

DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR
FOUR SEASONS AT GOLD HILL AN AGE RESTRICTED COMMUNITY

This integrated version of the Four Seasons at Gold Hill CE&Rs is maintained by the Four Seasons at Gold Hill HOA Board of Directors. It combines the original plus accepted and recorded amendments. The last page of this document includes a history of the revisions to this document. The duly executed original and amendment(s) have been filed with the York County Clerk of the Court, and are available by contacting the HOA Board via email at Board@FourSeasonsGoldHill.org, or through York County. Any differences between this version and the filed version are unintentional – the filed version takes precedence.

An Assignment of Declarant Rights was recorded on August 28, 2009 in Record Book 10993, page 140 in the Office of the Clerk of Court for York County, SC. Thus, the Four Seasons at Gold Hill Homeowners Association may exercise the rights previously reserved herein by the Declarant.

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FOR
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**DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR
FOUR SEASONS AT GOLD HILL**

THIS DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS FOR FOUR SEASONS AT GOLD HILL (the "Declaration") is made this ____ day of _____, 2002 by Site One, LLC, a limited liability company of the State of South Carolina and K. Hovnanian Four Seasons at Gold Hill, L.L.C. a limited liability company of the State of South Carolina (collectively the Declarant).

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Exhibit A, which is attached hereto and incorporated herein by this reference; and

WHEREAS, this Declaration imposes upon the Property (as defined in Article 1) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Property and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Property

WHEREAS, the Declarant is recording this Declaration among the Land Records of York County, South Carolina (the "Clerk's Office") so as to impose upon the Property a uniform scheme of covenants, conditions, restrictions, easements, assessments, obligations, charges and liens, for the purpose of ensuring the protection and value of the Homes to be constructed in the Community and for the further purpose of providing for the ownership, operation, maintenance, repair and replacement of the improvements, if any, to be constructed by Declarant on the Common Property; and

NOW, THEREFORE, the Declarant hereby declares that all of the Property, as defined hereinafter, is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations and liens hereinafter set forth in this Declaration, which are for the purpose of protecting the desirability of and which shall run with the real property subjected to this Declaration. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors, successors-in-title and assigns.

ARTICLE 1. DEFINITIONS

"Additional Lands": all or part of the any contiguous property which is owned or may be acquired by Declarant that is not part of the Property (as described in Exhibit A attached hereto) and which may, but is not required to be added to the Community and subjected to the terms of this Declaration by way of amendments to this Declaration.

"Age-Qualified Person": any Owner of the age of 55 years or over (or 45 years of age or over, if approved by the Declarant or the Board).

"Articles of Incorporation": the Articles of Incorporation of the Association.

"Association": the Four Seasons at Gold Hill Homeowners Association, Inc., a South Carolina not-for-profit corporation, formed to enforce the restrictions, covenants and conditions regarding the construction, use and occupancy of Homes in the Community and to maintain, repair, own and replace the Common Property as provided in this Declaration and the Bylaws.

"Association Dues" (also "Dues" or "Assessments"); all assessments, assessed by the Association against the Owners.

"Beneficial Member": every Owner of a Home in the Community other than Declarant.

"Board": the Board of Directors of the Association. Any reference herein or in the Articles of Incorporation, Bylaws or Rules and Regulations, to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the membership of the Association, unless the context expressly indicates to the contrary.

"Builder": Declarant or any other persons or companies in the business of building and selling homes to individuals and selected by Declarant to purchase Lots and construct homes for sale in the Property, so long as such Builder is in good standing with Declarant.

"Bylaws": the Bylaws of the Association with all future amendments or supplements thereto.

"Clubhouse": the clubhouse (which may consist of two or more separate structures), which may be constructed on the Property, the location of which is referenced in the Exhibit B attached to this Declaration.

"Common Expenses": all those expenses (including reserves) incurred or anticipated to be incurred by the Association, or its respective directors, officers, agents or employees, for the general benefit of all Lots as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws or the Articles of Incorporation. Common Expenses shall not include expenses incurred by Declarant in the maintenance of lands not yet made a part of the Property, except as specifically set forth herein.

"Common Property": all the real property and personal property, improvements and facilities of the Community which is now or hereafter owned and operated by the Association for the common use and enjoyment of the Owners which may include entry

features, landscape areas, lakes, ponds, roads, sidewalks, trails, easements, a Clubhouse and other amenities, if any, as graphically depicted on the survey referenced in the Exhibit B attached to this Declaration and as may be added to by way of amendment to this Declaration.

"Community": the Four Seasons planned residential adult community intended to be developed on the Property (as shown on the Phase I Plan), and as may be developed on the Additional Lands.

"County": York County in the State of South Carolina.

"Declaration": this Declaration of Covenants, Easements and Restrictions for Four Seasons at Gold Hill, including the covenants, conditions, and restrictions and all other provisions set forth herein, as may be amended from time to time.

"Declarant": Site One, L.L.C. a limited liability company of the State of South Carolina and K. Hovnanian Four Seasons At Gold Hill, L.L.C., a South Carolina limited liability company, its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any rights or obligations of the Declarant hereunder unless such rights and obligations are specifically set forth by Declarant.

"Fair Housing Act": the Fair Housing Act of 1968. Fair Housing Amendments Act of 1988, P,L 100-430 (September 13,1988) and amendments thereto including, but not limited to the Housing for Older Persons Act of 1995, HR 660 (signed December 1995); regulations adopted by the U.S. Dept. of HUD implementing the Housing for Older Persons Act, found at 24 CFR Part 100, and any amendments thereto, and any judicial or administrative interpretations or decisions affecting said legislation.

"Federal Mortgage Agencies": those federal agencies who have or may come to have an interest in the Community, including, but not limited to, the federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, or successors to their interests,

"First Mortgagee": an Institutional Lender who holds the mortgage on a Lot and Home and who has notified the Association of its holdings.

"Founding Documents": the Articles of Incorporation, the Bylaws, and this Declaration, all as initially drawn by the Declarant and all as may be duly amended from time to time.

"Governing Documents": the Founding Documents and the Rules and Regulations as may be amended from time to time.

"Home": any individual residential dwelling unit, whether single family detached, single family attached or condominium unit constructed within the Property; in the case

of a Home located on a fee simple Lot. The defined term Home includes the Lot and the dwelling.

"Institutional Lender": any commercial or savings bank, mortgage banker, savings and loan association, trust company, Insurance company, governmental agency, or other financial institution or pension fund, any other lender regularly engaged in financing the purchase, construction or improvement of real estate. or, any assignee of loans made by such a lender, or any combination of the foregoing entities.

"Lease": any agreement for the leasing or rental of any Home in the Community, including any sublease.

"Lot": any plot of land with any improvements thereon shown upon any recorded subdivision map of a Section intended for development as a Home, The Lot may contain an attached or detached Home.

"Member" or "Members": Owners of Lots in the Community.

"Owner"; those persons or entities in whom record title to any Lot or Home is vested as shown in the records of the Clerk's Office, it shall include the Declarant unless the context expressly indicates otherwise, but, despite any applicable theory of mortgage law, it shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title. to any such Lot or Home pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure. The term "Owner" shall not refer to any lessee or tenant of an Owner.

"Party Wall": the entire wall, all or a portion of which is used for support of an attached Home (if any) situate or intended to be situate between adjoining Lots or Homes.

"Permitted Mortgage": any first mortgage lien encumbering a Home held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency, or other Institutional Lender or which is a purchase money mortgage held by the Declarant or by the seller of a Home.

"Property" or "Properties"; all those lands located in York County, South Carolina consisting of approximately 82+/- acres as more particularly described in Exhibit A attached to this Declaration and as graphically depicted on the survey referenced in Exhibit B attached to this Declaration,

"Rules and Regulations": the rules and regulations duly adopted by the Association with all future amendments and supplements thereto,

"Sections": the portions of the Property into which the Community shall be divided for the purposes of development, which may be exclusive of the Common Property, but inclusive of designated Lots, sewer, water, electric, gas and cable

television transmission facilities, sidewalks, walkways, curbing, drainage facilities, landscaping, street signs, directional signs and monumentation.

ARTICLE 2. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Property Subject to This Declaration

The Property, including every Home, Lot and all Common Property contained therein, is now and hereafter expressly subjected to this Declaration and is and shall be held, transferred, sold, conveyed, leased and occupied subject to this Declaration and all amendments or supplements hereto. The Property herewith subjected to this Declaration is described in Exhibit A by a metes and bounds description and is graphically depicted on the survey referenced in the Exhibit B attached to this Declaration. The Property may, but is not required to be expanded by way of amendment(s) to this Declaration to add part or all of the Additional Lands.

Section 2.2 Voting Rights

The voting and participation rights of Members in the affairs of the Association shall be subject to the Governing Documents, which are incorporated herein by reference as if they were fully set forth at length herein.

Section 2.3 Incorporation of Additional Lands

The Declarant hereby reserves the right, but is in no way obligated, to develop and/or subject to this Declaration all or portions of the Additional Lands. Such portion(s) of the Additional Lands and/or any improvements erected thereon or to be erected thereon shall be subjected to this Declaration upon, and only upon recordation in the Clerk's Office of an appropriate Amendment and Supplement to this Declaration expressly subjecting a portion of the Additional Lands to the Declaration. Such Amendment and Supplement to the Declaration may contain such complementary additions and modifications to the covenants and restrictions set forth in the Declaration as may be necessary to reflect the different character or use, if any, of such annexed property, provided however, that in no event shall any such addition or modification be substantially inconsistent with the provisions of the Declaration. Upon being subjected to the Declaration by the recordation of an Amendment and Supplement as aforesaid, such portion(s) of the Additional Lands shall thereupon become part of the Property. All references in this Declaration to the Property shall be deemed to mean and include not only the land described in Exhibit A and geographically depicted in the Exhibit B attached to this Declaration upon the recordation of same, but shall also be deemed to mean and include any and all Additional Lands hereafter subjected to this Declaration as aforesaid.

Section 2.4 Withdrawal of Property

The Declarant may deannex any property from the Property then subject to the Declaration. Such deannexation shall be made by recording one or more Amendments of Deannexation to the Declaration in the Clerk's Office withdrawing the effect of the covenants and restrictions of this Declaration from the deannexed property. Such deannexed property may be used by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use. Such deannexed property shall no longer be subject to the covenants and restrictions of this Declaration, except for any easements, rights, reservations, exemptions, powers or privileges reserved to the Declarant, pursuant to this Declaration, which affect the deannexed property.

