

Declaration of
Covenants, Conditions and Restrictions for
Crestview

ARBITRATION MAY BE REQUIRED FOR DISPUTE RESOLUTION

Revised April 4, 2009

(Subsection 12.1a added)

Recorded Book 1715, pgs. 49-51

Revised Nov. 4, 2011

Recorded Book 1865, pgs. 22-61

Revised August 2, 2012

Recorded Book 1910, pgs.231-270

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.1. "Additional Property"	
Section 1.2. "Articles of Incorporation"	
Section 1.3. "Association"	
Section 1.4. "Board of Directors"	
Section 1.5. "Bylaws"	
Section 1.6. "Common Area" or "Common Areas"	
Section 1.7. "Declarant"	
Section 1.8. "Development"	
Section 1.9. "Entrance Monument(s)"	
Section 1.10. "ECC"	
Section 1.11. "Guidelines"	
Section 1.12. "Improvement"	
Section 1.13. "Lake Buffer Area"	
Section 1.14. "Lot" or "Lots"	
Section 1.15. "Map"	
Section 1.16. "Member"	
Section 1.17. "Mortgage"	
Section 1.18. "Mortgagee"	
Section 1.19. "Owner"	
Section 1.20. "Pier Zones"	
Section 1.21. "Property"	
Section 1.22. "Roads"	
Section 1.23. "Street Lights"	
Section 1.24. "Subdivision"	
ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION	 4
Section 2.1. Property	
Section 2.2. Additions to the Property	
ARTICLE III PROPERTY RIGHTS	5
Section 3.1. Ownership of Common Areas	
Section 3.2. Owners' Rights to Use and Enjoy Common Areas	
Section 3.3. Delegation of Use	
Section 3.4. Rights in the Roads	
ARTICLE IV THE ASSOCIATION	6
Section 4.1. Membership	
Section 4.2. Classes of Lots and Voting Rights	

Section 4.3. Period of Declarant Control	
Section 4.4. Availability	
Section 4.5. Management Contracts	
Section 4.6. Maintenance	
Section 4.7. Reserve Fund	
ARTICLE V COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS	8
Section 5.1. Creation of the Lien and Personal Obligation for Assessments	
Section 5.2. Purpose of Annual Assessment	
Section 5.3. Payment of Annual Assessment Due Dates	
Section 5.4. Maximum Annual Assessment	
Section 5.5. Special Assessment for Capital Improvements	
Section 5.6. Special Individual Assessment	
Section 5.7. Assessment Rate	
ARTICLE VI GENERAL ASSESSMENT PROVISIONS	11
Section 6.1. Certificate Regarding Assessments	
Section 6.2. Effect of Nonpayment of Assessments; Remedies of the Association	
Section 6.3. Subordination of the Lien to Mortgages	
ARTICLE VI-A COVENANT FOR SEPTIC SYSTEM ASSESSMENTS	12
Section 6A.1. Creation of the Lien and Personal Obligation for Septic System Assessments	
Section 6A.2. Purpose of Septic System Assessments	
Section 6A.3. Payment of Septic System Assessments; Due Date	
Section 6A.4. Maximum Septic System Assessment	
Section 6A.5. Assessment Rate	
ARTICLE VII RESTRICTIONS	15
Section 7.1. Land Use, Building Type and Residential Restriction	
Section 7.2. Dwelling Size	
Section 7.3. Building Construction and Quality	
Section 7.4. Temporary Structures; Structure Materials	
Section 7.5. Building Setback Lines	
Section 7.6. Minor Setback Violations	
Section 7.7. Combination or Subdivision of Lots	
Section 7.8. Utility Easements	
Section 7.9. Entrance Monument Easement(s)	
Section 7.10. Storm water Drainage Easement	
Section 7.11. Fences and Walls	
Section 7.12. Signs	
Section 7.13. Antennas; Satellite Dishes or Discs	
Section 7.14. Lot Maintenance; Trash Disposal	
Section 7.15. Off-Road Parking; Off-Water Boat Storage	
Section 7.16. Sewage Disposal	
Section 7.17. Public Water System: No Wells	
Section 7.18. Nuisances	
Section 7.19. Diligent Construction	
Section 7.20. Removal of Trees and Other Vegetation	

Section 7.21. Marine Toilets	
Section 7.22. Docks, Piers and Boat Houses	
Section 7.23. Boat Ramps	
Section 7.24. Rights of Duke Energy Corporation	
Section 7.25. Non-waiver	
ARTICLE VIII INSURANCE	22
Section 8.1. Board of Directors	
Section 8.2. Premium Expense	
Section 8.3. Special Endorsements	
Section 8.4. General Guidelines	
Section 8.5. Owner's Personal Property	
ARTICLE IX ENVIRONMENTAL AND LAKE BUFFER GUIDELINES	24
Section 9.1. General	
Section 9.2. Composition of ECC	
Section 9.3. Environmental and Lake Buffer Guidelines	
Section 9.4. Enforcement	
Section 9.5. Failure of the ECC to Act	
Section 9.6. Fees and Construction Escrow Deposit Required by the ECC	
Section 9.7. No Construction Without Payment of Fees	
Section 9.8. Notices and Submittal	
Section 9.9. Limitation of Liability	
Section 9.10. Miscellaneous	
ARTICLE X MORTGAGE	28
Section 10.1. Approval of Mortgagees	
Section 10.2. Additional Rights	
Section 10.3. Books and Records	
Section 10.4. Payment of Taxes and Insurance Premiums	
ARTICLE XI CONDEMNATION	30
Section 11.1. Partial Taking: Without Direct Effect on Lots	
Section 11.2. Partial or Total Taking: Directly Affecting Lots	
Section 11.3. Notice to Mortgagees	
ARTICLE XII GENERAL PROVISIONS	
Section 12.1. Enforcement	
Section 12.2. Severability	32
Section 12.3. Amendment	
Section 12.4. Term	
Exhibit "A" Articles of Incorporation of Crestview Owners Association, Inc.	
Exhibit "B" Bylaws of Crestview Owners Association, Inc.	

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CRESTVIEW

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CRESTVIEW ("Declaration") is made as of the 14th day of March, 2002, by CRESCENT COMMUNITIES S.C., LLC, a Delaware limited liability company ("Declarant").

STATEMENT OF PURPOSE

Declarant is the developer and owner of certain real property located in Oconee County, South Carolina, which is hereafter described as the "Property." Declarant desires to create on the Property a residential community of single-family homes to be named Crestview (the "Development").

Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and enhance the value of all properties within the Development. Furthermore, Declarant desires to provide for the construction, maintenance and upkeep of any Common Areas and related easements within the Development, all for the common use and benefit of all Owners, including, but not limited to, Street Lights, the Roads (prior to dedication and acceptance by Oconee County Public Works Department for public maintenance), Entrance Monument(s), and any medians located thereon.

Declarant desires to provide for a system whereby all Owners will pay for the maintenance and upkeep of any Common Areas, in accordance with an established budget set by the Board of Directors.

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

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

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

ARTICLE I

DEFINITIONS

All capitalized terms used herein shall have the meanings set forth in Article I, or elsewhere in this Declaration.

Section 1.1. "Additional Property" shall mean and refer to any additional real estate adjacent or contiguous to the Property shown on the Map recorded in Map Book A866 at page(s) 3 & 4 in the Office of the Register of Deeds for Oconee County, South Carolina, and any property located within four thousand (4,000) feet of any boundary of the Property shown on the above-referenced Map, all or a portion of which may be made subject to the terms of this Declaration in accordance with the provisions of Section 2.2 of this Declaration.

