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BOOK 689 PAGE 233

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

NORTH HARBOUR

Recorded this 16 day of April
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Oconee County, S.C.

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CONDITIONS AND RESTRICTIONS**

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**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

NORTH HARBOUR

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made this 21st day of November, 1991 by CRESCENT RESOURCES, INC. (formerly Crescent Land & Timber Corp.), a South Carolina corporation, hereinafter referred to as "Declarant".

STATEMENT OF PURPOSE

Declarant is the owner of certain property located in Oconee County, South Carolina, which is more particularly described on that certain map recorded in Plat Book A128 Page 1 in the office of the Clerk of Court for Oconee County. Declarant desires to create on the property shown on said map an exclusive residential community of single-family residences to be named NORTH HARBOUR (the "Development").

Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and enhance the value and amenities of all properties within the Development, and provide for the maintenance and upkeep of all common areas within the Development. As part of such common areas, Declarant desires to construct and provide for the maintenance and upkeep of a lighted entrance monument to be located at the entrance of the Development and to provide a lot for access to Lake Keowee and other recreational uses, which entrance monument and access lot will be for the common use and benefit of all property owners in the Development. In addition, Declarant reserves the right to construct a pier, containing boatslips, over the waters of Lake Keowee and adjoining a portion of the Development, which pier and boatslips will be for the common use and benefit of one or more of the property owners in the Development whose property does not adjoin the waters of Lake Keowee, and who acquire the right to exclusive use of a boatslip as hereinafter provided. Declarant further desires to provide for the maintenance and upkeep of such pier and boatslips.

Declarant desires to provide for a system whereby property owners in the Development will pay for the maintenance and upkeep of the common areas; provided, however, that maintenance and upkeep of the pier and boatslips will be

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paid for only by property owners in the Development whose property does not adjoin the waters of Lake Keowee and who have acquired the right to exclusive use of a boat slip as hereinafter provided. All property owners in the Development will pay for the cost of maintenance and upkeep of the common areas other than the pier and boat slips.

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, and to insure the respective property owners' enjoyment of the specific rights, privileges and easements in and 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, pursuant to the Articles of Incorporation attached hereto as Exhibit A and incorporated herein by reference, NORTH HARBOUR OWNERS' ASSOCIATION, INC., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions, said corporation to be governed by the Bylaws attached hereto as Exhibit B and incorporated herein by reference.

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, their heirs, successors and assigns.

ARTICLE I
DEFINITIONS

Section 1. "Access Lot" shall mean and refer to that certain .65 acre tract of land located in the Development which is adjacent to the Pier and which is more particularly shown and described as "Access Lot" on the Map, as well as all structures, lighting and other improvements located thereon. The Access Lot

shall be owned by the Association for the common use, benefit and enjoyment of all Lot Owners and to provide access to and from the Pier and Boatslips for all Boatslip Owners. The Access Lot is adjacent to a public right-of-way.

Section 2. "Approved Builder" shall mean and refer to one or more persons or companies, in the business of building and selling homes to individuals, selected by Declarant to buy Lots and construct homes for sale in the Development.

Section 3. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for the Association attached as Exhibit A hereto and incorporated herein by reference.

Section 4. "Association" shall mean and refer to NORTH HARBOUR OWNERS' ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 5. "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 6. "Boatslips" shall mean and refer to those certain six (6) boatslips located within the Pier which may be constructed over the waters of Lake Keowee, which Boatslips are designated as Boatslips A through F on Exhibit C attached hereto and incorporated herein by reference, together with any additional boatslips Declarant may cause to be constructed and which Boatslips are more particularly addressed in Article V, Section 8 of this Declaration.

Section 7. "Boatslip Lot" shall mean and refer to any Non-Waterfront Lot which has as an appurtenance to such Lot, the right to use a Boatslip, whether acquired by deed from Declarant or other conveyance, as more particularly addressed in Article V, Section 8 of this Declaration.

Section 8. "Bylaws" shall mean and refer to the Bylaws for the Association attached as Exhibit B hereto and incorporated herein by reference.

Section 9. "Common Area" or "Common Areas" shall mean and refer to the Easement Tract, Entrance Monument, Natural Area, Landscaped Median, Pier, Boatslips Access Lot, and any other property shown and designated on the Map as "Common Area", collectively. The Common Areas shall be owned by the Association (except for the Easement Tract, over which the Association shall own easements) for the common use, benefit and enjoyment of the Owners; provided, however that only the Owners of Boatslip Lots shall be entitled to the use, benefit and enjoyment of the Pier and Boatslips, subject to individual Boatslip Lot Owners' exclusive rights to use specified Boatslips.

Section 10. "Declarant" shall mean and refer to Crescent Resources, Inc., its successors and assigns.

Section 11. "Development" shall mean and refer to North Harbour, a single-family residential development proposed to be developed on the Property by Declarant.

Section 12. "Entrance Monument" shall mean and refer to the stone monument, entrance sign located on such monument, lighting, landscaping and other improvements to be constructed on the Easement Tract, to be used for an entryway for the Subdivision and for the purposes set forth in said Article III, Section 9.

Section 13. "Easement Tract" shall mean and refer to the easement area reserved and granted by Declarant in Article III, Section 9 hereof, over a portion of Lot 10 of the Subdivision, as shown and designated as Sign Easement" on the Map.

Section 14. "Landscaped Median" shall mean and refer to the landscaped median and any improvements thereon hereby reserved for the common use and benefit of all Owners, as shown and designated as "Landscaped Median" on the Map, and more particularly addressed in Article V, Section 6.

Section 15. "Lot" or "Lots" shall mean and refer to the separately numbered parcels depicted on the Map, which Lots do not include the Common Area.

Section 16. "Map" shall mean and refer to the map of North Harbour recorded in Plat Book ____, Page ____ in the office of the Clerk of Court for Oconee County, South Carolina, as such may be revised and re-recorded by Declarant from time to time.

Section 17. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 18. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 19. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 20. "Natural Area" shall mean and refer to the natural area hereby reserved by Declarant for the common use and benefit of all Owners, as shown and designated as "Natural Area" on the Map, and more particularly addressed in Article V, Section 6.

Section 21. "Non-Waterfront Lots" shall mean and refer to those Lots in the Development which do not adjoin the waters of Lake Keowee (or in the case of Lot 6, such waters may be unnavigable), which Non-Waterfront Lots are Lots 1 through 6 and 18, as shown on the Map.

Section 22. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including the Declarant if it owns any Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 23. "Pier" shall mean and refer to that certain pier or piers, containing the Boatslips, which may be constructed over the waters of Lake Keowee, which Pier adjoins the Development at the Access Lot and which Pier is shown on Exhibit C attached hereto and incorporated herein by reference and is more particularly addressed in Article V, Section 8 of this Declaration.

Section 24. "Property" shall mean and refer to the property shown on the Map, exclusive of the public rights-of-way shown on the Map, which Property includes the Lots and the Common Areas.

Section 25. "Public Roads" shall mean and refer to all roads and cul-de-sacs in the Subdivision and shown on the Map, all to be dedicated for public use and accepted for public maintenance by the County of Oconee Public Works Department upon completion thereof.

Section 26. "Subdivision" shall mean and refer to North Harbour Subdivision, as the same is shown on the Map.

Section 27. "Undesignated Boatslip" shall mean and refer to any Boatslip which is not designated as an appurtenance to a Boatslip Lot, and is more particularly addressed in Article V, Section 8 of this Declaration.

Section 28. "Waterfront Lots" shall mean and refer to those Lots in the Development which adjoin the waters of Lake Keowee, which Waterfront Lots are Lots 6 through 17 and 19 through 36, as shown on the Map.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

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

ARTICLE III
RESTRICTIONS

Section 1. Land Use, Building Type and Docks. All Lots in the Subdivision shall be known and described as residential lots and shall be used only for private residential and recreational purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for use as a single family residential dwelling, unless otherwise provided herein, and only one single-family residential dwelling not exceeding 2½ stories in height above ground shall be erected or permitted to remain upon any Lot. No mobile home, modular home or shell home may be erected or permitted to remain on any Lot. A private garage (not exceeding three car capacity), outbuildings and fixed piers and floating boat dock facilities incidental to the residential use of the Lot are expressly permitted upon the condition that they are not rented, leased nor otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No garage or outbuildings shall at any time be used as a residence and no enclosed boat houses or two level piers are permitted. Piers, docks and boathouses shall be subject to approval by Duke Power Company and/or any governmental entity having jurisdiction at the time such improvements are made. Any ownership or leasing arrangement for a Lot meeting the definition of a "vacation time sharing ownership plan" or a "vacation time sharing lease plan", as defined in §27-32-10 S.C. Code of Laws, 1976, as amended, is hereby prohibited.