ARTICLE 3. PROPERTY RIGHTS IN THE COMMON PROPERTY

Section 3.1 Lot Owner's Right of Enjoyment

Subject to the provisions of the Governing Documents and any restrictions or limitations contained in any deed conveying such property to the Association, every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Property and such right and non-exclusive easement shall be appurtenant to and shall pass with the title to every Home.

Section 3.2 Title to Common Property

The Association may acquire, hold and dispose of tangible and intangible personal property and real property. Declarant may convey to the Association improved or unimproved real estate located within the Property, personal property, leasehold interests and/or other property rights. Such property shall be accepted by the Association and thereafter shall be maintained as Common Property by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed, including but not limited to restrictions governing the use of such property.

Declarant reserves the right to enter upon the Common Property at any time to complete or repair any portion of the Common Property, to do the final roadway paving or other improvements or other work that Declarant, in its sole discretion, deems necessary or desirable.

Declarant may transfer the beneficial use of portions of the Clubhouse and Common Property to the Association and its Members in the discretion of the Declarant, after completion of each such portion and the cost for maintenance, operation and administration of such portion of the Clubhouse and Common Property so transferred, including, but not limited to, insurance premiums and the proportionate allocation of real estate taxes ("Maintenance Costs") shall thereupon become a Common Expense of the Association, despite legal title remaining in Declarant.

ARTICLE 4. EASEMENTS

Section 4.1 Member's and Association's Easements

The Property and the rights and easements of enjoyment created hereby shall be subject to the following easements and restrictions:

4.1.1 Every Owner shall have a perpetual and non-exclusive easement in, over and through the Common Property and to use the walks and other facilities on the Common Property, subject to the right of the Association as provided in the Bylaws to promulgate Rules and Regulations to restrict and/or suspend the use and the enjoyment of the Common Property and voting rights of any Owner for any period during which any assessment, interest or penalty charge (herein sometimes collectively referred to as "Association Dues") remains unpaid, or for any period during which any infraction of the published Rules and Regulations continues, it being understood that any suspension for either nonpayment of any Association dues or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the Association Dues. When any Home is not occupied by the Owner, such easement shall be solely for the benefit of the permanent occupants thereof and their guests, and not the Owner or his/her invitees; and

4.1.2 The right of the Association to adopt Rules and Regulations and to charge admission and other fees for the use of the Common Property; and

4.1.3 The right of the Association to dedicate or transfer all or any part of the Common Property to any municipal, County, State, Federal or other public agency, authority or utility, for such purposes and subject to such conditions as may be agreed upon by the Members; however, no such dedication, transfer, or determination as to the purposes of or as to the conditions of such dedication or transfer shall become effective unless such dedication, transfer and determination as to purpose and conditions thereof shall be authorized by the vote in person or by proxy of two-thirds (2/3) of the aggregate votes held by Members of the Association in good standing. Written notice of the proposed resolution authorizing such action shall be sent to every Member at least sixty (60) days in advance of the scheduled meeting at which such action is to be taken. In the case of dedication or transfer to the County, acceptance of such dedication shall be by ordinance or resolution duly adopted by the governing body of the County. A true copy of such resolution together with a certificate showing the result of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association, and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Property, prior to the recording thereof in the Clerk's Office. Such certificate shall be conclusive evidence of authorization by the membership.

4.1.4 The Association, and its authorized agents, shall have the right and perpetual easement to enter all portions of the Property, including each Lot, to perform its responsibilities and duties and to make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owner's property, and any damage shall be repaired by the

Association. The Association also may enter a Lot to abate or remove, as reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorney fees, shall be assessed against violator.

Section 4.2 Declarant's Easements

Declarant, its successors and assigns, shall have the following easements:

4.2.1 A blanket and non-exclusive easement in, upon, over, under, across and through the Property (including, without limitation, the Homes and Lots) for the purpose of installation, maintenance, repair and replacement of (i) all sewer, water, power and telephone pipes, lines, mains, gas conduits, waters, production well(s) for irrigation purposes, poles, transformers, master television antennas or cable television facilities and any and all other utility or cable communications systems serving the Property and the Community; and (ii) any other improvements thereto, including the right of ingress and egress, which easements shall be for the benefit of (a) Declarant for so long as Declarant, its successors and assigns, shall be engaged in the construction, development and sale of Homes in the Community: and (b) the Association on a perpetual basis in connection with the proper discharge of its responsibilities with respect to the Homes or Common Property. Should any governmental agency or utility or cable communications company furnishing one of the foregoing services hereafter request a specific easement by a separate recordable instrument in connection with the furnishing of any such service, the Board of Directors of the Association shall have the right to grant such easement, without payment of any consideration and without a prior vote of the Members, provided that it does not adversely and materially impair the rights of any Homeowner.

Section 4.3 Governmental Easements

There shall be a blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Property in favor of the County, appropriate governmental entities and the Association, the respective officers, agents and employees of the County, appropriate governmental entities and Association and for all policemen, firemen and first aid and ambulance personnel in the proper performance of their respective duties.

Section 4.4 Homeowner's Easements

Every Owner shall have the following easements:

4.4.1 A perpetual and non-exclusive easement for the existence and continuance of any encroachment by his/her Home, driveway or walkway upon any adjoining Lot or Common Property now existing or which may come into existence hereafter as a result of construction, repair, shifting, settlement, movement of any portion of a Home, driveway or walkway or as a result of condemnation or eminent domain proceedings, so

that any such encroachment may remain undisturbed so long as the Home, driveway or walkway stands.

A perpetual and non-exclusive easement for ingress and egress to his/her Home or parking space in, upon, under, over, across and through the driveways and walkways of other Homeowners, and/or the Common Property, all as may be reasonably required for such ingress and egress.

A perpetual and non-exclusive easement to use and maintain all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located on any portion of the Property which serve the Home of an Owner or Owners.

Section 4.5 Institutional Lender's Easements

Any Institutional Lender (and its officers, agents, and employees) which is the holder of a mortgage which encumbers any Home shall have a blanket, perpetual and nonexclusive easement to enter the Property or any part thereof to inspect the condition and repair of such Home. This right shall be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to and with the permission of the Association.

Section 4.6 Utility and Cable Communications Easement

There shall be a blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Property in favor of any utility company, cable communications company or entity furnishing utility service to the Property including, but not limited to, meter or cable television, and electronic security. The applicable utility company, its agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Property but not any structure or dwelling, or any part thereof, in order to read meters, service or repair utility lines and equipment and do-everything and anything else necessary in order to properly maintain and furnish utility or cable communication service to the Property and Homes.

Section 4.7 Drainage Easement

Declarant and Owners, their successors and assigns, shall have a blanket, perpetual and non-exclusive easement in common in, upon, over, under, across and through the Property for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Property. No individual Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Property, including any such facilities and patterns on any individual Lot. Additionally, the Association shall have a drainage and maintenance easement for outfall structures of the Association's detention basins.

Section 4.8 Landscape Easements/Conservation Easements

To the extent any landscape easements and/or conservation easement and/or shade tree easements exist on the Common Property and/or the Lots, the Association shall maintain such easements in accordance with the manner in which such easements are intended unless another party expressly assumes such responsibilities.

ARTICLE 5. RESTRICTIONS

In order to preserve the character of the Community as an adult residential community and for the protection of the value of the Homes, Declarant declares that the Property shall be subject to the following restrictions and covenants, all of which shall be perpetual in nature and run with the land:

Section 5.1 Age Restrictions

A. Community to Remain "55 or Over Housing". The Community is intended to be "55 or over Housing," so as to qualify as "housing for older persons," within the meaning of the Fair Housing Act. The construction, interpretation and enforcement of this Article 5, Section 5.1, as well as this Declaration and the Bylaws, shall be in a manner consistent with such requirements.

- B. General Age Restrictions. Permanent occupancy of any Home is restricted to:
1. any person of the age of 55 years or over (or 45 years of age or over if approved by the Board). ("Age-Qualified Person");
 2. a husband, wife or companion of the age of 19 years or over residing with the Age-Qualified Person;
 3. children residing with the Age-Qualified Person or residing with the husband, wife or companion of the Age-Qualified Person, provided that the children are the age of 19 years or over;
 4. an individual, of the age of 19 years or over, residing with and providing physical or economic support to a permissible occupant; or
 5. any person who was permitted to and did occupy a Home with an Age-Qualified Person may continue to occupy the Home after the death of such Age-Qualified Person.

Notwithstanding the foregoing, the Declarant may sell up to fifteen percent (15%) of the Homes where at least one (1) occupant is between the ages of 50 and 54. Exceptions to these age restrictions may be granted in particular cases by the Declarant or the Association in accordance with this Article 5, Section 5.1 and with applicable law.

C. Compliance with Fair Housing Act. It is the duty of the Declarant, in connection with the initial sale of Homes, and of the Association, through the Board, as to all subsequent sales of Homes, to enforce this Declaration including, without limitation, this Article 5, Section 5.1, so that at all times the Community will qualify for the "55 or over" housing for older persons exemption under the Fair Housing Act. Permanent occupancy of any Home is not permitted or allowed to continue if such occupancy violates the provisions of this Article 5, Section 5.1 or results in the loss of

the Community's "55 or over" housing for older persons exemption under the Fair Housing Act. At the closing of title to a Home being sold by Declarant, the purchaser of said Home will be required to sign a certification or declaration to insure that the Community will qualify for the exemption under the Fair Housing Act and to insure that said occupant is in compliance with the age-restrictions set forth herein. Persons may not transfer, sell, gift, lease, assign, grant, buy, rent or occupy any Home in the Community, except for the sale of a Home by the Declarant until such person receives the approval of the Board as to compliance with the Fair Housing Act in accordance with Rules and Regulations adopted by the Board.

D. Transfer on Death. If an Owner of a Home dies, with or without a will, leaving as beneficiaries or heirs one or more persons who are not Age-Qualified Persons under this Declaration, the restrictions in this Article 5, Section 5.1 are not deemed to restrict the ownership of the Home by such beneficiaries or heirs. However, the beneficiaries or heirs, their successors or assigns, are not permitted to reside in the Home until he or she has received the approval by the Board as required by this Article 5, Section 5.1, The foregoing is not intended to apply to any Owner who is not an Age-Qualified Person, it being the intent hereof that surviving Owners, to the extent permitted by the Fair Housing Act as to 55 or over housing, are permitted to continue to be Owners after the death of any or all Age-Qualified Persons.

