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THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
IS SUBJECT TO ARBITRATION PURSUANT TO THE
SOUTH CAROLINA UNIFORM ARBITRATION ACT

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR THE
ROCKWELL PLANTATION COMMUNITY

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (this "Declaration") is made on the date hereinafter set forth by Lennar Carolinas, LLC, a Delaware limited liability company (hereinafter referred to as "Declarant"):

WITNESS TO:

WHEREAS, Declarant is the owner of certain real property located in Anderson County, South Carolina, which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference (hereinafter sometimes referred to as the "Property"):

WHEREAS, Declarant desires to create on such property an exclusive residential community of single-family homes to be known as Rockwell Plantation;

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area within the Development and to provide for enforcement of covenants and restrictions applicable to the Development, and, to that end, desires to subject all of the property within the Development to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area (as hereinafter defined), to administer and enforce covenants and restrictions applicable to the Development, and to collect and disburse the Assessments and charges hereinafter created, and Declarant has therefore incorporated or will incorporate under South Carolina law as a non-profit corporation, ROCKWELL PLANTATION COMMUNITY ASSOCIATION, INC., for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, Declarant declares that the Properties (as defined herein) and such additions thereto as may hereafter be made pursuant to Article II of this Declaration, is and shall be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, all of which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Affiliate" shall mean any person or entity who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with a party. As used herein, the term "control" (including the terms "controlling", "controlled by", or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such party, whether through ownership of voting securities, by contract or otherwise.

Section 2. "Assessment" will mean and refer to an Owner's share of the Common Expenses or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 3. "Association" shall mean and refer to the ROCKWELL PLANTATION COMMUNITY ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns.

Section 4. "Builder" shall mean and refer to any persons, firms or entities to whom or which Declarant conveys one or more Lots within the Properties for the purpose of constructing a Dwelling thereon.

Section 5. "Common Area" shall mean and refer to any and all real property, together with any improvements thereon, shown on any recorded subdivision plat of the Properties, with the exception of any Lots, as said term is defined in this Declaration, and any public street rights-of way as same are shown on any recorded subdivision plat of the Properties. Except as otherwise provided in this Declaration, the Common Area shall be maintained by the Association or its successors in interest unless dedicated to public use as set forth herein.

Section 6. "Common Expenses" will mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration for the maintenance, repair and management of the Common Areas, and for the maintenance, repair and management of other property for which the Association has a "Common Responsibility."

Section 7. "Common Responsibility" will mean and refer to the Association's duties and responsibilities for insuring, maintaining, repairing, replacing and managing portions of the property subject to this Declaration not otherwise designated a Common Area and over which it has an easement or which is the subject matter of a use or license agreement, or, which, pursuant to a written agreement, the Association is obligated to undertake activities for the benefit of the Association and/or Owners.

Section 8. "CPI-U" shall mean the Consumer Price Index for All Urban Consumers (1982-84=100), or, if such index is discontinued or revised, by reference to such other government index or computation with which it is replaced or which would produce substantially the same measure as would be obtained if such index had not been discontinued or revised.

Section 9. "Declarant" shall mean and refer to Lennar Carolinas, LLC, a Delaware limited liability company. It shall also mean and refer to any person, company or entity to whom

or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the Office of the Register of Deeds of Anderson County, South Carolina.

Section 10. "Declarant Control Period" shall mean the time period commencing on the date this Declaration is filed of record with the Office of the Register of Deeds for Anderson County, South Carolina, and ending on the earlier of:

1. The date December 31, 2026; or
2. The date which is three (3) months after the date which Declarant or an Affiliate Builder of Declarant no longer owns any Lots or Units within the Properties (expressly including any additional property annexed or added to this Declaration pursuant to Article II of this Declaration); or
3. The date which is three (3) months following the date the Declarant terminates the Declarant Control Period by an express, recorded amendment to this Declaration.