Section 2. Dwelling Size. The square footage requirements hereinafter set forth are enclosed heated floor area and are exclusive of the area in unfinished basements, unheated porches of any type, attached or detached garages, carports, and unheated storage areas, decks or patios.

(a) For Waterfront Lots: Any one story dwelling erected upon any Waterfront Lot shall contain not less than 1600 square feet; any 1½ story or bi-level or tri-level dwelling shall contain not less than 1800 square feet with at least 1000 square feet on the first floor in 1½ story dwellings, 1000 square feet on the main floor of bi-level dwellings, and 1000 square feet in the upper two floors of tri-level dwellings; any 2 or 2½ story dwelling shall contain not less than 1800 square feet and the first floor shall contain not less than 1000 square feet.

(b) For Non-Waterfront Lots: Any one story dwelling erected upon any Non-Waterfront Lot shall contain not less than 1400 square feet; any 1½ story or bi-level or tri-level dwelling shall contain not less than 1600 square feet with at least 1000 square feet on the first floor in

1½ story dwellings, 1000 square feet on the main floor of bi-level dwellings, and 1000 square feet in the upper two floors of tri-level dwellings; any 2 or 2½ story dwelling shall contain not less than 1600 square feet and the first floor shall contain not less than 1000 square feet.

Section 3. Building Construction and Quality. All buildings and outbuildings erected upon any Lot shall be constructed of new material of good grade, quality and appearance and shall be constructed in a proper, workmanlike manner. No single-family residential dwelling costing less than \$50,000.00 (in terms of 1992 dollar value) shall be permitted on any Lot. No building shall be erected unless it is completely underpinned with a solid brick or brick, stone or stucco covered block foundation. The exterior surface of any building shall not be of asbestos shingle siding, imitation brick or stoneroll siding, or exposed concrete or cement blocks. The exterior surface of any garage, outbuilding or appurtenant structure or building erected on or located on any Lot shall be aesthetically compatible with, and of material and construction comparable in cost and design to, the exterior surface of the dwelling located on said Lot. All buildings shall have roofs (except for dormers) of not less than 6 in 12 pitch and not less than 12 inch overhang, covered with slate, cedar shakes, tile or fiberglass shingles. Tin or rolled roofing material is not permitted. The exterior of all houses and other structures must be completed within one (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or natural calamities.

Section 4. Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic 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.

Section 5. Building Setback Lines. No building on any Lot (including any stoops or porches) shall be erected or permitted to remain within the front (street right-of-way), rear, side or side abutting right-of-way (for a corner Lot) building setback lines as shown and/or noted on the Map. Notwithstanding any rear setback restriction noted on the Map, no building shall be erected or permitted to remain nearer than fifty (50) feet to the rear (waterside) lot line of any Waterfront Lot. In the event any zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of that zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation shall conform to said requirements.

Section 6. Minor Setback Violations. In the event of the unintentional violation of any of the building setback covenants set forth above, in the amount of ten percent (10%) or less of the setback covenant in question, Declarant reserves the right, but is not obligated, to waive in writing such violation of the setback covenants upon agreement of the Owner of the Lot upon which the violation occurs, provided that such change is not in violation of any zoning or subdivision ordinance or other applicable law or regulation.

Section 7. Combination or Subdivision of Lots. Should the Owner of a numbered parcel on the Map combine with portions of or all of another numbered parcel, the aggregate shall be considered as one Lot for the purpose of these covenants. No Lot shall be subdivided by sale or otherwise so as to reduce the Lot area shown on the Map. Notwithstanding the foregoing, Declarant reserves the right to change the boundaries or dimensions of any Lots still owned by Declarant as may be needed to meet septic system requirements or for any other reason.

Section 8. Utility Easements. Easements for the installation and maintenance of utilities (electricity, septic, sewer, water, gas, telephone, cable t.v., etc.) and drainage facilities are reserved over the front and rear ten (10) feet of each Lot and the Access Lot. A drainage and utility easement five (5) feet in width is reserved along each side lot line of each Lot and the Access Lot. Additional drainage easements and utility easements are reserved as more particularly shown and delineated on the Map and in other recorded easement documents. Within said easements so reserved, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may interfere with drainage and the flow of water within the easement areas. The Owner of each Lot shall maintain that portion of said Lot lying within the easement areas as defined herein and shall maintain such improvements as may be located thereon except those improvements installed and maintained by a public authority or utility company. Declarant reserves the right to create and impose additional easements over any unsold Lot or Lots for street drainage, utility and entry signage installation purposes by the recording of appropriate instruments, and such shall not be construed to invalidate any of these covenants.

Section 9. Entrance Monument Easements. Non-exclusive perpetual easements for the purposes of creating and maintaining the Entrance Monument are hereby reserved by Declarant for itself, its successors in interest and assigns, and granted to the Association, over the Easement Tract, the location of which easements is shown and designated as Sign Easement" on the Map.

Declarant and/or the Association shall have the right to erect, landscape and maintain the Entrance Monument as an entryway to the Subdivision, together with an entrance sign thereon bearing the name of the Subdivision and of the Declarant, which entrance sign shall be built to the applicable governmental standards for signs, and to erect and maintain lighting for the entrance sign, planters and other improvements typically used for an entryway. Declarant and/or the Association shall have the right to go upon the Easement Tract in order to erect, repair and maintain the Entrance Monument, including the landscaping thereof and the erection and maintenance of the entrance sign, lighting, planters and landscaping thereon.

The Association shall be responsible for repairing and maintaining the Entrance Monument, including the maintenance of the signage, planters and lighting located thereon, shall provide and pay for the lighting of the signage located thereon, shall keep the Entrance Monument clean and free from debris and shall maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping.

Section 10. Fences and Walls. Fences and walls may be constructed of wood, brick or stone. Chain link or other metal fencing is not permitted, except that 2" x 4" metal mesh may be used with split rail fencing to contain animals or children within rear or sideyards. 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. No fences or walls greater than six (6) feet in height are permitted.

No fence or wall facing the street shall be erected on a Lot nearer the street right of way line than the front face of the dwelling located on such Lot, except when wood split-rail or no higher than 30" in height. In the case of a corner Lot, no sideyard fence or wall shall be erected nearer the street right of way line than the side of the dwelling located on such Lot, except when wood-split rail or no higher than 30" in height.

Section 11. Signs. No signs of any kind shall be displayed to the public view on any Lot with the following exceptions which may not exceed five square feet in size: (a) one sign advertising the property for sale or rent; and (b) one sign used by a builder to advertise the property during the construction and sales period; and (c) temporary political signs. These signage restrictions shall never apply to the following installed by Declarant or its agents prior to the

sellout of the Subdivision: permanent entry signs, temporary entry signs or advertising signs, and for sale signs.

Section 12. Antennas; Satellite Dishes or Discs. No freestanding radio or television transmission or reception towers, antennas or discs shall be erected or maintained closer than 75 feet to the boundary line of Lake Keowee, or within the front or side yard setback of any Lot. Customary roof-mounted antennas which may extend not more than ten (10) feet above the highest roof line ridge of the house are permitted.

Section 13. Lot Maintenance; Trash Disposal. Each Owner shall keep his Lot in a clean and orderly condition and shall keep the improvements thereon in a suitable state of painting and repair, promptly repairing any damage thereto by fire or other casualty. No clothesline may be erected or maintained on any Lot other than a clothesline located directly behind and within thirty (30) feet of the residence and not within the fifty (50) foot waterfront setback. No Lot shall be used in whole or in part for storage of trash of any character whatsoever and no trash, rubbish, stored materials or similar unsightly items shall be allowed to remain on any Lot outside of an enclosed structure, except when temporarily placed in closed, sanitary containers pending collection by trash collection authorities or companies.

Section 14. Offstreet Parking. Each Lot Owner shall provide a concrete or asphalt driveway which provides space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on the Lot. No truck or commercial vehicle in excess of one-ton load capacity or any vehicle under repair, or any wrecked or junked motor vehicle shall be parked upon or permitted to remain on any Lot, the Access Lot or on the street in front of any Lot. No trailer, mobile home, recreational vehicle, camper or boat shall be used as a residence, either temporarily or permanently, or be parked upon or be permitted to remain on the Access Lot for any period of time, or on any Lot for a period exceeding 24 hours unless it is parked off the street and not within the front or side yard setbacks of the Lot. All automobiles, trucks and other vehicles described above must have a current license plate affixed unless parked in an enclosed garage. No automobile, truck or any other vehicle shall be parked upon or permitted to remain on the Access Lot.

Section 15. Sewage Disposal. Every dwelling unit erected on any Lot shall be served by an approved septic system for the disposal of sewage, or connected to a private or public sewage disposal system. All septic systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction.

