

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HERON COVE SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HERON COVE SUBDIVISION ("Declaration") is made on the date hereinafter set forth by ASHWORTH DEVELOPMENT COMPANY, INC. a North Carolina corporation qualified to do business in South Carolina, and HITCHENS DEVELOPMENT, LLC a North Carolina limited liability company qualified to do business in South Carolina (collectively referred to hereinafter as "Declarant").

All capitalized terms used herein to have the meanings defined in Article I or elsewhere herein unless the context requires otherwise.

Declarant is the owner of the real property described on Exhibit A attached hereto (the "Property"), which is being developed by Declarant into building lots and related amenities for use as an exclusive community of single-family residences, which community is to be known as Heron Cove Subdivision ("Development").

Declarant desires to ensure the attractiveness of the individual Lots and community facilities within the Development and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the Property. In order to accomplish these objectives, Declarant deems it advisable to subject the Property to the covenants, conditions, restrictions, easements, charges and liens (collectively, "Covenants") hereinafter set forth.

Declarant deems it desirable, in order to ensure the efficient preservation, protection and enhancement of the values and amenities of the Development and the residents' enjoyment of the specific rights therein, that an organization be created to which will be delegated the powers hereunder. Declarant has caused or will cause to be created for the purposes aforesaid, a South Carolina non-profit corporation under the name and style of Heron Cove Property Owners Association, Inc.

THEREFORE, in consideration of the foregoing and the Covenants made herein, Declarant declares that the Property is and shall be owned, conveyed and occupied subject to the following Covenants which shall run with the Property (except as provided in Article V, Section 10 hereinafter) and be binding upon and inure to the benefit of all owners thereof and their heirs, personal representatives, successors and assigns.

**ARTICLE I.
DEFINITIONS**

Section 1. "Additional Property" shall mean any property within a radius of one mile of the Property. Upon the inclusion of any Additional Property within the scheme of this Declaration as provided in Article II Section 2, such Additional Property shall thereafter be deemed "Property".

Section 2. "Architectural Committee" shall mean the committee charged with the task of reviewing Plans and Specs as provided in Article X and making the determinations provided thereunder

Section 3. "Association" shall mean and refer to the Heron Cove Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 4. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 5. "Boat Storage Facility" shall mean that certain structure used for the storage of watercraft located on Common Area identified as "Boat Storage Common Area" on a Map.

Section 6. "Bylaws" shall mean the Bylaws of the Association.

Section 7. "Common Area" shall mean that portion or portions of the Property designated as "Common Area" on the Maps, including but not limited to the Boat Storage Facility, Swimming Pool, Park, and Pedestrian Trails. Rights to the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Declarant or the Association, so long as such regulations are evenhanded.

Section 8. "Common Amenities" shall mean certain features that are of benefit to all or several Owners (whether or not "Common Area") including public roads within the Development (until accepted for public maintenance by the appropriate governmental entity, except that landscaped medians shall be maintained following such acceptance if permitted by the governmental authority having jurisdiction), the Common Area, the Easement Areas, the Sign Easement Areas and any Low Pressure Sewer Systems. Common Amenities shall include any and all improvements to the foregoing, including without limitation: plants; utility fixtures, equipment, and lines; decorative and screening signs; gazebos and outdoor furniture; medians; flag poles, flags and seasonal decorations; gates, fences, walls, and retaining walls; pathways, sidewalks and steps; sprinkler and irrigation systems; public drainage easements; Pedestrian Trails; Boat Storage Facility; Low Pressure Sewer Systems; and The Swimming Pool.

Section 9. "Covenants" shall mean the covenants, conditions, restrictions, easements, charges and liens provided for in this Declaration.

Section 10. "Declarant" shall mean and refer to Ashworth Development, Inc. a North Carolina corporation qualified to do business in South Carolina, and Hitchens Development, LLC, a North Carolina corporation qualified to do business in South Carolina, and the successors and assigns of Declarant, if any, to whom the rights of Declarant hereunder are specifically transferred by written instrument, subject to such terms and conditions as the Declarant may impose. Upon any transfer by Declarant of any or all of its Declarant rights and obligations hereunder, Declarant shall be relieved of any and all liabilities with respect to the rights and obligations so transferred.

Section 11. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions, as well as all supplements or amendments thereto.

Section 12. "Easement Areas" shall be those areas of the Property lying within the Sign Easement Areas, Pedestrian Easements, any and all utility, drainage, sight angle, landscape, access, or other easements shown on any Map of the Property.

Section 13. "Improvement(s)" shall mean all buildings, storage sheds or areas, roofed structures, parking areas, fences, walls, hedges, mass plantings, poles, driveways, bridges, landings, boardwalks, ponds, lakes, changes in grade or slope, site preparation, swimming pools, tennis courts, tree houses, children's playhouses, signs, exterior illumination, exterior antennae, earth satellite stations, microwave dishes, solar panels or other similar receiving, transmission or energy generating equipment and any and

all other structures, landscaping and improvements and changes therein. The term "Improvement" does not include garden shrub or tree replacement or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances.

Section 14. "Institutional Lender" shall mean any life insurance company, bank, savings and loan association, trust, real estate investment trust, pension fund, the Declarant, in the event it makes loans secured by Lots, or other organization or entity which regularly makes loans secured by real estate, which has made a loan secured by a Lot.

Section 15. "Lake" shall mean Lake Wylie.

Section 16. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, shown upon the Map. In the event any Lot is increased or decreased in size by Declarant by resubdivision, through recordation of a revised Map, any such newly platted Lot shall thereafter constitute a Lot for the purposes of this Declaration.

Section 17. "Low Pressure Sewer System" shall mean any low pressure sewer system (including but not limited to the treatment, collection and disposal elements of the system) located or installed on a Lot, or serving a Lot. A Low Pressure Sewer System may be located on Common Area or on an individual Lot.