E. Occupancy by Children. Permanent occupancy is not permitted and applications must not be approved under this Article 5, Section 5.1 for any person who intends to have as an Owner a person under the age of 19 years, unless, despite anything to the contrary, such person is a handicapped dependent protected by the Fair Housing Act. Nothing herein is intended to prohibit the visitation by children under the age of 19 years who are family members or guests of the Owners. Permitted visitations must not exceed 29 consecutive days or more than a total of 60 days in any calendar year.

F. Discretion. In the exercise of its discretion under this Article 5, Section 5.1, neither the Board nor the Declarant is required to permit the full twenty percent (20%) of Homes to be permanently occupied by an Age-Qualified Person who is 45 to 54 years of age.

G. Compliance with Fair Housing Act. Each Owner shall provide the Board at least once every two years with information which verifies the ages of all permanent occupants of Homes to determine the percentage of Homes that are occupied by at least one person who is at least 55 years of age and the percentage of Homes that are occupied by at least one person who is at least 45 years of age. If a Home is not occupied by an Owner, the Owner is required to provide this information. The Board may require that all Owners sign certifications acknowledging the ages of all occupants of the Home and may also require or accept all forms of verification acceptable under applicable laws or regulations. This Section 5.1.G is intended to comply with the minimum requirements necessary for the Association to comply with the verification of occupancy requirements of the Fair Housing Act or any successor thereto and the

regulations promulgated thereunder, including without limitation 24 C.F.R. § 100.307. If such minimum requirements are amended or changed in any way, including repeal, then this Section 5.1.G shall be automatically amended to comply with such minimum standards as so changed, without any further action of the Association, its members or directors being required or necessary.

5.1.1 In no event may any Home be occupied by more than three (3) permanent residents if the Home contains two (2) bedrooms and no more than four (4) permanent residents if the Home contains three (3) bedrooms.

5.1.2 Despite the foregoing, visitor occupants of any age shall be permitted to visit subject to the restrictions set forth in Section 5.1 (E) above, provided that at no time shall more than six (6) individuals reside temporarily in any two (2) bedroom Home; no more than seven (7) individuals may temporarily reside in a three (3) bedroom Home.

Section 5.2 Use

No Home or Lot, except those owned by Declarant or a Builder or the Association and/or used by Declarant or a Builder for sales, administration, construction, maintenance or similar purposes, shall be used for any purpose other than as a private residence. Further, the Common Property shall not be utilized for any residential or commercial purpose not expressly permitted by this Declaration.

Section 5.3 Obstruction

There shall be no obstruction of access to any Common Property.

Section 5.4 Building

No Owner or occupant shall build, plant, or maintain any matter or thing (including, without limitation, any addition, alteration or improvement to any Home) upon, in, over or under the Property without the prior written consent of the Architectural Control Committee of the Association in accordance with Section 8 hereof, except that a Owner may plant flowers, trees and shrubbery within the area immediately surrounding and adjacent to his/her Home, subject to the Rules and Regulations of the Association. The Association is responsible for the planting and maintenance of all other landscape beds not immediately surrounding and adjacent to the Home, regardless of whether or not such bed is located on a Lot. The Owner is prohibited from making any changes to such beds including, without limitation, adding or removing any plant material, stones, mulch, etc. The Owner is strictly prohibited from connecting, in any way, to the irrigation system and from installing any misters and/or sprinklers in the beds surrounding the Home. This restriction shall not be applicable to construction by Declarant or a Builder.

Section 5.5 Exterior Appearance

Owners shall not have any right to change the appearance of any portion of the exterior of any Home (including, without limitation, any change to the exterior color scheme) without the prior written approval of the Architectural Control Committee of the Association.

Section 5.6 Maintenance

Each Owner shall promptly furnish, perform and be responsible for, at his/her own expense, the repair, maintenance, and replacement of his/her own Home, provided, however, that the Association, its agents and employees, may effect, at its sole discretion, emergency or other necessary repairs which the Owner has failed to perform and charge the cost of same to the Owner(s) involved.

Section 5.7 Insurance

Nothing shall be done or kept in any Home, which will increase the rates of insurance beyond the rates applicable for Homes, without the prior written consent of the Board, No Owner shall permit anything to be placed, done or kept in his/her Home or in or upon the Common Property which will result in the cancellation of insurance on any of the Common Property or the contents thereof, or which will be in violation of any law.

Section 5.8 Display

No clothes, sheets, blankets, laundry of any kind or any other articles shall be hung out or exposed on any part of the Property nor shall anything be hung, painted or displayed on the outside of the windows or placed on the outside walls or outside surfaces of doors of any of the Homes. No signs, awnings, canopies, shutters, earth stations, satellite dishes, or antennas (except for those heretofore or hereinafter installed by Declarant or a Builder) shall be affixed or placed upon the exterior walls or roofs or any part thereof, nor relocated or extended, without the prior written consent of the Architectural Control Committee of the Association, Television or radio antennas are not permitted unless such installation cannot be prohibited by the Association under any laws and regulations applicable to the Community; provided, however, that until cable television is available to the Property, an Owner may install a rooftop television antenna to be removed forthwith once cable television is available to that Home. Owners shall allow a cable communications company to pre-wire a Home and Lot. Despite the foregoing, Declarant and any Builder shall have the right to display signs for promotional, sales, exhibit, and administrative purposes upon any portion of the Common Property or within any Home owned by it until the last Home within the Property is sold and conveyed. Owners shall not cause or permit any signs to be displayed on the Property advertising the sale or lease of their Homes. Signs for any other purpose are prohibited except as may otherwise be provided by the Rules and Regulations. The Declarant or the Board shall have the right to immediately cause the

removal of any sign violating this provision and obtain, in addition to any penalties which might otherwise be imposed by the Association, all costs incurred by such removal.

Section 5.9 Animals

No dogs, cats, birds, reptiles, rabbits, horses, livestock, fowl or poultry, or animals of any kind shall be raised, bred or kept in any Home or upon the Common Property, except as provided herein. No more than two dogs or cats in the aggregate shall be permitted in any Home. In no event shall outdoor shelters, pens or runs be permitted. All Owners and their guests, invitees, agents and others who allow or permit their pets and/or animals in their charge to defecate upon the grounds of the Property shall immediately thereafter remove from the grounds of the Property any and all excrement left by the pet or animal and dispose of it as soon as possible in a sanitary fashion. All Owners, guests, invitees, agents and others shall accompany the pet or animal in their charge at all times, shall keep the pet on a leash when it is not on the Owner's Lot, and shall carry with them at such time devices necessary to remove the pet excrement, which removal shall be done immediately.

Section 5.10 Nuisance

No noxious, hazardous, or offensive activities shall be carried on, in or upon the Property or in any Home nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents or which interferes with the peaceful possession and proper use of the Property by the other Owners. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property shall be observed,

Section 5.11 Structural Changes

Nothing shall be done to any Home which will impair the structural integrity of any Home or which will structurally change a Home. No Owner (other than Declarant or any Builder) may make any structural additions, alterations or improvements in or to his/her Home without the prior written approval of the Association nor impair any easement without the prior written consent of the Association subject to the right of appeal to the Board and as provided in the Bylaws. Nothing herein shall be construed to prohibit reasonable adaptation of any Home for handicap use or accessibility.

Section 5.12 Commercial Vehicles/" Off-Road Vehicles"

No commercial vehicles may park overnight and no boats, off-road vehicles, trailers, campers, mobile homes, or trucks may be parked on any part of the Property except (i) in areas specially designated for such purpose by the Association, if any; and (ii) for those vehicles temporarily on the Property for purposes of servicing the Property itself or one of the Homes. This restriction shall not apply to Declarant, its employees, agents, contractors or servants. Additionally, "off-road vehicles" (i.e. ATV's [all-terrain

vehicles], dirt bikes, etc.) are prohibited from use anywhere on the Property except as may be used by or on behalf of the Association for maintenance of the Property.

Section 5.13 Waste

No portion of the Property shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. Any contractor, repairman or other person retained by an Owner to perform work on any Home or Common Property shall clean up all rubbish at the conclusion of each work day. Trash, garbage, or other waste shall be kept in sanitary containers as approved by the Board on the Owner's Lot for weekly or more frequent collection.

Section 5.14 Digging

There shall be no digging or earth removal or re-grading operations of any nature whatsoever on any Property without first obtaining permission from the Architectural Control Committee. This section is intended as a protection against inadvertent disruption of underground services and creation of a nuisance to adjoining Owners.

Section 5.15 Draperies

Draperies, blinds, curtains or other window coverings must be installed and maintained by each Owner on all windows of his/her Home.

Section 5.16 Utilities

Each Owner shall pay for his/her own telephone, cable television services and utilities which are separately metered or billed to each user by the respective utility or cable communications company. All electrical, gas, telephone and television service and other utility facilities shall be underground and no poles or above ground wires shall be permitted, except as necessary to serve the Common Areas,

Section 5.17 Traffic

Each Owner, his/her guests, invitees and licensees are subject to the requirements of a uniform traffic plan established for the Property. All usage of the parking areas and drives, and other Common Property is subject to compliance with the traffic plan so developed. In this connection, the Association may establish and enforce speed limits, parking regulations, stop intersection requirements or any other generally acceptable techniques of traffic regulation which shall be adhered to as a condition to the usage of the parking areas and drives and other Common Property.

Section 5.18 Rental

No Home shall be rented by the Owner(s) thereof (except by Declarant or any Builder or an institutional Lender in possession of such Home following a default in a

first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or otherwise be utilized for transient or hotel purposes, which shall be defined as "(i) rental for any period less than 180 days; or (ii) any rental if the occupants of the Home are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service", provided, however, that any Owner including Declarant or any Builder may rent a Home for a period of less than 180 days to a contract purchaser, but in no event for transient or motel purposes. No Owner may lease or rent less than an entire Home. Copies of all leases must be furnished to the Association prior to the commencement of the term thereof. Other than the foregoing obligations, the Owners shall have the right, subject to the Age Restrictions set forth in Section 5. 1, to lease Homes provided that the Lease is in writing and is made subject to all provisions of the Governing Documents, including the right of amendment reserved to Declarant and Builder therein, and provided further that any failure of the lessee to fully comply with the terms and conditions of the Governing Documents shall constitute a default under the Lease. No leasing shall, however, relieve an Owner from his/her obligations hereunder and he/she shall remain primarily responsible therefore. In the event a tenant of a Home fails to comply with the provisions of the Governing Documents then, in addition to all other remedies which it may have, the Association shall notify the Owner of such violation(s) and demand that the same be remedied through the Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Owner shall immediately thereafter, at his/her own cost and expertise, institute and diligently prosecute an eviction action against his/her tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Owner fails to fulfill the obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be due and payable upon demand by the Association and shall be deemed to constitute a lien on the particular Home involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Association Dues.

