

# DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

## FOUR POINTES NORTH

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made this \_\_\_ day of \_\_\_\_\_, 2010, by KEOWEE SHORELINE, LLC (the "Declarant"). All capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Declaration.

### 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 B330, Pages 1-4, records of Oconee County, South Carolina. Declarant desires to provide for the creation of a residential community of single-family residences to be named Four Pointes North (the "Development") upon the Property.

Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and to enhance the value and amenities of all properties within the Development. Furthermore, Declarant desires to provide for the maintenance and upkeep of certain Common Areas within the Development, including but not limited to the Roads and the Entrance. As part of such Common Area, Declarant desires to construct and provide for the maintenance and upkeep of a lighted Entrance Monument to be located at the entrance to the Development for the common use and benefit of all Owners.

Declarant desires to provide for a system whereby all Owners will pay for the maintenance and upkeep of the Common Areas. All Owners in the Development will pay the cost associated with leasing the Street Lights (if any) and the cost of maintenance and upkeep of the Roads and Entrance and such other Common Areas as such Owners are entitled to use and enjoy.

To these ends, Declarant desires to subject the Property 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 the Property and each Owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of: (a) owning, maintaining and administering the Common Areas, except as otherwise provided in the Declaration; (b) administering and enforcing the covenants and restrictions contained herein; and (c) collecting and disbursing the assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the values and amenities in the Development, including the Common Areas, to ensure specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas, and as provided in the Declaration.

To that end, 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, Four Pointes North Homeowners 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.

Declarant acknowledges restrictions were placed on Development by Crescent Resources, LLC in Deed Book 1669, at Pages 303-320, which also restricts this property. Declarant states it is its intention for these restrictive covenants to be consistent with those placed by Crescent Resources, LLC hereinabove, however should there be any conflict between the restrictions herein and those of Crescent Resources, LLC filed in Deed Book 1669, at Pages 303-320, the more restrictive shall prevail.

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

## ARTICLE I

### DEFINITIONS

Section 1. "Access Lots" means Lots 19-A, 20-A, and 27-A, as shown on the Maps. Each Access Lot must at all times be owned by the Owners of Pier Zone Access Lot bearing its corresponding number; that is, Lot 19-A must at all times be owned by the Owners of Lot 19; Lot 20-A must at all times be owned by the Owners of Lot 20 and Lot 27-A must at all times be owned by the Owners of Lot 27.

Section 2. "Additional Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions filed in the Office of the Register of Deeds of Oconee County, South Carolina with regard to a certain Phase, section or portion of the Property, as more particularly described in Article II, Section 2(c) hereof.

Section 3. "Additional Property" shall mean and refer to any additional real estate in the vicinity, of or contiguous to the Property, which may be made subject to the terms of this Declaration in accordance with the provisions of Article II, Section 2 of this Declaration.

Section 4. "Architectural Changes Committee" shall have the meaning set forth in Article VIII, Section 11 hereof.

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

Section 6. "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 7. "Association" shall mean and refer to Four Pointes North Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 8. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 9. "Bylaws" shall mean and refer to the Bylaws for the Association, attached as Exhibit B hereto and incorporated herein by reference.

Section 10. "Common Area" or "Common Areas" shall mean and refer to the Common Open Space, Entrance, Street Lights (if any), Roadways and any other real property specifically shown and designated on the Map as "Common Open Area," "Common Open Space" or "COS." The Common Areas shall be owned initially by Declarant, and ultimately by the Association (except as otherwise provided herein), for the common use, benefit and enjoyment of the Owners. Declarant reserves the right, but not the obligation, to provide additional Common Areas within the Subdivision or to add Additional Property by Supplemental Declaration which shall thereafter be designated as additional Common Area(s).

Section 11. "Declarant" shall mean and refer to Keowee Shoreline, LLC, and such of its successors and assigns to whom the rights of Declarant hereunder are transferred by written instrument recorded in the Register of Deeds of Oconee County, South Carolina.

Section 12. "Development" shall mean and refer to Four Pointes North, a single-family residential development proposed to be developed on the Property by Declarant.

Section 13. "Dwelling" shall mean and refer to a structure for the use and occupancy as a detached single family residence. Each Lot shall contain no more than one (1) Dwelling.

Section 14. "Entrance" shall mean and refer to the area(s) designated by Declarant as "Sign Easement", "Entrance Easement," "Entrance Area," or "COS" (or a similar term) located at the entrance to the Subdivision, as shown on the Map, and the monuments and entrance signs located on such parcels, together with lighting, irrigation system, landscaping and other improvements to be constructed within such Entrance Areas, to be used as an entrance for the Development, and for the purposes set forth in this Declaration.

Section 15. "Guidelines" shall mean and refer to the Architectural, Landscape and Lake Buffer Guidelines, as defined in Article VIII, Section 3 hereof.

Section 16. "Improvement" shall have the same meaning as set forth in Article VIII, Section 4.

Section 17. “Lake Buffer Area” shall have the same meaning as set forth in the Architectural, Landscape and Lake Buffer Guidelines.

Section 18. “Lake Buffer Guidelines” shall have the same meaning as set forth in the Architectural, Landscape and Lake Buffer Guidelines.

Section 19. “Lot” or “Lots” shall mean and refer to the separately numbered parcels and Tract “A” as depicted on the Map, which Lots do not include the Common Areas.

Section 20. “Map” shall mean and refer to (i) the map of Four Pointes North recorded in Plat Book B330, Pages 1-4 in the Register of Deeds of Oconee County, South Carolina, (ii) any recorded map of Additional Property, and (iii) any revision of any such map recorded in such Office.

Section 21. “Member” shall mean and refer to every person or entity that holds membership in the Association.

Section 22. “Mortgage” shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 23. “Mortgagee” shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 24. “Non-Waterfront Lots” shall mean and refer to those Lots in the Development which do not adjoin the waters of Lake Keowee.

Section 25. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot within the Development, but excluding those having such interest merely as security for the performance of an obligation.

Section 26. “Person” shall mean and refer to any natural person, corporation, joint venture, partnership (general or limited), limited liability company, association, trust, or any other legal entity.

Section 27. “Phase” shall mean and refer to any phase, section or portion of the Property for which a separate Map or Maps are recorded in the Office of the Register of Deeds of Oconee County, South Carolina.

Section 28. “Pier Zones” shall mean and refer to the portions of the Waterfront Lot designated as “Pier Zone” or “PZ” (or a similar term) on the Map, to be used for purposes of constructing a dock or Pier, as set forth in Article VII, Section 21 of this Declaration.

Section 29. “Pier Zone Access Lots” shall mean and refer to Lots 19, 20, and 27 as shown on the Map.

Section 30. “Property” shall mean and refer to all the real property shown on the Map, exclusive of any public rights-of-way as shown on the Map, which Property includes

the Lots and the Common Areas as defined herein and as more particularly shown on the Map.

Section 31. "Roadways" shall mean and refer to the roads, streets, entranceways and cul-de-sacs in the Development, as shown on the Plats, and any other roads, streets, entranceways and cul-de-sacs on the Property, all to be privately maintained by the Association.