Section 11. "Development" will mean and refer to the Properties subject to this Declaration and all improvements located or constructed thereon, and being a part of the overall plan, from time to time existing hereunder, for the real estate development known as "Rockwell Plantation."

Section 12. "Eligible Mortgagee" shall mean a bank, trust company, insurance company, or other recognized lending institution holding a first lien mortgage (prior to all other mortgage liens), or by an institutional or governmental insurer or purchaser of such a first lien mortgage in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation. Institutional Mortgagees holding or insuring first lien Mortgages on Units which has provided to the Association written request, stating their names and addresses and the street addresses of the Unit to which its first lien mortgage relates, to receive written notice of the matters for which they are entitled to vote, and which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to first lien mortgages held by Eligible Mortgagees.

Section 13. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded subdivision plat of the Properties, with the exception of any Common Area owned in fee by the Association and any public street rights-of-way shown on such recorded plat. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of new subdivision plats, any newly-platted Lot shall thereafter constitute a Lot.

Section 14. "Member" shall mean and refer to every person or entity who or which holds membership in the Association.

Section 15. "Of Record" will mean and refer to the place of filing a writing in the applicable public records, currently being the office of the Register of Deeds for Anderson County ("ROD"), as will give legal notice to the world of the matters set forth in the writing so filed.

Section 16. "Owner" shall mean and refer to the record owner (including Declarant), whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest in a Lot solely as security for the performance of an obligation.

Section 17. "Property or Properties" shall mean and refer to the property described in Exhibit A to this Declaration and any additional property annexed or added pursuant to Article II of this Declaration.

Section 18. "Subassociation" shall mean and refer to any homeowners association formed, if any, for the purpose of owning and maintaining real property and improvements thereon reserved for the exclusive use and benefit of Owners of Lots or Units within a specific phase or section of the Properties.

Section 19. "Unit" or "Dwelling" shall mean and refer to any building or portion thereof within the Properties which is designated and intended for use an occupancy as a residence by a single family, whether by the Owner of such Unit or by tenants or lessees of such Owner.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ROCKWELL PLANTATION COMMUNITY

Section 1. This section has been intentionally omitted.

Section 2. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, and which is described on Exhibit A attached hereto.

Section 3. Annexation of Additional Property. During the Declarant Control Period, additional land within the property described in Exhibit B attached hereto and made a part hereof (the "Exhibit B Property") may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Furthermore, at any time during the Declarant Control Period, additional land not within the Exhibit B Property may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed must be contiguous or nearly contiguous to or in the proximity of the property already subject to this Declaration (with, without limitation, property located across a road from the property already subject to this Declaration being expressly deemed to be contiguous or nearly contiguous to or in the proximity of the property already subject to this Declaration). Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times.

The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members or extending the control period of the Declarant.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special Assessments for the Lots or Units so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Properties already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members. If a supplementary declaration also provides for differing voting rights, the Declarant may also amend the Articles of Incorporation of the Association without the joinder or consent of the Association or any Member.

Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Properties.

Section 4. Conveyance of Common Area in Annexed Property. Promptly upon request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by the Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

Section 5. Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another *non-profit* corporation formed for the same or similar purposes. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Properties and the covenants and restrictions established upon property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 6. Effect of Addition of Property. Except by amendment of this Declaration as provided in Section 3 of Article XII hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to the Properties already subject hereto or diminish the rights of the Owners of Lots and Units within the Properties, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 7. Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Properties then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Development, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Development.

Section 8. Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot.

There shall be two classes of membership with respect to voting rights:

(a) Class A. Class A Members shall be all Owners (including the Declarant). A Class A Member will be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class A Member.

(b) Class B. The Class B Member shall be the Declarant or its designated assign. The Class B Member will be entitled to three votes for each vote held by Class A Members, plus one (1) vote during the Declarant Control Period. Thereafter, the Class B Member will exercise votes only as to its Class A Memberships.