Section 16. Public Water System; No Wells. Declarant shall construct a water system in order to provide water supplies necessary to serve the Subdivision (the "Water System"). All water mains and pipes and other equipment necessary for the operation and maintenance of the Water System shall be located within the Utility Easements described in Section 8 of this Article III, or within public road rights-of-way. Upon its completion, the Water System and all mains, pipes, equipment and other personal property which is part thereof, shall become the property of the Seneca Light and Water Department, a public utility company duly licensed and operating under the authority granted by the South Carolina Department of Health and Environmental Control. The Water System shall be the sole provider of water supplies to the Subdivision, and no well may be dug or constructed on any Lot for the purpose of providing domestic water supply.

Section 17. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or in any residential dwelling or outbuilding, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No substance, thing or material shall be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or in any residential dwelling or outbuilding except that dogs, cats, or other household pets may be kept or maintained provided they are not kept, bred, or maintained for commercial purposes. The number of household pets kept or maintained shall not exceed three (3) in number except for newborn offspring of such household pets which are under nine (9) months in age.

Section 18. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed houses or other improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. No construction materials of any kind may be stored within forty-five (45) feet of the street curb. Any damage to any street, curb or sidewalk or any part of any Common Area or any utility system caused by the Owner or the Owner's builder shall be repaired by such responsible Owner. The Owner of each Lot shall at all times keep contiguous public and private areas free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of improvements on such Owner's Lot. Declarant may provide for the cleaning of public and private areas due to the activities of the Owner or Owner's builder and may assess the Owner a reasonable charge not to exceed the actual cost for such cleaning. Each Owner's builder shall, consistent with

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standard construction practices, keep all portions of the Lot free of unsightly construction debris and shall at all times during construction either provide dumpsters for the containment of garbage, trash or other debris which is occasioned by construction of improvements on a Lot, or take other measures consistent with standard construction practices necessary to keep the Lot free of such garbage, trash, or other debris.

Section 19. Removal of Trees and Other Vegetation. All trees, shrubs and ground cover within the 50' waterfront setback are considered to be "protected" vegetation in that cutting and clearing generally is not permitted therein without the prior written consent of Declarant or the Board of Directors. The practical exceptions to this rule are that dead or diseased trees may be removed, poisonous plants may be removed, underbrush may be selectively cleared, understory may be thinned to provide better views, individual trees may be limbed up, and grass or ground covers may be planted.

Declarant and/or the Association shall have the authority but not the obligation, in their sole discretion, to assess penalties against an Owner who cuts, damages, or removes any trees, shrubs or other vegetation on its Lot or any other Lot or Common Area contrary to the above provisions.

The penalties set out in this Section 19 shall be considered assessments against the respective Owner's Lot, entitling the Association to the assessment collection remedies specified in Article VIII of this Declaration.

Section 20. Marine Toilets. No water craft equipped with a marine toilet having a fixed or portable holding tank, or a through hull or overboard discharge toilet, shall be permitted at the Pier, Boatslips or Access Lot.

ARTICLE IV

PROPERTY RIGHTS IN COMMON AREAS

Section 1. Ownership of Common Area. Declarant shall convey the Common Areas to the Association. 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.

Section 2. Owners' Rights to Use and Enjoy Common Area. Each Lot Owner shall have the non-exclusive easement and right to use and enjoy the Common Areas other than the Pier and Boatslips and each Boatslip Lot Owner shall have the non-exclusive easement and right to use and enjoy the Pier and Boatslips, all of which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

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

(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 the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Declarant or the Association to grant utility, drainage and other easements across the Common Area;

(d) The rights and easements herein reserved by Declarant to go upon the Common Area in order to repair and maintain the Common Area and for any other purpose required or permitted hereunder; and

(e) the provisions of Article V, Section 8 below.

Only Boatslip Lot Owners shall have the right to use the Pier and Boatslips. Each Boatslip may only be used by the Owner(s) of the Boatslip Lot to which such Boatslip is designated, their families, guests and invitees.

Section 3. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Areas (other than the Pier and Boatslips) and facilities located thereon to the members of his family, his guests, or his invitees. Any Boatslip Lot Owner may delegate his right of enjoyment to the Pier and Boatslips and facilities located thereon to the members of his family, his guests, or his invitees.

ARTICLE V

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.

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 an Approved Builder which have not been conveyed to purchasers who are not affiliated with the Declarant. The Declarant and any Approved Builder shall be entitled to four (4) votes for each Class B Lot owned by either of them.

Section 3. Relinquishment of Control. Upon the expiration of five (5) full years after the registration of this Declaration, all of the Class B Lots shall automatically convert to Class A Lots, unless Declarant, in its sole discretion, elects to convert all of the Class B Lots to Class A Lots at an earlier time.

Section 4. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Common Area as well as its own books, records, and financial statements available for inspection by all Lot Owners, Mortgagees holding Mortgages on Lots 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 Contracts. The Association is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation to be established by the Board of Directors 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 with or without cause upon ninety (90) days' prior written notice to the manager without payment of a termination fee.

Section 6. Maintenance. The Access Lot, Entrance Monument, Landscaped Median and Natural Area, being of benefit to all Lots, and the Pier and Boatslips, being of benefit to all Boatslip Lots, shall be maintained exclusively by the Association. Maintenance for the Entrance Monument shall

include repair and maintenance of the stone monument, signage, irrigation, planters and lighting located thereon and paying for the electrical cost of lighting and irrigation of the stone monument, landscaping and signage located thereon. Maintenance of the Landscaped Median shall include repair and maintenance of the concrete curbing and landscaping, as well as any irrigation, planters, lighting or other improvements located thereon and paying for the electrical cost of lighting and irrigating same. Maintenance of the Natural Area shall be only to the extent necessary to remove unreasonable debris and prevent unreasonable hazards thereon and shall include no improvements otherwise. Maintenance for the Pier and Boatslips shall include the maintenance, repair and reconstruction, where necessary, of the Pier and Boatslips, including all lighting and other fixtures, poles, wires, railings and other facilities located thereon and providing and paying for the lighting thereof. Maintenance for the Access Lot shall include repair and maintenance of any structures and walkways located thereon, as well as providing, maintaining and paying for the lighting thereof to the extent necessary for the safety and enjoyment of the users thereof. The Association shall also maintain all utilities and all storm and drainage easements located within the Common Area, together with common amenities located within the Common Area not maintained by public entities or utilities.

The Association shall not be responsible for the maintenance of any Lots or the improvements within the boundaries thereof. The Owners shall be responsible for same.

Section 7. Reserve Fund. The Association shall establish and maintain adequate and separate reserve funds for the periodic maintenance, repair and replacement of the Pier and Boatslips 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 Boatslip Assessments, as hereinafter defined, as set forth in Article VII, Section 2(k) of this Declaration.

Section 8. Pier and Boatslips. The Association shall own, maintain, repair and, if destroyed, replace, as a common expense of the Association, the Pier and Boatslips constructed over Lake Keowee and attached to and adjoining the Development at the Access Lot; provided, however, that the maintenance, repair and replacement costs of the Pier and Boatslips shall be assessed against only the Owners of Boatslip Lots, as set forth in Article VII of this Declaration.

Declarant shall have the exclusive right to construct some or all of the Pier and Boatslips in approximately the locations shown on Exhibit C, and to transfer this right to construct to Approved Builders.

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In the initial deeds of the Non-Waterfront Lots or by other conveyance instruments, such as supplemental declarations, Declarant may designate by letter designation one Boatslip as an appurtenance to each Non-Waterfront Lot conveyed and such Non-Waterfront Lot shall be deemed a Boatslip Lot. Such deed(s) or other conveyance instrument(s) shall provide that the grantee is granted the exclusive right to use such Boatslip. Except as provided in the following sentence, once designated in such initial deed(s) or other conveyance instrument(s), the exclusive right to use a particular Boatslip shall not be separated from ownership, but rather shall run with the title to the Boatslip Lot to which the Boatslip is designated as an appurtenance; any deed, deed of trust, mortgage, transfer or other conveyance of such Boatslip Lot shall also transfer or convey the right to use the Boatslip appurtenant thereto, even if not expressly included therein. Provided, the right to use a particular Boatslip may be conveyed by recorded instrument to the Owner of, and may be made an appurtenance to any one of the Boatslip Lots or Non-Waterfront Lots in which case the right to use that Boatslip shall then run with the title to such Lot and such other Lot shall thereafter be (or remain) a Boatslip Lot. A Boatslip may not be conveyed or leased other than to an Owner of a Non-Waterfront Lot; provided however, Declarant (and only Declarant) may convey any Undesignated Boatslip to the Association. Declarant shall have the right to use and shall have the obligation to pay Boatslip and Special Boatslip Assessments on any Boatslip constructed yet not conveyed by Declarant, subject to the provisions of Article VII, Section 6 hereof.

In the event Declarant conveys any Undesignated Boatslip to the Association, such Undesignated Boatslip shall be owned by the Association for the common use and enjoyment only of the Owners of Boatslip Lots, their families, guests and invitees, for the purpose of temporarily docking boats, and may not be leased by the Association to, or used by, any other party or the public. No boat or other recreational vehicle shall be permitted to remain overnight in any Undesignated Boatslip.