Section 32. "Septic System" shall mean and refer to the individual ground absorption sewage disposal system (including septic tanks and all related equipment) individually installed and maintained by an Owner on his Lot.

Section 33. "Street Lights" shall mean and refer to those certain street lights which may be constructed upon and over the rights-of-way of the Roadways, Parking Area(s) and other Common Areas.

Section 34. "Subdivision" shall mean and refer to Four Pointes North Subdivision, as the same is shown on the Map.

Section 35. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions filed in the Register of Deeds of Oconee County, South Carolina to bring additional real property within the coverage of this Declaration and the jurisdiction of the Association, as more particularly described in Article II, Section 2 hereof.

Section 36. "Waterfront Lots" shall mean and refer to any Lot adjoining the waters of Lake Keowee, as shown on the Map.

Section 37. "Wetlands" shall mean and refer to those portions of the Common Area marked as "Wetlands and Wetlands Buffer" or similar designation on the Map, and any additional wetlands that are designated by Declarant, or by any governmental authority or agency having jurisdiction, in the Common Area. Further, "Wetlands" are subject to those certain restrictions recorded in Deed Book \_\_\_\_\_, at Page \_\_\_\_\_, records of Oconee County, South Carolina (Attached hereto as Exhibit "C", incorporated herein and made a part hereof).

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

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

Section 2. Additions to the Property.

(a) Declarant may cause Additional Property (including Common Areas) to be made subject to the terms and scheme of this Declaration by filing one or more Supplemental Declarations in the Register of Deeds of Oconee County, South Carolina, containing a description of the Additional Property and a statement by the Declarant of its intent to extend the operation and effect of this Declaration to the Additional Property. Notwithstanding the foregoing, the covenants and restrictions established herein as applied to, or imposed upon, the Additional Property may be altered or modified by the filing of one or more Supplemental Declarations as, provided in Subparagraph (b) below.

(b) Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Declarant to reflect the different character of the Additional Property. In no event, however, shall any Supplemental Declaration revoke, modify or add to the covenants and restrictions contained herein with respect to the Property, nor revoke, modify, change or add to the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for amendment set forth in this Declaration, except as may be otherwise specifically set forth herein.

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

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

## ARTICLE III

### PROPERTY RIGHTS

Section 1. Ownership of Common Area. Except as otherwise provided herein, Declarant shall convey to the Association the Common Areas to be owned and maintained by 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 general public with the exception of access easement to Tract "A" reserved in the hereinbelow Article XII, Section 1.

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy the Common Areas, and such right shall be appurtenant to and conveyed with title to such Owner's Lot, subject to the following:

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

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

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

(d) the provisions of Article VII of this Declaration; and

(e) the prohibition of any disturbance of or activities within the Wetlands, as more particularly described in the attached Exhibit "C" and the right of Declarant to restrict (or cause the Association to restrict) the Wetlands, or portions thereof from time to time, in favor of the U.S. Army Corps of Engineers, and the South Carolina Department of Health and Environmental Control, as provided in Article XII, Section 11, below.

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

## ARTICLE IV

### THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot, and shall be governed by the Bylaws attached as Exhibit B hereto.

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 (2) classes of Lots with respect to voting rights:

(a) Class A Lot. 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 Lot. Class B Lots shall be all Lots owned by Declarant that have not been conveyed to purchasers who are not affiliated with the Declarant. Each Class B Lot shall entitle the Owner of said Lot to three (3) votes for each Class B Lot owned by it. In the event that a portion of the Properties have not been subdivided nor developed by Declarant, then Declarant shall also be entitled to six (6) votes per undeveloped acre of the properties owned by Declarant.

**Note:** Each Pier Zone Access Lot and its corresponding Access Lot (same being Lot 19 and 19-A; Lot 20 and 20-A; and Lot 27 and 27-A) shall be deemed a single lot for purposes of voting.

Section 3. Relinquishment of Control. Notwithstanding anything contained herein to the contrary, the Class B membership shall cease and be converted to the Class A membership upon the earliest to occur of (a) the date on which Declarant no longer owns any part of the Property; (b) the date Declarant shall elect, in its sole discretion, that the Class B membership shall cease and be converted to the Class A membership (which election may be made, if at all, upon Declarant giving written notice of the election to the Board); or (c) upon the expiration of ten (10) years after the recordation of the Declaration. The earliest to occur of (a), (b) or (c) above shall herein be referred to as the "Turnover Date." After the Turnover Date and for so long as Declarant owns any part of the Property, Declarant shall be a Class A member.

Section 4. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Development, as well as its own books, records, and financial statements available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.



Section 5. Management 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 level to be established by the Board and to perform all of the powers and duties of the Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association, with or without cause, upon ninety (90) days prior written notice to the manager without payment of a termination fee.

Section 6. Maintenance. The Common Areas, together with all utilities, easements and amenities located within, or adjacent to, the Common Areas, and not otherwise maintained by public entities or utilities, shall be maintained by the Association as more particularly described below:

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

(b) All Common Areas.

(c) The Association shall not be responsible for the maintenance of any Lot or any portion of any Lot or the improvements within the boundaries thereof. The Owners of such Lots shall be solely responsible for same.

(d) The Association shall have the right, but not the obligation, to inspect each Owner's Septic System in order to determine if such Septic System is in compliance with any requirements imposed by the Association or any governmental authority. Each Owner shall be responsible for maintaining such Owner's Septic System in an orderly operating condition and in compliance with any requirements imposed by the Association or any governmental authority.

(e) Maintenance of the Roadways shall be to the standards required by the Oconee County Road Department for public roads.

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

Section 8. Liability Limitations. Neither Declarant, nor the Association, nor any Association Member, nor the Board, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Association Member, whether or not such other Association Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be

liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association making such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify, defend and hold harmless all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

## ARTICLE V

### COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual, Supplemental Annual, Special and Special Individual Assessment. Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association Annual Assessments, Supplemental Annual Assessments, Special Assessments and Special Individual Assessments, as hereinafter defined, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them, provided such assessments or charges, together with interest, costs, and reasonable attorneys' fees, shall, as set forth above, be a continuing lien upon the Lot against which such assessments or charges are made.

**Note:** Each Pier Zone Access Lot and its corresponding Access Lot (same being Lot 19 and 19-A; Lot 20 and 20-A; and Lot 27 and 27-A) shall be deemed a single lot for imposition of assessments.

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

- (a) to repair, maintain, reconstruct (when necessary) and keep clean and free from debris the Common Areas and any improvements located thereon, including, but not limited to, Street Lights and Entrance, and to maintain the landscaping thereon in accordance with standards of similar amenities in comparable developments within the vicinity of the Development;

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

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

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

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

(f) to maintain contingency reserves for the purposes set forth in Article IV, Section 7 hereof in amounts as determined by the Board of Directors.