Section 5.19 Declarant's use of Common Property

Declarant, for itself, its successors and assigns, shall have the right to use an area of the Clubhouse or other Common Property for its sales and marketing purposes with respect to Homes located or to be located within the Property, provided that such use shall not unreasonably interfere with the use of the Clubhouse by its Members for the purposes for which it is reasonably intended. Such right shall continue until six (6) months after all such Homes have been conveyed by Declarant or until expiration of twenty (20) years from the date of filing this Declaration, whichever event first occurs.

Section 5.20 Lawns

All Lots must have grassed front lawns and grassed side and rear yards. No gravel or similar type ground covers are permitted. No weeds, vegetation, rubbish,

debris, garbage or waste materials shall be placed or permitted to accumulate on any Lot which would be unsanitary, unsightly or offensive.

Section 5.21 Lot Upkeep

Each Homeowner shall keep the Lot neat and clean, regularly removing any trash and debris.

Section 5.22 Use of Water Retention and Detention Areas

Swimming, bathing, boating and other use of the water retention and detention areas in the Property shall be prohibited except when in accordance with Rules and Regulations adopted by the Association. No docks, bulkheads or other structures shall be erected in the water retention and detention areas in the Property without prior written approval of the Association.

Section 5.23 Sale of Home

Each Owner shall give the Secretary of the Association timely notice of the Owner's intent to list the Home for sale. Upon closing of title, such selling Owner shall immediately notify the Secretary of the Association of the name and address of the new Owner.

Section 5.24 Violations

The Board shall have the power to make such rules and regulations as may be necessary to carry out the intent of these restrictions and shall have the right to bring lawsuits to enforce this Declaration and the Rules and Regulations promulgated by it. The Board shall further have the right to levy fines for violation of this Declaration and such Rules and Regulations, provided that the fine for a single violation may not, under any circumstances, exceed \$100.00 for a first violation or \$250.00 for any subsequent violation. Each day a violation continues after notice shall be considered a separate violation. Any fine so levied is to be considered as an assessment to be levied against the particular Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of other assessments. Fines may be levied against an Owner's tenant, and the Owner shall be jointly and severally liable with his/her tenant for the payment of it. In the event the Board institutes legal action for collection of any fines, the defendant(s) shall be responsible for payment of reasonable attorneys' fees of the Association plus interest and costs of suit. The option set forth in this Section 5.24 shall be cumulative with the enforcement options set forth in Article 11, Section 11.4 of this Declaration.

Section 5.25 Wells

No individual or entity shall have the right to drill a Well on the property for any purpose other than those wells, if any, constructed by Declarant in Conjunction with the

development of the property. The Declarant shall have the right, but not the obligation, to install well(s) on Common Property for irrigation purposes.

Section 5.26 Structures or Plantings

No Owner or occupant shall build, maintain or plant any matter or thing upon, in, over or under the Common Property without the prior written consent of the Board unless permitted by the Rules and Regulations, This includes additions to any Home as well as the construction of detached accessory buildings such as garages and storage sheds and any planting of shrubs, bushes, flowers, vegetables or other vegetation or plant material. Residents may not store anything, including, but not limited to bicycles, barbecue grills, wood or garbage cans on the Common Property, except in compliance with Rules and Regulations of the Association,

Section 5.27 Temporary Structures

No structure of a temporary character including, without limiting the generality thereof, trailer, tent, shack, garage, barn, or other outbuilding shall be used on any Lot at any time as a residence.

Section 5.28 Displays

Owners shall not cause or permit anything to be hung or displayed or placed on the outside walls, doors or windows of the Home including, but not limited to, banners, flags, holiday ornaments and other displays. No signs shall be permitted on the exterior of any Home. No Owner shall be permitted to install or have installed any window air conditioner, fan, heat pump, solar collector windmill or similar cooling, heating and/or ventilating device in any window, door, roof, side or other exterior surface of a Home. Installation of screen doors is subject to the approval of the Architectural Control Committee as to design, color, etc.

Section 5.29 Burning

Residents shall not be permitted to use any barbecue grills of any types or descriptions on any of the Common Property, except those permitted by the Rule and Regulations of the Association and under applicable laws and regulations. No Owner, occupant, or his/her guests, invitees and licensees shall burn anything on, over, under or above the Property, with the exception of barbecue grills as permitted by the Rules and Regulations of the Association.

Section 5.30 Immoral, Improper, Offensive or Unlawful Activity

No immoral, improper, offensive or unlawful activity shall be permitted within any Home or anywhere on the Property. All laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Said laws, etc.

shall supersede any Association regulations or this Declaration to the extent they are more restrictive.

Section 5.31 Payment of Taxes and Assessments

All property taxes, special assessments and other charges imposed by any taxing authority on the Common Property shall be paid by Owners either in accordance with this Declaration or as otherwise provided by law.

Section 5.32 Garages

No garage shall be converted or renovated for any residential living or commercial storage purpose. All garages shall be kept usable as a garage for passenger motor vehicles or other permitted vehicles, except that Declarant may use garages for sales offices and the storage of materials.

Section 5.33 Fencing

No fence, partition, wall, divider or similar structure shall be permitted other than installed by the Declarant.

Section 5.34 Sump Pumps

All sump pumps, if any, within the Property shall discharge into the storm water collection system or onto a yard area, subject to County approval, if required. Sump pumps shall not be connected to the sanitary sewer system.

Section 5.35 Enforcement

The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these restrictive covenants and shall have the right to bring lawsuits to enforce the Rules and Regulations promulgated by it. The Board shall have the right to obtain injunctive and/or declaratory relief for any violation.

Section 5.36 Deviations

The Board may allow reasonable deviations from the covenants and restrictions stated in this Article 5 in order to overcome practical difficulties and prevent unnecessary hardships in the applications of the provisions herein contained provided that any such deviation; (a) does not violate the intent and purposes hereof; (b) is not materially detrimental or injurious to other property or improvements in the area; and (c) does not violate any municipal law, ordinance or regulation. In no event shall any deviation be deemed a waiver or abandonment of any subsequent violations of the same or other provisions or of the overall scheme contemplated by this Declaration.

ARTICLE 6. ASSESSMENTS

Section 6.1 Creation of the Lien

Every Owner, by acceptance of a deed or other conveyance for a Lot and Home, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay Association Dues, by way of annual or special assessments or charges as hereinafter more particularly described. All Association Dues, together with such interest thereon, late charges, fines and cost of collection thereof (including reasonable attorneys' fees) shall be a continuing lien upon the Lot and Home against which each such assessment is made and shall also be the personal obligation of the Owner of such Lot and Home at the time when the assessment fell due. Further the County shall have a continuing lien against each such Lot and Home for its pro rata share of all real estate taxes due and payable to the County by the Association for real estate taxes assessed against the Common Property. Such lien shall be apportioned among all Homes as set forth herein and in the By-Laws as amended from time to time and shall be enforceable by the County in the manner provided by law with respect to the real estate taxes assessed directly against each such Lot and Home. In the event that the Association shall at any time fall to discharge its obligations to maintain any portion of the Common Property, or other portions of the Property it is obligated to maintain, as required' by the Declaration, or to enforce the provisions hereof, the County shall have the right to so maintain the Common Property, or other portions of the Property it is obligated to maintain, or to enforce such provisions in the same place and stead of the Association. The cost of the same shall be assessed, enforced and collected against the Association.

No Owner may waive or otherwise avoid liability for the aforesaid Association Dues by non-use of the Common Property, non-use of services offered, abandonment of his or her Lot or otherwise. The obligation to pay Association Dues is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board or Declarant to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or maintenance or other action taken by it.

Section 6.2 Annual Assessments

It shall be an affirmative obligation of the Association and the Board to use good faith efforts to fix assessments in a sufficient amount. Common Expenses will include all budgeted expenses of the Association and will be allocated by the Board in accordance with Article VI of the Bylaws which establishes the manner in which the Board of Directors is to manage the fiscal matters of the Association.

Thereafter, each Owner shall be obligated to pay an assessment equal to that fraction of the total Common Expenses, the numerator of which is one and the denominator of which is that number of Homes located within the Property for which a

Certificate of Occupancy has been issued by the County, as of the date the assessment is established. Despite anything to the contrary herein, no assessment, dues or any other charges shall be made by the Association with respect to any Lot or Home owned by Declarant. However, Declarant shall reimburse the Association for the actual costs incurred by the Association for any services which Declarant specifically requests in writing that the Association perform on its behalf with regard to any other property which the Declarant owns in the Community including, without limitation, the provision of security and Lot maintenance. In addition, the distribution of any proceeds from any insured casualty loss, eminent domain proceeding affecting the Common Property of the Association or any distribution of common surplus of the Association shall be prorated in accordance with the formula set forth above with respect to the determination of Association Dues.

Except as stated above, the amount of monies for Association Dues deemed necessary by the Board to discharge the responsibility of the Board and the manner of expenditure thereof, including, but not limited to, the allocation thereof, shall be a matter for the sole discretion of the Board.

Section 6.3 Date of Commencement of Annual Assessments and Due Dates

The annual assessments provided for herein shall commence on the date fixed by the Board to be the date of commencement and shall be due and payable on such dates and in such installments as may from time to time be prescribed by the Board.

Section 6.4 Special Assessment

In addition to the annual Association Dues authorized by Section 6.2 of this Article, the Board may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Property, including the necessary furniture, fixtures, equipment and other personal property related thereto, or for other lawful purposes, provided that any such special assessment shall be apportioned in the same manner as a regular assessment and shall receive the consent of a majority of all of the votes eligible to be cast by all the members at an Association meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and which notice shall set forth the purpose of the meeting. Provided, however that the Board may make a Special Assessment against any individual Owner and/or Lot as specifically authorized by this Declaration without the consent of the members. The due date(s) of any special assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing such special assessment. While Declarant maintains a majority of the Board, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company, mortgage lender or in the event of an emergency.