Section 18. "Map" shall mean any and all recorded maps or plats of the Property filed by Declarant with the Recorder of Mesne Conveyance for York County.

Section 19. "Member" shall mean and refer to the Owners, including Declarant, and every person or entity holding membership in the Association.

Section 20. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property (as hereinafter defined), including contract sellers and owners of an equity of redemption, but excluding those having such interest in a Lot solely as security for the performance of an obligation.

Section 21. "Pedestrian Easement" shall mean an easement across any Lot as shown on any Map of the Property and identified as a Pedestrian Easement on such Map.

Section 22. "Pedestrian Trails" shall mean those common areas identified as "Pedestrian Trail" on any Map of the Property.

Section 23. "Plans and Specs" shall mean the plans and specifications described in Article X, Section 1.

Section 24. "Property" shall mean and refer to that real property described on Exhibit A attached hereto.

Section 25. "Roads" shall mean those roads shown on the Map or Maps of the Property.

Section 26. "Sign Easement Areas" shall mean and refer to the areas of the Property on which entrance signage constructed by Declarant is located (together with areas containing utility connections to said signage and together with such rights of access as are reasonably necessary to provide for proper maintenance, repair and replacement of said signage).

Section 27. "Swimming Pool" shall mean the swimming pool, surrounding patio, and accessory structures and fencing installed and erected in the Common Area.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is the property described on Exhibit A attached hereto.

Section 2. Additional Property. Declarant may bring Additional Property within the scheme of this Declaration and the jurisdiction of the Association in future stages of development without the consent of the Association or its Members by filing a Supplementary Declaration in the York County Recorded of Mesne Conveyances. Declarant shall not be obligated to subject any Additional Property to this Declaration.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

Section 2. Voting Rights and Classes of Lots. The voting rights of the Members shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant. The Declarant shall be entitled to three votes for each Class B Lot owned by it.

Section 3. Amendment. Notwithstanding the provisions of Section 2 above, so long as Declarant owns any Lot, this Declaration and the Bylaws of the Association may not be amended without its written consent.

Section 4. Board of Directors. The Association shall be governed by a Board of Directors in accordance with the Bylaws. Notwithstanding the provisions of Section 2 above, the Declarant shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events occurs:

- (a) Declarant no longer owns any Lot;
- (b) Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant; or

(c) December 31, 2015.

ARTICLE IV.
PROPERTY RIGHTS

Section 1. Ownership of Common Area. Declarant shall convey to the Association the Common Area to be owned by the Association. Notwithstanding the recordation of the Map or any other action by Declarant or the Association, the Common Area shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public.

Section 2. Owners' Rights to Use Common Area and Easement Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy the Common Area and the Easement Areas, which shall be appurtenant to and pass with title to his Lot, subject to the following provisions:

(a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the same to insure the safety and rights of all Owners;

(b) the right of the Association to suspend the voting rights of an Owner and the right of the Association to suspend the right of an Owner to use the same for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty days for any infraction of its published rules and regulations;

(c) the right of the Declarant or the Association to grant utility, drainage and other easements across the same when such easements, in the opinion of the Board or the Declarant, are required for the convenient use and enjoyment of the Property;

(d) all easements and rights described in this Declaration are appurtenant easements running with the title to the Lots and shall inure to the benefit of and be binding upon Declarant, the Association, Owners, occupants of Lots, Institutional Lenders and any other person or entity having any interest in a Lot, including successors, assigns, heirs and personal representatives of said entities and persons;

(e) with regard to the Boat Storage Facility and the Swimming Pool, the right to charge fees and establish rules for the use thereof;

(f) any Owner may delegate to the members of his family or his guests, in accordance with the bylaws of the Association, his right of enjoyment in and to the Common Area and the Easement Areas.

Section 3. Rules and Regulations Regarding Security. The Board of Directors, consistent with governmental requirements, may make such reasonable rules and regulations as it may elect with respect to security systems. The Board of Directors shall have the authority to employ a private security firm to provide security for the Property. The Board of Directors shall generally determine the scope and hours of operation of all security services.

Neither the Association nor the Declarant (nor any director, officer or partner of either) makes any representation or warranty, direct or indirect, to any Owner regarding the security provided for the Property and none shall be liable in any manner whatsoever for any loss, injury, damage or death occurring on the Property, regardless of whether the same was the result of the failure of the security provided in accordance with the terms hereof to prevent the same or the failure to provide any security.

Section 4. Maintenance. The Association shall be exclusively responsible for maintaining the Common Amenities. Except as otherwise set forth herein, the Association shall not be responsible for the maintenance of any Lot or the improvements within the boundaries thereof. The Owner shall be responsible for same. While Declarant will seek to have the Roads accepted for maintenance by the appropriate governmental authority, Declarant can not guarantee that the appropriate governmental authority will accept maintenance responsibility for the Roads. If some or all of the Roads are not accepted for maintenance by the appropriate governmental authority, then the Association will be responsible for their ongoing maintenance.

Section 5. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all Common Amenities which the Association is obligated to maintain. Such reserve fund shall be maintained out of the annual assessments described in Section 1 of Article V hereof.

Section 6. Rules of the Association. The rights provided for in this Article IV are subject to the restrictions contained elsewhere herein, and the Board of Directors shall have the power and authority to promulgate rules and regulations to enable the Association to carry out the letter and intent of this Declaration. All owners shall abide by all rules and regulations so adopted by the Board of Directors from time to time. The Board of Directors shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner violating such rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorney's fees, resulting from such violations. The Board of Directors shall not have the power to impose restrictions, rules or limitations on Declarant.

ARTICLE V. ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, repairs and maintenance and other purposes, such annual and special assessments to be established and collected as hereinafter provided; and (3) a one-time Working Capital Assessment determined by the Board (but no more than \$675), payable at the time that Declarant conveys each Lot to its respective first Owner (other than Declarant). Any such assessment or charge, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s), firm(s), or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by a particular successor in title, and such unpaid assessment charges shall continue to be a lien upon the Lot against which the assessment has been made.