Section 3. Payment of Annual Assessments: Due Date. Annual Assessments provided for herein shall commence as to each Lot on January 1, 2011. The Annual Assessment for the calendar year beginning January 1, 2011 and ending December 31, 2011, shall be Seven Hundred and No/100 (\$700.00) per Lot. The Annual Assessment for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Article V, Section 4, and shall be due and payable in one annual payment, such payment being due and payable no later than January 31 of each such year. The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any calendar year at least thirty (30) days prior to January 1 of such calendar year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the payment due, to each Owner on or before January 5 of such calendar year. The failure of the Association to send, or of a Member to receive, such notice shall not relieve any Member of the obligation to pay Annual Assessments. Notwithstanding the forgoing, the Board of Directors may alter the dates of the fiscal year for setting the Annual Assessments, and may increase or decrease the frequency of the collection of the Annual Assessments (or installments thereof) in any reasonable manner.

Section 4. Maximum Annual Assessment.

(a) For years following the first year of Annual Assessments and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessment each year by a maximum amount equal to the previous year's Annual Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) ("CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then the index most similar to the CPI (published by the United States Government indicating changes in the cost of living) shall be used. If the Annual Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessments may be increased by that amount in a future year, in addition to the maximum increase

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

(b) From and after the first year of Annual Assessments, the maximum Annual Assessment may be increased above the maximum amount set forth in subparagraph (a) of this Section 4 by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Declarant (so long as Declarant owns any part of the Property).

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

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Area improvements which are not originally constructed by Declarant; or (ii) the reconstruction, repair or replacement of the Common Areas, including, but not limited to, the Entrance, and all improvements located thereon, including fixtures and personal property related thereto. Provided, however, any such assessment must be approved by Declarant (so long as Declarant owns any part of the Property) and by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration.

Section 6. Special Individual Assessment. In addition to the Annual Assessments and Special Assessments authorized above, the Board of Directors shall have the power to levy a special assessment applicable to any particular Lot Owner ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including the Entrance and Street Lights, including all improvements located thereon, whether occasioned by any act or omission of such Lot Owner), members of such Lot Owner's family, or such Lot Owner's agents, guests, employees or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Lot Owner relative to such Lot Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws, the Guidelines or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws. Provided, however, Declarant shall not be obligated to pay any Special Individual Assessment except with Declarant's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 6 shall be fixed in the Board of Director's resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice

of the amount and due date of such Special Individual Assessment to the affected Owner's) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 7. Assessment Rate.

(a) Subject to the exception set forth in Section 8 below, Annual, Supplemental Annual and Special Assessments must be fixed at a uniform rate for all Lots.

Section 8. Exempt Property. Notwithstanding the foregoing, the following property individuals, partnerships or corporations, subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) the utility easements, roads, entrance and entire sign area;
- (b) all Common Areas;
- (c) unimproved Lots or Properties held in the name of the Declarant.

ARTICLE VI

GENERAL ASSESSMENT PROVISIONS

Section 1. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 2. Effect of Nonpayment of Assessments; Remedies of the Association; Lien For Unpaid Assessments. Any Annual Assessment, Special Assessment, Special Individual Assessment, or Supplemental Assessment, (collectively, "Assessments") (or installment thereof) not paid by its due date as set forth herein, or any other assessment not paid by its due date, shall bear interest from such due date at the rate of eighteen percent (18%) per annum or the highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner (or foreclose the lien against the Lot), and interest, late payment charges, costs and reasonable attorney's fees related to such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas or by abandoning such Owner's Lot.

While no filing other than the recording of this Declaration in the Register of Deeds of Oconee County, South Carolina, is necessary to perfect the lien for unpaid Assessments provided for herein, the Association may, as further evidence of such lien, at any time after thirty (30) days after the date for the Assessment giving rise to such lien became due, file a notice of such lien in the Register of Deeds of Oconee County, South Carolina, setting forth the name of the Owner of the Lot against which such lien is asserted, the amount secured by such lien, and the Lot with respect to which the lien is claimed. Any such filed notice of the lien shall secure the amount of the lien set forth in such notice together with any and all additional amounts accruing thereafter, and all costs and expenses of collection including attorneys' fees. The form of such lien, and the means of enforcement thereof, may be as is provided for mechanics' liens under the South Carolina Mechanics' Lien Statute (Title 29, Chapter 5 of the South Carolina Code). Such lien shall have priority as of the date and time of filing thereof in the Register of Deeds of Oconee County, South Carolina.

Section 3. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Article V of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot. Sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer of any Lot pursuant to a mortgage foreclosure under any first Mortgage on a Lot, or any 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 Annual Assessment, Special Assessment, Special Individual Assessment, or Supplemental Assessment, as applicable, collectable pro rata from all Owners, including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners notwithstanding the fact that such pro rata portions may cause the Annual Assessment to be in excess of the Maximum Annual Assessment permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any first Mortgage on a Lot, as above provided.

## ARTICLE VII

### RESTRICTIONS

This Article sets forth various restrictions upon and requirements relating to the construction and use of Lots and the Dwellings and other Improvements located thereon. This Article, however, does not list all of such restrictions and requirements; many additional restrictions and requirements are set forth in the Guidelines. Each Owner, and each builder that is to construct the Dwelling and other Improvements for an Owner, must review and comply not only with this Declaration, but also with the Guidelines.

Section 1. Residential Restrictions. Each Lot shall be used exclusively for single-family, non-transient residential purposes; provided, however, Declarant shall have the right to use the Lots designated, from time to time, by Declarant for the purpose of construction and operation of construction offices and sales/marketing offices (and for related uses) for the Development. No trade, business or business activity of any kind shall be conducted upon a Lot or any part thereof except by Declarant as described

hereinabove or except with the written approval of the Board. Provided, however, the Board may permit a business or business activity to be conducted on a Lot so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of this Declaration, does not create a disturbance and does not unduly increase traffic flow or parking congestion on the Property or in the Development. The Board may issue rules regarding permitted business activities. Leasing of a residence on a Lot shall not be considered a business or business activity.

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

Subject to the requirements set forth herein and in the Guidelines, fixed piers and floating boat dock facilities incidental to the residential use of Waterfront Lots are expressly permitted only within the Pier Zone of Waterfront Lots upon the condition that they are not rented, leased or otherwise used for remuneration. Furthermore, no boat (including a houseboat), whether existing on a Lot, docked at a Pier or docked at a fixed pier or floating boat dock appurtenant to any Waterfront Lot in the Development, may at any time be used as a residence.

Section 2. Quality Craftsmanship/Dwelling Size. All buildings and outbuildings erected upon the property shall be built on site of new materials of good grade, quality and appearance and shall be constructed in a good and workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:

(a) If the dwelling is located on a Waterfront Lot (a "Waterfront Lot" is a lot, any portion of which is located within 100 feet measured horizontally regardless of the actual ground measurement which may vary based upon the topography) of the Common Boundary Line between the property and the lake, then (i) one story dwellings shall not contain less than 2,000 square feet of Heated Living Area (defined below); (ii) one and a half story dwellings shall not contain less than 2,200 square feet of Heated Living Area; and (iii) two (or more) story dwellings shall not contain less than 2,400 square feet of Heated Living Area;

(b) If the dwelling is not located on a Waterfront Lot, then; (i) one story dwellings shall not contain less than 1,600 square feet of Heated Living Area; (ii) one and a half story dwellings shall not contain less than 1,800 square feet of Heated Living Area; and (iii) two

(or more) story dwellings shall not contain less than 2,000 square feet of Heated Living Area;

(c) All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;

(d) Roofs shall have not less than a 6 in 12 inch pitch, and not less than a 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or man-made slate, copper sheathing or wood shingles or pre-painted metal roofing;

(e) The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood or composite material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished; and

(f) Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy issued within two years after commencement of construction.