(c) Declarant's Voting Rights. Notwithstanding anything to the contrary contained herein, until the expiration of the Declarant Control Period, Declarant shall be vested with the sole voting rights of the Association on all matters (including election and removal of directors and officers of the Association), except such matters as to which the Declaration, the Articles of Incorporation, or the Bylaws of the Association specifically require a specific vote of the Class A Members.

Section 3. Leased Units. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the vote as expressed by the Owners of Lots or Units which are leased (or rented to or otherwise occupied by persons) other than the Owner shall not be entitled to any weight greater than forty-nine (49) percent on any matter pending before the Association.

ARTICLE IV PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by the provisions of this Section 1 and by the rules and regulations adopted by the Board of Directors of the Association, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area and to limit the use of such facilities to Owners who occupy a residence on the Properties and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association to suspend the voting rights of an Owner for any period during which any Assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public or quasi-public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. After the expiration of the Declarant Control Period, no such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association agree to such dedication, sale or transfer and signify their agreement by a signed document recorded in the Office of the Register of Deeds of Anderson County, South Carolina. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewerage, utility (including cable television) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of properties within the Development. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the owners of Lots within the Development and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(d) the right of the Association, to borrow money and, after the expiration of the Declarant Control Period, with the assent of Members' entitled to at least 80% of the votes of the entire membership of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein.

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, that, after the expiration of the Declarant Control Period, any such dedication shall require the assent of the Members as set forth in subparagraph (c) above, and further provided that, if the Board of Directors of the Association determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members.

(f) the right of the Association to open the Common Area and, in particular, the recreational facilities constructed thereon, for use by non-members of the Association.

(g) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(h) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

(i) the right of the Association to otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Anderson County, South Carolina.

(b) Tenants; Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Anderson County, South Carolina.

(c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board of Directors.

(d) Suspension of Rights. The rights of any delegate of an Owner shall be suspended by, upon and during suspension of such Owner's rights as provided in Section 7 of Article XII of this Declaration.

Section 3. Conveyance of Common Area To The Association. No later than the time Declarant no longer exercises voting control over the Association as provided in Article III hereof, Declarant shall convey, and the Association shall accept, fee simple title to all Common Area (except Common Area easements) within the Properties, and shall reserve for or grant to the Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, and the Association shall accept all such conveyances, grants and reservations, provided, however, that so long as Declarant or an Affiliate Builder of Declarant owns any Lots within the Properties, Declarant reserves an easement over and across any Common Area deeded to the Association for the purpose of constructing and maintaining any improvements on the Common Area as it deems necessary or advisable, provided that any such improvements must comply with the requirements of the appropriate governmental authority. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 4. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

(a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, no Owner or tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii)

erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

(b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other Assessments levied against his Lot, including that portion of such tax or Assessment as is attributable to such Common Area easement.

(c) Rights and Responsibilities of the Association as to Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iv) pay all property taxes and other Assessments levied against all Common Area owned in fee by the Association.

(d) Declarant's and Association's Right of Entry. The Declarant and the Association and the employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

Section 5. Assignment of Declarant's Rights to the Association. The Declarant reserves the right to assign to the Association, at its sole discretion, its rights reserved in this Declaration, including all rights set forth in this Section. The Association hereby agrees to accept any and all assignments of rights hereunder, and no further action will be required by the Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual Assessments and special Assessments, such Assessments to be established and collected as hereinafter provided. All Assessments which are unpaid when due, together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge against and, a continuing lien upon the Lot against which such Assessment is made. Each such Assessment or charge, together with interest and costs of collection, including

reasonable attorneys' fees, shall also be the personal, entity, or corporate obligation of the person(s), entity(ies), 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 them. Although unpaid Assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid Assessments and charges shall continue to be a lien upon the Lot against which the Assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or Section 7 of Article XII of this Declaration shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an Assessment against such Lot.