Section 2. Purposes of Assessments and Duties of Association. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Amenities, including but not limited to, the cost of repair, replacement and additions thereto, the maintenance, repair and replacement of Common Amenities, the procurement and maintenance of insurance in accordance with the By-Laws of the Association, the employment of attorneys to represent

the Association when necessary, payments of principal and interest on funds borrowed for Association purposes, and such other needs as may arise.

Without limiting the generality of the above-described purposes, the Association shall be responsible for performing the following in a diligent and reasonable manner and the assessments levied by the Association may be used for the following purposes:

- (a) To repair and maintain the Common Amenities, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping at the entrance to the Property, and to provide and pay for utility charges for irrigation and lighting of the signage located thereon, and to maintain entry ways, entry walls, and any other common amenities which the Association may now or hereafter maintain;
- (b) To keep all Common Amenities clean and free from refuse and debris;
- (c) To pay all ad valorem taxes levied against any property owned by the Association;
- (d) To pay the premiums on all hazard insurance carried by the Association and all public liability insurance carried by the Association and officers' and directors' liability insurance;
- (e) To pay all legal, management, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in its Bylaws;
- (f) To pay all utility charges incurred by the Association for the Common Amenities.
- (g) To otherwise maintain the Common Amenities;
- (h) To maintain the Roads should they not be accepted for maintenance by the appropriate governmental authority;
- (i) To maintain adequate contingency reserves to fund anticipated and unanticipated expenses of the Association.

Section 3. Maximum Annual Assessments. Until January 1, 2007, the maximum annual assessment for each Lot will be \$750.00 per year. From and after January 1, 2007, the maximum annual assessment for each Lot may be increased or decreased by the Board of Directors effective January 1 of each year, without a vote of the Members, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the maximum assessment for the previous year, or, if such increase is more than 10% of the previous years' amount, such increase is approved by no less than two-thirds of the votes appurtenant to Lots, cast in person or by proxy, at a meeting duly called for this purpose. Any annual assessment established by the Board of Directors shall continue thereafter from year to year as the annual assessment until changed by said Board. Lots with Low Pressure Sewer Systems will be assessed an additional annual assessment as outlined in Section 12 of this Article. Other user fees, such as for boat storage, are not part of the regular annual assessment and will be determined by the Board.

Section 4. Special Assessments for Capital Improvements and Other Matters. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessment(s) for the purpose of defraying, in whole or in part, the cost of any construction, repair, or

replacement of a capital improvement upon the Common Amenities, including fixtures and personal property related thereto, providing funds to pay for unforeseen or unbudgeted expenditures, borrowing the funds to make property comply with zoning ordinance(s), borrowing of money for capital improvements and pledging or mortgaging of Association property as security for loans, provided that any such assessment shall require the same assent of the Members as provided in Section 3 of this Article.

Section 5. Assessment Rate and Collection. Subject to the different assessment rates for Lots with Low Pressure Sewer Systems and other Lots provided for elsewhere in this Declaration, the assessment rate for all Lots shall be the same. Both annual and special assessments shall be collected on a monthly, quarterly, semi-annually or yearly basis as billed by the Association.

Section 6. Notice of Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article shall be sent to all Members not less than fifteen (15) days nor more than forty-five (45) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty-one (51%) percent of all the votes appurtenant to Lots shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meetings shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 7. Date of Commencement of Annual Assessments, Due Date; Certificate of Payment. The annual assessments provided for herein shall commence as to each Lot on January 1, 2006, or the first date such Lot is conveyed to an Owner other than Declarant, whichever shall be the later date. The first annual assessment shall be the "maximum annual assessment" set forth in Section 3 of this Article, adjusted according to the number of months remaining in the calendar year. At least thirty days before January 1 of each year beginning with the year 2007, the Board of Directors shall fix the amount of the annual assessment against each Lot and at least fifteen days before January 1 of each year shall send written notice of the annual assessment to every Owner subject thereto; provided, however, the failure of the Board of Directors to establish such assessment amounts and to give notice thereof by such dates shall not prohibit the establishment of an increase at a later date nor prohibit the Association from collecting such increased assessment. The due dates for the payment of annual and special assessments shall be established by the Board of Directors.

(a) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, which shall be binding upon the Association, setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten days after the due date shall incur a one-time late charge in the amount of \$50.00 and if not paid within thirty days after the due date shall bear interest from the due date at the highest per annum rate allowed by law, or at the rate established by the Board of Directors at the beginning of the fiscal year of the Association, whichever is less. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, or both, and interest, costs and reasonable attorney's fees of such action or foreclosure, or both, shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Amenities or by abandoning such Owner's Lot.

Section 9. Damage Assessment. In the event the Association finds that an Owner has damaged

any Common Amenity, the Association may levy an assessment on such Owner's Lot for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Amenity, and the amount of said assessment shall be a lien with respect to said Lot.

Section 10. Subordination of the Lien to First Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure of a mortgage or deed of trust, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to which payment became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 11. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to or intended for residential dwelling use shall be exempt from said assessments.

Section 12. Lots with Low Pressure Sewer Systems. Any Lot that is served by a Low Pressure Sewer System will be required to pay an additional annual assessment equal to the cost to perform an annual inspection of the system and provide for emergency response in case of a problem with the system. Furthermore, if repairs or replacement are required to the system the Lot owner will be responsible for the costs.