As used herein, "Heated Living Area" excludes basement areas (defined as any level in which at least one perimeter wall is below, or partially below grade), unless such basement areas have two or more perimeter walls above surrounding grade, and such basement areas are fully heated and air-conditioned and constructed to a quality equal to the above grade levels of the dwelling. In addition, Heated Living Area excludes vaulted ceilings areas, attic, unheated porches, attached and detached garages, porte-cocheres and unheated storage areas, decks and patios. The term "story" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it. The term "half story" shall mean a story which contains 50 percent or less Heated Living Area than the story in the house containing the most Heated Living Area.

No Dwelling erected upon a Lot shall contain more than two and one-half (2½) stories above ground level; provided, however, the Architectural Control Committee shall have the right (but not the obligation), because of steep topography, unique Lot configuration or similar reasons, to allow Dwelling heights greater than two and one-half (2½) stories on rear and side elevations.

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

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

Section 5. Fences and Walls. No fence or wall (regardless of the materials) shall be erected on a Lot without the prior written approval of the Architectural Control



Committee. No fence may be erected nearer the front lot line of the Lot than the front face of the Dwelling located on such Lot. In the case of a corner Lot, no side yard fence shall be located nearer to any Roadway fronting such Lot than the rear building corner of the Dwelling located on such Lot unless otherwise approved in advance in writing by the ACC. No fence or wall shall be erected, placed or maintained on a Lot in a location that will substantially obstruct views of the Lake. No wooden fences, or brick or stone walls, greater than six (6) feet in height are permitted. Chain link or other metal fencing is not permitted without the written approval of the Architectural Control Committee. 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 ("Openness Test"). A wall constructed of brick or stone and used in lieu of a fence is exempt from the Openness Test. All fences and walls shall be erected in accordance with the provisions of the Guidelines. The restrictions described herein shall not apply to any improvements originally installed by Declarant on any Common Area.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot with the following exceptions which may not exceed five (5) square feet in size: (a) one sign per Non-Waterfront Lot and two signs per Waterfront Lot advertising the property for sale; (b) one sign on the Lot only used by a builder to advertise the Lot during the construction and sales period; and (c) temporary political signs. The Architectural Control Committee shall have the power, but not the obligation, to adopt and issue, from time to time, sign guidelines, as part of the Guidelines, to assist the Architectural Control Committee in reviewing and approving proposed signs to be erected on the Property. No signs of any kind may be displayed to the public view on any Common Area other than the entrance monument. Notwithstanding the immediately preceding sentence, Declarant shall not be prohibited from erecting and maintaining signs and billboards, permanent or temporary, advertising the Property, the Development or portions of either thereof, or for any other purpose, on any portion of the Property owned by Declarant or in the Common Areas.

Section 7. Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot; provided, however, a construction office trailer may be located on a Lot until completion of the Dwelling or Improvement on that Lot. 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 Dwelling. Provided, however, nothing herein shall prohibit Declarant from erecting or moving temporary buildings onto Lots owned by Declarant to be used for storage, or for construction or sales offices.

Section 8. Utilities. All utilities and utility connections shall be located underground, including electrical, telephone and cable television lines. Transformers, electric, gas or other meters of any type, or other apparatus shall be located at the rear of the Dwellings or Improvements constructed on Lots or, if approved by the Architectural Control Committee in writing, located elsewhere on the Lot; provided, however, that they are adequately screened as required by the Architectural Control Committee in accordance with the provisions of this Declaration.

Section 9. Erosion and Sediment Controls. Each owner and its owner's builder shall be responsible for erosion control protection during any grading, site preparation or earth-disturbing operation, as described and defined in the Guidelines.

Section 10. Building Envelope. No building and no swimming pool or other Improvement on any Lot (including any stoops or porches, patios, decks, terraces, etc.) shall be erected or permitted to remain outside of the building envelope for that particular Lot as established by the Architectural Control Committee (as to each Lot, the "Building Envelope"). The Building Envelope approved for any Lot will be available from the Architectural Control Committee on an unrecorded map. Provided, however, and notwithstanding the foregoing to the contrary, (i) docks, Piers (including any gazebos proposed to be attached thereto) and Boatslips are exempt from this Building Envelope restriction, provided they are approved by the Architectural Control Committee in accordance with the applicable provisions of the Guidelines, (ii) exterior steps at the front and rear of a Dwelling may project into the setback area established by the Building Envelope up to a distance of five (5) feet, and (iii) fireplace chimney structures projecting from the side of a Dwelling may encroach no more than eighteen (18) inches into the side yard setback established by the Building Envelope. The Architectural Control Committee shall have the right in its sole discretion to make exceptions to any Building Envelope to recognize any special topography, vegetation, Lot shape or dimension, or other site-related conditions. In the event any zoning or subdivision ordinance, floodway regulation or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of such requirements shall conform thereto.

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

Section 12. Combination or Subdivision of Lots. If the Owner of a Lot owns an adjacent Lot or Lots and desires that two (2) or more such Lots be considered as one Lot, then such Lots shall (except in connection with the payment of assessments and except as provided herein) be considered as one Lot for the purposes of this Article VII upon the satisfaction of the following conditions: (a) the Owner shall record in the Office of the Register of Deed of Oconee County, South Carolina, an instrument expressing the Owner's intent to combine the Lots; (b) the instrument shall refer specifically to this section in this Declaration and to identify the Lots to be considered as one Lot for purposes of this Article VII; (c) a copy of such recorded instrument shall be promptly delivered by such Owner to the Architectural Control Committee for its records; and (d) the Building Envelopes, setback lines, and easements reserved in this Declaration shall be adjusted accordingly by the Architectural Control Committee. Provided further, once two or more Lots have been combined, they cannot be subdivided without the written consent of the Architectural Control Committee. Furthermore, no Lot shall be subdivided by sale, lease or otherwise without the prior written consent of both the Architectural Control Committee and Declarant.

Anything in this Declaration to the contrary notwithstanding, Declarant reserves the right to change the size, boundaries or dimensions (including the elimination of Lots by recombination) of any Lot owned by Declarant for any reason in its sole discretion. If a Lot

is eliminated by Declarant through any such recombination or change in boundaries, it shall no longer be a Lot for any purpose, and no assessments shall accrue with respect thereto.

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

Section 14. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any Lot, other than in enclosed garages.

Section 15. Rules of the Board. All Owners of any Lot shall abide by all rules and regulations adopted by the Board, from time to time. The Board shall have the power to enforce compliance with the rules and regulations by all appropriate legal and equitable remedies and by the imposition of fines as set forth in Article XIII, Section 1, hereof. An Owner determined by judicial action to have violated said rules and regulations, shall be liable to the Association and/or Declarant for all damages, costs, and expenses including attorneys' fees.