Section 1.2. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for the Association attached hereto as Exhibit "A" and incorporated herein by reference.

Section 1.3. "Association" shall mean and refer to CRESTVIEW OWNERS ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 1.4. "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 1.5. "Bylaws" shall mean and refer to the Bylaws for the Association, substantially in the form attached as Exhibit "B" and incorporated herein by reference.

Section 1.6. "Common Area" or "Common Areas" shall mean and refer to the Entrance Monument, Street Lights (to be leased), and Roads (prior to their acceptance for maintenance by the Oconee County Public Works Department or other governmental entity), collectively, and any other property designated on the Map as "Common Area," "Common Open Area," "Common Open Space," "COS," or other similar designation. The Common Areas shall be initially owned by Declarant and then conveyed to the Association (except as otherwise provided herein) for the common use and benefit of all Owners. The listing and description of the components of the Common Area is illustrative of Declarant's present plans only and is not a guaranty by the Declarant or the Association that all or any part of such components will be constructed or installed by Declarant or the Association at any future time. Declarant reserves the right, but not the obligation, to provide additional Common Areas within the Subdivision, and shall have the right to designate which Owners shall be permitted to use any Common Areas or future Common Areas.

Section 1.7. "Declarant" shall mean and refer to Crescent Communities S.C., LLC, and such of its successors and assigns to whom the rights of Declarant are transferred by written instrument recorded in the Office of the Register of Deeds for Oconee County, South Carolina.

Section 1.8. "Development" shall mean and refer to Crestview, a single-family residential development proposed to be developed on the Property by Declarant.

Section 1.9. "Entrance Monument(s)" shall mean and refer to the easement area(s) reserved and granted by Declarant in Section 7.9 of this Declaration, over a portion of the Common Area, as shown on the Map, and any monument(s) and entrance sign(s) located within such easement area(s) together with lighting, an irrigation system, landscaping and other Improvements which may be constructed on such easement area(s), to be used as an entryway for the Subdivision, and for the purposes set forth in Section 7.9.

Section 1.10. "ECC" shall mean and refer to the Environmental Control Committee appointed by the Declarant (or the Board following the Turnover Date) to oversee the development, promulgation and enforcement of the Guidelines with respect to environmental, erosion control, and lake buffer issues in the Development and to perform certain other functions described in the Declaration.

Section 1.11. "Guidelines" shall mean and refer to the Environmental and Lake Buffer Guidelines, as established in Section 9.3.

Section 1.12. "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.); piers, docks and boat slips; tennis courts, pools, or other recreational amenities; gazebos, pergolas, 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.

Section 1.13. "Lake Buffer Area" shall be the minimum distance setback along with entire shoreline of the Lake. The distance shall be fifty (50) feet from the 800' m.s.l. contour or five (5) feet from the 804' m.s.l. contour, whichever is greater.

Section 1.14. "Lot" or "Lots" shall mean and refer to the separately numbered parcels depicted on the Map.

Section 1.15. "Map" shall mean and refer to (i) the map of Crestview Subdivision recorded in Map Book A866, Page(s) 3 & 4, in the Office of the Register of Deeds for Oconee County, South Carolina, (ii) any maps of any portions of the Additional Property which are subjected to this Declaration, and (iii) any revisions of such map or maps recorded in the Office of the Register of Deeds for Oconee County, South Carolina.

Section 1.16. "Member" shall mean and refer to every person or entity that holds membership in the Association.

Section 1.17. "Mortgage" shall mean any mortgage constituting a first lien on a Lot.

Section 1.18. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 1.19. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot within the Development, including the Declarant if it owns any Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.20. "Pier Zones" shall mean and refer to the portions of the Waterfront Lot designated as "Pier Zone" (or a similar term) on the Map, to be used for purposes of constructing a dock or pier, as set forth in Section 7.22 of this Declaration.

Section 1.21. "Property" shall mean and refer to the Property shown on the Map, including the Lots and Common Areas, together with any leasehold interest or easement which the Association has or may hereafter acquire in any property adjacent to the Development (including, but not limited to, any lease of any submerged land lying within the bed of Lake Keowee).

Section 1.22. "Roads" shall mean and refer to all roads and cul-de-sacs in the Subdivision and shown on the Map, all to be maintained by the Association, as more particularly set forth in Section 4.6 of this Declaration, until accepted for dedication and public maintenance by the Oconee County Public Works Department or other governmental entity.

Section 1.23. "Street Lights" shall mean and refer to those certain street lights that may be constructed upon and over the rights-of-way of the Roads.

Section 1.24. "Subdivision" shall mean and refer to Crestview Subdivision, as the same is shown on the Map.

ARTICLE II

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

Section 2.1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, 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.

Section 2.2. Additions to the Property.

2.2.1. Declarant may, but is not obligated to, cause Additional Property to be made subject to the terms and scheme of this Declaration by filing one or more Supplemental Declarations in the Office of the Register of Deeds for Oconee County, South Carolina, containing a description of the Additional Property and a statement by the Declarant of its intent to extend the operation and effect of this Declaration to the Additional Property.

2.2.2. Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Declarant to reflect the different character of the Additional Property. In no event, however, shall

any Supplemental Declaration revoke or modify the covenants and restrictions contained herein with respect to the Property, nor revoke or modify the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for Amendment set forth in Section 12.3 of this Declaration, except as may be otherwise specifically set forth herein. Notwithstanding the foregoing, Declarant or the Association shall have the right, without meeting the requirements for Amendment set forth in Section 12.3 of this Declaration, to amend this Declaration to reconfigure any proposed Common Areas to reflect the actual final configuration of such Common Areas.

ARTICLE III

PROPERTY RIGHTS

Section 3.1. Ownership of Common Areas. Declarant shall convey or grant to the Association in fee simple title or by easement therein, the Common Areas, to be owned or held and maintained by the Association. Declarant reserves the right to construct (i) the Entrance Monument(s) to be located at the entrance to the Development; and (ii) the Roads and the Common Areas, as reflected on the Map, for the use and benefit of the Owners as provided in this Declaration. Notwithstanding the recordation of any Map or any other action by Declarant or the Association, all Common Areas shall remain private property and shall not be considered as dedicated to the use and benefit of the public (with the exception of the Roads, which will eventually be accepted for public dedication and maintenance by the Oconee County Public Works Department or other governmental entity).

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

3.2.1. The right of the Association to promulgate and enforce reasonable 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;

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

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

3.2.4. The right of the Declarant or the Association to restrict the use of certain Common Areas to certain designated Owners as shall be described in this Declaration or any amendments or supplements; and

3.2.5. The provisions of Article VII of this Declaration.

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

Section 3.4. Rights in the Roads. Each Owner, Declarant and the Association shall further have and are hereby granted a perpetual, non-exclusive right, in common with the general public, to use the Roads for the purpose of providing access to and from each Lot and the Common Areas. Declarant, the Association or individual Owners shall be responsible for petitioning the Oconee County Public Works Department to accept the Roads for public maintenance at the appropriate time. Notwithstanding the foregoing, Declarant, in its sole discretion, shall have the right, but not the obligation, to reimburse the Association for maintenance costs of the Roads prior to dedication and acceptance for public maintenance by the Oconee County Public Works Department, as described in this Declaration.