Section 6.5 New Capital Improvement Assessment

In addition to the other Assessments herein authorized, the Board may levy, in any Assessment year, a New Capital Improvement Assessment for the purpose of acquiring or constructing a new capital improvement, provided that the acquisition or construction of any new capital improvement, the cost of which exceeds the sum of \$10,000.00 increased by the percentage of increase in the Consumer Price Index since 2001, shall have been authorized by the assent of two-thirds (2/3) of all the eligible votes at an Association meeting duly called for this purpose. Written notice of such a meeting, stating the purpose of the meeting, shall be sent to all Owners entitled to vote or to be represented no less than thirty (30) days in advance. The due date(s) of any New Capital Improvement Assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing the New Capital Improvement Assessment.

Section 6.6 Exterior Townhouse Maintenance Assessment

In addition to the other Assessments herein authorized, the Board may levy an Exterior Townhouse Maintenance Assessment for the purpose of the maintenance and repair of the exterior of the townhouse units, except for window cleaning, as determined by the Board. The Association and the Board shall have the affirmative obligation to use good faith efforts to fix the annual budget in a sufficient amount to provide for the maintenance of the exterior of the townhouse units. The Exterior Townhouse Maintenance Expense will include all budgeted expenses of the Association and will be allocated by the Board in accordance with Article VI of the Bylaws which establishes the manner in which the Board is to manage the fiscal matters of the Association. Thereafter, each Townhouse Owner shall be obligated to pay an assessment equal to that fraction of the total Exterior Townhouse Maintenance Expenses, the numerator of which is one and the denominator of which is that number of Townhouses located within the Property for which a certificate of Occupancy has been issued by the County, as of the date the assessment is established. Despite anything to the contrary herein, no assessment, dues or any other charges shall be made by the Association with respect to any Lot or Home owned by Declarant. However, Declarant shall reimburse the Association for the actual costs incurred by the Association for any services which Declarant specifically requests in writing that the Association perform on its behalf with regard to any other property which the Declarant owns in the Community including, without limitation, the provision of security and Lot maintenance.

Section 6.7 Subordination of the Lien to Mortgage

All assessments and Association Dues shall constitute a lien against the Lot against which they are levied until paid. The lien shall also secure payment of fines, interest, late charges, and costs of collection, including attorney's fees and any other charges imposed hereunder. Such lien shall be superior to all other liens, except (a) any lien for past due and unpaid taxes, and (b) the lien of any first mortgage or mortgages of record held by an Institutional Lender now or hereafter placed upon any Home made in good faith and for value provided, however, that such subordination shall apply only to

the assessments which have become due and payable prior to a sale or transfer of any such Home pursuant to judgment of foreclosure or a deed in lieu of foreclosure. Such sale or transfer shall not relieve any such Home from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

If an Institutional Lender or other purchaser of a Home obtains title to such Home as a result of foreclosure of such first mortgage (or by a deed of conveyance in lieu thereof), such acquirer of title, his/her successors and assigns, shall not be liable for the assessments by the Association pertaining to such Home or chargeable to the former Owner thereof which became due prior to acquisition of title as a result of the foreclosure. Such unpaid sums shall be deemed to be Common Expenses collectible from all of the remaining Owners, including such acquirer, his/her successors and assigns. Liens for unpaid assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Subject to the foregoing exceptions, suit to recover a money judgment for unpaid assessments may be maintained against the record Owner of the Home as of the effective date of the assessment or against all subsequent record Owners thereof, without waiving the lien securing same, all of which record Owners shall be jointly and severally liable with respect to same.

Section 6.8 List of Assessments, Notice of Assessment and Certificate as to Payment

The Board shall cause to be prepared, at least thirty (30) days in advance of the due date of each annual or special assessment, a list of the Lots and Homes and the assessments applicable thereto, in alphabetical order, according to the names of the Owners thereof, which list shall be kept in the office of the Association and shall be open to inspection, upon request, by any Owner. Written notice of the assessments shall be sent to every Owner subject thereto.

The Association shall, upon the request of any Owner liable for an assessment or of the mortgagee of any Home, furnish to such Owner or mortgagee a certificate in writing, signed by an officer of the Association, setting forth whether or not such assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any assessments therein stated to have been paid. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount equal to one hundred ten (110%) percent of the last prior year's assessment except while the Declarant maintains control of the Board, and any installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and annual assessment may be amended at any time by the Board, provided, that nothing herein shall serve to prohibit or prevent the Board from imposing a lump sum assessment in the case of any immediate need or emergency without the consent of the Members,

Section 6.9 Acceleration of Assessment Installments and Other Remedies of the Association

If an Owner shall be in default in the payment of an installment upon an assessment, the Board may accelerate the remaining installments of the assessment upon notice to the Owner, and the then unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Owner, or not less than ten (10) days after the mailing of such notice to him by regular mail, whichever shall first occur. If such default shall continue for a period of thirty (30) days, then the Board may, at the Board's sole discretion (i) accelerate the remaining installments of the assessment and (ii) file a lien for such accelerated assessment and (iii) notify any mortgagee of the Home affected of such default if such mortgagee has requested such notice from the Association in writing. If said default continues for a period of ninety (90) days, then the Board may, in the Board's discretion, foreclose the foregoing lien pursuant to law and/or to commence a suit against the appropriate Owner(s) to collect said assessment.

Section 6.10 Interest and Counsel Fees

The Board, at its option, shall have the right in connection with the collection of this, or any other, charge to impose a late fee, or an interest charge at the legal maximum rate if such payment is made after a certain date stated in such notice. In the event that the Board shall effectuate collection of said charges by resort to counsel, the Board may add to the aforesaid charge or charges a sum or sums of twenty (20%) percent of the gross amount due as counsel fees, in addition to such costs allowable by law.

Section 6.11 Working Capital Contribution

Each Owner shall, at the time he acquires title to his/her Lot and Home, be obligated to pay to the Association a one time non-refundable and non-transferable contribution equal to three (3) months of the then current annual maintenance fees for the home at the time of acquisition which may be utilized for any lawful purpose which the Board may deem appropriate.

Section 6.12 Conveyance

Upon any voluntary conveyance of a Home, the grantor and grantee of such Home shall be jointly and severally liable for all unpaid assessments pertaining to such Home duly made by the Association or accrued up to the date of such conveyance without prejudice to the right of the grantee to recover from the grantor any amounts paid by the grantor. The grantor shall be exclusively liable for those accruing while he is the Owner.

ARTICLE 7. ASSOCIATION FUNCTION, DUTIES AND SERVICES

Section 7.1 Function and Membership of Association

The Association shall be the entity with primary responsibility for the management, maintenance, operation and control of the Common Property and for administering and enforcing the Governing Documents in accordance with this Declaration, the By-Laws, the Articles of Incorporation and South Carolina Law. Every Owner shall be a Member of the Association. If a Lot is owned by more than one person, all such Co-Owners shall share the privileges of such membership and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of the Owner. There shall be only one vote per Lot.

Section 7.2 Duties of the Association

The annual assessments levied by the Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the Owners and for the costs and expenses incident to the operation of the Association, including, without limitation, the following:

7.2.1 maintenance and repair of all facilities on the Common Property, including (by way of example) parking areas, drives, Clubhouse, gatehouse, paths, right-of-ways, private streets, drainage ways, storm pipes and outfall structures (even if such outfall structures are within an easement outside of the Common Property), catch basins, ponds and streams, fences and retaining walls (even if such retaining walls are on a privately owned Lot; in that case, the Owner shall not do anything to destroy or compromise the structural integrity of such a wall);

7.2.2 payment of the cost of lighting, where appropriate, for the Common Property including maintenance and repairs thereof;

7.2.3 payment of all taxes and insurance premiums required to be paid by the Association, including at a minimum insurance coverage for the Association and the Declarant;

7.2.4 operation and administration of the Clubhouse, recreational facilities and any other costs and expenses incidental to the operation and administration of the Association and its facilities and services;

7.2.5 the reasonable clearing of snow accumulation of over two (2) inches of snow from drives, parking lots and walkways located on the Common Property;

7.2.6 retaining a management firm or manager to maintain the Common Property and carry out the duties of the Association, provided, however, that any management agreement for the Property shall be in compliance with Article 12, Section 12.6 of this Declaration;

7.2.7 the reasonable clearing of snow accumulation of over two (2) inches of snow from driveways and walkways (leading from front door to driveway) for the Lots;

7.2.8 the reasonable clearing of snow accumulation of over two (2) inches if snow from sidewalks along public rights-of-way of the Property;

7.2.9 maintenance of landscape easements if required; and

7.2.10 lawn and landscape maintenance on the Common Property,

Section 7.3 Duties of the Association with respect to the Townhouses

The Association shall perform the following additional duties and levy assessments against the owners of the Townhouses for the following expenses incurred for promoting the health, safety, pleasure and welfare of the Owners of the Townhouses and for the costs and expenses incident to the operation of the Association, including, without limitation, the following;

7.3.1 lawn care, cutting and sprinkler system maintenance (including the cost of water and electricity therefore) of the Lots upon which the Townhouses are situated;

7.3.2 providing Exterior Townhouse Maintenance, which may include all common maintenance and repair of the exterior of the townhouse units, except window cleaning, as necessary from time to time;

7.3.3 providing a master insurance policy for the structural elements, including the roof, of the Townhouses; and

7.3.4 providing such other items as may from time to time be deemed appropriate by the Board.

Section 7.4 Service Which May Be Performed at the Option of the Association - Procedure

Declarant shall have the right to make such improvements and provide such facilities on the Common Property as it considers to be advantageous to the Common Property and to the Owners of Homes. The Association shall be obligated to accept such improvements and facilities and to properly maintain the same at its expense. The Association, at its expense, also shall maintain and carry on the services instituted, from time to time, by Declarant for the benefit of the Common Property and the Owners. In addition to the required maintenance of the Common Property and of the improvements and facilities thereon and the aforesaid services required to be performed, the Association may furnish (but shall not be required to furnish) such services as the Board from time to time, by resolution, may propose, unless the projected cost of such additional services exceeds, in the aggregate, the amount equal to one-sixth (1/6) of the

current annual Association Dues per Home, in which event such proposed additional services must first be authorized by a vote of two thirds (2/3) of all the votes eligible to be cast at a meeting of Members duly called for this purpose. The Association may discontinue providing such services as the Board from time-to-time, by resolution, may propose, which proposal must be authorized by a vote of a majority of all the votes eligible to be cast at a meeting of Members duly called for that purpose

ARTICLE 8. ARCHITECTURAL CONTROL

Section 8.1 Purpose.