The use of the Pier and Boatslips is and shall be subject to each of the following:

- (a) Rules and regulations for use promulgated by the Association;
- (b) All laws, statutes, ordinances and regulations of all federal, state and local governmental bodies having jurisdiction thereon; and
- (c) Rules and regulations for use by Duke Power Company, its successors and assigns.

Access for the Boatslip Lot Owners to and from the Pier and Boatslips shall be over and across the Access Lot.

The Board of Directors, pursuant to the Bylaws attached hereto as Exhibit B, shall adopt rules and regulations governing the use of the Pier and Boatslips and the personal conduct thereon of the Boatslip Lot Owners and their families, guests and invitees. Should Boatslip Lot Owners desire to amend such rules and regulations, then a meeting of the Boatslip Lot Owners may be called and held, in accordance with Article III of the Bylaws, for the purpose of voting to amend such rules and regulations. If such a meeting is duly called and held, the Boatslip Lot Owners may direct the Board of Directors to make such amendments to the rules and regulations governing the use of the Pier and Boatslips, including additions to and deletions of portions of such rules and regulations, as are approved by a vote of the Boatslip Lot Owners, in accordance with Article III of the Bylaws.

Section 9. Maintenance of Public Roads. Upon completion, the Public Roads shall be accepted for public maintenance by the Oconee County Public Works Department.

ARTICLE VI

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual and Special 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 agree to pay to the Association Annual Assessments and Special 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.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association against each Lot ("Annual Assessments") shall be used for the following purposes, none of which shall include the Pier or the Boatslips:

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- (a) to repair and maintain the Access Lot, Entrance Monument and Landscaped Median, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping on the Landscaped Median and Access Lot, if any, and the Entrance Monument, and to provide and pay for electrical and water costs of irrigation and lighting of the signage located thereon;
- (b) to keep the Access Lot, Entrance Monument and Landscaped Median clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;
- (c) to keep the Natural Area free from unreasonable debris and hazards;
- (d) to pay any ad valorem taxes levied against the Common Areas other than the Pier or Boatslips;
- (e) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws, except for such insurance carried specifically in connection with the Pier and Boatslips;
- (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, except for such fees incurred specifically in connection with the Pier and Boatslips;
- (g) to maintain any and all drainage pipes, inlets, basins, ditches, swales and other facilities installed upon the Access Lot;
- (h) to maintain, repair and reconstruct, when necessary, any and all structures, lighting fixtures, poles, wires, railings and other facilities located upon the Access Lot;
- (i) to provide and pay for lighting of the Access Lot, to the extent necessary for the safety and enjoyment of the users thereof;
- (j) to keep the Access Lot clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping on the Access Lot in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping; and

(k) to provide any other service which the Association is authorized to provide.

Section 3. Payment of Annual Assessments; Due Dates.

The Annual Assessments provided for herein shall commence as to each Lot on January 1, 1993. The Annual Assessments for the calendar year beginning January 1, 1993 shall be Two Hundred Sixty Dollars (\$260.00) per Lot, one-half (1/2) of which amount shall be due and payable no later than January 31, 1993, and the remaining one-half (1/2) of which amount shall be due and payable no later than July 31, 1993. The Annual Assessments for each and every year beginning each January 1 thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VI, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, 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 year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the first installment due, to each Owner on or before January 1 of such year. In addition, the Association shall send written notice that the second Annual Assessment installment is due and the amount of such installment to each Owner on or before July 1 of each year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For calendar years beginning January 1, 1994 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessments each year by a maximum amount equal to the previous year's Annual Assessments times the greater of (1) ten percent (10%), or (2) 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 there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. 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 January 1, 1994, the Annual Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (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.

Section 5. Special Assessments for Capital Improvements.

In addition to the Annual Assessments 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 any construction, reconstruction, repair or replacement of the Entrance Monument and the Landscaped Median, and any capital improvements located on the Access Lot, including fixtures and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

Section 6. Assessment Rate.

(a) With the exceptions set forth in Subsection (b) below, both Annual and Special Annual Assessments must be fixed at a uniform rate for all Lots; and

(b) Annual and Special Annual Assessments for each Lot owned by Declarant or an Approved Builder and unoccupied as a residence shall be one-third (1/3) of the Annual and Special Annual Assessments for each other Lot in the Development not owned by Declarant or an Approved Builder.

ARTICLE VII

COVENANT FOR BOATSLIP AND SPECIAL BOATSLIP ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Boatslip and Special Boatslip Assessments. The Declarant, for each Boatslip Lot owned within the Property, hereby

covenants, and each Owner of any Boatslip Lot by acceptance of a deed or other instrument therefor, whether or not it shall be so expressed in such deed or other instrument, is deemed to covenant and agree to pay to the Association Boatslip Assessments and Special Boatslip Assessments, as hereinafter defined, for maintenance and repair costs of the Pier and Boatslips, 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 Boatslip Lot against which each such assessment or charge is made and upon the right to use the Pier and the Boatslip appurtenant to such Boatslip Lot. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Boatslip Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to a Boatslip Lot Owner's successors in title unless expressly assumed by them.

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

- (a) to maintain, repair and reconstruct, when necessary, the Pier and Boatslips, including all lighting and other fixtures, poles, wires, railings and other facilities located thereon;
- (b) to provide and pay for lighting of the Pier and Boatslips, to the extent necessary for the safety and enjoyment of the users thereof;
- (c) to keep the Pier and Boatslips clean and free from debris and to maintain same in a clean and orderly condition;
- (d) to pay all ad valorem taxes levied against the Pier and Boatslips and any other property owned by the Association in connection therewith;
- (e) to pay all lease payments, if applicable, to Duke Power Company for the lease of the land on which the Pier and Boatslips are located;
- (f) to pay the premiums on all insurance carried by the Association on the Pier and Boatslips pursuant hereto or pursuant to the Bylaws;
- (g) to pay all legal, accounting and other professional fees incurred by the Association with respect to the Pier and Boatslips in carrying out its duties as set forth herein or in the Bylaws; and

- (h) to maintain a contingency reserve equal to 10% of the sum of the amounts needed to carry out the purposes described in subsections (a) through (d) above for the purposes set forth in Article V, Section 7 hereof.

Section 3. Payment of Boatslip Assessments: Due Dates.

The Boatslip Assessments provided for herein shall commence as to each Boatslip Lot on January 1, 1993. The Boatslip Assessments for the calendar year 1993 shall be Two Hundred Twenty-Five Dollars (\$225.00) per Boatslip Lot, one-half (½) of which amount shall be due and payable no later than January 31, 1993 and the remaining one-half (½) of which amount shall be due and payable no later than July 31, 1993. The Boatslip Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VII, and shall be due and payable in two (2) semi-annual installments of one-half (½) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such year. The Board of Directors shall fix the amount of the Boatslip Assessment as to each Boatslip 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 Boatslip Assessment, as well as the amount of the first installment due, to each Boatslip Lot Owner on or before January 1 of such year. In addition, the Association shall send written notice that the second Boatslip Assessment installment is due and the amount of such installment to each Boatslip Lot Owner on or before July 1 of each year. Failure to send such second notice shall not relieve Owner's obligations to pay. Should a Boatslip Lot be conveyed by an Owner during a calendar year, then the Boatslip Assessment applicable to such Boatslip Lot shall be prorated between the buyer and seller of such Boatslip Lot as of the date of closing of such conveyance.

Section 4. Maximum Boatslip Assessment.

(a) For calendar years 1994 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Boatslip Lot Owners, may increase the Boatslip Assessments each year by a maximum amount equal to the previous year's Boatslip Assessments times the greater of (1) ten percent (10%), or (2) 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 there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Boatslip Assessments are not increased by the maximum amount permitted under the terms

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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 Boatslip 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 Boatslip Lot Owners.

(b) From and after January 1, 1994, the Boatslip Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast, taken at a duly held meeting of the Boatslip Lot Owners in accordance with the Bylaws.

(c) The Board of Directors may fix the Boatslip Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Boatslip Assessment"). If the Board of Directors shall levy less than the Maximum Boatslip Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association as to the Pier and Boatslip cannot be funded by such lesser assessment, the Board may, by a vote in accordance with the Bylaws, levy a supplemental Boatslip Assessment ("Supplemental Boatslip Assessment"). In no event shall the sum of the Boatslip and Supplemental Boatslip Assessments for any year exceed the applicable Maximum Boatslip Assessment for such year.

Section 5. Special Assessments for Boatslip Improvements.
In addition to the Boatslip Assessments authorized above, the Association may levy, in any assessment year, a special Boatslip Assessment ("Special Boatslip Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Pier and Boatslips, including lighting and other fixtures, poles, wires, railings and other facilities located thereon and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Boatslip Lot Owners, taken at a duly held meeting of such Boatslip Lot Owners in accordance with the Bylaws.