ARTICLE VI. EXTERIOR MAINTENANCE

Section 1. Each Owner shall maintain the grounds of his Lot and the improvements situated thereon (excluding the Easement Areas which shall be maintained by the Association) at all times in a neat and attractive manner satisfactory to the Board of Directors. Upon an Owner's failure to do so, the Association may, after approval by a majority vote of the Board of Directors and after giving the Owner ten days' written notice sent to such Owner's last known address or the address of the Lot, have performed any necessary maintenance, repairs or replacements, and all expenses of the Association under this Article shall be a lien and charge against the Lot on which the work was done and the personal obligation of the then Owner of the Lot. If the Association is required to expend any such sums during the period within which an Owner has posted a \$1,500.00 deposit with the Association to insure against construction damage, as provided in Section 8 of Article VII, such amount shall be deducted from the deposit.

(a) The Owner shall remove mud stains and any construction discoloration from the foundation of any improvements upon completion of the improvement. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot on which the work was performed, collectible in a lump sum and secured by the lien against the Lot as herein provided.

(b) Any entry on a Lot by the Association, its agents or employees between the hours of 8:30 a.m. and 6:00 p.m. or during other hours in the case of an emergency to perform the maintenance and repairs set forth herein shall not be a trespass and an easement for such entry is hereby granted.

ARTICLE VII.
USE RESTRICTIONS

Section 1. Residential Purposes Only. Each Lot shall be used exclusively for single-family, residential purposes. In addition to a single-family detached private dwelling not exceeding three stories in height in front, improvements to each Lot may include accessory structures (which may include guest or employee quarters in compliance with all applicable zoning ordinances), all as approved in advance by the Architectural Committee. No trade or business of any kind shall be conducted upon a Lot or any part thereof. Except as first approved by the Architectural Committee, no structure shall be erected, placed, altered, used or permitted to remain on any Lot. Finished attic or basement space shall not be considered a story.

Section 2. No Subdivision of Lots. No Lot shall be subdivided by sale, lease or otherwise so as to increase the total number of Lots shown on the Map as originally recorded.

Section 3. Obstructions. There shall be no obstruction of the Easement Areas, nor shall anything be kept or stored in such areas by any Owner, nor shall anything be altered, or constructed or planted in, or removed from such areas, without the prior written consent of the Association.

Section 4. Nuisances and Unsightly Materials. No noxious, offensive, or illegal activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance to the Development. No person may keep any animal upon any part of the Lot except that an Owner then occupying a residence upon a Lot may keep customary household pets upon such Lot provided that such pets are not kept, bred or maintained for any commercial purposes or in such a manner as to become a nuisance to the other Owners or residents of the Development.

Section 5. Restricted Actions by Owners. No Owner shall permit anything to be done or kept on the Property which will result in the cancellation of or increase in cost of any insurance carried by the Association, or any other Owner, or which would be in violation of any law. No Owner shall enter into any agreement with any other Owner or any owner of property which adjoins the Property, all power to enter into any such agreement being hereby vested in the Association such that any purported agreement by an Owner in violation of this provision shall be null and void. No waste shall be permitted in the Easement Areas.

Section 6. Compliance with Governmental Regulations. Each Owner shall comply with all laws, regulations, ordinances (including without limitation, applicable zoning ordinances) and other governmental rules and restrictions applicable to such Owner's Lot(s). Lots lying within the Lake Wylie Watershed shall comply with all regulations regarding land use within such watershed, including, but not limited to impervious surface restrictions.

Section 7. Signs. No sign of any kind shall be displayed on any Lot except as follows:

(a) No more than one sign bearing the name of the resident and the street address of any Lot, such sign to be approved by the Architectural Committee;

(b) No more than one uniform professional sign, approved by the Architectural Committee for the purpose of (i) advertising the Lot for sale, (ii) advertising the building contractor constructing improvements on the Lot during the initial construction and sales period, or (iii) identifying the sales office and/or model home of a building contractor which owns the Lot.

Section 8. The foregoing shall not act to restrict or prohibit the Declarant from erecting and maintaining signs and billboards advertising the Property or portions thereof, or prevent the Declarant from posting directional and other signs relating to the use of the Property. The Association shall have the right to install signs in the Easement Areas.

Section 9. Damage to the Easement Areas. Each Owner shall be liable to the Association and/or the Declarant for damage to property owned by any of them caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, contractors, employees or invitees. A \$1,500.00 refundable construction deposit must be submitted by each Owner to the Association at the time the final plans and specifications for the construction of improvements on the Lot are returned to the Owner approved by the Architectural Committee. Such deposit shall be held in escrow and utilized, after written notice to the Owner, to repair any damage caused by construction personnel or equipment to adjacent property, roadways, drives, structures or amenities, or to maintain the construction site in a clean condition if not so maintained by the Owner or its contractor. The Owner will be held responsible for any sums expended by the Association in excess of the \$1,500.00 escrowed. Any funds not used as above provided will be returned to the Owner upon presentation of a certificate of occupancy from the Town of Cornelius.

Section 10. Vehicles. All automobiles, trucks, boats, trailers, recreational vehicles (including motorboats, houseboat or other similar water-borne vehicle, or any motor home or "camper" vehicle) must have a current license plate affixed and must be parked behind the dwelling or in an enclosed garage or boathouse.

(a) Trucks with tonnage in excess of one ton shall not be permitted to park overnight on any location within the Property. No vehicle of any size which transports inflammatory or explosive cargo may be kept within the Property at any time. No vehicles that are not in operating condition may be stored or situated on any Lot unless stored in an enclosed garage.

(b) The Owner of each Lot will be responsible for providing on such Lot sufficient parking area for all vehicles normally parked and/or situated on such Lot.

Section 11. Boat Storage Facilities.