ARTICLE IV

THE ASSOCIATION

Section 4.1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be governed by the By laws, attached as Exhibit "B".

Section 4.2. 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:

4.2.1. Class A Lots. Class A Lots shall be all Lots, except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of the Lot to one (1) vote for each Class A Lot owned. 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.

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

Section 4.3. Period of Declarant Control. The Class B Membership shall cease and be converted to Class A Membership on the happening of one of the following events, whichever occurs first:

4.3.1. When the total number of votes in the Class A Membership exceeds the total number of votes in the Class B Membership; or

4.3.2. Upon the expiration often (10) full years after the recordation of this Declaration; or

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

The earliest to occur shall be referred to as the "Turnover Date" and for so long as Declarant owns any part of the Property, Declarant shall be a Class A Member.

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

Section 4.5. Management Contracts. The Association is authorized to engage the services of any person, firm or corporation to act as the manager or managing agent of the Association at a compensation level to be established by the Board of Directors and to perform any or all of the powers and duties of the Association. Provided, however, that the term of any such management contract 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 4.6. Maintenance. Prior to their acceptance for public maintenance, the Association shall maintain the Roads, provided that Declarant, in its sole discretion, has the right to reimburse the Association for maintenance costs until the Oconee County Public Works Department or other governmental entity accepts the Roads for maintenance. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the Roads shall conform to the standard of maintenance (if one is ascertainable) that would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Roads for maintenance.

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

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

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

4.6.3. Maintenance of the Roads shall conform to the standard of maintenance (if one is ascertainable) that would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Roads for

maintenance. The Association shall maintain the Roads until the Oconee County Public Works Department or other governmental entity accepts the Roads for maintenance.

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

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

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

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

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

The Reserve Fund shall be collected and maintained out of the Annual Assessment, as set forth in Section 5.2.

ARTICLE V

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

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

Section 5.2. Purpose of Annual Assessment. The Assessment to be levied annually by the Association against each Lot ("Annual Assessment") shall be used as follows:

5.2.1. To repair, maintain, reconstruct (when necessary), keep clean and free from debris, the Common Areas, including but not limited to the Street Lights and the Entrance Monument(s), and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping, as more particularly set forth in Section 4.6 of this Declaration;

5.2.2. To maintain and repair or caused to be maintained the Roads to the standards of the maintenance (if one is ascertainable) which would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Roads for maintenance, as more particularly set forth in Section 4.6 of this Declaration;

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

5.2.4. To pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws;

5.2.5. 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

5.2.6. To maintain contingency reserves in the Reserve Fund for the purposes set forth in Section 4.7 in amounts as determined by the Board of Directors.

Section 5.3. Payment of Annual Assessment; Due Dates. The Annual Assessment shall commence as to each Lot on July **1, 2002**, and shall be due and payable in full no later than July 31, 2002. The initial Annual Assessment, and the Annual Assessment for the calendar year beginning January 1, 2003 shall be Four Hundred Dollars (\$400.00) per Lot, which amount shall be due and payable in full no later than January 31, 2003, and pro-rated on a calendar year basis. The Annual Assessment for each and every year beginning January 1 st thereafter shall be in an amount set by the Board of Directors, in accordance with Section 5.4, and shall be due and payable in one (1) annual installment, such installment being due and payable no later than January 31st 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 1st of such calendar year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the installment due, to each Owner on or before January 1 st of such calendar year. However, the failure of the Association to send, or of an Owner to receive, such notice shall not relieve any Owner of its obligation to pay the Annual Assessment. Notwithstanding the foregoing, the Board of Directors may alter the dates of the fiscal year for setting the Annual Assessment and may increase or decrease the frequency of collection of Annual Assessment installments in any reasonable manner.

Section 5.4. Maximum Annual Assessment.

5.4.1. For years following the first year of the Annual Assessment 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 there shall be used the index most similar to the CPI that is published by the United States Government indicating changes in the cost of living. If the Annual Assessment is not

increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessment may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

5.4.2. From and after the first year of the Annual Assessment, the maximum Annual Assessment may be increased above the maximum amount set forth in Subsection 5.4.1 by a vote of no less than two-thirds (2/3) of the eligible Members who are voting in person or by proxy, or at the annual meeting or at a meeting duly called for this purpose, in accordance with the Bylaws.

5.4.3. The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum set forth in Subsection 5.4.1 (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 of Directors may, without a vote of the Members, but in accordance with the Bylaws, levy a Supplemental Assessment ("Supplemental Assessment"). In no event shall the sum of the Annual Assessment and Supplemental Assessment for any year exceed the applicable Maximum Annual Assessment for such year, other than as set forth in Section 6.3.

Section 5.5. Special Assessment for Capital Improvements. In addition to the Annual Assessment and Supplemental Assessment, the Association may levy, in any calendar 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 Roads (prior to acceptance for public maintenance), Entrance Monument, and Street Lights, including all improvements located thereon, and including fixtures and personal property related thereto. Provided, however, that any such Special Assessment must be approved by a vote of no less than two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5.6. Special Individual Assessment. In addition to the Annual Assessments, Supplemental 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") for the purposes of (i) paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including the Roads, Entrance Monument, and all Improvements located thereon, caused by any act or omission of such Owner, members of such Owner's family, agents, guests, tenants, employees, or invitees and not the result of ordinary wear and tear; or (ii) paying fines, penalties or other charges imposed against any particular Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws.

Provided, however, that Declarant shall not be obligated to pay any Special Individual Assessment, except with Declarant's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 5.6 shall be fixed in the Board of Directors' resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 5.7. Assessment Rate.

5.7.1. Subject to the exception set forth in Subsection 5.7.2 below, the Annual Assessments, Supplemental Annual Assessments, and Special Assessments must be fixed at a uniform rate for all Lots; and

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

ARTICLE VI

GENERAL ASSESSMENT PROVISIONS

Section 6.1. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate 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 6.2. Effect of Nonpayment of Assessments, Remedies of the Association. Any Assessment (or installment thereof) not paid by its due date, shall bear interest from such due date at the rate of eighteen percent (18%) per annum or the highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner or foreclose the lien against the Lot and the right to use the Common Areas, and interest, late payment charges, costs and reasonable attorneys' fees related to such action or foreclosure shall be added to the amount of such Assessment and shall be secured by the lien against the Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by not using the Common Areas, or by abandoning his Lot.

Section 6.3. Subordination of the Lien to Mortgages. The lien of the Assessments provided for in Articles V, VI and VI -A of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot or any Mortgage to CL T Development Corp. Sale or transfer of any Lot shall not affect the Assessment lien. The sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, however, shall extinguish the lien of such Assessments as to payments that became due prior to such sale or transfer. Provided, however, that the Board of Directors may in its sole discretion determine such unpaid Assessments to be collectable pro rata from all Owners, including the

foreclosure sale purchaser. Such pro rata portions are payable by all Owners, notwithstanding the fact that such pro rata portions may cause the applicable Assessment, to be in excess of the applicable Maximum Assessment amount permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any Mortgage as above provided.

ARTICLE VI-A

COVENANT FOR SEPTIC SYSTEM ASSESSMENTS

Section 6A.1. Creation of the Lien and Personal Obligation for Septic System Assessments.

Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association (in addition to the Annual Assessments, Supplemental Annual Assessments, Special Assessments and Special Individual Assessments provided for herein). Septic System Assessments, as hereinafter deemed, for the inspection of each Lot Owner's Septic System. 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 effective at the time when the Assessment falls 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 be a continuing lien upon the Lot against which such Assessments or charges are made.