Section 6. Assessment Rate.

(a) With the exception set forth in Subsection (b) below, both Boatslip and Special Boatslip Assessments must be fixed at a uniform rate for all Boatslip Lots;

(b) Boatslip and Special Boatslip Assessments for each Boatslip Lot owned by Declarant or an Approved Builder and unoccupied as a residence shall be one-third (1/3) of the Boatslip and Special Boatslip Assessments for each other Boatslip Lot in the Development not owned by Declarant or an Approved Builder.

ARTICLE VIII

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. Special Assessments Regarding Damage to Common Property. In addition to the powers for assessments set forth herein, the Board of Directors shall have the power to levy a special assessment applicable to any particular Lot Owner responsible for damage to Common Area(s) through intentional conduct or any act or omission of himself, members of his family, his agents, guests, employees or invitees.

Section 3. Effect of Nonpayment of Assessments: Remedies of the Association. Any Annual or Boatslip Assessment installment not paid by its due date as set forth in Article VI, Section 3, or Article VII, Section 3 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 Lot 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 Lot Owner or foreclose the lien against the Lot and the right to use a Boatslip, if applicable, in the manner provided by law for the foreclosure of real estate mortgages, 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 his Boatslip, if applicable, or by abandoning his Lot. With regard to Boatslip Lot Owners, the Association shall be obligated to perform its obligations and provide the services provided for hereunder only to the extent that the Boatslip Lot Owners fully and timely pay to the Association all assessments to be paid by them, as provided in Article VII of this Declaration.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Articles VI and VII shall be subordinate to the lien of any first Mortgage on a Lot or any mortgage or deed of trust to the Declarant. Sale or transfer of any Lot shall not affect the assessment lien. The

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sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments 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, Boatslip or Special Boatslip Assessment, as applicable, collectable pro rata from all Lot Owners (or from all Boatslip Lot Owners if a Boatslip or Special Boatslip Assessment), including the foreclosure sale purchaser. Such pro rata portions are payable by all such Lot Owners notwithstanding the fact that such pro rata portions may cause the Annual Assessment or Boatslip Assessment to be in excess of the Maximum Annual Assessment or Maximum Boatslip 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 mortgage or deed of trust as above provided.

ARTICLE IX

INSURANCE

Section 1. Board of Directors. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in no less than the amounts set forth below:

(a) Fire. All improvements and all fixtures and personal property included in the Common Area and all personal property and supplies belonging to the Association shall be insured in an amount equal to 100% of the current replacement cost (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, vandalism and malicious damage and all perils covered by a standard "all risk" endorsement. All such policies shall provide that adjustment of loss shall be made by the Board of Directors. In addition to the provisions and endorsements set forth in Section 4 of this Article, the fire and casualty insurance described herein shall contain the following provisions:

(1) construction code endorsements if the Common Area becomes subject to a construction code provision which would require changes to undamaged portions of any building thereby imposing significant costs in the

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event of partial destruction of such building by an insured peril;

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

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

The fire and casualty insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association, the Owners or their Mortgagees; (2) loss payments are contingent upon action by the carriers, directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Owners or their Mortgagees from collecting the proceeds.

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

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

(d) Other. Such other insurance coverages, including flood insurance and worker's compensation, as the Board of Directors shall determine from time to time desirable.

Section 2. Premium Expense. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a common expense to be collected from the Boatslip Lot Owners pursuant to Articles VII and VIII hereof with respect to premiums for insurance for the Pier and Boatslips and to all Lot Owners pursuant to Articles VI and VIII hereof with respect to premiums for all other Common Areas.

Section 3. Special Endorsements. The Board of Directors shall make diligent effort to secure insurance policies that will provide for the following:

(a) recognition of any insurance trust agreement entered into by the Association;

(b) coverage that may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the named insured, any Insurance Trustee and all Mortgagees; and

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

Section 4. General Guidelines. All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of South Carolina and holding a rating of "A-10" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and

requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

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 Pier, Boatslips or Access Lot. Further, the Association or the Declarant shall not be responsible or liable for any damage or loss to or of said 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 Pier, Boatslips or Access Lot. 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 of, at such Owner's sole cost and expense, any liability or other insurance for damage to or loss of such property.

ARTICLE X

RIGHTS OF LOT MORTGAGEES

Section 1. Approval of Lot Mortgagees. Unless at least seventy-five percent (75%) of the Lot Mortgagees holding Mortgages on Lots then subject to the full application of this Declaration have given their prior written approval, the Association shall not:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause); or
- (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner; or
- (c) fail to maintain fire and extended coverage insurance on insurable improvements in the Common Area on a current replacement cost basis in an amount not less than 100% of the current replacement cost as set forth in Article IX; or
- (d) use the proceeds of any hazard insurance policy covering losses to any part of Common Area for other than the repair, replacement or reconstruction of the damaged Common Area or other common amenities.

Section 2. Additional Rights. Any Lot Mortgagee shall have the following rights:

(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 Mortgages or the place which it may designate in writing;

(d) to be given prompt written notice of any action which requires the consent of all or any portion of the Mortgagees as specified herein;

(e) to be given prompt written notice of any casualty loss or loss by eminent domain or other taking of any Common Area in which it has an interest under this Declaration; and

(f) to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association in which it has an interest under this Declaration.

Whenever any Lot 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 3. Books and Records. Any Lot Mortgagee will have the right to examine the books and records of the Association during any reasonable business hours.

Section 4. Payment of Taxes and Insurance Premiums. The Lot Mortgagees may, jointly or singly, pay taxes or that are in default. The Mortgagees may, jointly or singly, pay other charges that 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 XI

CONDEMNATION

Section 1. Partial Taking Without Direct Effect on Lots. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to and held by the Board of Directors in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Area. The Association, acting through the Board of Directors, shall have the right to negotiate and litigate on behalf of the Owners the issues with respect to the taking and compensation affecting the Common Area. Each Owner, by his acceptance of a deed to an Owner hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Area. Such proceeds shall be used to restore the Common Area with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots, or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Area. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Board of Directors, as their interests may appear, by the Board of Directors in its sole discretion.

Section 2. Partial or Total Taking Directly Affecting Lots. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to the Common Area as provided in Section 1 of this Article and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on

account of the taking of any one or more of the Lots, or improvements, fixtures or personal property thereon, shall be paid to the Owners of the affected Lots and their Mortgagees, as their interests may appear. If all of the Common Area shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Area shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

Section 3. Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Article X, Section 2 hereof.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. Declarant, being the developer of other subdivisions in the area of the Subdivision, wishes to maintain a high standard in the appearance and quality of the Subdivision. Though damages would be difficult to measure, the failure of the Owners 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 set forth in Section 4 of this Article XII, as well as any Owner or Owners, shall have the right to enforce all of the restrictions, conditions, covenants and reservations now or hereafter imposed by Articles I through III of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restriction, condition, covenant or reservation, either to restrain violation thereof or to recover damages therefor.

In addition, the Association hereby covenants and agrees that it shall exercise its power of enforcement hereunder in order to maintain a first class subdivision 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 to go upon any portion of the Common Areas at any time in order to repair and maintain the Common Areas where needed, in Declarant's sole discretion, to bring the Common Area within the standards required by Declarant. Should Declarant so go upon the Common Area to perform maintenance and repairs for such purpose, the Association hereby agrees to reimburse

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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 wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration may be amended at any time and from time to time by an agreement signed by a majority of the Owners whose Lots are then subject thereto; provided, however, that such amendment must be consented to by Declarant so long as Declarant is the owner of any Lot in the Development. Further provided that any amendment affecting only the Boatslip Lots, Pier or Boatslips must be approved only by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members who own Boatslip Lots, and by Declarant, so long as Declarant is the Owner of any Non-Waterfront Lot. Any amendment to this Declaration shall not become effective until the instrument evidencing such change has been filed of record.

Notwithstanding the foregoing, the consent of the Owners holding two-thirds (2/3) of the votes in the Association and the approval of Mortgagees holding Mortgages on Lots to which at least two-thirds (2/3) of the votes of the Association are appurtenant, plus the written consent of Declarant, shall be required to terminate the legal status of the Association, to withdraw any portion of the Property from the requirements of this Declaration, or to convey, transfer, lease or assign any portion of the Pier or Boatslips to any party other than an Owner or to restrict or revoke Declarant's right of enforcement hereunder provided for in Section 1 of this Article XI.