(a) Piers. Duke Energy Corporation controls access to, use of, and water levels in the Lake. Any owner must receive a permit from Duke Energy Corporation (or a successor manager of the Lake under authority from the Federal Energy Regulatory Commission) prior to placing or constructing or using any pier, structure or other improvement within or upon, or conducting any activity altering the topography of, the hydroelectric project surrounding and encompassing the waters of the Lake. Declarant makes no oral, express or implied representation or commitment as to the likelihood of any Owner obtaining such a permit, nor as to the continued existence, purity, depth or levels of water in the Lake, and Declarant shall have no liability with respect to these matters. Construction of any such improvements is also subject to the other provisions of this Declaration, including, without limitation, prior approval by the Architectural Committee.

(b) Common Boat Storage. The Boat Storage Facility is for the convenience of the Owners. Liability for the damage or theft of personal property stored in the Boat Storage Facility is solely the responsibility of the owner of such property, and in no event shall impose liability upon Declarant or the Association. Declarant makes no representations or warranties as to the security of the Boat Storage Facility. The Association in its discretion may set and charge a fee for use of the Boat Storage Facility.

Section 12. Rights of Duke Energy Corporation. Duke Energy Corporation has certain privileges and easements affecting the Development which include the right, privilege and easement of backing, ponding, raising, flooding or diverting the waters of the Lake and its tributaries upon and over the Development, as more specifically described in instruments recorded in the Office of the Register of Deeds of York County, South Carolina.

ARTICLE VIII.
EASEMENTS

Section 1. Declarant reserves, for its benefit and for the benefit of each Owner and the Association, all easements shown on the Map and, to the extent not shown on the Map easements for the other Easement Areas, including, without limitation, the Sign Easement Areas, natural gas, cable television, telephone and electric power lines, sanitary sewer and storm drainage facilities and for other utility installations and easements for sight angles, and use of the Easement Areas for their specific intended purposes. Further, easements ten feet in width for installation, repair and maintenance of general service utilities and facilities are reserved for the benefit of Declarant and the Association over, under and through and along the front and rear Lot lines of all Lots shown on the Map, and easements five feet in width for such purposes are reserved over, under and through and along all side lines of all Lots shown on the Map. The Declarant or the Association may, without consent or approval of any Owner, grant or convey any of the easement rights hereinabove reserved for the purposes set forth herein to any person, public or private utility or service company or any agent of Declarant or the Association. The Declarant or the Association may, without consent or approval of Owners, reserve and grant easements for the installation and maintenance of sewerage, utility, including cable television, and drainage facilities over, under and through the Easement Areas. No structure, planting or other material shall be placed or permitted to remain within any easements provided for above which may interfere with the installation of any utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. Further, an easement, over under and through all lots served by a low pressure sewer system, for the annual inspection and maintenance of the low pressure sewer system including the pump and all associated parts is reserved for the Declarant and the Association. All easements established in this Declaration shall run with the land in perpetuity and shall be binding upon and inure to the benefit of all persons now owning or subsequently acquiring all or a part of the Property.

ARTICLE IX.
FINANCING

Section 1. Approval of Owners and Holders of First Deeds of Trust. Unless at least fifty-one percent of the owners and holders of the first deeds of trust on Lots located within the Property have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes or the transfer to a public agency or governmental unit shall not be deemed a transfer within the meaning of this clause.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner.

(c) By act or omission change, waive or abandon any plan of regulation, or enforcement thereof pertaining to the architectural design or the exterior appearance of

residences located on Lots.

(d) Fail to maintain fire and extended coverage insurance on insurable improvements in the Easement Areas on a current replacement cost basis in an amount not less than one hundred percent of the insurable value.

(e) Use the proceeds of any hazard insurance policy covering losses to any part of the Easement Areas for other than the repair, replacement or reconstruction of the damaged improvements.

Section 2. Books and Records. Any owner and holder of a first deed of trust on a Lot will have the right to examine the books and records of the Association during reasonable business hours.

Section 3. Payment of Taxes and Insurance Premiums. The owners and holders of first deeds of trust on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against any of the Easement Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE X. ARCHITECTURAL CONTROL

Section 1. Requirement of Approval. Except for Improvements made upon the Property by Declarant or except as otherwise provided under this Declaration, no Improvement shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or alteration therein be made nor any landscaping undertaken, until the plans and specifications concerning same as described in Section 3 below ("Plans and Specs") shall have been submitted to the Architectural Committee all according to the procedure set forth on in Section 3 below, and the same shall have been and approved in writing by the Architectural Committee as to:

(a) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots;

(b) quality of workmanship and materials, adequacy of site dimensions and alignment of main elevation with respect to nearby streets;

(c) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;

(d) as to harmony of external design and location in relation to surrounding structures and topography; and

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

Section 2. Architectural Committee. The Architectural Committee shall be a committee of not less than one, nor more than three, individuals selected by the Association's Board of Directors to review

plans and specifications as provided in this Article and to make the determinations provided herein. Notwithstanding the foregoing, a representative of the Declarant shall function as the Architectural Committee so long as Declarant is a Class B Member of the Association and does not surrender its right to appoint its representative as the sole member of the Architectural Committee. After the termination of the Declarant's right to appoint its representative as the sole member of the Architectural Committee, the Board of Directors of the Association shall appoint the members of the Architectural Committee to carry out the functions set forth in this Article.

Section 3. Plans and Specs Defined. "Plans and Specs" as referred to in this Article shall mean the following: Final site plan; final floor plans at a scale of one-fourth inch equals one foot; final elevations, showing all sides, and accurate grade at a scale of one-fourth inch equals one foot; and all material selections and color selections. Furthermore as used in this Article, "Preliminary Specs" shall mean the following: Schematic site plan; schematic floor plans at a scale of one-fourth inch equals one foot; schematic elevations, showing all sides and grade at a scale of one-fourth equals one foot; and all material selections and color selections.

Section 4. Procedure. The procedure for submission and approval of proposed Improvements required under Section 1 above shall be as follows:

(a) Final Plans and Specs for all Improvements proposed to be constructed on a Lot, in substantial conformity with the Design Guidelines (defined below) shall be submitted in duplicate to the Architectural Committee for approval or disapproval. The Architectural Committee is authorized to request the submission of samples of proposed construction materials.