Section 6A.2. Purpose of Septic System Assessments. The Assessments to be levied annually by the Association against each upon which a septic system has been constructed (the "Septic System Assessments") shall be used to inspect each Lot's Septic System to ensure such Septic Systems are in compliance with any requirements imposed by the Association or any governmental authority.

Section 6A.3. Payment of Septic System Assessments- Due Date. The Septic System Assessments provided for herein shall be payable, annually in advance, and shall commence as to each Lot, and shall be due and payable when Site Improvement Plans and Specifications (as defined in the Guidelines) are submitted to the ECC as set forth in the Guidelines. The initial Septic System Assessments applicable to all Lots shall be Two Hundred Seventy-Five Dollars (\$275.00) per Lot for the first year. Thereafter, the Septic System Assessments shall be One Hundred Seventy-Five Dollars (\$175.00) per year. Septic System Assessments for each and Assessments for each and every year thereafter shall be in an amount as set by the Board of every year thereafter shall be payable no later than January 31 st of such year. The Septic System

Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 6AA and shall be due and payable no later than January 31st of each such year. The Board of Directors shall fix the amount of the Septic System Assessment as to each Lot for any year at least thirty (30) days prior to January 1st of such year, and the Association

shall send written notice of the amount of the Septic System Assessment to each Lot Owner on or before January 1st of such year. Failure of the Association to send the notice described in this Section 6A.3 (or failure of an Owner to receive such notice) shall not relieve the Owners of their liability for Septic System Assessments. Notwithstanding the forgoing, the Board of Directors may alter the dates of the fiscal year for setting the Septic System Assessments, and may increase or decrease the frequency of the collection of the Septic System Assessments (or installments thereof) in any reasonable manner.

Section 6A.4. Maximum Septic System Assessment.

Subsection 6A.4.1. For years following the first year of Septic System Assessments and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the 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= 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then the index most similar to the CPI (published by the United States Government indicating changes in the cost of living) shall be used. If the Septic System Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Septic System Assessment may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

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

Subsection 6A.4.3. The Board of Directors may fix the Septic System Assessment at an amount not in excess of the maximum set forth in Subsection 6A.4.1 (the "Maximum Septic System Assessment"). If the Board of Directors shall levy less than the Maximum Septic System Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser Assessment, the Board may, by vote in accordance with the Bylaws, levy a Supplemental Septic System Assessment ("Supplemental Septic System Assessment"). In no event shall the sum of the Septic System Assessment and Supplemental Septic System Assessment for any year exceed the applicable Maximum Septic System Assessment for such year other than as set forth herein.

Section 6A.5. Assessment Rate.

Subsection 6A.5.1. Subject to the exception set forth in Subsection 6A.5.2 below, Septic System Assessments and Supplemental Septic System Assessments must be fixed at a uniform rate for all Lots.

Subsection 6A.5.2 Septic System Assessments and Supplemental Septic System Assessments for each Lot owned by Declarant shall be one-third (1/3) of the Septic System Assessments and Supplemental Septic System Assessments for each Lot in the Subdivision not owned by Declarant.

ARTICLE VII

RESTRICTIONS

Section 7.1. Land Use. Building Type and Residential Restriction. All Lots in the Subdivision shall be known and described as residential lots and shall be used only for private residential and recreational purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for use as a single family residential dwelling, unless otherwise provided herein, and only one single-family residential dwelling not exceeding 2 1/2 stories in height above ground shall be erected or permitted to remain upon any Lot. Notwithstanding the foregoing, no dwelling shall be constructed on Lot 1A. No log cabin (or structure resembling a log cabin, or having the architectural characteristics of a log cabin), mobile home, modular home or shell home may be erected or permitted to remain on any Lot. A private garage (not exceeding three (3) car capacity), fixed piers and floating boat dock facilities incidental to the residential use of the Lot are expressly permitted upon the condition that they are not rented, leased nor otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No detached garage shall at any time be used as a residence. Each lot which is improved with a residence must have one attached garage with a minimum of two automobile capacity or a maximum of three automobile capacity. Any ownership or leasing arrangement for a Lot having the characteristics of a vacation time-sharing ownership plan, a vacation time-sharing lease plan or other form of shared or interval ownership is expressly prohibited. Any lease of any property must be for a period of at least six (6) months. Furthermore, no boat (including a houseboat), whether existing on a Lot or docked at a fixed pier or floating boat dock that is appurtenant to any Property in the Subdivision, may at any time be used as a residence.

Section 7.2. Dwelling Size. The square footage requirements refer to enclosed heated floor area and are exclusive of the area in unfinished basements, unheated porches of any type, attached or detached garages, any type of port-cochere, and unheated storage areas, decks or patios. Any one (1) story dwelling erected upon any Lot shall contain not less than one thousand eight hundred (1,800) square feet ; any multi-story dwelling shall contain not less than one thousand eight hundred (1,800) square feet and the first floor shall contain not less than one thousand (1,000) square feet.

Section 7.3. Building Construction and Quality. All buildings erected upon any Lot shall be constructed of new material of good grade, quality and appearance and shall be constructed in a proper, workmanlike manner. No single-family residential dwelling with a sales price of less than One Hundred Fifty Thousand Dollars (\$150,000.00) (in terms of 2001 dollar value), exclusive of the cost of the Lot, shall be permitted on any Lot, unless approved in advance in writing by Declarant

or the Board of Directors. No building shall be erected unless it is completely underpinned with a solid brick, brick or stone-covered block or stucco foundation. The exterior surface of any building shall not be of asbestos shingle siding, imitation brick, vinyl or stone roll siding, or exposed concrete or cement blocks. The exterior surface of any garage or appurtenant structure or building erected on or located on any Lot shall be architecturally compatible with, and of material and construction comparable in cost and design to, the exterior surface of the dwelling located on the Lot. The dwelling shall have roof(s) of a gable and/or hip design with the ridge line along the center of the covered structure. All buildings shall have roofs (except for dormers, porches and bay windows) of not less than six (6) vertical by twelve (12) horizontal pitch, and not less than twelve (12) inch overhang, covered with slate, cedar shakes, tile, composition (fiberglass), composite, or architectural (sculpted) shingles. Tin or rolled roofing material is not permitted. The exterior of all houses and other structures on the Lot must be completed within one (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or natural calamities or other similar "force majeure" events beyond the control of the Owner.

Section 7.4. Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic, vinyl or canvas tent, barn, garage, utility building, storage building or other metal, fiberglass, plastic, vinyl or canvas structure shall be placed or effected on any Lot or attached to any residence. Provided, however, that nothing herein shall prohibit Declarant from erecting or moving temporary buildings or trailers onto the Lots owned by Declarant, to be used for storage or for construction or sales offices.

Section 7.5. Building Setback Lines. No building on any Lot (including any stoops, porches, or decks) shall be erected or permitted to remain within the front (street right-of-way) or side abutting right-of-way (for a corner Lot) building setback lines as noted on the Map. Notwithstanding any rear setback restrictions noted on the Map, no building, including stoops, porches or decks (whether attached or unattached) shall be erected or permitted to remain within the Lake Buffer Area. Boathouses, piers and dock facilities are exempt from this restriction provided they comply with the provisions set forth in Section 7.22. The foregoing notwithstanding, gazebos or similar minor aesthetic improvements may encroach within the rear setback, including the Lake Buffer Area, provided that they: (i) are single story; (ii) contain less than one hundred fifty (150) square feet; and (iii) are not enclosed by walls or other surfaces unless such surfaces meet the openness test established for perimeter fencing in Section 7.11. Similarly, front, side or rear entryways which (i) are connected to the residence and (ii) are not covered or enclosed in any manner, may encroach within the front, side or rear setback or the Lake Buffer Area.