The consent of the Lot Owners having at least two-thirds (2/3) of the votes in the Association and the approval of Mortgagees holding Mortgages on Lots to which at least a majority of the votes are appurtenant shall be required to add or amend any material provision of this Declaration which establish, provide for, govern or regulate any of the following:

- (a) voting;
- (b) Annual Assessments, Special Assessments and liens or subordinations of such liens;
- (c) applicable insurance or fidelity bonds;

- (d) boundaries of any Lots (except as provided in Article III, Section 7;
- (e) leasing of Lots;
- (f) imposition of any right of first refusal or similar restriction on the right of any Lot Owner to sell, transfer, or otherwise convey his or her Lot;
- (g) any provisions which are for the express benefit of Lot Mortgagees or insurers or guarantors of Mortgages;
- (h) adding and maintaining improvements on the Natural Area, except any minimal maintenance necessary to prevent unreasonable hazards;
- (i) convertibility of Lots into Common Areas or of Common Areas into Lots;
- (j) the rights to use and interests in Common Areas reserved for all Lot Owners;
- (k) reserves for maintenance, repair and replacement of Common Areas reserved for all Lot Owners;
- (l) responsibility for maintenance and repair of Common Areas reserved for all Lot Owners.

The consent of the Boatslip Lot Owners having at least two-thirds (2/3) of all votes entitled to be cast by Members who own Boatslip Lots and the approval of Boatslip Mortgagees to which at least a majority of the votes are appurtenant shall be required to add or amend any material provision of this Declaration which establish, provide for, govern or regulate any of the following:

- (a) Boatslip Assessments, Special Boatslip Assessments, and liens or subordination of such liens;
- (b) reserves for maintenance, repair and replacement of the Pier and Boatslips;
- (c) rights to use of the Pier, Boatslips and Access Lot (subject to the right of the Association, under the Bylaws, to promulgate reasonable rules and regulations concerning use of same);
- (d) responsibility for maintenance and repair of the Pier and Boatslips; and
- (e) the interest in the Pier and Boatslips.

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An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. A Mortgagee who receives a request to approve non-material additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

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 25 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 two-thirds (2/3) 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 III, Section 1 of this Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

(SIGNATURES AND NOTARIES TO FOLLOW)

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CR082-31797

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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 the day and year first above written.

CRESCENT RESOURCES, INC.,
a South Carolina Corporation

WITNESSES
Lisa Marie Kelly
First Witness
Sharon C. Arrwood
Second Witness

By: Robert B. Dienst
Vice President

ATTEST:
Ethelene G. Williams
Assistant Secretary

[CORPORATE SEAL]

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

Personally appeared before me, Lisa Marie Kelly (First Witness) and made oath that he/she saw the within named Crescent Resources, Inc. by Robert B. Dienst, its Vice President and Ethelene G. Williams, its Assistant Secretary Sign, Seal and as the Corporate Act and Deed deliver the within written instrument; and that he/she with Sharon C. Arrwood (Second Witness) witnessed the execution thereof and saw the corporate seal thereto affixed.

Lisa Marie Kelly
First Witness

Sworn to before me this 21st day of November A.D. 1991
Sharon C. Arrwood (L.S.)
Notary Public for North Carolina

My Commission Expires 10/13/93

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**EXHIBIT A
TO
DECLARATION
FOR
NORTH HARBOUR**

Copy of Articles of Incorporation for
North Harbour Owners' Association, Inc.

See Rider #1 Attached

**RIDER #1
TO DECLARATION
FOR NORTH HARBOUR**

**DECLARATION AND PETITION FOR INCORPORATION
APPLICATION MUST BE TYPEWRITTEN
DO NOT FILE IN DUPLICATE**

The undersigned declare and promise:

NAMES

Stephen H. Schreiner 400 S. Tryon Street, Suite 1300, P.O. Box 1003
Charlotte, NC 28201-1003

Sharon C. Arrowood "

Robert B. Dienst "

being two or more of the officers or agents appointed to incorporate or manage the affairs of North Harbour Owners' Association, Inc.

which has been duly and regularly organized for the purposes hereinafter to be set forth, its officers and directors consent to apply for incorporation.

That the said organization holds, or desires to hold, property in common for a religious, educational, social, fraternal, charitable or other charitable purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members, otherwise than in those cases, or for the increase of life, health, wisdom or property; and that the three day's notice in the Sunday Journal/Tribune a newspaper published in the County of Oconee has been given that the aforesaid Declaration would be filed.

The said Declaration and Petition further declare and affirm:

FIRST That names and residences are as above given.

SECOND The name of the proposed Corporation is North Harbour Owners' Association, Inc.

THIRD The place at which it proposes to have its headquarters or to be located is _____ in the City of _____

FOURTH The purpose of the said proposed Corporation is to further social activities of property owners of North Harbour subdivision located in Oconee County and in connection therewith to provide services to such property owners, manage and maintain their common properties and administer and enforce all covenants and restrictions imposed on North

FIFTH The names and residences of all Managers, Trustees, Directors or other officers, are as follows: Harbour.

NAME	TITLE	ADDRESS
Stephen H. Schreiner	Director	400 S. Tryon St., Suite 1300 P.O. Box 1003 Charlotte, NC 28201-1003
Sharon C. Arrowood	Director	"
Robert B. Dienst	Director	"

SIXTH That they desire to be incorporated as a corporation not for profit

Wherefore your petitioners pray that the Secretary of State do issue to the aforesaid

North Harbour Owners' Association, Inc.

A Certificate of Incorporation, with all rights, powers, privileges and immunities, and subject to all the limitations and conditions conferred by Title 31, Chapter 31, Code of Laws of the State of North Carolina, and any amendments thereto, to govern the incorporation of the Corporation, and for executing the Charter of such aforesaid Corporation and to be signed.

Given under my hand and seal of office this _____ day of _____, 19____.

Stephen H. Schreiner

Sharon C. Arrowood

Robert B. Dienst

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INSTRUCTIONS

FD-200 FIRM—Charter, Religious Organization, Religious Institute, Religious Institution and Veterans Plan
 (Securities)..... \$1.00
 Other Non-profit Corporations..... \$1.00
 All fees are payable to the Secretary of State.
 Two publications set of this is required.
 Have the names of your organization clearly in general terms. Do not attempt to include details unless they should go into your by-laws, or
 specifically ask for certain powers granted under the law to all corporations such as the right to buy and hold property, to have a common seal, etc.

SHOULD ASSOCIATION BE OTHER THAN A COMPANY, NAME THE COMPANY BEFORE THE PETITION.

THE AFFIDAVIT BELOW MUST BE COMPLETED BEFORE THE CHARTER WILL BE ISSUED.

AFFIDAVIT SUBMITTED AS A PART OF THE DECLARATION AND PETITION FOR INCORPORATION OF A PROPOSED CORPORATION
 FIRM NAME North Harbour Owners' Association, Inc.
 STATE OF NORTH CAROLINA)
 COUNTY OF HECKLENBURG)

The undersigned, Stephen H. Schreiner
Sharon C. Arrowood
Robert B. Dienst

do hereby certify that they are the officers or persons signing the petition for incorporation of a non-profit corporation having no capital stock, and
 do the same in the presence and view of each other and that the corporation will not operate for a profit for itself or any of its members.

Stephen H. Schreiner
Sharon C. Arrowood
Robert B. Dienst

Name to which fees _____
 do of _____

North
 Secretary Public for State of Carolina
 My commission expires _____

NOTE: IF IT IS FOUND THAT THE CORPORATION IS OPERATED FOR PROFIT, THIS MAY BE CAUSING FOR REVOCATION OF
 CHARTER
NOT REQUIRED

SHERIFF'S SIGNATURE

PLEASE MAIL THIS APPLICATION WITH CORRECT REMITTANCE TO: SECRETARY OF STATE
 P. O. BOX 11350, COLUMBIA, SOUTH CAROLINA 29211

NO. 1024 PAGE 3.11

EXHIBIT "B" TO
DECLARATION

BYLAWS
OF
NORTH HARBOUR OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the corporation is NORTH HARBOUR OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 2. Location. The principal office of the Association shall be located in either Oconee County, South Carolina or Mecklenburg County, North Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

Section 3. Purpose. The purpose for which the Association is organized are to further social activities of property owners of Lots in North Harbour Subdivision located in Oconee County and in connection therewith to provide services to such property owners, manage and maintain their common properties and administer and enforce all covenants and restrictions dealing with their common properties located in North Harbour, and any other purposes allowed by law.

ARTICLE II

DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall require otherwise or unless specified herein or therein) shall have the meanings set forth in that certain Declaration of Covenants, Conditions and Restrictions - North Harbour executed by Crescent Resources, Inc., and duly recorded in the Office of the Clerk of Court for Oconee County, South Carolina, as same may be amended from time to time (hereinafter referred to as the "Declaration").

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held in July of 1993 upon at least thirty (30) days prior notice, and each subsequent regular annual meeting of the Members shall be held in July of each year thereafter, at the hour specified in the notice.

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Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Lots.