Section 16. Entrance Easement. Declarant hereby reserves and grants to the Association a non-exclusive perpetual easement for the purpose of landscaping and maintaining the entryway and erecting and maintaining the Entrance and/or gate at the entrance of the Subdivision. An easement is hereby reserved by Declarant for itself, its successors in interest and assigns, and granted to the Association, over and across portions of the Subdivision identified as "Entrance Easement," "Entrance Area," "COS," or other similar term on the Map (the "Easement Tract").

Declarant or the Association shall have the right to landscape and maintain the Entrance as an entryway to the Subdivision. Further, Declarant or the Association shall erect and maintain one or more monuments with an entrance sign thereon (collectively, the "Entrance Sign") bearing the name of the Development which Entrance Sign shall be built in accordance with the applicable governmental standards for signs. The Declarant shall have the right to install, operate, repair, replace, and maintain the above-referenced security gate. Declarant shall erect and maintain lighting for the Entrance Sign, planters and other improvements used for the entrance of the Subdivision and comprising the Entrance.

Section 17. Parking; Off-Water Boat Storage.

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

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

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

(d) No recreational vehicles or related equipment, including, without limitation, any boat, houseboat, motor home or "camper" vehicle may be maintained, stored or kept on any portion of the Property, except in enclosed garages or in an enclosure specifically approved for such maintenance or storage by the Architectural Control Committee.

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

Section 18. Nuisances. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. No Lot shall be used, in whole or in part, for the deposit, storage or burial of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within any Lot, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Development. There shall not be maintained on any Lot any plants or animals or device or thing of any sort whose activity or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Development. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices

as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot unless required by law.

Section 19. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed Dwelling or other Improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. All construction must be completed within one (1) year after the date upon which it commenced, unless a longer time is approved by the Architectural Control Committee. Any damage to the Roadways, curbs or sidewalks or any part of any Common Area or any utility system caused by an Owner or Owner's builder or such builder's contractors or subcontractors shall be repaired by such responsible Owner. Any builder of Improvements (and such builder's contractors and subcontractors) on any portion of the Property shall keep such portion of the Property free of unsightly construction debris, in accordance with the construction rules established by the Architectural Control Committee, and shall similarly keep contiguous public and private areas free from any dirt, mud, garbage, trash, or other debris which is occasioned by construction of Improvements. Each Owner shall be required to pay a construction escrow deposit to the Association, as provided in the Guidelines, which may be used to pay certain costs related to construction, all as more particularly provided in the Guidelines. The Board may levy a Special Individual Assessment against an Owner's Lot to pay for the cost of repairing any damage to the Roadways, curbs or sidewalks, Common Area or utility system, to pay for the cost of cleaning public and private areas, and to pay for the cost of the removal of garbage, trash or other debris, which are occasioned by the activities of an Owner or Owner's builder or such builder's contractors or subcontractors during the construction of Improvements; and may also levy a fine as provided in Article XIII, Section 1, below. Declarant, and each Owner and Owner's builder, shall be responsible for erosion control protection during any grading, site preparation or earth-disturbing operation, as described and defined in the Guidelines.

Section 20. Marine Toilets. No watercraft equipped with a marine toilet having a fixed or portable holding tank, or a through hull or overboard discharge toilet, shall be permitted at any Waterfront Lot Owners' docks or piers, unless otherwise approved by the Declarant or Architectural Control Committee.

Section 21. Docks and Piers. Only the Owner of a Waterfront Lot may construct one (1) pier (but no more than one) within the area designated as "Pier Zone" on the Map or in any Supplemental Declaration or other document which may be filed pursuant to the provisions of this Declaration adjacent to said Waterfront Lot (in accordance with the applicable provisions of the Guidelines), provided that such Lot is not located in an area where the narrowness of a cove precludes construction of a dock or pier or other factors, including aesthetic factors such as views from Lots, as determined by Duke Energy Corporation, Declarant, the Architectural Control Committee, and/or any governmental entity having jurisdiction at the time such improvements are to be constructed.

The placement, construction, or use of any pier, dock, Boatslip structure or other improvement within or upon the waters of the Lake is and shall be subject to each of the following:

(a) easements, restrictions, rules and regulations for construction and use promulgated by the Association to include that all docks are to be hip-roof docks with roofing material brown with tan colored trim;

(b) all laws, statutes, ordinances and regulations of all Federal, State and local governmental bodies having jurisdiction thereon, including without limitation, the Federal Energy Regulatory Commission; and

(c) rules and regulations, privileges and easements affecting the Property and the waters and submerged land of the Lake established by Duke Energy Corporation, its successors and assigns. (Duke Energy Corporation controls access to, and the use and level of, the waters of the Lake. All Owners, the Association and the Declarant must receive a permit from Duke Energy Corporation [or a successor manager of the Lake, under authority from the Federal Energy Regulatory Commission] prior to any alterations therein.)

No Pier, dock, Boat slip structure or other similar improvement shall be constructed by Owners of Waterfront Lots outside of the Pier Zone. Additionally, no boat (including a houseboat) docked at a fixed pier or a floating boat dock (appurtenant to any Waterfront Lot) shall be located outside the Pier Zone.

Section 22. Boat Ramps. No boat ramps of any kind shall be permitted on any Lot, and no boat shall be placed in (or removed from) the waters of Lake Keowee from any Lot; provided, however, small watercraft such as canoes, dinghies, jet skis and personal watercraft may be launched from any Lot if launched without a ramp. All other watercraft shall be launched, refueled and maintained at public boat ramps located outside the Subdivision.

Section 23. Pier Zone Access Lots. Lots 19-A, 20-A, and 27-A ("Access Lots") as shown on the Map have been created by Declarant for the sole purpose of providing Lots 19, 20 and 27 with access to Lake Keowee. No Pier Zone Access Lot may be separated in ownership from its appurtenant Access Lot. The Access Lots may only be used for the purpose of providing the Owner of the Pier Zone Access Lot and Access Lot with pedestrian access and access by golf cart or similar electric motorized access (but not access by automobile) to Lake Keowee for the construction, operation, use and maintenance of a Pier within the Pier Zone adjoining such Owner's Access Lot (which pier may be constructed only after obtaining the permits and approvals described herein). No permanent structure of any kind may be constructed on any Access Lot, and the only Improvements which may be installed on any Access Lot are a six (6) foot pathway providing access to any such Pier, any requirements of utilities facilities serving such Pier. Such pathways are subject to any local ordinance and/or any requirements of Duke Energy Lake Services. For all purposes under the Declaration, each Pier Zone Access Lot and its corresponding Access Lot shall be deemed a single Lot, including for purposes of voting and imposition of Assessments.