In the event any zoning or subdivision ordinance, flood way regulations or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of that zoning or subdivision ordinance, flood way regulations or other ordinance, law or regulation shall conform to said requirements. No masonry mailboxes or other structures or improvements may be constructed or placed within the right-of way of any of the Roads (so as to prevent such Roads from being accepted for maintenance by the Oconee County Public Works Department or other applicable governmental entity). Declarant hereby reserves the right and easement, benefiting Declarant and the Association and burdening the Property, to go upon any Lot or other portion of the Property in order to remove any mailboxes or other structures or

improvements constructed within the right- of-way of any Road which will prevent such Road from being accepted for maintenance by the Oconee County Public Works Department or other applicable governmental entity. Should Declarant or the Association exercise its easement rights pursuant to the terms of this Section 7.5, the Owner of the nonconforming Lot shall reimburse Declarant or the Association (as applicable) within five (5) business days following the submission of an invoice for any costs or expenses incurred by Declarant or the Association. The exercise or non exercise of the easement rights contained in this Section 7.5 shall be subject to the discretion of the Declarant and the Association and neither Declarant nor the Association shall have the obligation to exercise such rights.

The Association shall have the authority but not the obligation, in its sole discretion, to bring a Special Individual Assessment against an Owner who fails to abide by the terms of this Section 7.5, as well as the expenses to be reimbursed Declarant in the event that Declarant seeks to cure any such violation, and shall be subject to the Association's Assessment collection remedies as specified in Article VI of the Declaration.

Section 7.6. Minor Setback Violations. In the event of the unintentional violation of any of the building setback covenants set forth above, in the amount often percent (10%) or less of the setback covenant in question, Declarant reserves the right, which right shall be vested in and may be exercised by the Association after Declarant's Class B Membership in the Association has converted to Class A Membership, but is not obligated, to waive in writing such violation of the setback covenants upon agreement of the Owner of the Lot upon which the violation occurs and the Owner(s) of any Lot adjoining the violated setback, provided that such change is not in violation of any zoning or subdivision ordinance or other applicable law or regulation or, if in violation, provided that a variance or other similar approval has been received from the appropriate governmental authority.

Section 7.7. Combination or Subdivision of Lots. Except as otherwise set forth herein, the Lot shall be subdivided by sale or otherwise so as to reduce the Lot area shown on the Map. However, a Lot Owner may combine with a portion or all of another contiguous Lot so long as the parcel or parcels which result from such combination do not violate any applicable zoning ordinance or other applicable law or regulation. In the event that two or more Lots are completely combined so as to create one parcel, the resulting parcel shall be considered as one Lot for the purposes of this Article VII, but shall continue to be considered as two Lots for all other purposes (including voting and Assessments). Notwithstanding the foregoing, Lots 1 and 1A shall be considered one Lot for all purposes, including voting and Assessments. Furthermore the Owner of any Lot which combines with all or a portion of a contiguous Lot shall be solely responsible for any costs which may result from such combination, including the costs of relocating any existing easements. Notwithstanding the foregoing, Declarant reserves the right to change the boundaries or dimensions of any Lots still owned by Declarant as may be needed to meet septic system requirements or for any other reason and any Lot or Lots which result from such change by Declarant shall not be subject to any additional Assessment.

Section 7.8. Utility Easements. Declarant reserves easements for the installation and maintenance of utilities (electricity, septic system, water, gas, telephone, cable T.V., etc.) and drainage facilities over the front and rear ten (10) feet of each Lot (with the exception of the Lot: along the waters of Lake Keowee, which will not have a ten [10] foot easement over the rear of

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

Section 7.9. Entrance Monument Easement(s). Declarant hereby grants, establishes, creates and reserves for the benefit of Declarant and the Association, and their successors and assigns, non-exclusive perpetual easement(s) (the "Entrance Monument Easement(s)"), for the purpose of landscaping and maintaining the entryway and erecting and maintaining the Entrance Monument(s) for the Subdivision over the portion of the Common Area identified as "Entrance Monument Easement(s)" on the Map (the "Easement Area(s)").

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

Section 7.10. Storm water Drainage Easement. Declarant reserves over the Common Areas an easement for drainage of storm water runoff from the Lots and Roads within the Subdivision.

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

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

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

Section 7.14. Lot Maintenance; Trash Disposal. Each Owner shall keep his Lot in a clean and orderly condition and shall keep the improvements thereon in a suitable state of painting and repair, promptly repairing any damage thereto by fire or other casualty. No clothesline may be erected or maintained on any Lot. No Lot shall be used in whole or in part for storage of trash of any character whatsoever and no trash, rubbish, stored materials or similar unsightly items shall be allowed to remain on any Lot outside of an enclosed structure, except when temporarily placed in closed, sanitary containers pending collection by trash collection authorities or companies.

Section 7.15. Off-Road Parking; Off-Water Boat Storage. Each Lot Owner shall provide a concrete or asphalt driveway prior to the occupancy of any dwelling constructed on the Lot that provides space for parking two automobiles off the Roads. No truck or commercial vehicle in excess of one-ton load capacity, or any vehicle under repair, wrecked or junked motor vehicle shall be parked upon or permitted to remain on any Lot or Common Area, or other portion of the Property. No trailer, mobile home, recreational vehicle, camper or boat shall be used as a residence, either temporarily or permanently. No trailer, mobile home, recreational vehicle, camper or boat shall be parked upon or be permitted to remain visibly on any Lot for a period exceeding seven (7) days. All trucks, trailers, campers, motor homes and recreational vehicles must have a current license plate affixed. All automobiles must have a current license plate affixed and must be parked in an enclosed garage, or on a concrete or asphalt driveway.

Section 7.16. Sewage Disposal. Every dwelling erected on any Lot shall be served by an approved septic system for the disposal of sewage, or connected to a private or public sewage disposal system. All septic systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of all applicable governmental authorities and regulatory agencies. Declarant does not make any representations regarding the future availability of municipal sewer service.

Section 7.17. Public Water System: No Wells. Declarant shall construct a water system in order to provide water supplies necessary to serve the Subdivision (the "Water System"). All water mains and pipes and other equipment necessary for the operation and maintenance of the Water System shall be located within the Utility Easements described in Section 7.8, or within public road rights-of-way. Upon its completion, the Water System and all mains, pipes, equipment and other personal property which is part thereof, shall become the property of Seneca Light and Water Plant, a public utility company duly licensed and operating under the authority granted by the South Carolina Department of Health and Environmental Control. The Water System shall be the sole source of potable water for the Subdivision, and no well may be dug or constructed on any Lot for the purpose of providing domestic water supply.