(b) In addition to the procedure described in this section, and in recognition of the cost involved in producing the final Plans and Spec, the Lot Owner may request a preliminary review of the design of the improvements upon the submission of the following:

(c) At such time as the plans and specifications meet the approval of the Architectural Committee, one (1) complete set of plans and specifications will be marked "Approved" and returned to the Lot Owner or his designated representative and the remaining set will be filed in the offices of the Architectural Committee.

(d) If found not to be in compliance with this Declaration or if found to be otherwise unacceptable to the Architectural Committee pursuant hereto, one (1) set of plans and specifications shall be returned to the Lot Owner marked "Disapproved," accompanied by a reasonable statement of items found not to be in compliance with these Covenants or otherwise being so unacceptable. Owner thereafter shall resubmit, in accordance with the provisions of this Section 8, such plans and specifications setting forth the required changes to the Architectural Committee for its approval.

(e) Any modification or change to the Approved set of plans and specifications must again be submitted in duplicate to the Architectural Committee for its inspection and approval.

(f) The Architectural Committee's approval or disapproval, as required herein, shall be in writing.

(g) Once the Architectural Committee has approved the plans and specifications for the improvements, the construction of such improvements must be promptly commenced and

diligently pursued to completion and if such construction is not commenced within twenty-four months following the date of approval of the plans and specifications therefor by the Architectural Committee, such approval shall be deemed rescinded and before construction of improvements can thereafter be commenced on the Lot in question, the plans and specifications therefor must again be approved by the Architectural Committee pursuant to this Article X.

(h) The Architectural Committee may refuse approval of plans, location, exterior color or finish or specifications for any reason, including purely aesthetic reasons, which in the sole discretion of the Architectural Committee shall be deemed sufficient.

Section 5. Design Guidelines.

(a) In addition, the Architectural Committee may, from time to time, publish and promulgate guidelines concerning location, construction and installation of Improvements on Lots ("Design Guidelines"), which shall be fair, reasonable and uniformly applied in regard to the Lots and shall carry forward the spirit and intention of this Declaration. The Design Guidelines shall be maintained in the principal offices of the Architectural Committee, and shall be made available to Lot Owners upon request. The Design Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Committee in reviewing plans and specifications. In publishing the Design Guidelines, the Architectural Committee shall be responsive to technological advances and general changes in architectural design and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). The Design Guidelines shall supplement these Covenants and are incorporated herein by reference.

(b) The Design Guidelines shall not be binding upon the Architectural Committee and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials submitted to the Architectural Committee for approval, and the Architectural Committee may refuse approval of plans, location, exterior color or finish or specifications for any reason, including purely aesthetic reasons, which in the sole discretion of the Architectural Committee shall be deemed sufficient.

Section 6. Governmental Requirements. Nothing contained herein or in the Guidelines shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots.

Section 7. Jurisdiction. The Architectural Committee is authorized and empowered to consider and review any and all aspects of the construction of any improvements on a Lot which may, in the reasonable opinion of the Architectural Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property or any Lot.

Section 8. Enforcement.

(a) The Association shall have the specific right (but not obligation) to enforce the provisions contained in this Article X of this Declaration and/or to prevent any violation of the provisions contained in this Article of this Declaration by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained in this Article of this Declaration.

(b) As to nonconforming or unapproved improvements, the Association may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvements) if such improvements were commenced or constructed in violation of this Article. In addition, the Association may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such improvements were commenced or constructed.

Section 9. Failure of the Architectural Committee to Act. If the Architectural Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within fifteen days after receipt thereof, and provided such submittal was a full and complete submittal of all items that were to have been submitted to the Architectural Committee, and provided the Architectural Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within ten days after additional written request to act on such items is delivered to the Architectural Committee following the passage of such first above described fifteen day period, it shall be conclusively presumed that the Architectural Committee has approved such conforming plans and specifications and other submittals, except that the Architectural Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration, except where variances shall be expressly permitted herein. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 10. Limitation of Liability. Neither the Architectural Committee nor the members thereof nor the Association nor Declarant shall be liable in damages or otherwise to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with any submittal for approval or disapproval or failure to approve or disapprove any plans or specifications. Every person who submits plans or specifications, and every Owner of any Lot agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Committee, the Board of Directors, or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, remises and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Section 11. Variances. Upon submission of a written request for same, the Architectural Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install improvements which are at variance with Design Guidelines which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the Development and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Committee has not expressly and in writing, approved such request within thirty (30) days of the submission of such requests. No member of the Architectural Committee shall be liable to any Owner for any claims, causes of action or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Committee's right to strictly enforce the Design Guidelines, against any other Owner.

Section 12. Review Fee and Address. No review fee shall be imposed for initial submittals of plans and specifications for Improvements to be located on an Owner's Lot; provided, however, following the initial review and approval (or disapproval) process, the Association Board may impose a review fee, not to exceed \$250.00 (as adjusted by cost-of-living increases for the years following the calendar year 2006; such adjustments to be based upon increases in the Consumer Price Index [1982-84=100] figure for January, 2006, published by the Bureau of Labor Statistics, Urban Wage Earners, Atlanta, all items), for each resubmittal of plans and specifications to the Architectural Committee. The address of the Architectural Committee shall be 2316 Vernon Drive, Charlotte, North Carolina 28211, unless the Architectural Committee notifies the Board of a change of address. Such address shall be the place of the submittal of any plans and specifications and the place where the current rules and regulations, if any, of the Architectural Committee shall be kept.