Section 24. Mail and Newspaper Boxes; House Numbers. Declarant shall provide to each Lot Owner, at Lot Owner's expense, and each Lot Owner shall install and maintain, at Lot Owner's expense, a standard mailbox/newspaper box for such Owner's use on such Owner's Lot. No other Mailbox or newspaper box shall be erected or

maintained on any Lot. The location of the mailbox/newspaper box on a Lot must be approved in writing by the Architectural Control Committee. House numbers may be displayed on the Dwelling Unit and/or mailbox only as approved by the Architectural Control Committee. Declarant shall not be responsible for the installation or maintenance of any mailbox or newspaper box.

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

Section 26. Governmental Requirements; Lake Buffer Guidelines. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots. Each Owner shall comply with all laws, regulations, ordinances (including, without limitation, applicable zoning ordinances) and other governmental rules and restrictions in regard to the Lot(s) or other portion of the Property owned by such Owner. Furthermore, each Owner shall comply with the conditions, limitations and restrictions set forth in the Lake Buffer Guidelines.

Section 27. Sewage Disposal. Every Lot shall be served by a private Septic System for the disposal of sewage. Declarant makes no representations regarding the future availability of municipal sewer service. All Septic Systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of the South Carolina Department of Health and Environmental Control and other governmental authorities and regulatory agencies having jurisdiction. All Owners, by purchasing Property subject to this Declaration, acknowledge that any governmental permit or approval allowing for the construction and operation of a Septic System may be limited in duration in accordance with the terms thereof, and neither Declarant, nor the Association, nor the Architectural Control Committee, nor the officers, directors, members, employees, agents or affiliates or any of them, shall have any liability, directly or indirectly, arising from or connected with the inability of an Owner to obtain any such permit or approval (including an extension or continuation) following the initial expiration thereof.

The Owner of the Lot for which a Septic System is being installed shall be responsible for obtaining all necessary environmental permits and other permits for the use of said Septic System and shall hold harmless the Association, its successors and assigns,

from any loss, damage or liability relating thereto, except to the extent that such loss, damage or liability results from the negligent act or omission or willful misconduct of the Association, its successors and assigns, or its officers, directors, agents, employees, members, invitees or licensees. Prior to the installation of a Septic System, the Owner of the Lot for which the Septic System is being installed shall have the proposed location of such Septic System staked and approved by the appropriate governmental authorities, and such Septic System shall be approved by, and constructed and maintained in accordance with all regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction thereof. The Owner of the Lot shall be responsible for operating and maintaining the Septic System located thereon at such Owner's sole cost and expense.

## ARTICLE VIII

### ARCHITECTURAL, LANDSCAPE AND LAKE BUFFER GUIDELINES

Section 1. General. Notwithstanding anything contained in this Declaration to the contrary, no Improvements, including, without limitation, site preparation on any Lot, or erection of buildings or exterior additions or alterations to any building situated upon the Property, or any landscaping or cutting of trees on any Lot or in the Lake Buffer Area, shall be commenced, erected or maintained on any portion of the Property until the following conditions have been satisfied: (a) the Architectural Control Committee has given written approval for the plans and specifications for the Improvements, the location of such Improvements, and the commencement of construction, all in accordance with the terms and requirements in the Guidelines; and (b) the fees set forth in or contemplated by this Article VIII have been paid in full by the Owner. The provisions of this Article VIII shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any Lot or upon any of the Common Areas.

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

As a condition to the commencement of construction of any Improvements on a Lot, the Architectural Control Committee may require, in its sole discretion, that an Owner submit the name of the builder of any Improvements on said Owner's Lot to the Architectural Control Committee for its prior approval of said builder. The Architectural Control Committee makes no representation, express or implied, to any Owner or any other party whatsoever with regard to any approved builder, including, without limitation, the existence, nature and extent (including coverage amounts and deductibles) of insurance policies that may be maintained by the builder from time to time, the solvency or financial status of the builder from time to time, the nature and amount of any bonds that may be maintained by the builder from time to time, the performance (or the ability to perform) by the builder of their contractual obligations (including any contractual obligations of any builder in favor of any Owner or any other party whatsoever), the compliance by the builder with building codes and other requirements, rules, laws and ordinances of federal, state and local governmental and quasi-governmental bodies and agencies relating to the construction of homes and other activities engaged in by the builder from time to time, the use of any substance or material, including, without limitation, any stucco or synthetic material by the builder in connection with the



construction of homes, the compliance by any builder with any licensing requirements imposed by federal, state and local governmental and quasi-governmental bodies and agencies from time to time, including, without limitation, the maintenance of any required builder's and/or contractor's license, and the failure or alleged failure of any builder to comply with any industry standard or any other reasonable standard or practice with respect to such builder's work or materials used in the construction of houses and other activities engaged in by such builder at Four Pointes North.

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

Section 3. Architectural, Landscape and Lake Buffer Guidelines.

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

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

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

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

Section 4. Definition of "Improvements". The term "Improvement" or "Improvements" shall mean and include any and all man-made changes or additions to a Lot, including, but not limited to, the location, materials, size and design of all Dwellings and buildings (including any exterior devices attached to or separate from Dwellings or buildings, such as heating and air conditioning equipment, solar heating devices, antennae, satellite dishes, etc.); storage sheds or areas; piers and docks; roofed structures; parking areas; fences; statuaries and fountains; pet "runs," lines and similar tethers or enclosures; landscaping (including cutting trees); hedges; mass plantings; irrigation equipment, apparatus and systems; driveways; signs; site preparation; changes in grade or slope; exterior illumination; and changes in any exterior color or shape. The definition of Improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Control Committee, provided such replacement or repair does not change exterior colors, materials, designs or appearances from that which was previously approved by the Architectural Control Committee.

Section 5. Enforcement.

(a) It is Declarant's intent that the architectural control provisions of this Declaration and any Additional Declarations are to permit control of the architectural design and landscaping and to establish quality standards for construction and construction activity in the Development and to help preserve values of properties in the Development. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Development and to Declarant, and

to the values of their respective properties in the Development, a monetary measure of which harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/or to prevent any violation of the provisions contained in this Article VIII by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions. The Association shall also have the specific right (but not the obligation) to assess fines for violation of the provisions contained in this Article VIII, as provided for in Article XIII, Section 1, below. Declarant hereby specifically reserves and grants unto the Architectural Control Committee, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determination by the Architectural Control Committee or the Board whether there exists any construction of any Improvement which violates the terms of any approval by the Architectural Control Committee, the terms of the Guidelines, the terms of this Declaration or any Additional Declaration, or the terms of any amendments hereto or thereto.

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

Section 6. Failure of the Architectural Control Committee to Act. If the Architectural Control Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof and of the Guidelines or to reject them as being inadequate or unacceptable within thirty (30) business days after receipt thereof, and provided such submittal was a full and complete submittal, in accordance with the Guidelines, of all items that were to have been submitted to the Architectural Control Committee, and provided the Architectural Control Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within ten (10) days after an additional written request to act on such items is delivered to the Architectural Control Committee following the passage of such first thirty (30) business day period, it shall be conclusively presumed that the Architectural Control Committee has approved such conforming plans and specifications and other submittals, EXCEPT that the Architectural Control Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration or any Additional Declaration, and EXCEPT FURTHER, that the Architectural Control Committee

shall not be deemed to have waived any of the requirements set forth in Section 8 or Section 9 hereof. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject or approve the balance. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials.