Section 2. Purposes of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Development and, in particular, for: (i) acquisition, improvement and maintenance of properties, services and facilities, including operating reserves and capital reserve accounts, related to the use and enjoyment of the Common Area; (ii) repair and reconstruction of improvements on, the Common Area, including, without limitation, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public Assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with Section 4(c) of Article IV of this Declaration; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; (viii) such other needs and reserves as may arise; and (ix) payment for the maintenance and operation of street lights.

Section 3. Annual Assessments.

(a) Establishment of Annual Assessment. The Declarant will prepare an initial budget of the Association within ninety (90) days following the date the first Unit sale is closed by Declarant, and a copy thereof will be made available to any Owner upon written request. It will be the duty of the Board of Directors at least sixty (60) days prior to the first day of the Association's fiscal year following fiscal year in which Declarant established the initial budget, and each fiscal year thereafter, to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a reserve account, if necessary, for the capital needs of the Association. In calculating the budget, the Board shall have the power to either reduce the budgeted expenses for the fiscal year being budgeted or to set aside such surplus in such operating and/or capital reserve account as the Board, in its sole discretion, shall determine. Notwithstanding the foregoing, during the "Deficit Funding Period," the budget and Annual Assessments shall be calculated as provided in sub-Section (i) below. The Board will cause the total of the Annual Assessments to be levied against properties subject to this Declaration for the following year to be delivered to each Owner at least thirty (30) days prior to the first day of the fiscal year for which the budget and Assessments are established. Each Unit shall be equally responsible for its proportionate share of the total Annual Assessments. When used herein, "Deficit Funding Period" will mean and refer to that period of time commencing with the date this Declaration is filed Of Record and ending upon the sooner to occur of the following: (i) the date which is sixty (60) days following the date upon which fifty percent (50%) of the "Total Planned Units" for the Development have been conveyed by the Declarant, or (ii) the date that is

four (4) years following the date that the first Unit is conveyed by the Declarant; and "Total Planned Units" will mean and refer to the total number of Units intended for development on all of the Property as set forth in a Supplemental Declaration executed and recorded by the Declarant on or before the expiration of the Declarant Control Period. Declarant's current plan is to develop all the Property as one hundred fifty-one (151) detached single-family residences. Unless and until a different number of Total Planned Units is recorded by Declarant in a Supplemental Declaration, there shall be deemed to be one hundred fifty-one (151) Total Planned Units hereunder.

(i) Annual Assessments During Deficit Funding Period. Budgets prepared during the Deficit Funding Period shall be based upon a projection of the total Common Expenses at full build-out of the Development, and the Annual Assessment shall be determined by dividing the amount of the total anticipated Common Expenses at full build-out by a number equal to 75% of the Total Planned Units for the Development.

(ii) Disapproval of Annual Assessments. The annual budget and Annual Assessments, as determined by the Board of Directors, as hereinabove provided, will become effective unless disapproved (i) solely by the Declarant in writing during the Declarant Control Period, and (ii) thereafter by seventy-five percent (75%) or more of the votes of the entire Association at a special meeting of Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. Notwithstanding the foregoing, in the event the proposed budget and Annual Assessments are disapproved or in the event the Board of Directors fails for any reason to determine an annual budget and to set the Annual Assessments, then and until such time as a budget and Annual Assessment will have been determined as provided herein, the budget and Annual Assessments will be the Default Budget and Default Annual Assessments calculated in accordance with Section 3(b) of this Article V of this Declaration.

(iii) Special Board Action to Increase. If the Board of Directors determines that the important and essential functions of the Association budgeted for the year will not be properly funded in any year by the Annual Assessment herein provided, it may increase such Assessment; provided, however, an increase in Annual Assessments in any year pursuant to special Board action as aforesaid will in no way affect Annual Assessments for subsequent years.

(iv) Rounding. All Annual Assessments charged by the Association will be rounded off to the nearest dollar.