Section 13. No Liability for Design Defects. Plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither Declarant, the Architectural Committee, the members thereof nor the Association assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

Section 14. Utilities. All utilities and utility connections shall be located underground, including electrical and telephone cables and wires. Transformers, electric, gas or other meters of any type, or other apparatus shall be located at the rear of the buildings constructed on Lots or, if approved by the Architectural Committee in writing, located elsewhere on the Lot provided they are adequately screened as required by the Architectural Committee in accordance with the provisions of this Declaration. Each Owner shall provide the company providing telephone service to the Owner's Lot with a fifteen volt AC-15/20 AMP receptacle in a water-proof box on an appropriate exterior wall upon request. Water and sewer service is currently provided by Carolina Water Service Inc. under an agreement with York County. No wells or septic systems are allowed on any Lot.

ARTICLE XI. RIGHT OF FIRST REFUSAL

Section 1. Applicability. Except for sales and conveyances by the Declarant, no unimproved Lot may be sold by any Owner except in compliance with the provisions of this Article.

Section 2. Right of First Refusal. In the event any Owner receives a bona fide written offer from a third party to purchase his unimproved Lot which he desires to accept, such Owner shall immediately notify the Declarant of such offer and shall forward a copy of said written offer, together with the name and address of the offeror, to the Declarant. (For this purposes of this Section, "unimproved Lot" shall mean any Lot upon which construction has not progressed beyond the commencement of the framing of the main single-family dwelling, the Plans and Specs for which have been approved by the Architectural Committee.) Upon receipt of said notice, Declarant shall have fifteen days to notify such Owner that it desires to purchase his Lot at the price paid to Declarant for said Lot. If Declarant notifies such Owner of its desire to purchase the Lot, then Owner shall convey the Lot to the Declarant according to the provisions of Section 4 below. In the event that the Declarant elects not to purchase the Lot or fails to notify the Owner of its decision within such fifteen day period, then the Owner may sell the Lot to the third party offeror on terms and conditions no less favorable to the Owner than those set forth in the original offer; provided, however, that if such sale and conveyance to the original third party offeror does not take place within one hundred twenty days after Declarant's failure to exercise its right of first refusal, then the Lot shall again become subject to the terms and provisions of this Article XI. Any conveyance by an Owner to a third party offeror shall be subject to the terms and conditions of this

Declaration.

Section 3. Option to Repurchase. If by the date two (2) years after the date Declarant sells a Lot to any purchaser (a "Purchaser" and, along with its successors in title, a "Lot Holder"), the Lot Holder has not delivered to Declarant a contract between Lot Holder and a builder set forth on the list of "Featured Builders" maintained by Declarant at its offices (as such list may be modified from time to time) to construct a single-family dwelling on that Lot which dwelling is in compliance with the Design Guidelines and approved by the Architectural Committee (an "Approved Contract"), then Declarant shall have the right, by delivery of written notice ("Notice") delivered to the Lot Holder no later than two (2) years and nine months following the date of the closing of the sale to Purchaser, to require the Lot Holder to sell the Lot to Declarant for the price Declarant received upon sale of the Lot to Purchaser. If Declarant exercises its rights under this Section, the closing shall occur within thirty (30) days of the date Declarant delivered the Notice, and at the closing, the Lot Holder shall deliver a general warranty deed for the Property (subject only to those exceptions to title existing at the time of conveyance of the Property to Purchaser) and any other documents generally given by a seller of property (including an affidavit regarding liens), and Declarant shall deliver the purchase price in immediately available funds. The option provided for in this Section shall terminate upon delivery by Lot Owner to Declarant of an Approved Contract.

Section 4. Transfer to Declarant. In the event that Declarant exercises its right of first refusal pursuant to Section 2 hereof, the closing of the conveyance of such Lot shall occur as provided in such third party offer. At the closing, Declarant shall make such payments in cash, by a promissory note, or otherwise to the Owner as described in the third party offer. Owner shall deliver to Declarant a general warranty deed conveying the Lot free and clear of all exceptions except as may be set forth in the written offer and subject to this Declaration. In the event the closing occurs after the death of an Owner, Declarant may, in its discretion, require the personal representative of the Owner to post such bonds or other assurances as the Declarant may deem reasonable in order to protect Declarant from any loss which might be caused by the failure to pay any federal or state inheritance tax or the failure to pay the claims of any creditors who may have a lien on the Lot superior to Declarant's rights as a purchaser of said Lot.

Section 5. Death of an Owner. The personal representative, heirs, successors and assigns of any Owner who dies while owning any unimproved Lot shall become an Owner subject to the terms and conditions of this Declaration and any subsequent sale, transfer and conveyance of such unimproved Lot shall be governed by the provisions of this Article XI.

ARTICLE XII. LOW PRESSURE SEWER SYSTEMS

Section 1. Maintenance of Low Pressure Sewer Systems. Certain Lots are served with a Low Pressure Sewer System (either located on the Lot served or on nearby Common Area) and appurtenances thereto. While the Low Pressure Sewer Systems are not Common Amenities, it is the responsibility of the Owner of the Lot served by each Low Pressure Sewer System to properly maintain and operate the System in conformity with law and the provisions of the permit for construction, operation repair and maintenance of the system and facilities. Because of their importance, the Low Pressure Sewer Systems shall receive the highest priority for expenditures by the Association except for Federal State and local taxes, and insurance. In the event that a Lot Owner does not keep the Low Pressure Sewer System servicing his Lot in conformity with law and the provisions of the permit for construction, operation repair and maintenance, then the Association shall have the right to enter onto the Lot and correct any deficiencies. The cost of such repairs by the Association shall then be entered as a lien against the Lot together with any interest and associated costs.

Section 2. Separate Assessments. Those Lots that are served by Low Pressure Sewer Systems will be subject to an additional annual assessment that will cover the cost of an annual inspection of the System and the cost of a 24-hour maintenance service contract.

Section 3. Conflict. In the event there is any conflict between provisions contained elsewhere in this Declaration and provisions contained in this Article, the provisions of this Article shall prevail.