Architectural Control is provided for the preservation of the character of the Community with respect to landscaping and any improvements constructed or to be constructed, modified, altered or repaired on any Lot constituting a portion of the Community, and to that end, the Association shall establish an Architectural Control Committee (ACC), in accordance herewith, in order to provide, enforce and maintain certain standards as to harmony of exterior design, location and color of the improvements on any Lot in relation to surrounding structures, natural features, color schemes and topography.

Section 8.2 Prohibited Activities

No improvements (including staking, clearing, excavation, grading and other site work or preparation activities), exterior alteration, modification or repair of existing improvements (including painting), placement or posting of any object or thing on the exterior of any Lot, Home, other structure or the Common Property (e.g. signs, antennae, clothesline, playground equipment, pools, propane tanks, fencing, lighting, temporary structures and artificial vegetation, etc.), planting or removal of landscaping materials or installation or removal of an irrigation system shall take place except in compliance with this Article, the Declaration and the Design Guidelines and with the approval of the ACC.

Any owner may remodel, paint or redecorate the interior structure (except bearing structures), including the Home, on his or her Lot without approval of the ACC. The foregoing notwithstanding modifications to the interior of screened porches, patios and similar portions of a Lot or Home visible from outside the structures on the Lot shall be subject to this Article and approval as set forth herein. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to repair or rebuild in accordance with originally approved plans and specifications.

This Article shall not apply to the activities of the Declarant nor to improvements to the Common Property by or on behalf of the Association. So long as Declarant owns any Lot or any land subject to this Declaration or which may be annexed hereto, this Article may not be amended without the written consent of Declarant,

In no event shall the ACC approve any plans which violate the height, setback, coverage, density or other bulk provisions established by local code.

Section 8.3 Architectural Control Committee

Section 8.3.1 Membership

(1) As to the initial construction of improvements on any Lot or Common Property prior to conveyance (the "Initial Construction of Improvements"), the Declarant shall be responsible for the review, approval and monitoring of construction of improvements. Thus, for purposes of this Declaration, whenever the Architectural Control Committee is described, regulated or permitted to act hereunder, such provisions shall refer to Declarant, who will act as the Architectural Control Committee in connection with the Initial Construction of Improvements. Declarant shall cease acting as the Architectural Control Committee at such time when Declarant does not own any Lot or any land subject to this Declaration or which may be annexed hereto and an instrument transferring such Declarant's rights has been recorded in the Clerk's Office in accordance with Article 9, Section 9.1 of this Declaration.

(2) As to activities not comprising the Initial Construction of Improvements, the ACC shall be composed of three (3) persons appointed by the Board. A majority of the ACC may designate a representative to act for it. In event of a death, resignation or removal of a member of the ACC, the Board shall have the authority to designate a successor. Unless otherwise approved by the vote of the members of the Association, neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this Article. The Association shall keep a list of the names and addresses of the persons who form the ACC and its designated representative.

Section 8.3.2 Procedure

No activities within the scope of Section 8.2 shall commence until an application for approval of the proposed work has been submitted to and approved by the Architectural Control Committee. Such application shall be in the form prescribed by the ACC and shall include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefore and other features of proposed construction as applicable together with any other information requested by the ACC (the "Plans"). The application shall be subject to such architectural standards and design guidelines as shall be adopted, from time to time, by the ACC at the time such application was first submitted.

Within thirty (30) days after receipt of the complete Plans and all other required information, the ACC shall advise the applicant, in writing, at the address specified in the application, of (a) the approval of the Plans, or (b) the segments or features of the Plans which it finds are inconsistent or not in conformity with the Declaration, architectural standards, design guidelines or character of the Community and

suggestions for curing such findings, or (c) approval with conditions, or (d) denial of the application. In the event the ACC fails to advise the applicant in writing of its findings within thirty (30) days, the Plans shall be deemed approved. A request for additional information shall be deemed as a finding that the Plans submitted were inadequate, and the thirty (30) day time period shall commence upon receipt of all information requested. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed and postage prepaid is deposited with the U.S. Postal Service, Certified or registered mail, return receipt requested or upon personal delivery to the applicant,

If approval with conditions is granted, and construction begins, the conditions shall be deemed accepted by the Owner and the conditions imposed shall become part of the approved Plans. No improvements shall be made except in strict conformity with the approved Plans and all applicable building, plumbing, electrical and other codes. The ACC shall have the right to monitor construction of the improvements and investigate compliance with the approved Plans and shall have the right to enter upon any Lot for such purposes. Any work which does not conform with the approved Plans shall be deemed a violation. Upon notice hereof the Owner shall cure said violation to the satisfaction of the ACC. Should an Owner fail to cure such violation, the Association shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed. All costs plus interest and/or fines, shall be assessed against the Owner and Lot as a Special Assessment

If construction does not commence on a project for which Plans have been approved within 120 days of such approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to resubmit the Plans to the ACC for Reconsideration. Upon commencement of construction, completion of the project shall be diligently pursued. Any unreasonable delay in completion, in the discretion of the ACC, shall be deemed an abandonment of the project and such incomplete construction shall be deemed to be in violation of this Article and this Declaration and upon written notice to the Owner, such work may be removed or completed with the cost thereof charged as a Special Assessment against the Lot and Owner. The Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ACC.

Section 8.3.3 Liability

The Owner is responsible for the contractors, subcontractors or others providing goods and/or services (collectively referred to as contractor) hired to perform work on any Lot. Any contractor who causes damage to any Common Property, improvements or infrastructure of the Community and the Owner(s) who engage such contractor, shall be jointly and severally liable for such damage. The ACC may from time-to-time, in its sole discretion, require of any Owner or contractor to provide a cash or insurance performance bond to guarantee final site clean up and/or road and/or utility (including irrigation and drainage systems) repairs necessitated by the actions of the Owner and/or contractor during the construction of any improvements in the Community.

Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only and neither the Declarant, the Association, the Board or the ACC shall bear any responsibility for ensuring the structural integrity or soundness of any approved Plans, nor for ensuring compliance with building codes or other governmental requirements. Neither the Declarant, the Association, the Board, the ACC or any member of the foregoing shall be held liable for any injury, damage, loss or diminution in value arising out of the manor or quality of any approved Plans or modifications to any Lot. In all matters, the ACC and the Board and their members shall be defended and indemnified by the Association.

Section 8.3.4 Appeal

Any owner submitting Plans to the ACC and who disagrees with the findings of the ACC may appeal the findings to the Board by giving written notice of appeal to the Board within fifteen (15) days following receipt of such findings. The Board shall then review the Plans, allowing the ACC the opportunity to present to the Board specific reasons for its findings in the presence of the Owner or his agent, and allow the Owner or his agent to present information challenging the findings of the ACC, By a majority vote of the Board, it may affirm, modify or deny the findings of the ACC in whole or in part. An appeal to the Board is a necessary prerequisite to any other remedies available to the Owner, including arbitration or other legal proceedings,

Section 8.3.5 Fees

The ACC may adopt a schedule of reasonable fees for processing applications. Such fees shall be payable to the Association at the time that the Plans are submitted. The ACC shall have the right and power, exercisable in its sole discretion, to procure the services of a consultant of its own choosing for purposes of assisting the ACC in its review of any application. Any fees, costs and other expenses of the ACC associated with an application shall be the responsibility of the Owner of the subject Lot as a Special Assessment.

ARTICLE 9. SPECIAL DECLARANT'S RIGHTS AND OBLIGATIONS

Section 9.1 Transfer of Rights

No special rights created or reserved to the Declarant under this Declaration ("Special Declarant Rights") may be transferred except by an instrument evidencing the transfer recorded in the Clerk's Office. The instrument shall not be effective unless executed by the Declarant and the transferee and recorded in the Clerk's Office,

Section 9.2 Liability of Transferor

Upon transfer of any such Special Declarant Rights, the liability of the transferor is as follows:

9.2.1 A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him,

9.2.2 A transferor who retains no such Special Declarant Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Declarant Rights by a successor Declarant who is not an affiliate of the transferor.

Section 9.3 Foreclosure

9.3.1 Unless otherwise provided in a mortgage instrument, in case of foreclosure of a mortgage, or sale under bankruptcy laws or receivership proceedings of any Home owned by Declarant in the Property, a person or entity acquiring title to all the Homes being foreclosed or sold, but only upon his/her request, succeeds to all such Special Declarant Rights, or only to any such Special Declarant Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Declarant Rights requested,

9.3.2 Upon foreclosure, sale by a trustee under a deed of trust, or sale under bankruptcy laws or receivership proceedings of all Homes in the Property owned by Declarant:

9.3.2.1 Declarant ceases to have any such Special Declarant Rights; and

9.3.2.2 The period of Declarant control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Declarant Rights to a successor Declarant.

Section 9.4 Liability of Transferee

The liabilities and obligations of persons who succeed to Special Declarant Rights are as follows:

9.4.1 A successor to all Special Declarant Rights who is an affiliate of the Declarant is subject to all obligations and liabilities imposed on any Declarant by law or by the Declaration.

9.4.2 A successor to all such Special Declarant Rights, who is an affiliate of Declarant, is subject to all obligations and liabilities imposed upon Declarant by law or the Declaration, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Declarant or predecessor in title or for a breach of fiduciary obligation by any previous Declarant.

9.4.3 A successor to the sole Special Declarant Right to maintain models, sales offices and signs, if he is not an affiliate of Declarant, may not exercise any other Special Declarant Rights but is not subject to any liability or obligation as a Declarant

9.4.4 A successor to all Special Declarant Rights who is not an affiliate of Declarant and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Homes under subsection 9.4.3 aforesaid, may declare his/her intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Declarant Rights to any person acquiring title to any Lot or Home owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than right to control the Board for the duration of any period of Declarant control, and any attempted exercise of those rights is void. So long as a successor Declarant may not exercise Special Declarant Rights under this subsection he is not subject to any liability or obligation as a Declarant other than liability for the successor's acts and omissions under the Declaration.

9.4.5 Nothing in this Article subjects any successor to Special Declarant Rights to any claims against or other obligations of a transferor other than claims and obligations arising under the Declaration.