(b) Determination of Default Budget and Default Annual Assessment. Upon the failure of the Board of Directors to adopt a budget, or upon the disapproval of any budget pursuant to Section 3(a)(ii) of this Article V, the Default Budget and Default Annual Assessments will be the greater of:

(i) The then existing budget and Annual Assessments, increased in proportion to the percentage increase, if any, in the CPI-U (as defined in subsection (iii) below) from December of the preceding year to November of the then current year in which the said maximum budget and Annual Assessment is being determined, or by ten (10%) percent, whichever is greater; or

(ii) The budget and Annual Assessments for the year in which this Declaration is recorded by the Declarant, increased to the year in which the said maximum budget and Annual Assessment is being determined in proportion to the percentage increase, if any, in the CPI-U from December of the year preceding the year in which this Declaration is filed Of Record to November of the year in which the said maximum budget and Annual Assessment is being determined, or by ten (10%) percent per annum, compounded, whichever is greater.

Section 4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement on the Common Area, including fixtures and personal property related thereto, for repayment of indebtedness and interest thereon, or for any other purpose. Special Assessments will only be levied if: a. during the Declarant Control Period the Declarant approves, in writing, such special Assessment; and b. after the Declarant Control Period the special Assessment is not disapproved by sixty-seven percent (67%) or more of the votes of the entire Association at a special meeting of Members called therefor and held pursuant to the provisions of the Bylaws, which percentage will also constitute the quorum required for any such meeting. The notices of such special meeting will include one statement from the Board of Directors favoring the special Assessment and one statement from those Directors opposing the special Assessment containing the reasons for those Directors' support and opposition for the special Assessment, if any such statements are provided by the Directors supporting and opposing the special Assessment (Directors being under no obligation to provide such statements). Neither statement, either supporting or opposing the special Assessment, will exceed five pages in length.

Section 5. Assessment Rate: Collection Period. Except as provided in Section 6 of this Article V, the annual and special Assessments shall be fixed at a uniform rate for all Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

Section 6. Declarant's and Affiliate Builder of Declarant's Assessments. Notwithstanding any other provision of this Declaration to the contrary, the Articles of Incorporation or the Bylaws of the Association, the Declarant and an Affiliate Builder of Declarant shall not be obligated for, nor subject to, any annual or special Assessment for any Lot or other property that it owns within the Properties. Notwithstanding any other provision of this Declaration to the contrary, a Lot owned by a Builder other than an Affiliate Builder of Declarant shall be assessed at the rate applicable to Owners of Lots. So long as the Declarant or an Affiliate Builder of Declarant owns any Unit for sale or during the Declarant Control Period, the Declarant may in its sole and absolute discretion, but under absolutely no obligation to do so, fund any sums needed for the operation of the Association if Annual Assessments are insufficient for the operation of the Association. Any such subsidy will, in the Declarant's sole and absolute discretion and election, be (a) a contribution to the Association, (b) an advance against future Annual Assessments due from said Declarant, if any, or (c) a loan to the Association. The amount and character (contribution, advance or loan) of such payment by the Declarant will be conspicuously disclosed as a line item in the budget and will be made known to the Owners. The payment of such a subsidy in any year will under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant. Any such subsidy payment by the Declarant may be made in-kind.

Section 7. Notice and Quorum for any Action Authorized Under Sections 3(a) and 4. After the expiration of the Declarant Control Period, written notice of any meeting called for the purpose of taking any action authorized under Section 3(a) or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days prior to the meeting.

Section 8. Date of Commencement of Annual Assessments: Amount of Initial and Subsequent Annual Assessments: Certificate of Payment. Unless a different commencement date is set by the Board of Directors, the annual Assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance of a Lot or Unit within that phase to an Owner other than the Declarant or an Affiliate Builder of Declarant.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual Assessment against each Lot. At least thirty (30) days before January 1 of each year, the Board of Directors shall send written notice of such Assessment to every Owner subject thereto. The due dates for the payment of annual and special Assessments shall be established by the Board of Directors.