ARTICLE XIII.
SPECIFIC RESTRICTIONS

The specific restrictions required by Crescent Resources, Inc. as a condition to the development of the Property are contained on Exhibit C attached hereto and incorporated herein by reference.

ARTICLE XIV.
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all Covenants now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any Covenant shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Amendment. The covenants and restrictions of this Declaration shall run and bind the Property for a term of thirty-five years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years each unless terminated or altered in accordance with this Declaration may be amended during the first thirty-five year period by an instrument signed by the Owners of not less than seventy-five percent of the Lots, and thereafter this Declaration may be terminated or amended by an instrument signed by the Owners of not less than seventy-five percent of the Homes Sites. Any termination or amendment must be properly recorded. Notwithstanding the above, no amendment may be made without the joinder of the Declarant so long as Declarant owns a Lot.

Section 3. Notices. All notices, demands, requests, permissions, consents or approvals given by Declarant or the Association to any Owner or by any Owner to Declarant or the Association shall be in writing and shall be deemed to have been properly given three (3) days after posted if sent by United States registered or certified mail, postage prepaid, return receipt requested, if to the Association, addressed to the Association or personally delivered to the Association's office: 2119 Hopedale Avenue, Charlotte, North Carolina 28207; and if to Owner, at the street address of the Owner's Lot.

Section 4. Invalidation. If any provision of this Declaration is held to be invalid by any Court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof, and all remaining provisions shall continue unimpaired, in full force and effect.

Section 5. Construction. The headings of Articles and Sections are provided for convenience only and will not affect its construction or interpretation. All words used herein will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding terms.

EXECUTED UNDER SEAL on the date first stated above.

Ashworth Development Company, Inc.

John F. Maxwell
Name: John F. Maxwell
Title: President

Patricia Sims [WITNESS]
PRINTED NAME: Patricia Sims

Stephanie Morgan [WITNESS]
PRINTED NAME: Stephanie Morgan

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF MECKLENBURG

I, *J. Scott Beck*, a Notary Public for *Mecklenburg* County, State of North Carolina, do hereby certify that John F. Maxwell, being known to me, President of Ashworth Development Company, Inc., personally appeared before me this day and acknowledged the voluntary due execution of the foregoing instrument on behalf of the company.

WITNESS my hand and official seal, this the *26th* day of *MAY*, 2006.

My Commission Expires: *July 28, 2010*
Notary Public for *First Charter Bank*

Hitchens Development, LLC.

[Signature]

Name: Peter Hitchens

Title: Manager

[Signature] [WITNESS]
PRINTED NAME: George D. Gruber

[Signature] [WITNESS]
PRINTED NAME: Cynthia M. Conley

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF MECKLENBURG

I, Toni P. Stephens, a Notary Public for Mecklenburg County, State of North Carolina, do hereby certify that Peter Hitchens, being known to me, Manager of Hitchens Development, LLC, personally appeared before me this day and acknowledged the voluntary due execution of the foregoing instrument on behalf of the company.

WITNESS my hand and official seal, this the 31st day of MAY, 2006.

My Commission Expires: 6-4-08
Notary Public for mecklenburg

Toni P. Stephens

TONI P. STEPHENS
NOTARY PUBLIC
MECKLENBURG COUNTY, NC
COMMISSION EXPIRES 6-4-08

JOINDER OF OWNER AND HOLDER OF MORTGAGE

First Charter Bank owner and holder of, the mortgage recorded in Book ____ at Oage ____ of the Register of Mesne Conveyances for York County for themselves and for their respective successors and assigns, join in this Declaration for the purposes of consenting to it and being bound by its terms.

First Charter Bank

[Signature]
Name: Jeff Mylton
Title: Senior Vice President

[Signature] [WITNESS]
PRINTED NAME: George D. Grober

[Signature] [WITNESS]
PRINTED NAME: Cynthia The Grubey

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF MECKLENBURG

I, Toni P. Stephens, a Notary Public for Mecklenburg County, State of North Carolina, do hereby certify that Jeff Mylton, being known to me, who is the S.V.P. of First Charter Bank, personally appeared before me this day and acknowledged the voluntary due execution of the foregoing instrument on behalf of the company.

WITNESS my hand and official seal, this the 31st day of MAY, 2006.

My Commission Expires: 6-4-08
Notary Public for Mecklenburg

Toni P. Stephens

TONI P. STEPHENS
NOTARY PUBLIC
MECKLENBURG COUNTY, NC
MY COMMISSION EXPIRES 6-4-08

EXHIBIT A

PROPERTY DESCRIPTION

All references to recording information shall refer to documents recorded in the Office of the Clerk of Court for York County, South Carolina.

Parcel No. 1: A total of 57.39 acres, consisting of: (A) all that certain tract of land located in Bethel Township, York County, South Carolina and designated as "AREA = 37.20 ACRES" on plat recorded in Plat Book C-346 Page 9 ("Plat 1") ; and (B) all that certain tract of land located in Bethel Township, York County, South Carolina and designated as "AREA = 20.19 ACRES" on plat recorded in Plat Book C-305 Page 1 ("Plat 2"); and being a portion of the land conveyed to Wateree Power Co. (presently known as Duke Energy Corporation) by deed from Riverside Farms, Inc. (CAT-190) recorded in Deed Book 65, Page 25 and 27; and by deed to Crescent Land & Timber Corp. (presently known as Crescent Resources, LLC) from Duke Power Company (presently known as Duke Energy Corporation) recorded in Deed Book 397, Page 361.

Tax Parcel Numbers: 576-00-00-094 and 576-00-00-099

DERIVATION: This is the identical property conveyed by Crescent Resources, LLC to Ashworth Development Company, Inc. and Hitchens Development, LLC by deed recorded on March 31, 2005, in Record Book 6981 at page 243 in the Office of the Clerk of Court for York County, South Carolina.