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

Section 7.19. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed houses or other improvements shall be permitted to exist on any Lot or Common Area, except during such reasonable time period as is necessary for completion. The exterior of all houses and other structures must be completed within one (1) year from the date of commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or natural calamities. Once construction begins on a Lot, if construction activity stops for more than sixty (60) days, the Declarant or Board of Directors shall receive written notice concerning the reason(s) that construction has stopped and written assurances from the Owner as to when construction shall resume and be completed. No construction materials of any kind may be stored within forty-five (45) feet of any Road curbs on any Lot. Such responsible party shall repair any damage to any Roads, curb or sidewalk or any part of any Common Area or any utility system caused by an Owner or any builder. If such responsible party fails to repair such damage, Declarant or the Association may make or provide for such repairs, and the responsible Owner shall immediately reimburse the repairing party for its out-of-pocket expenses in making such repairs. The Owner of each Lot and any builders shall at all times keep contiguous public and private areas free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of improvements on the Lots, Roads, and any Common

Areas. Declarant or the Association may provide for the cleaning of public and private areas due to the activities of the responsible party and may assess the responsible party a reasonable charge not to exceed the actual cost for such cleaning. Declarant and each Owner or builder shall, consistent with standard construction practices, keep all portions of the Lots, Roads, and Common Areas free of unsightly construction debris and shall at all times during construction either provide dump sites for the containment of garbage, trash or other debris which is occasioned by construction of improvements on a Lot or Common Areas, or take other measures consistent with standard construction practices necessary to keep the Lot, Roads, and all Common Areas free of such garbage, trash, or other debris. Each Owner and any Owner's builder and each Owner shall be responsible for erosion control protection during any earth-disturbing operation, as described and defined in the Guidelines.

Section 7.20. Removal of Trees and Other Vegetation. All trees, shrubs and ground cover within the Lake Buffer Area are considered to be "protected" vegetation in that cutting and clearing generally is not permitted therein without the prior written consent of Declarant or the Board of Directors. The practical exceptions to this rule are that dead or diseased trees may be removed, poisonous plants may be removed, underbrush may be selectively cleared, understory may be thinned to provide better views, individual trees may be limbed up, and ground covers may be planted.

"Mature trees" inside the Lake Buffer Area may not be cut down or otherwise removed without the specific written approval of the Declarant or the Association. For purposes of this Declaration, "Mature trees" shall mean all evergreen or deciduous trees with a caliper of four (4) inches or greater.

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

Declarant hereby reserves the right and easement benefiting Declarant and the Association to go upon any Lot or other portion of the property to replant or order the replanting of any trees, shrubs or other vegetation removed within the Subdivision in violation of the terms of this Section 7.20. If Declarant or the Association exercises its easement rights pursuant to the terms of this Section 7.20., the Owner of the nonconforming Lot shall reimburse Declarant or the Association (as applicable) within five (5) business days following the submission of an invoice for any costs or expenses incurred by Declarant or the Association. The exercise or nonexercise of the easement rights contained in this Section 7.20 shall be subject to the discretion of the Declarant and the Association and neither Declarant nor the Association shall have the obligation to exercise such rights.

Declarant and/or the Association shall have the authority but not the obligation, in their sole discretion, to levy a Special Individual Assessment against an Owner who cuts, damages, or removes any trees, shrubs or other vegetation on any part of the Common Areas, their Lot or any other Lot contrary to the above provisions.

The penalties authorized by this Section 7.20, as well as all related expenses to be reimbursed, shall be considered a Special Individual Assessment against the respective Owner's Lot, entitling the Association to the Assessment collection remedies specified in Article VI of this Declaration.

Section 7.21. 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 Owner's docks or piers.

Section 7.22. Docks, Piers and Boat Houses. Duke Energy Corporation controls access to, use of, and water levels in Lake Keowee. Any Owner, Declarant and the Association must receive permission from Duke Energy Corporation (or a successor manager of Lake Keowee under authority from the Federal Energy Regulatory Commission ["FERC"]) prior to placing or constructing any pier, structure or other improvement within or upon, or conducting any activity altering the topography of, the hydroelectric project surrounding and encompassing the waters of Lake Keowee. Declarant makes no oral, express or implied representation or commitment as to the likelihood of any Owner obtaining such permission, nor as to the continued existence, purity, depth or levels of water in Lake Keowee, and Declarant shall have no liability with respect to these matters. Construction of any such improvements is also subject to the recorded restrictions and easements affecting the Lot.

Subject to the foregoing and to the other provisions of this Declaration, the Owner of any Lot adjoining the waters of Lake Keowee may construct one (1) dock or pier, provided that such Lot is not located in an area where the narrowness of a cove precludes construction of a dock or pier as determined by Duke Energy Corporation and/or any governmental entity having jurisdiction at the time such improvements are to be constructed. Any waterfront improvement shall have a low profile and open design to minimize obstruction of neighbors' views. Enclosed docks or boat houses will not be allowed either on the water or within the Lake Buffer Area. Roof-covered docks or piers are allowed provided that such docks or piers are one level, do not exceed more than twenty-five (25) feet in height and are not enclosed. Two-level or multi-level docks or piers are not permitted.

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

7.22.1. Easements, restrictions, rules and regulations for construction and use promulgated by the Association;

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

7.22.3. Rules and regulations, privileges and easements affecting the Property and the waters and submerged land of Lake Keowee established by Duke Energy Corporation, its successors and assigns. Duke Energy Corporation is the manager of Lake Keowee

under authority granted by FERC; its current management plan runs through August 31,2016. As manager of Lake Keowee, Duke Energy Corporation controls access to, and the use and level of, the waters of Lake Keowee. All Owners, the Association, the Declarant and any builders must receive permission from Duke Energy Corporation [or a successor manager of Lake Keowee, under authority from FERC] prior to any alterations therein, including the construction and continued use and maintenance of any dock, pier, or boat slip.

No Owner of any Lot that adjoins the waters of Lake Keowee shall construct a pier of any kind, boat mooring or any other structure outside the pier zone designated on the Map applicable to such Lot.

Section 7.23. 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 from a public boat ramp outside the Subdivision.

Section 7.24. Rights of Duke Energy Corporation. Duke Energy Corporation has certain privileges and easements affecting the Development which include the right, privilege and easement of backing, ponding, raising, flooding or diverting the waters of Lake Keowee and its tributaries upon and over the Development, as more specifically described in the deed from Duke Energy Corporation to Declarant.

Section 7.25. Non-waiver. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of any provision contained herein or referred to herein shall be held to be a waiver by that party of any right available to the party upon the recurrence or continuance of said violation or the occurrence of a different violation.

ARTICLE VIII

INSURANCE

Section 8.1. 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:

8.1.1. Fire and Casualty. All improvements and all fixtures included in any Common Areas, including but not limited to the Entrance Monument and Roads (prior to acceptance by governmental authorities for maintenance), and the medians located thereon, and all personal property and supplies belonging to the Association, shall be insured in an amount equal to 100% of the current replacement cost up to the amount specified in the insurance policy (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire, windstorm, vandalism and malicious damage and all perils covered by a standard "all risk" insurance policy. All such policies shall provide that

the Board of Directors and the insurance company shall approve adjustment of loss. In addition to the provisions and endorsements set forth in Section 8.4, the fire and casualty insurance policies described herein shall contain the following provisions:

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

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

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

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

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

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

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

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

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

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

Section 8.4. General Guidelines. All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of South Carolina and holding a rating of "A_I 0" or better by the current issue of A.M. Best's Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of, and provide that all proceeds thereof shall be payable to, the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

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

Section 8.5. Owner's Personal Property. The Association or Declarant shall not be liable in any manner for the safekeeping or conditions of any personal property belonging to or used by any Owner or his family, guests or invitees, located on or used at the Common Areas. Further, the Association or Declarant shall not be responsible or liable for any damage or loss to or of any personal property of any Owner, his family, guests-or invitees located on or used at the Common Areas. Each Owner shall be solely responsible for all personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase, at such Owner's sole cost and expense, of any liability insurance or other insurance for damage to or loss of such property.