The Association shall, upon demand, and for such reasonable charge as the Board of Directors may determine, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. If such certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 9. Effect of Nonpayment of Assessments: Remedies. An Assessment not paid within ten (10) days after the due date shall incur such late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such Assessment is due. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first mortgage on a Lot. Sale or transfer of a Lot shall not affect any Assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any Assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any Assessment 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.

Section 11. Exempt Property. All property dedicated to and accepted by a public authority and all property 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. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said Assessments.

ARTICLE VI RIGHTS OF ELIGIBLE MORTGAGEES

Section 1. Books and Records. Any Eligible Mortgagee shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, Bylaws, and the books and records of the Association and, upon written request to the Association, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 2. Notice to Eligible Mortgagees. After the expiration of the Declarant Control Period, Eligible Mortgagees shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of Assessments or charges owed by the Owner of the Lot securing its loan.

(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

Section 3. Approval of Eligible Mortgagees. After the expiration of the Declarant Control Period, unless at least seventy-five percent (75%) of the Eligible Mortgagees have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this subsection. Nothing herein shall be deemed to prohibit the Association from exchanging Common Area for other real property of like utility and value as provided in Section 1(c) of Article IV of this Declaration, or to require the approval of such exchange by the holders of first mortgages on the Lots;

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

(c) Fail to maintain hazard insurance on insurable improvements on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; or

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

Section 4. Payment of Taxes and Insurance Premiums. Eligible Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy covering property owned by the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement therefor by the Association.

ARTICLE VII EASEMENTS

Section 1. Access and Utility Easements. Easements for the installation and maintenance of driveways, walkways, water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, and for other public utility installations are reserved as shown on the recorded plats of the Properties. The Association may reserve or grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of thirty (30) years from the date hereof, Declarant reserves, for itself and its employees, agents, successors and assigns, an easement upon and a right of ingress, egress and regress on, over and under the Properties for the purposes of constructing and maintaining water, sewer, gas, storm water drainage and retention, telephone, cable television, and electric, and other utility facilities to the extent required by any applicable governmental entity or deemed by the Declarant to be necessary or convenient for the development, use and enjoyment of the Properties and the Common Area and for the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Properties for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 3. Owner's Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any Dwelling is located closer than five (5) feet from its Lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which existed prior to the commencement of the work as is reasonably practicable. No fence shall be erected within such area adjoining a Dwelling.

Section 4. Association's Easement and Right of Entry. The Association, for itself and its employees, agents, contractors, subcontractors and invitees, shall have a perpetual access easement over the each Lot to the extent reasonably necessary to perform the maintenance to be performed by the Association.

Section 5. Easement Over Common Area. A perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or occupants, for the purpose of providing access, ingress and egress to and from streets, parking areas and walkways serving the Properties.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, fences, walls, buildings, outbuildings, garages, storage sheds, mailboxes, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, plans for off-street parking of vehicles and utility layout, and any other improvements to be built or constructed on any Lot (hereinafter individually and collectively referred to as "Improvements").

After occupancy of a Dwelling as a residence pursuant to a certificate of occupancy or other similar certificate issued by the appropriate governmental authority, no Improvements (including, without limitation, replacement of any previously existing Improvements) shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration thereof be made (including, without limitation, changing materials or color of any exterior portion of any such Improvements), nor shall a building permit for such Improvements or change be applied for or obtained, until plans and specifications showing the nature, kind, shape, heights, materials, color and location of same shall have been submitted to and approved in writing by the Association or by an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board of Directors of the Association. If the Association or its designee fails to approve or disapprove such proposed Improvements within sixty (60) days after complete plans and specifications have been received by it, approval will not be required, and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee, not to exceed \$25.00, for receiving and processing each application.

The Declarant and, after the Declarant no longer owns any Lot or Unit within the Properties, the Association, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Guidelines") which may establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Neither the Association nor the ARC shall approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Development.

Neither the Declarant, the Association, the Board of Directors, the ARC, nor any member or employee of any of them, shall have any liability to any person or entity by reason of any acts taken or omitted by them, or any of them, in good faith pursuant to this Article.