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

Section 8. Fees and Construction Escrow Deposit Required by the Architectural Control Committee. The Architectural Control Committee, in its sole discretion, may require that each Person submitting plans and specifications for Improvements to the Architectural Control Committee pay one or more fees to the Architectural Control Committee or to Declarant as a condition to commencement of construction of such Improvements. Such fee(s), including the amount(s), payee and purpose(s) thereof shall be established by, and may be increased from time to time by, the Architectural Control Committee and shall be set forth in the Guidelines. The Architectural Control Committee, in its sole discretion, may require that each Lot Owner submitting plans and specifications for Construction to pay a construction escrow deposit to the Association to be held for such purposes as are set forth in the Guidelines.

Section 9. No Construction Without Payment of Fees. Notwithstanding anything contained in this Article VIII to the contrary, plans and specifications for Improvements to be constructed on a Lot or other portion of the Property shall not be deemed to have been properly submitted unless and until any and all fees required by the Architectural Control Committee to be paid in connection with such improvements, as provided in Section 8 above, shall have been paid to the Architectural Control Committee or Declarant as required.

Section 10. Notices and Submittals. Notices and submittals to the Architectural Control Committee shall be in accordance with the notice provisions set forth, from time to time, in the Guidelines.

Section 11. Separate Committee for Changes to Existing Improvements. The Board shall have the right, power and authority, in its sole discretion, to appoint a committee separate and apart from the Architectural Control Committee to review plans and specifications for any and all renovations, changes and additions to existing Improvements located on a Lot or other portion of the Property (the "Architectural Changes Committee"). Should the Board appoint such an Architectural Changes Committee, then the Architectural Control Committee shall relinquish to the Architectural Changes Committee its authority to review plans and specifications for any such changes to existing Improvements, and the Architectural Changes Committee shall be solely responsible for review and approval of the same. The composition of the Architectural Changes Committee shall be determined by the Board in its sole discretion and the procedure for submission, review and approval of plans and specifications to and by the Architectural Changes Committee shall be set forth in the Guidelines. Notwithstanding the foregoing, nothing herein shall be deemed to obligate the Board to appoint an Architectural Changes Committee, and until an Architectural Changes Committee is appointed, the Architectural Control Committee shall be responsible for reviewing and approving or disapproving all plans and specifications for renovations, changes and additions to existing Improvements in accordance with the provisions of this Article VIII and the Guidelines.

Section 12. Limitation of Liability. No member of the Architectural Control Committee or the Architectural Changes Committee shall be liable for claims, causes of action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article VIII. Neither the Architectural Control Committee, nor the Architectural Changes Committee (if applicable), nor the members thereof, nor the Association, nor Declarant, nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of, or the failure to approve or disapprove of, any plans and specifications. The approval of plans and specifications by the Architectural Control Committee or the Architectural Changes Committee (if applicable) shall not be deemed or construed as a representation or warranty of the Architectural Control Committee or the Architectural Changes Committee (as the case may be), Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi-governmental laws, ordinances, rules and regulations; (ii) as to the structural soundness, quality, durability, suitability, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications; and/or (iii) any responsibility or liability therefore is expressly hereby disclaimed. Every person who submits plans and specifications, and every Owner, agrees that such Owner will not bring any action or suit against Declarant, the Association, the Architectural Control Committee, the Architectural Changes Committee (if applicable), the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, demises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this

Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

Section 13. Miscellaneous. Members of the Architectural Control Committee and, if applicable, the Architectural Changes Committee, in the sole discretion of the party or body appointing such members (i.e., either Declarant or the Board, as the case may be) may be compensated for their services. The Association shall reimburse members of the Architectural Control Committee and the Architectural Changes Committee (if applicable) for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the Architectural Control Committee and the Architectural Changes Committee (if applicable), including those incurred in connection with the exercise of their enforcement or other powers as provided herein, shall be borne by the Association; provided, however, nothing herein shall be deemed to negate the Association's right to an award of court costs, attorneys' fees and expenses in accordance with Section 5 of this Article VIII.

## ARTICLE IX

### INSURANCE

Section 1. Board of Directors. The Board of Directors shall obtain and 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 included in the Common Area, including, but not limited to, the Entrance, and all personal property and supplies belonging to the Association, shall be insured in an amount equal to 100% of the then current replacement cost up to the amount specified in the insurance policy (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage or an insurance broker or agent selected by the Board. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the then current replacement cost of such Improvements, fixtures, personal property, and supplies. Such coverage shall provide protection against loss or damage by fire, windstorm, vandalism and malicious damage and all perils covered by a standard "all risk" insurance policy. All such policies shall provide that adjustments of any and all covered losses shall be approved by the Board of Directors and the insurance company. In addition to the provisions and endorsements set forth in this Article, the fire and casualty insurance described herein shall contain the following provisions:

(i) 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

(ii) 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 property and public liability 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 Declarant, the Association, the Owners or the 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 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 to the Development, covering each member of the Board of Directors, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common Areas; provided, however, that in no event shall the amounts of such public liability insurance ever be less than \$2,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property, including loss of use thereof occurring upon, in or about, or arising from or relating to, the Property or any portion thereof. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the 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 \$2,000,000 per occurrence for claims for bodily injury and property damage.

(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, in an amount determined by the Board of Directors in its discretion. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Other. Such other insurance coverages, including flood insurance and worker's compensation, as the Board of Directors shall determine, from time to time, to be 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 Owners pursuant to Article V hereof.

Section 3. Special Endorsement. The Board of Directors shall use diligent efforts 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 canceled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five (45) days prior written notice to the named insured, any insurance trustee and all Mortgagees; and

(c) coverage that cannot be cancelled, non-renewed, 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 Common Areas. By virtue of taking title to a Lot within the Development, each Owner acknowledges that neither the Association nor Declarant has any obligation to provide any insurance for any portion of such Owner's Lot or any Dwelling or other property located thereon.

## ARTICLE X

### RIGHTS OF MORTGAGEES

Section 1. Rights of Mortgagees. Any 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 such meetings;

(c) to be given prompt written notice of default under the Declaration, the Bylaws or any rules and regulations promulgated by the Association by any Owner owning a Lot encumbered by a Mortgage held by the Mortgagee, such notice to be



sent to the principal office of such Mortgagee or the place which it may designate in writing;

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

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

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

Whenever any Mortgagee desires the provisions of this Section to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Lot or Lots upon which any such Mortgagee holds any Mortgage or identifying any Lot owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee.

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

Section 3. Payment of Taxes and Insurance Premiums. The Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefore 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 Areas, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Areas; provided, however, that all compensation and damages for and on account of the taking of Piers and Boatslips shall be held in trust for all applicable Owners of Boat slip Lots and their Mortgagees according to the loss or damages to their respective interests in such Piers and Boatslips. The Association, acting through the Board, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Areas, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed

to a Lot, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Areas. Such proceeds shall be used to restore the Common Areas with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein 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 Areas. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear, by the Board of Directors in its sole discretion.