ARTICLE IX

ENVIRONMENTAL AND LAKE BUFFER GUIDELINES

Section 9.1. 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 ECC 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 IX as set forth in the Guidelines or established by the ECC have been paid in full by the Owner. The provisions of this Article IX shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any Lot or upon any of the Common Areas. The Board may delegate to the ECC any powers or authority reserved or granted to the Board under this Article IX.

Section 9.2. Composition of ECC. So long as Declarant owns any Lot or other portion of the Property, Declarant shall appoint the members of the ECC. 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 ECC, the Board shall thereafter appoint the members of the ECC. The members of the ECC shall be appointed annually and will be composed of three (3) individuals. The members of the ECC need not be Owners of Lots in the Development. In the event of the death or resignation of any member of the ECC, the party or body then having the authority to appoint members to the ECC shall have full authority to designate and appoint a successor. Members of the ECC 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 ECC shall have the right, power and authority to employ and/or use the services of any engineers or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the ECC as described in this Article IX.

Section 9.3. Environmental and Lake Buffer Guidelines.

9.3.1. The ECC shall, from time to time, publish and promulgate 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 ECC 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 ECC and the fees to be imposed by the ECC as more specifically described in Section 9.6 hereof. In any event, the Guidelines shall not be binding upon the ECC, may be revised and amended at any time by the ECC, 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 ECC for approval.

9.3.2. The ECC 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 on the Property.

9.3.3. The ECC 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 9.4. Enforcement.

9.4.1. It is Declarant's intent that the Environmental Control provisions of this Declaration and any Supplemental Declarations are to minimize the adverse impact on the environment of Lake Keowee. 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 IX or the Guidelines by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions. Declarant hereby specifically reserves and grants unto the ECC, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determining whether any construction which violates any approved plans by the ECC, the terms of the Guidelines, the terms of this Declaration or any Supplemental Declaration, or the terms of any amendments hereto or thereto.

9.4.2. As to nonconforming Improvements or Improvements which have not been approved by the ECC, the Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, their demolition and removal) if such Improvements were commenced or constructed in violation of this Article IX or the Guidelines. 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, reasonable attorneys' fees and expenses incurred by the Association and/or the ECC 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 9.5. Failure of the ECC to Act. If the ECC fails to approve or disapprove any Site Improvement Plans and Specifications (as defined in the Guidelines) and other submittals which conform (and which relate to Improvements which will conform) with the requirements of the Guidelines and of the Declaration 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 and the Declaration, of all items that were to have been submitted to the ECC, the Lot Owner shall give written notice to the ECC asking it to act on the submittal. If the ECC again fails to approve or disapprove the Site Improvements Plans and Specifications and other submittals within ten (10) business days after receipt of the Lot

Owner's written request, the ECC shall be deemed to have approved such conforming Plans and Specifications and other submittals; provided, that the ECC 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 the Declaration or any Supplemental Declaration for the Phase in which the Lot is located, and further provided, that the ECC shall not be deemed to have waived any of the requirements set forth in the Declaration or any corresponding provisions in the Guidelines. If final Site Improvements, Plans and Specifications or other submittals are not sufficiently complete or are otherwise inadequate, the ECC may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject or approve the balance.

Section 9.6. Fees and Construction Escrow Deposit Required by the ECC. The ECC, in its sole discretion, may require that each Owner submitting plans and specifications for Improvements to the ECC pay one or more fees to the ECC 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 ECC and shall be set forth in the Guidelines. The ECC, 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 9.7. No Construction Without Payment of Fees. Notwithstanding anything contained in this Article IX 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 ECC to be paid in connection with such Improvements, as provided in Section 9.6 above, shall have been paid to the ECC or Declarant as required.

Section 9.8. Notices and Submittals. Notices and submittals to the ECC shall be in accordance with the notice provisions set forth, from time to time, in the Guidelines.

Section 9.9. Limitation of Liability. No member of the ECC 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 IX. Neither the ECC, the members thereof, the Association, 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 ECC shall not be deemed or construed as a representation or warranty of the ECC, 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, environmental 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 therefor 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 ECC, the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases 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 9.10. Miscellaneous. Members of the ECC, in the sole discretion of the party or body appointing such members (Le., either Declarant or the Board, as the case may be) may be compensated for their services. The Association shall reimburse members of the ECC for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the ECC, 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 9.4.

ARTICLE X

RIGHTS OF MORTGAGEES

Section 10.1 Approval of Mortgagees. Unless at least seventy-five percent (75%) of the Mortgagees holding Mortgages on Lots located within the Development then subject to the full application of this Declaration have given their prior written approval, the Association shall not:

10.1.1. except as otherwise specifically provided herein, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for utilities or other purposes and the transfer of Common Areas pursuant to the terms of the Declaration shall not be deemed a transfer within the meaning of this clause);

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

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

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

Section 10.2. Additional Rights. Any Mortgagee shall have the following rights:

10.2.1. 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;

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

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

10.2.4. 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;

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

10.2.6. to be given prompt written notice of any eminent domain or condemnation proceeding affecting the Property; and

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

Whenever any Mortgagee desires the provisions of this Section 9.2 to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Lot or Lots upon which any such Mortgagee holds any Mortgage or identifying any Lot owned by it, together with sufficient pertinent facts to identify any mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee.

Section 10.3. Books and Records. Any Mortgagee will have the right to examine the books and records of the Association during any reasonable business hours.

Section 10.4. Payment of Taxes and Insurance Premiums. The Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may 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 from the Association.

ARTICLE XI

CONDEMNATION

Section 11.1. Partial Taking: Without Direct Effect on Lots. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Areas, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Areas. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Areas, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Areas. Such proceeds shall be used to restore the Common Areas with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein 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 damage relating to loss of value of the affected Lots, or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for Reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear, by the Board of Directors, in its sole discretion.

Section 11.2 Partial or Total Taking: Directly affecting Lots. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as Provided in Section 11.1 and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of anyone or more of the Lots or improvements, fixtures or personal property thereon, shall be paid to the Owners of the affected Lots and their Mortgagees, as their interests may appear. If all of the Property shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Areas shall be distributed with the other assets of the Association in accordance with the Article of Incorporation.

Section 11.3 Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Section 9.2.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1. Enforcement. Declarant, being the developer of other subdivisions in the area of the Subdivision, wishes to maintain a high standard in the appearance and quality of the Subdivision. Though damages would be difficult to measure, the failure of the Owners or the Association to abide by the terms, covenants and restrictions contained in this Declaration would result in irreparable damage to Declarant and its reputation. Accordingly, Declarant, during the term of this Declaration as set forth in Section 12.4 as well as the Association or an Owner or Owners, shall have the right, but not the obligation, to enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restriction, conditions, covenant, reservation, lien or charge, either to restrain violation thereof or to recover damages therefore. 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 and the Owners hereby covenant and agree that they shall exercise their power of enforcement hereunder in order to maintain a first class subdivision in appearance and quality, and that they shall, upon the request of Declarant, enforce any restriction, condition, covenant or reservation contained in this Declaration deemed by Declarant, in its sole discretion, to have been violated, using all remedies available to them at law or in equity. Failure by Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Declarant hereby reserves the right and easement, but not the obligation, to go upon any portion of the Common Areas at any time in order to repair and maintain such Common Areas where needed, in Declarant's sole discretion, to bring such Common Areas within the standards required by Declarant. Should Declarant go upon the Common Areas to perform maintenance and/or repairs for such purpose, the Association hereby agrees to reimburse Declarant in full for the cost of such maintenance and/or repairs, upon receipt of a statement for such cost from Declarant, for maintenance and/or repair of the Common Areas.