Section 3. Meetings of Boatslip Lot Owners. Meetings of the Members owning Boatslip Lots may be called at any time by the President or by the Board of Directors, or written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Boatslip Lots, for the purpose of discussing and voting on matters affecting the Boatslip Lots, the Pier or Boatslips. Such meetings may be held at the annual meeting of the Members or at a special meeting of the Members owning Boatslip Lots.

Section 4. Place of Meetings. All meetings of the Members and the Members owning Boatslip Lots shall be held at such place, within Mecklenburg County, North Carolina or Oconee County, South Carolina, as shall be determined by the Board of Directors of the Association.

Section 5. Notice of Meetings. Written notice of each meeting of the Members and Members owning Boatslip Lots shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6. 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 an Approved Builder which have not been conveyed to purchasers who are not affiliated with the Declarant. The Declarant and any Approved Builder shall be entitled to four (4) votes for each Class B Lot owned by either of them.

Section 7. Relinquishment of Control. Upon the expiration of five (5) full years after the registration of the Declaration, all of the Class B Lots shall automatically convert to Class A Lots, unless Declarant, in its sole discretion, elects to convert all of the Class B Lots to Class A Lots at an earlier date.

Section 8. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes appurtenant to the Lots (or to the Boatslip Lots, if a meeting of the Members owning Boatslip Lots) shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 10. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

Section 11. Action by Members Owning Boatslip Lots. Except as otherwise provided in the Articles of Incorporation, the Declaration or the Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members owning Boatslip Lots at which a quorum is present shall be regarded as the act of such Members.

Section 12. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members or Members owning Boatslip Lots in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members or Members owning Boatslip Lots shall constitute a waiver of notice by him of the time and place

thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, or if all the Members owning Boatslip Lots are present at a meeting of such Members, no notice shall be required and any business may be transacted at such meeting.

Section 13. Informal Action by Members. Any action which may be taken at a meeting of the Members or Members owning Boatslip Lots may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The business and affairs of the Association shall be managed by a Board of three directors, who need not be Members of the Association.

Section 2. Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve at the election of the Declarant from the date upon which the Declaration is recorded in the Office of the Clerk of Court of Oconee County until such time as their successors are duly elected and qualified.

The names of the persons who shall serve on the initial Board of Directors from the date upon which the Declaration is recorded in the Office of the Clerk of Court of Oconee County until such time as their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Stephen M. Schreiner	400 South Tryon Street, Suite 1300 P.O. Box 1003 Charlotte, North Carolina 28201-1003
Sharon Arrowood	400 South Tryon Street, Suite 1300 P.O. Box 1003 Charlotte, North Carolina 28201-1003
Robert B. Dienst	400 South Tryon Street, Suite 1300 P.O. Box 1003 Charlotte, North Carolina 28201-1003

Section 3. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the first meeting of the Members. After the first election of directors, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4. Election. Except as provided in Section 6 of this Article, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Term of Office. Each director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At the first annual meeting of the Members, the Members shall elect one (1) member of the Board of Directors for a term of three (3) years, who shall be the person receiving the largest number of votes, one (1) Member of the Board of Directors for a term of two (2) years, who shall be the person receiving the second largest number of votes, and one (1) Member of the Board of Directors for a term of one (1) year, who shall be the person receiving the third largest number of votes. At all annual elections thereafter, a director shall be elected by the Members to succeed that director whose term then expires. Nothing herein contained shall be construed to prevent the election of a director to succeed himself.

Section 6. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

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Section 7. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

Section 6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall

have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish reasonable rules and regulations governing the use of the Common Areas and facilities, including but not limited to the Natural Area, Pier, Boatslips and Access Lot, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member, including the rights to use the Natural Area, Pier, Boatslips and Access Lot, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

(f) Employ attorneys to represent the Association when deemed necessary;

(g) Grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property; and

(h) Appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.

(1) Do anything necessary or desirable to carry out the purposes of the Association as set forth herein or as permitted by law.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least one-third (1/3) of the votes appurtenant to the Lots;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) Fix the amount of the Annual Assessments and Boatlip Assessments, as defined in the Declaration, against each Lot at least thirty (30) days before January 1 of each calendar year;

(2) Send written notice of each assessment to every Owner subject thereto before its due date and before January 1 of each year;

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. (A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.)

(e) Procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the Common Areas to be maintained.

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ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 9. Duties. The duties of the officers are as follows:

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BOOK _____

President

(a) The President shall be the principal executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

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ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual and Special 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 agree to pay to the Association Annual Assessments and Special 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.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association against each Lot ("Annual Assessments") shall be used for the following purposes, none of which shall include the Pier or the Boatslips:

- (a) to repair and maintain the Access Lot, Entrance Monument and Landscaped Median, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping on the Landscaped Median and Access Lot, if any, and the Entrance Monument, and to provide and pay for electrical and water costs of irrigation and lighting of the signage located thereon;
- (b) to keep the Access Lot, Entrance Monument and Landscaped Median clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;

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- (c) to keep the Natural Area free from unreasonable debris and hazards;
- (d) to pay any ad valorem taxes levied against the Common Areas other than the Pier or Boatslips;
- (e) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws, except for such insurance carried specifically in connection with the Pier and Boatslips;
- (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, except for such fees incurred specifically in connection with the Pier and Boatslips;
- (g) to maintain any and all drainage pipes, inlets, basins, ditches, swales and other facilities installed upon the Access Lot;
- (h) to maintain, repair and reconstruct, when necessary, any and all structures, lighting fixtures, poles, wires, railings and other facilities located upon the Access Lot;
- (i) to provide and pay for lighting of the Access Lot, to the extent necessary for the safety and enjoyment of the users thereof;
- (j) to keep the Access Lot clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping on the Access Lot in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping; and
- (k) to provide any other service which the Association is authorized to provide.

Section 3. Payment of Annual Assessments; Due Dates.

The Annual Assessments provided for herein shall commence as to each Lot on January 1, 1993. The Annual Assessments for the calendar year beginning January 1, 1993 shall be Two Hundred Sixty Dollars (\$260.00) per Lot, one-half (1/2) of which amount shall be due and payable no later than January 31, 1993, and the remaining one-half (1/2) of which amount shall be due and payable no later than July 31, 1993. The Annual Assessments for each and every year beginning each January 1 thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VI, and shall be due and payable in two (2) semi-annual installments of one-half

(1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, 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 year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the first installment due, to each Owner on or before January 1 of such year. In addition, the Association shall send written notice that the second Annual Assessment installment is due and the amount of such installment to each Owner on or before July 1 of each year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For calendar years beginning January 1, 1994 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessments each year by a maximum amount equal to the previous year's Annual Assessments times the greater of (1) ten percent (10%), or (2) 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 there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. 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 January 1, 1994, the Annual Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (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.

Section 5. Special Assessments for Capital Improvements.

In addition to the Annual Assessments 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 any construction, reconstruction, repair or replacement of the Entrance Monument and the Landscaped Median, and any capital improvements located on the Access Lot, including fixtures and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

Section 6. Assessment Rate.

(a) With the exceptions set forth in Subsection (b) below, both Annual and Special Annual Assessments must be fixed at a uniform rate for all Lots; and

(b) Annual and Special Annual Assessments for each Lot owned by Declarant or an Approved Builder and unoccupied as a residence shall be one-third (1/3) of the Annual and Special Annual Assessments for each other Lot in the Development not owned by Declarant or an Approved Builder.

ARTICLE VII

COVENANT FOR BOATSLIP AND SPECIAL BOATSLIP ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Boatslip and Special Boatslip Assessments. The Declarant, for each Boatslip Lot owned within the Property, hereby covenants, and each Owner of any Boatslip Lot by acceptance of a deed or other instrument therefor, whether or not it shall be so expressed in such deed or other instrument, is deemed to covenant and agree to pay to the Association Boatslip Assessments and Special Boatslip Assessments, as hereinafter defined, for maintenance and repair costs of the Pier and Boatslips, 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 Boatslip Lot against which each such assessment or charge is made and upon the right to use the Pier and the Boatslip appurtenant to such Boatslip Lot. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Boatslip Lot at the time when

the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to a Boatslip Lot Owner's successors in title unless expressly assumed by them.

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

- (a) to maintain, repair and reconstruct, when necessary, the Pier and Boatslips, including all lighting and other fixtures, poles, wires, railings and other facilities located thereon;
- (b) to provide and pay for lighting of the Pier and Boatslips, to the extent necessary for the safety and enjoyment of the users thereof;
- (c) to keep the Pier and Boatslips clean and free from debris and to maintain same in a clean and orderly condition;
- (d) to pay all ad valorem taxes levied against the Pier and Boatslips and any other property owned by the Association in connection therewith;
- (e) to pay all lease payments, if applicable, to Duke Power Company for the lease of the land on which the Pier and Boatslips are located;
- (f) to pay the premiums on all insurance carried by the Association on the Pier and Boatslips pursuant hereto or pursuant to the Bylaws;
- (g) to pay all legal, accounting and other professional fees incurred by the Association with respect to the Pier and Boatslips in carrying out its duties as set forth herein or in the Bylaws; and
- (h) to maintain a contingency reserve equal to 10% of the sum of the amounts needed to carry out the purposes described in subsections (a) through (d) above for the purposes set forth in Article V, Section 7 hereof.