Section 9.5 Activities

So long as construction and initial sales of Lots shall continue or the Declarant owns any Lot or any land subject to this Declaration or which may be annexed hereto, the Declarant and its designees may maintain and carry on upon the Common Area and any property owned by the Declarant such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. The Declarant and its designees shall have easements for access to and use of such facilities. The Declarant's or any designers unilateral right to use the Common Area for purposes stated in this paragraph shall not be exclusive and shall not unreasonably interfere with use of such Common Areas by Owners unless leased pursuant to a lease agreement with the Association providing for payment of reasonable rent.

Section 9.6 Restrictions Prohibited

So long as the Declarant owns any portion of the Properties or any Lot or any land subject to this Declaration or which may be annexed hereto, the Association shall not, without the prior written approval of the Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of the Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Common Areas of the Association or to any property owned by any of them;

(b) Limits or prevents the Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Areas or any property owned by any of them in promotional materials;

(c) Limits or prevents purchases of new residential housing constructed by the Declarant, its successors, assigns and/or affiliates from becoming members of the Association or enjoying full use of its Common Areas, subject to the membership provisions of the Governing Documents;

(d) Discriminates against or singles out any group of Association members or prospective members or the Declarant [this provision shall expressly prohibit the establishment of a fee structure (i.e., assessments, Special Assessments and other mandatory fees or charges) that discriminates against or singles out any group of Association members or the Declarant;

(e) Impacts the ability of the Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Four Seasons at Gold Hill, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by the Declarant and limiting the establishment by the Declarant of easements necessary to complete Four Seasons at Gold Hill shall be expressly included in this provision. Easements that may be established by the Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(f) Impacts the ability of the Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner,

The Association shall not exercise its authority over the Common Areas (including, but not limited to, any gated entrances and other means of access to the Properties) to interfere with the rights of the Declarant set forth in this Declaration or so impede access to any portion of the Properties, over the streets and other Common Areas within the Properties.

So long as Declarant owns any portion of the Properties or any Lot or any land subject to this Declaration or which may be annexed hereto, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article shall not be amended without the prior written consent of the Declarant so long as the Declarant owns any portion of the Properties or any Lot or any land subject to this Declaration or which may be annexed hereto. The rights contained in this Section shall terminate upon the earlier of (a) 40 years after the conveyance of the first Lot to a Owner, or (b) upon recording by Declarant of a written statement that all sales activity has ceased. Thereafter, the Declarant and its designees may continue to use the Common Areas for purposes stated in this Article only pursuant to a rental or

lease agreement between the Declarant and/or such designee and the Association which provides for rental payments based on the fair market rental value of any such portion of the Common Areas,

ARTICLE 10. DECLARANTS AGREEMENTS AND OBLIGATIONS

Section 10.1 Ratification, Confirmation and Approval of Agreements.

The fact that some or all of the officers, directors, members or employees of the Association and the Declarant may be identical, and the fact that the Declarant or its nominees, have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements and the Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Lot, and the acceptance of the Deed therefore by any party, shall constitute the ratification, confirmation and approval by such purchaser, his/her heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by this Declaration, the Articles of Incorporation or the Bylaws.

Section 10.2 Rights Reserved to the Declarant.

Despite anything to the contrary herein or in the Articles of Incorporation or Bylaws of the Association, the Declarant hereby reserves for itself, its successors and assigns, for so long as it owns one or more Lots in the Property or any land subject to this Declaration or which may be annexed hereto the right to sell, lease, mortgage or sublease any unsold Lots.

ARTICLE 11. GENERAL PROVISIONS

Section 11.1 Duration

This Declaration shall run with the land and bind all of the Property perpetually and shall inure to the benefit of and be enforceable by the Association and the Owners, their respective successors, assigns, heirs, executors, administrators and personal representatives, except as otherwise provided herein, shall have a duration of twenty (20) years, at the end of which period said restrictions shall be automatically extended for successive periods of (10) years each, unless an instrument in writing signed by at least two-thirds (2/3) of the then Owners has been recorded within the year preceding each extension, agreeing to terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

Section 11.2 Notice

Unless otherwise provided in this Declaration, any notice required to be sent to any Owner under the provisions of the Governing Documents shall be deemed to have been properly sent, and notice thereby given, when mailed, by regular post, with

postage prepaid, addressed to the member or Owner at the last known post office address of the person who appears as a member or Owner on the records of the Association at the time of such mailing. Notice to one of two Owners shall constitute notice to all Owners thereof. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address. Valid notice may also be given to Owners by: (i) personal delivery to any occupant of any Home over nineteen (19) years of age or older; or (ii) by affixing said notice to or sliding same under the front door of any Home.

Section 11.3 Enforcement

Enforcement of this Declaration shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation, violating or attempting to violate or circumvent any provision herein contained, either to restrain or enjoin such violation or threatened violation or to recover damages or obtain any other legal or equitable relief, and against any Home and Lot to enforce any lien created by this Declaration. Failure by the Association or any Owner to enforce any covenant or restriction herein contained for any period of time, shall in no event be deemed a waiver or estoppel of the right to thereafter enforce same. If the Association, at any time, fails to discharge its obligations to maintain any portion of the Property as required by this Declaration or to enforce the provisions hereof, any Owner shall have the right to enforce such obligations by any proceeding at law or equity. A failure to so enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Should either the Association or any of its Members at any time fail to enforce the provisions hereof, the County upon thirty (30) days notice to the Association, shall have the right to institute appropriate legal proceedings in the name of the Association to effect such enforcement. The options set forth in this Section 11.3 shall be cumulative with the enforcement options set forth in Article 5, Section 5.4 of this Declaration.

Section 11.4 Severability

Should any covenant or restriction herein contained, or any Article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 11.5 Amendments

So long as the Declarant owns any portion of the Properties or any Lot or any land subject to this Declaration or which may be annexed hereto, Declarant may unilaterally amend this Declaration for any purpose. This Declaration may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) of the fully authorized membership of the Association at any meeting of the members established

by the Board for such purpose and previous to which written notice to every Owner of the exact language of the amendment shall have been sent at least thirty (30) days in advance; and further provided, that no amendment may be so effected which would permit (i) any Owner to be exempted from the payment of any assessment or Association Dues; (ii) the obligation or proportionate responsibility for the payment of assessments with respect to Homes or Common Property to be changed; or (iii) the modification of any easements or restrictions in Articles 4 or 5 hereof except as therein set forth; (iv) revocation of any of the powers of attorney reserved herein or in the Bylaws; and further provided, that in no event may the Common Property be conveyed to any third person, firm or corporation nor may the rights of the County, be modified in any manner, without the express consent, by ordinance, or otherwise of the governing body of the County,

Amendments to this Declaration shall become effective upon recordation in the County Clerk's Office unless a later date is specified therein. Any procedural challenges to an amendment must be made within six (6) months of its recordation and such amendment shall be presumed to have been validly adopted. No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant as long as Declarant owns any Lot or any portion of the Property or any property subject to the Declaration or which may be annexed hereto. Declarant may, in Declarant's sole discretion, amend this Declaration prior to the conveyance of a Home to an Owner other than Declarant. So long as Declarant holds title to any Lot Declarant may, in Declarant's sole discretion, amend this Declaration to comply with any requirements of any governmental agency, any Institutional Lender or purchaser of Mortgage loans or necessary to enable any reputable title insurance company to issue title insurance coverage for any Lot. No amendment shall be effective until recorded in the County Clerk's Office. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Owners including Declarant, in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the clerk's Office.

Section 11.6 Bylaws and Administration; Changes in Documents; Power of Attorney

The Administration of Common Property shall be by the Association in accordance with the provisions of the Governing Documents, and of any other agreements, documents, amendments or supplements to the foregoing-which may be duly adopted or subsequently be required by any Institutional Lender, any governmental agency having regulatory jurisdiction over the Property or by any title insurance company selected by Declarant to insure title to any Lot(s) or Home. Declarant hereby reserves for itself, its successors and assigns, for a period of twenty (20) years from the date the first Home is conveyed to an Individual Purchaser, the right to execute on behalf of all contract purchasers, Owners, mortgagees, other lien holders or parties claiming a legal or equitable interest in the Property, any such agreement, documents, amendments or supplements to the above described documents which may be so required by any such Institutional Lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or

supplement which adversely affects the value or increases the financial obligations of the Owners or reserves any additional or special privileges shall be made without the prior written consent of the affected Owner(s) and all owners of any mortgage(s) encumbering same; or if such agreement, documents, amendment or supplement adversely affects the priority or validity of any mortgage which encumbers any Home, without the prior written consent of such mortgages. In addition, the Declarant hereby reserves for itself, its successors and assigns, for a period of twenty (20) years from the date the first Home is conveyed to an individual Purchaser, the right, but not the obligation, to effectuate the following changes, enumerated by way of description and not limitation:

Section 11.6.1 Changing Lots.

Before the closing of title to a Lot, the Declarant may amend and supplement the Declaration to alter or fix the location, configuration, shape and size of any Lot and the size, shape, number and configuration of any Home(s) on any Lot(s).

Section 11.6.2 Easements.

To grant, add or alter the location, size or purpose of easements and lands for utilities, roads, access, ingress or egress, drainage or financing purposes: or to convey or assign such easements to the appropriate governmental authority, utility agency or company, title insurance company or as otherwise set forth in this Declaration.

Section 11.6.3 Use of Easements.

To permit the Declarant, its agents, affiliates, employees or subcontractors to utilize easements, roads, drainage facilities, utility lines and the like within or servicing the Property.

Section 11.6.4 Technical Changes.

To correct, supplement or provide technical changes to the Declaration, Bylaws or other Governing Documents or other documents that implement the creation of the Community or Association,

Section 11.6.5 Miscellaneous Changes.

To amend the Declaration, Bylaws, Governing Documents or other documents that create or implement the creation of the Community or the Association to qualify the Property for programs and requirements of the secondary mortgage market and lenders in same, such as the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or any other similar secondary mortgage lender; or as required by governmental or quasi-governmental agencies with regulatory jurisdiction over the Community; by any title insurance company insuring title to a Lot; or to comply with a court order or decree.

Section 11.6.6 Change Prohibited.

The Declarant is not permitted to cast votes held by it for unsold Lots for the purpose of amending the Declaration, Bylaws or any other document to change the permitted use of a Lot. However, the Declarant is permitted to cast its votes on all other matters as permitted by law.

Section 11.6.7 Effective Date of Amendment.