Section 2. Partial or Total Taking Directly Affecting Lot. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 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 Property shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Areas shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

Section 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 hereof.

## ARTICLE XII

### EASEMENTS AND OTHER RIGHTS

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

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

Declarant further reserves a twenty-five (25') foot easement from Whisper Lane to Tract "A" as shown on map for itself and successors and/or assigns in title to Tract "A".

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

Section 3. Right-of-Way Over Roadways. Declarant hereby reserves, for the benefit of itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, tenants, invitees, designees, successors and assigns, and to each Owner of a Lot or Tract, their family members, tenants, guests, invitees, successors and assigns, and to each Occupant of a Lot or Tract, and to all governmental and quasi-governmental agencies and service entities having jurisdiction over the Property while engaged in their respective functions, a perpetual non-exclusive easement, license, right and privilege of passage and use, both pedestrian and vehicular, over and across the Roadways for the purpose of providing access, ingress and egress to an from, through and between the Property.

Section 4. Right of the Association and Declarant to Enter Upon the Common Area. Declarant hereby reserves for the benefit of itself, its successors in interest and assigns, and grants to the Association and all agents, employees or other designees of Declarant or the Association an easement for ingress, egress and access to enter upon or over the Common Areas for the purposes of inspecting any construction, proposed construction or Improvements or fulfilling the rights, duties and responsibilities of ownership, administration maintenance and repair of Declarant or the Association, as appropriate. Such easement includes an easement in favor of the Association and Declarant to enter upon the Common Areas now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter redesignated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing

contained herein shall be interpreted as imposing any obligation upon the Association or Declarant to maintain, repair, or construct Improvements which an Owner is required to maintain, construct or repair.

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

Section 6. Utility and Drainage Easements. The Property shall be subject to all easements and rights-of-way for utilities and drainage shown on the Maps, including, but not limited to, those certain easements shown and designated on the Maps as utility and drainage easements and public storm drainage easements.

Such easements are hereby reserved for the use of Declarant, its successors and assigns, and are hereby established for the use of the Association, its successors and assigns.

Additionally, Declarant hereby reserves, for the benefit of itself, its successors and assigns, and grants to the Association, its successors and assigns, a non-exclusive easement and right-of-way over, under and along the front and rear ten (10) feet of each Lot (with the exception of the Waterfront Lots, which will not have a ten (10) foot easement over the rear), and over, under and along seven and one half (7.5) feet in width along each side Lot line for the installation and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service, cable service, water, irrigation, septic sewer and drainage facilities, storm drainage and/or other utilities.

Within the above-described easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may change the direction or flow of drainage channels in the easements. This reservation of easements shall not prohibit the construction of driveways, at locations approved by the Architectural Control Committee, over such easements.

Section 7. Declarant's Right to Assign Easements and Maintenance of Easement Areas. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder. The areas burdened by the easements and rights-of-way reserved by Declarant on each Lot or other portion of the Property pursuant hereto, including any Improvements in such areas, which are not to be maintained by the Association or a public authority or utility, shall be maintained continuously by each Owner of such Lot or other portion of the Property, but no structures, plantings or other material shall be placed or permitted to remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Declarant

and/or the Association may exercise the rights reserved in this Article for the purpose of enforcing the provisions of this Section 7. Notwithstanding the above, the Association and/or Declarant shall have the right, but not the obligation, to maintain the landscaping in the easement areas on any Lot.

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

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

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

Section 11. Wetlands. Declarant does hereby reserve the right and easement to impose restrictions upon the Wetlands, or any portion or portions thereof from time to time, in favor of the U. S. Army Corps of Engineers, Charleston District (the "Corps"), the South Carolina Department of Health and Environmental Control ("DHEC"), or such other governmental agencies or public authorities as Declarant may deem advisable from time to time; and the right to cause the Association, if at the time of imposition of any such restrictions the Association is the owner of the Wetlands, to impose such restrictions upon the Wetlands, or such portion or portions thereof. The restrictions so imposed shall comply with all requirements of the Corps, DHEC, and such other governmental authority or public agency to the extent necessary to cause such restrictions to constitute compensatory mitigation for permission to impact other wetlands on other property owned by Declarant or by third parties, either within or outside the Subdivision, and to receive all credit or compensation for such compensatory mitigation. Any such restrictions may be enforceable by the Corps, DHEC, and the U. S. Department of Justice, and may be drafted to require that any amendment or modification thereof be consented to and approved by the Corps and DHEC, and any other governmental agency or public authority for whose benefit such restrictions are imposed.

## ARTICLE XIII

### GENERAL PROVISIONS

Section 1. Enforcement. Declarant, being the developer of other subdivisions in the area of the Development, wishes to maintain a high standard in the appearance and quality of the Development. Though damages would be difficult to measure, the failure of the Owners and the Association to abide by the terms, covenants and restrictions contained in this Declaration would result in irreparable damage to Declarant and its reputation. Accordingly, Declarant, during the term of this Declaration, as well as the Association or any Owner or Owners, shall have the right, but not the obligation, to enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restrictions, conditions, covenants, reservation, liens or charges, either to restrain violation thereof or to recover damages therefrom. Each Owner and the Declarant shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration and the Bylaws and any duly authorized rules and regulations governing the Development against the Association.

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

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

Section 2. Severability. Invalidation of any of the provisions contained in this Declaration, or any restriction, condition, covenant, reservation, lien or charge contained

herein by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. This Declaration may be amended or modified at any time and from time to time by an agreement signed by Owners holding a majority of votes appurtenant to the Lots which are then subject to this Declaration; provided, however, any amendment to this Declaration must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development. It is further provided that any amendment affecting the Piers must be approved by a vote of a majority of the votes appurtenant to the Lots and must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record.

Notwithstanding anything in this Section 3 to the contrary, Declarant may, at Declarant's option, amend this Declaration without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause this Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other similar agency. In addition, Declarant, without obtaining the approval of any other person or entity, may make amendments or modifications hereto which do not materially adversely affect the rights, duties or obligations of the Association or any Owner, including without limitation any amendment or modification which only affects Lots owned by Declarant.

Section 4. Term. The covenants and restrictions of this Declaration are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of thirty (30) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then Owners of the Lots, plus Declarant for so long as Declarant is the Owner of any Lot in the Development, has been recorded, agreeing to terminate said covenants and restrictions in whole or in part. Provided, however, that the residential use restrictions set forth in Article VII of this Declaration shall run with the land and be binding upon all parties and all persons claiming under them in perpetuity.

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

Signed, Sealed and Delivered  
In the Presence of:

KEOWEE SHORELINE, LLC

\_\_\_\_\_  
Witness #1

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Witness #2





**EXHIBIT A**

**ARTICLES OF INCORPORATION FOR  
FOUR POINTES NORTH OWNERS ASSOCIATION, INC.**

**(SEE ATTACHED)**

**EXHIBIT B**

**BYLAWS FOR  
FOUR POINTES NORTH OWNERS ASSOCIATION, INC.**

**[SEE ATTACHED]**

**EXHIBIT C**

**“WETLANDS” RESTRICTIONS**

**[SEE ATTACHED]**