Section 3. Payment of Boatslip Assessments: Due Dates. The Boatslip Assessments provided for herein shall commence as to each Boatslip Lot on January 1, 1993. The Boatslip Assessments for the calendar year 1993 shall be Two Hundred Twenty-Five Dollars (\$225.00) per Boatslip Lot, one-half (½) of which amount shall be due and payable no later than January 31, 1993 and the remaining one-half (½) of which amount shall be due and payable no later than July 31, 1993. The Boatslip

Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VII, and shall be due and payable in two (2) semi-annual installments of one-half (½) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such year. The Board of Directors shall fix the amount of the Boatslip Assessment as to each Boatslip 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 Boatslip Assessment, as well as the amount of the first installment due, to each Boatslip Lot Owner on or before January 1 of such year. In addition, the Association shall send written notice that the second Boatslip Assessment installment is due and the amount of such installment to each Boatslip Lot Owner on or before July 1 of each year. Failure to send such second notice shall not relieve Owner's obligations to pay. Should a Boatslip Lot be conveyed by an Owner during a calendar year, then the Boatslip Assessment applicable to such Boatslip Lot shall be prorated between the buyer and seller of such Boatslip Lot as of the date of closing of such conveyance.

Section 4. Maximum Boatslip Assessment.

(a) For calendar years 1994 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Boatslip Lot Owners, may increase the Boatslip Assessments each year by a maximum amount equal to the previous year's Boatslip Assessments times the greater of (1) ten percent (10%), or (2) 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 there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Boatslip 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 Boatslip 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 Boatslip Lot Owners.

(b) From and after January 1, 1994, the Boatslip Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast, taken at a duly held meeting of the Boatslip Lot Owners in accordance with the Bylaws.

(c) The Board of Directors may fix the Boatslip Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Boatslip Assessment"). If the Board of Directors shall levy less than the Maximum Boatslip Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association as to the Pier and Boatslip cannot be funded by such lesser assessment, the Board may, by a vote in accordance with the Bylaws, levy a supplemental Boatslip Assessment ("Supplemental Boatslip Assessment"). In no event shall the sum of the Boatslip and Supplemental Boatslip Assessments for any year exceed the applicable Maximum Boatslip Assessment for such year.

Section 5. Special Assessments for Boatslip Improvements.
 In addition to the Boatslip Assessments authorized above, the Association may levy, in any assessment year, a special Boatslip Assessment ("Special Boatslip Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Pier and Boatslips, including lighting and other fixtures, poles, wires, railings and other facilities located thereon and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Boatslip Lot Owners, taken at a duly held meeting of such Boatslip Lot Owners in accordance with the Bylaws.

Section 6. Assessment Rate.

(a) With the exception set forth in Subsection (b) below, both Boatslip and Special Boatslip Assessments must be fixed at a uniform rate for all Boatslip Lots;

(b) Boatslip and Special Boatslip Assessments for each Boatslip Lot owned by Declarant or an Approved Builder and unoccupied as a residence shall be one-third (1/3) of the Boatslip and Special Boatslip Assessments for each other Boatslip Lot in the Development not owned by Declarant or an Approved Builder.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words NORTH HARBOUR OWNERS' ASSOCIATION, INC.

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ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XV

INDEMNIFICATION OF DIRECTORS,
OFFICERS AND OTHERS

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article XV, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

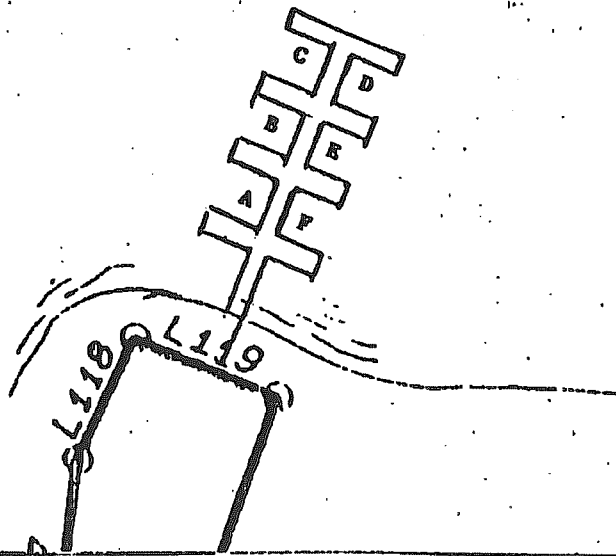
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- 19 -

BOOK 689 PAGE 292

EXHIBIT C
DECLARATION
FOR
NORTH HARBOUR



Underlined portion denotes amendment to Article III, Section 1, of the Declarations of Covenants, Conditions and Restrictions - North Harbour as approved by the membership on December 31, 2008.

Book 689 Page 240

ARTICLE III

RESTRICTIONS



Section 1. Land Use, Building Type and Docks.

- (a) All lots in the Subdivision shall be known and described as residential lots and shall be used only for private residential and recreational purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for the use as a single family residential dwelling, unless otherwise provided herein, and only one single-family residential dwelling not exceeding 2 1/2 stories in height above ground shall be erected or permitted to remain on any lot. No mobile home or shell home may be erected or permitted to remain on any Lot. A private garage (not exceeding three car capacity), outbuildings and fixed piers and floating dock facilities incidental to the residential use of the Lot are expressly permitted upon the condition that they are not rented, leased or otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No garage or outbuildings shall at any time be used as a residence and no enclosed boat houses or two level piers are permitted. Piers, docks, and boathouses shall be subject to approval by Duke Power Company and/or any governmental entity having jurisdiction at the time such improvements are made. Any ownership or leasing arrangement for a Lot meeting the definition of a "vacation time sharing ownership plan", as defined in §27-32-10 S.C. Code of Laws, 1976, as amended, is hereby prohibited.
- (b) No Lot and/or 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 thereto, must be for a term of at least six (6) calendar 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. The lot owner shall remain the voting member of the Association, shall be responsible for all dues and assessments related to the lot, and shall be held accountable for any violations of the Association's Covenants or Bylaws by any tenant of the lot. Lot owners are requested to provide original copies of leases to the NHOA President on demand. Refusal or failure to comply will be deemed ipso facto evidence of a violation of this restriction.

Ret: Dave Garrison
210 North Harbour Dr.
10.00
Succor, SC 29672

U09302

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

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Section 2. Dwelling Size. The square footage requirements hereinafter set forth are enclosed heated floor area and are exclusive of the area in unfinished basements, unheated porches of any type, attached or detached garages, carports, and unheated storage areas, decks or patios.

- (a) For waterfront Lots: Any one story dwelling erected upon any waterfront Lot shall contain not less than 1600 square feet; any 1 1/2 story or bi-level or tri-level dwelling shall contain not less than 1800 square feet with at least 1000 square feet on the first floor in 1 1/2 story dwellings, 1000 square feet on the main floor of bi-level dwellings, and 1000 square feet in the upper two floors of tri-level dwellings; any 2 or 2 1/2 story dwelling shall contain not less than 1800 square feet and the first floor shall contain not less than 1000 square feet.
- (b) For Non-Waterfront Lots: Any one story dwelling erected upon any Non-Waterfront Lot shall contain not less than 1400 square feet; any 1 1/2 story or bi-level or tri-level dwelling shall contain not less than 1600 square feet with at least 1000 square feet on the first floor in

North Harbour Owners' Association
A Crescent Resources Community
P.O. Box 2102
Seneca, SC 29679


February 4, 2009

This signature page confirms that the Covenants and Bylaws of the North Harbour Owners Association have been amended by a proper vote of at least two thirds (2/3) of the eligible homeowners. The following three pages will replace the existing pages with the same page numbers.

Book 689 Page 240

Book 687 Page 281


Book 687 Page 282



David C. Garrison, President

2/4/2009


Date



Witness DENNIS JONES

2/4/2009

Date



Witness CHARLES SMITH

2/4/09

Date

ACKNOWLEDGEMENT

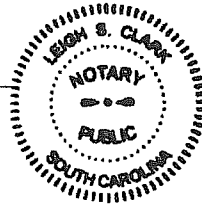
STATE OF: SC

COUNTY OF: ~~Oconee~~ Anderson

I, Leigh Clark, A Notary Public for the State of SC, do hereby certify that DAVID GREENW (grantor/mortgagor) personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 4TH day of February, 2008.

Leigh Clark
Notary Public
State of SC



[Signature]

My commission expires:

My Commission Expires
(SEAL) May 20, 2018

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2009 FEB -4 - 11:40