Any Amendment or Supplement to the Declaration is effective on its being recorded in the Office of the Clerk. The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Homes and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers. In furtherance of these provisions, at the time of" acceptance of a deed to any Home or at the time of acceptance of any other instrument conveying any legal or equitable interest in the Property, each and every contract purchaser, Owner or occupant or holder of any mortgage or other liens, agrees to execute an instrument which will expressly grant, ratify and confirm the foregoing power of attorney.

Section 11.7 Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

Section 11.8 Rule Against Perpetuities

If any provisions of this Declaration or the Bylaws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be deemed to remain in effect only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 11.9 Disclaimer of Liability

Notwithstanding anything contained herein or in the Articles, Bylaws, or any rules or regulations of the Association or any other document governing or binding the Association, neither the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of a Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and Occupant of a Lot and each

tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Properties, including all recreational facilities, if any.

Neither the Association, the Board, the management company of the Association, the Declarant, nor any successor Declarant shall be liable or responsible for any personal injury. Illness or any other loss or damage caused by the presence or malfunction of utility lines or utility sub-stations adjacent to, near, over, or on the Properties. Each Owner and occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of utility lines or utility sub-stations and further acknowledges that the Association, the Board, the management company of the Association, the Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee or any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations.

Neither the Association, the management company of the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, Neither the Association, the management company of the Association, the Declarant, nor any successor Declarant shall be held liable for any loss or damage for failure to provide adequate security or ineffectiveness of security measures undertaken.

All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner acknowledge that the Association, its Board of Directors, the management company of the Association, the Declarant, any successor Declarant do not represent or warrant that any entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security systems will prevent loss by burglary, theft, hold-up, or otherwise; nor that entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security systems will in all cases provide the detection or protection for which the system is designed or intended,

All Owners and occupants of any Lot and all tenants, guests, and invitees of any Owner, acknowledge and understand that the Association, its Board and committees, the management company of the Association, the Declarant, or any successor Declarant are not insurers.

All Owners and occupants of any Lot and all tenants, guests, and invitees of any Owner assume all risks for loss or damage to Persons, to Lots, and to the contents of Lots and further acknowledge that the Association, its Board and committees, the management company of the Association, the Declarant, or any successor Declarant have made no representations or warranties, nor has any Owner, occupant, or any tenant, guest, or invitee of any Owner relied upon any representations or warranties, expressed or implied, relative to any entry gate, patrolling of the Properties, neighborhood watch group or volunteer security patrol, or any security systems recommended or installed or any security measures undertaken within the Properties.

No provision of the Governing Documents shall be interpreted as creating a duty of the Association, the Board, the management company of the Association, the Declarant nor any successor Declarant to protect or further the health, safety or welfare of any Person(s), even if the funds of the Association are used for any such purpose.

Each Owner (by the virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in or lien upon, or making any use of, any portion of the Properties (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Association, the management company of the Association, the Declarant and any successor Declarant, their directors, officers, committee and Board members, employees, agents, contractors, subcontractors and assigns arising from or connected with any matter for which the liability has been disclaimed.

Section 11.10 No Partition.

Except as permitted in this Declaration, the common Property shall remain undivided and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Institutional Lenders.

Section 11.11 Severability.

Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

Section 11.12 Compliance.

Every Owner and occupant of any Lot shall comply with this Declaration, the Bylaws, and the rules of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, by the Association or, in a proper case, by any aggrieved Owner(s).

Section 11.13 Notice of Sale or Transfer of Title.

Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title. The Association may require the payment of a reasonable administration or registration fee by the transferee.

Section 11.14 Attorneys' Fees.

In the event of an action instituted to enforce any of the provisions contained in this Declaration, the Articles of Incorporation or the Bylaws, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such a suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Special Assessment with respect to the Lot(s) involved in the action.

ARTICLE 12. PROTECTIVE PROVISIONS FOR THE BENEFIT OF INSTITUTIONAL LENDER

Section 12.1 Protective Provisions for the Benefit of All Institutional Lenders.

Notwithstanding anything to the contrary in the Governing Documents, the provisions of this subparagraph 12:1 shall apply with respect to each Institutional Lender,

Section 12.2 Notice

Any Institutional Lender, who provides prior written request to the Association, shall be entitled to timely written notice of:

- a) any condemnation or casualty loss that affects either a material portion of the Common Property or the Home securing the Institutional Lender's mortgage;
- b) any sixty (60) day delinquency in the payment of Common Expense assessment installments or other assessments or charges owed to the Association by an Owner of any Home upon which the Institutional Lender holds a mortgage; and
- c) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- d) any proposed action that requires the consent of a specified percentage of Institutional Lenders.

Section 12.3 Inspection of Records

Any Institutional Lender shall upon request, (a) be permitted to inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. The Association shall maintain current copies of the Governing Documents and Rules and Regulations, and any respective amendments thereto.

Section 12.4 Meetings

Any Institutional Lender shall be permitted to designate a representative to attend all Association meetings.

Section 12.5 Liability for Common Expense Assessments

Any Institutional Lender holding a first mortgage lien on a Home that obtains title to a Home as a result of foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Home or chargeable to the former Owner which became due prior to acquisition of title. Such unpaid share of Common Expenses, outstanding water bills and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Owners including such acquirer, his/her successors and assigns.

Section 12.6 Management Agreements

Any management agreement for the Community will be terminable by the Association without cause upon thirty (30) days' prior written notice thereof and with cause upon ten (10) days' prior written notice thereof, and the term of any such agreement shall not exceed one (1) year.

Section 12.7 Common Expense Default

Despite the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense assessment with respect to any Home, either regular or special, the Institutional Lender of such Home shall be entitled to declare such mortgage in default in the same manner that is permitted by such mortgage with respect to any default in the payment of real estate taxes.

Section 12.8 Implied Approval

Approval of any action requiring consent hereunder will be implied when an Institutional Lender fails to submit a response to any written proposal within thirty (30) days after it receives proper notice of the proposal provided that notice was delivered by certified or registered mail, with a return receipt requested.

ARTICLE 13. DAMAGE TO COMMON PROPERTY

If, due to the negligent act or misuse by an Owner, or a member of his/her family or household pet, guest, occupant, visitor, or tenant (whether authorized or unauthorized by the Owner), damage shall be caused to the Common Property or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, the Owner shall pay for such damage and be liable for any damages, liability, costs and expense, including attorney's fees, caused by or arising out of such circumstances. Such maintenance, repairs and replacements to the Common Property shall be subject to the Bylaws and the Rules and Regulations. In the event of

the failure of any Owner to perform any such maintenance or to make any such repairs or replacement as shall be required within ten (10) days of such damage, the Association shall have the right, but not the obligation, to do so on the Owner's behalf and to assess the costs of same against such Owner as an Assessment under Section 6 of this Declaration.

EXHIBIT "A"
LEGAL DESCRIPTION

All that certain piece, parcel or lot of land lying, being and situate in Fort Mill Township, York County, South Carolina and being more particularly shown as Parcel #1 containing 32.11 acres, more or less, Parcel #3 containing 27.679 acres, more or less, and Parcel #6 containing 5.10 acres, more or less, on plat of boundary survey for Cornerstone Development prepared by Precision Surveying, Inc. dated May 19, 2001 and recorded June 4, 2001 in Plat Book B-345, Page 4, Office of the Clerk of Court for York County, South Carolina, which reference is made to such plat for a more complete metes and bounds description of said property; and,

All that certain piece, parcel or lot of land lying, being and situate in Fort Mill Township, York County, South Carolina and being more particularly shown as Parcel A, containing 15.32 acres, more or less, Parcel B containing 1.00 acre, more or less, and Parcel C containing 1.07 acres, more or less, on plat of boundary survey for Cornerstone Development prepared by Precision Surveying, Inc. dated August 13, 2001 and recorded September 10, 2001 in Plat Book 138, Page 609, Office of the Clerk of Court for York County, South Carolina, which reference is made to such plat for a more complete metes and bounds description of said property; and,

All that certain piece, parcel or lot of land lying, being and situate in Fort Mill Township, York County, South Carolina and being more particularly shown as Parcel #2A, containing 2.189 acres, more or less, as shown on plat of boundary survey for Cornerstone Development and Site One, LLC dated September 25, 2001 and recorded October 1, 2001 in Plat Book 138, Page 652, Office of the Clerk of Court for York County, South Carolina, which reference is made to such plat for a more complete metes and bounds description of said property.

SAVING AND EXCEPTING THE FOLLOWING:

1. Any land lying within publicly dedicated right of ways as shown on the recorded plats.
2. All that certain piece, parcel or lot of land lying, being and situate in Fort Mill Township, York County, South Carolina, shown and designated as Parcel #6, containing 5.10 acres, more or less on plat of Boundary Survey for Cornerstone Development prepared by Precision Surveying, Inc. dated May 19, 2001 and recorded in Plat Book B-345 at Page 4 in the Office of the Clerk of Court for York County, South Carolina, which reference is made to such plat for a more complete metes and bounds description of said property, except that Declarant hereby grants to the Association, its successors and assigns, an easement for ingress and egress over the "Onyx Ridge Egress" as shown on Final Plat Lots 4-67 surveyed for Cornerstone Development of the Carolinas by Precision Surveying, Inc. dated April 3, 2002 and recorded April 22, 2002 in Plat Book C-53, Page 7, Office of the Clerk of Court for York County, South Carolina.

DERIVATION: This being the identical property conveyed to the Declarant herein by deed of Cornerstone Development of the Carolinas, Inc. dated August 29, 2001 and recorded September 10, 2001 in Record Book 3851, Page 266 and being the same property conveyed to the Declarant herein by deed of Jon A. Blankenship dated September 27, 2001 and recorded October 1, 2001 in Record Book 3886, Page 272 and by deed of Jon A. Blankenship and Michelle W. Blankenship dated October 5, 2001 and recorded December 11, 2001 in Record Book 4039, Page 278, Office of the Clerk of Court for York County, South Carolina.

EXHIBIT "B"
PHASE 1 PLAN

Sec Survey for Cornerstone Development of the Carolinas prepared by Precision Surveying, Inc. dated April 3, 2002, recorded April 22, 2002 in Plat Book C-53 at Page 7 in the Office of the Clerk of Court for York County, South Carolina.

Revision History	
Date	Change Description
January 13, 2008	Incorporated Declarant's changes of November 2007
May 5, 2008	Completed creation of Board-maintained integrated version
May 15, 2010	Addition of Declarant Rights statement, correction of typographical errors, and incorporation of age verification change adopted at the May 2010 Annual Meeting.