Section 2. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and

regulations interpreting and implementing the provisions of this Article VIII, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modifications.

Section 3. Variances. The ARC may recommend to the Board of Directors, and the Board of Directors may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

ARTICLE IX PARTY WALLS

Section 1. General Rules of Law to Apply. The general rules of law regarding party walls, lateral support in below ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply to each wall which is built as part of the original construction of the Dwellings within the Properties and placed on the dividing line between the Lots, and all reconstruction or extensions of such walls, to the extent not inconsistent with the provisions of this Article.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who or which uses the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of any other Owner and the Common Area to the extent reasonably necessary to perform repair, maintenance or reconstruction of a party wall and those improvements belonging to his Lot which encroach on an adjoining Lot or Common Area. Such repair, maintenance, or reconstruction shall be done expeditiously, and upon completion of the work, the Owner shall restore the adjoining Lot(s) and Common Area to as nearly the same condition as that which prevailed prior to commencement of the work as is reasonably practicable.

Section 5. Weather-proofing. Notwithstanding any other provision of this Article, an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements, shall bear the entire cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner That No Contribution Is Due. If any Owner desires to sell his Lot, such Owner, in order to assure a prospective purchaser that no Owner of an adjoining Lot has a right of contribution as provided in this Article, may request the adjoining property Owner to make a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining property Owner to make such certification immediately upon request, and without charge; provided, however that where the adjoining property Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of a dispute concerning a party wall or the provisions of this Article, such dispute shall be resolved pursuant to the provisions of Section 8 of Article XII hereof.

ARTICLE X RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association, subject to the rights of the Owner set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair. The Association shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by the Declarant as Common Areas, whether or not title to such areas has been formally conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager"), to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board of Directors may deem appropriate. The management fees shall be a common expense paid from the annual Assessments provided in Article V of this Declaration. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deem appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any Assessments due or to be coming due from the Declarant.

Section 3. Personal Property for Common Use. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions, if any, as may from time to time be provided in the Articles of Incorporation or Bylaws of the Association.

Section 4. Insurance: Bonds. The Association shall procure and maintain adequate liability insurance covering the Association. The Association shall also procure and maintain full

replacement value hazard insurance on real and personal property owned by the Association, and shall procure and maintain officers', directors' and employees' liability insurance, and such other insurance as it deems necessary or advisable. The premiums for such insurance shall be a common expense paid from the annual Assessments provided in Article V of this Declaration. The Association may cause any or all persons responsible for collecting and disbursing monies of the Association to be bonded.

Section 5. Implied Rights. The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles or Bylaws, or the South Carolina nonprofit Corporation Act, as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 6. Declarant's Reserved Rights; Association's Obligation of Cooperation. The Association shall accept conveyance of any Common Area conveyed to it, in fee or by easement, by Declarant or, at the request of Declarant, by an owner of any property within or to be annexed into the Properties and, upon request of Declarant and without further consideration, shall execute any document necessary to evidence such acceptance.

Until such time as Declarant and Builders have completed all of the contemplated improvements and have sold all of the Lots within the Development:

(a) Declarant shall have the right to alter the boundaries of the Common Area, whether or not it has been previously decided to the Association, provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoints the Declarant as his attorney-in-fact to execute and/or deliver any documents, plats, deeds, or other written matters necessary or convenient to accomplish the addition of Common Area or Properties, or both, to create easements as deemed necessary by Declarant, and to adjure the boundary or boundaries of the Common Area.

(b) Neither the Association nor its Members, nor the use of the Common Area by the Association and its Members, shall interfere with or impede the completion of the improvements or the marketing and sale by the Declarant and the Builder of Lots and homes.