Section 12.1(a) Clarification. Section 12.1 provides the Association and Owner(s) with the right to enforce, pursuant to the provisions of the Declaration, by proceeding in law or in equity against violators or attempted violators of any or all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. This subsection shall clarify, but shall not limit, the methods that may be selected at the sole discretion of the Association or Owner(s) seeking to enforce. This subsection shall not prohibit the Association or Owner(s) from seeking a preliminary injunction or restraining order to prevent irreparable harm or to preserve the status quo, should circumstances warrant.

The Association or Owner(s) may seek enforcement by initiating arbitration of a dispute by sending notification of the intent to arbitrate via certified mail with return receipt to the alleged violator or attempted violator. The Association or Owner(s) seeking enforcement shall select an arbitration service from a list of such services adopted by the Board of Directors (BOD)

of the Association. The arbitration shall be administered by such service, subject to the rules of the selected service. The parties may also agree in writing to an alternative method of selecting an arbitrator or arbitrators, as well as to the rules to be applied in the arbitration process. Arbitration shall not be subject to the provisions of the South Carolina Uniform Arbitration Act (S.C. Code Ann 15-48-10, et. Seq.), unless all parties agree in writing to be governed by the Act. The arbitration result shall be final and binding on all parties, and enforceable by any court of competent jurisdiction.

The Association or Owner(s) may also seek enforcement by the Master-in-Equity of Oconee County. Should the Association or an Owner(s) file a lawsuit to enforce in the state court system, the matter will be referred to the Master-in-Equity for decision.

This subsection does not prohibit the Association or Owner(s) from agreeing in writing to other methods of dispute resolution such as mediation.

Regardless of the method of seeking enforcement, the Association or the Owner(s) are to be awarded the costs of enforcement, including all costs relating to arbitration, Master-in-Equity, mediation and reasonable attorneys' fees, if the Association or the Owner(s) is the prevailing party.

Failure or election not to enforce shall in no event be deemed to a waiver of the right to do so thereafter.

Section 12.2 Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall not affect any other provisions, which shall remain in full force and effect.

Section 12.3 Amendment. The covenants, conditions and restrictions of this Declaration may be amended 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, that such amendment must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development or of any Additional Property. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Notwithstanding the foregoing, the consent of a majority of the Owners of Lots, plus the written consent of Declarant, shall be required to reduce the land in the Development, to withdraw any portion of the Property from the requirements of this Declaration or restrict or revoke Declarant's right of enforcement as provided for in Section 12.1 of the Declaration.

Notwithstanding the foregoing, no such consent shall be required for any addition or amendment which Declarant is authorized to make under other Section of the Declaration, including without limitation, Section 2.2 and Subsection 3.2.4.

Notwithstanding anything in this Section 12.3 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. Declarant, without obtaining the approval of any other person or entity, may also make amendments or modification hereto which are correctional in nature only and do not involve a change which materially adversely affects the rights, duties or obligation specified herein.

Section 12.4. Term. The covenants and restrictions of this Declaration are to run with the land (unless otherwise specified herein) and shall be binding upon all parties and all persons claiming under them for a period of twenty (20) years from the date this Declaration is recorded: after which time the covenants and restrictions of this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then Owners of the lots. Plus Declarant, has been recorded, agreeing to terminate the covenants and restrictions in whole or in part. Provided, however, that the residential use restrictions set forth in Section 7.1 of the Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

In witness whereof, a majority of the property owners have caused this Declaration to be revised by adding Section 12.1(a) at the Annual Meeting on April 4, 2009. This revision is executed by its duly authorized Vice President of the Crestview Owners Association as of April 27,2009.

WITNESSES:

Witness (signed) Nancy E. Smith

Crestview Owners Association

signed Joseph M. Smith

Witness (signed) Sheila M. Wald

Vice President

Sworn to before me the 27th day of April

Notarized by Deborah H. Smith, notary

commission expires May 2, 2018

(original filed in Oconee County, South Carolina)

Crestview Owners
Association
P.O. Box 8277
Seneca, SC 29678

In accordance with Article 12, Section 12.3, the Crestview Owners Association Board of Directors certifies the results of the Property Owners as shown in the notation below regarding the attached covenant changes.

Article 7, sec. 7.1 regarding outbuildings:	32 FOR 6 Against
regarding carports:	35 FOR 3 Against
regarding garage minimum:	31 FOR 7 Against
regarding leasing term:	33 FOR 5 Against

Thirty-eight votes were cast and a simple majority (29 required) passed the changes.

As secretary of the Crestview Owners Association, I attest that the above voting numbers are accurate and meet the requirements of the Crestview Owners Association.

(signed) Jill Fournier , secretary

Nov. 4, 2011

Witness (signed) Janice Daniels

Witness (signed) Catherine F. Neal

State of South Carolina County of Oconee

On this 4th day of November, 2011 before me personally appeared Jill Fournier, Secretary of the Crestview Owners Association, who provided satisfactory evidence of her identification to be the person whose name is subscribed to this instrument .

(signed) Debra L. Johnson

Notary Public

Oconee County, South Carolina

My commission expires: 4/25/21

(original filed in Oconee County, South Carolina)

Crestview Owners Association
P.O. Box 8277
Seneca, SC 29678

In accordance with Article 12, Section 12.3, the Crestview Owners Association's Board of Directors certifies the results of the Property Owners as shown in the notation below regarding the attached covenant changes.

Article 1, Section 1.12, removal of terms "sheds and area"

38 FOR 4 AGAINST 1 NO PREFERENCE

Article 7, Section 7.2, increase of minimum square footage

35 FOR 7 AGAINST 1 NO PREFERENCE

Article 7, Section 7.3, roof design changes

37 FOR 5 AGAINST 1 NO PREFERENCE

Article 7, Section 7.3, additional roof materials

39 FOR 3 AGAINST 1 NO PREFERENCE

Article 7, Section 7.3, exclusion of vinyl siding

38 FOR 4 AGAINST 1 NO PREFERENCE

Article 7, Section 7.15, limited trailer parking

39 FOR 3 AGAINST 1 NO PREFERENCE

Forty-three votes were cast with a simple majority (29 required) passed the changes.

As Treasurer of the Crestview Association, I attest that the above voting numbers are accurate and meet the requirements of the Crestview Owners Association.

signed
Robert Ridge, Treasurer Date 8/1/2012

Joseph M. Smith, signed Date 8/1/2012
witness

signed
witness, Thomas Hawkins, Vice President Date 8/1/2012

State of South Carolina, County of Oconee

On this 1st day of Aug., 2012 before me personally appeared Robert Ridge, Treasurer of the Crestview Owners Association, who provided satisfactory evidence of his identification to be the person whose name is subscribed to this instrument.

Signed Lisabeth K. Rogers

Notary Public
Oconee County, South Carolina
My commission expires 4/5/2016

SEAL