not substantially alter or change the standards of the covenants, conditions, restrictions and easements set forth herein.

(b) Subject to the additional requirements of Section 9.1(c) (if applicable), this Declaration may be amended during the first twenty (20) year period by an instrument signed by Owners of not less than seventy-five percent (75%) of the Association Membership, determined in accordance with Article III, and thereafter by an instrument signed by Owners of not less than sixty-seven percent (67%) of the Association Membership, determined in accordance with Article III; provided, however, that at no time during which Declarant holds votes constituting seventy-five (75%) percent or more of the Association Membership, shall this Declaration be amended in such a manner as to diminish or eliminate the obligations of Declarant to pay Assessments per Lot owned by it on the same basis as all other Owners shall pay for Lots owned by them. Any amendment must be properly recorded. As long as Declarant owns any Lot in the Subdivision, no amendment shall be effective without the written consent of Declarant, which consent shall be properly recorded in order to be effective.

Section 10.5 Federal Lending Requirements. Notwithstanding Section 10.4. above, Declarant may (at Declarant's option) amend and modify this Declaration without obtaining the consent or approval of the Owners if such amendment or modification is necessary to cause this Declaration to comply with the requirements of

the Federal Housing Administration, and the Veterans Administration, Fannie Mae or other similar agency. Any such amendment must be with the consent and approval of such agency and must be properly recorded.

Section 10.6 Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and the By-laws of the Association, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and By-laws on the other, be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily result, however, Declarant intends that the provisions of this Declaration control anything in the Articles of Incorporation or By-laws to the contrary, to the extent permitted by law.

Section 10.7 Reservations Of And Assignments Of Rights By Declarant. All rights, powers, easements, and responsibilities reserved unto or to be performed by Declarant herein remain exclusively with Declarant, its successors and assigns, provided, however, Declarant may assign and/or delegate all or any part of such rights, powers, easements, and responsibilities to the Association or other persons or entities. While the Association is being organized by Declarant and Lots are being sold for construction of dwellings, Declarant may, at its sole option, reserve for itself and exercise all or any of the responsibilities and duties of the Association.

Section 10.8 Effect Of Amendment And Restatement. This Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions amends and restates the Original Declaration, is not a new undertaking, and modifies the Original Declaration only to the extent necessary to incorporate therein the terms hereof, and which Original Declaration is otherwise merged into and forms a part of this Declaration. To the extent of any inconsistency between the Original Declaration and this Declaration, the terms and provisions of this Declaration shall be controlling.

IN WITNESS WHEREOF, the undersigned, has the foregoing instrument on this 10 day of October, 2003.

Witnesses:

**THE ROYAL RESERVE, LLC, a South Carolina
limited liability company**

BY: Spinks Investments, Inc., a South Carolina
corporation

ITS: Manager

By:


Steve C. Spinks, its President



STATE OF SOUTH CAROLINA

)

)

COUNTY OF GREENVILLE

)

ACKNOWLEDGMENT

I, Laura E. Tampkin, a Notary Public in and for the County and State aforesaid, do hereby certify that Steve C. Spinks, the President of Spinks Investments, Inc., the duly authorized Manager of The Royal Reserve, LLC, a South Carolina limited liability company, the Declarant, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 10th day of October, 2003.

Laura E. Tampkin [SEAL]

Notary Public for South Carolina

My commission expires: 11-12-08 *LET*