(c) Declarant and each Builder shall have the right to make such use of Lots and the Common Area as may facilitate completion of development and sale of Lots and Units by the Declarant and the Builder. Without limiting the foregoing, Declarant shall have the right to maintain or permit the Builder or others to maintain sales offices, model Dwellings and Units, administrative offices, and construction offices (which may be trailers or temporary or permanent buildings), or any or all of same, on Lots or the Common Area. Declarant and the Builder shall also have the right to erect and maintain signs on Lots and/or the Common Area, to bring prospective purchasers upon the Common Area, to use the Common Area for sales and marketing activities for the Development, to grant the right to use the Common Area to a prospective purchasers or any other individual or group, in Declarant's sole discretion, and to conduct any and all other marketing activities deemed appropriate by the Declarant, and to permit the Builder and others to exercise such rights in conjunction with or separate from the Declarant.

(d) Subject to the provisions of Section 1(d) of Article IV of this Declaration, Declarant shall have the right, but not the obligation, to loan money to the Association in such amounts and upon such terms and conditions as to which the Declarant may agree. Payments due to the Declarant under any such loans may, at Declarant's option, be credited against any Assessments coming due at any time from the Declarant.

(e) In addition to all other rights of the Declarant, no amendment shall be made to this Declaration, and no rule or regulation shall be adopted, interpreted or enforced by the Association, so as to modify the Assessments or other charges applicable to the Declarant or an Affiliate Builder of Declarant or assessed against the Lots owned by either, or which shall restrict, impair, or, in Declarant's sole judgment, materially adversely affect the activities of the Declarant or a Builder with regard to construction, use of Common Area and delegation of the right to use the Common Area, or the marketing and sale of Lots by the Declarant and Builder, whether or not such activities are enumerated in the preceding paragraphs, without the express prior written consent of Declarant.

In exercising any of the rights provided or granted under this Article X, neither Declarant, nor the Association shall revoke, modify or amend this Declaration in a manner that reduces the size of the Common Area to less than, the area required by the appropriate governmental authority as of the date of this Declaration.

ARTICLE XI USE RESTRICTIONS

Section 1. Business Use Prohibited. No trade, business, profession or other type of commercial activity shall be carried on upon any Lot, except that the Declarant, a Builder, real estate brokers, Owners and their agents may show Lots for sale or lease. Notwithstanding the foregoing, the Declarant and each Builder and the agents and employees of each, shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain fluorescent-lighted or spot-lighted model homes which may be open to the public for inspection 7 days per week for such hours as the Declarant or Builder deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales efforts; and (iv) use the parking facilities on the Common Area for parking for its employees and invitees.

Section 2. Use of Accessory Structures. No tent, shack, barn, car port, metal awnings, metal utility sheds or other building, other than a Dwelling and its garage, shall be erected on a Lot, and used temporarily or permanently as a residence, nor shall any such structure be used for any other purpose. Notwithstanding the foregoing, the Declarant and, with the approval of the Declarant, a Builder, may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 3. Maintenance of Improvements. Each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation,

the Dwelling. No Owner shall change the exterior design or color of the Dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article VIII hereof.

Section 4. Storage: Clothes Hanging. No Lot or Common Area shall be used for the storage of rubbish. Outside clothes hanging devices shall not be permitted.

Section 5. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted within the Properties other than in a garage and concealed from public view.

Section 6. Lawns. Each Lot on which there is a completed Dwelling shall be maintained in a neat condition by the Owner thereof or, as appropriate, the Association or a Subassociation. In this context, the word "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface. "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched areas be regularly re-mulched and kept weeded so that its appearance is in harmony with the neighborhood. No Owner shall allow the grass on a Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground. All improved Lots must have grass lawns; no gravel or similar type lawns are permitted.

Section 7. Failure to Maintain. If an Owner fails to maintain the Lot or the improvements thereon, the Association or the appropriate Subassociation, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. By accepting title to his Lot, each Owner shall be deemed to grant access upon the Owner's Lot and Dwelling for such purpose and such entry shall not constitute a trespass. If such maintenance is undertaken by the Association, Subassociation or Declarant, the charge therefor and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of cats and dogs (except as hereinafter prohibited) may be kept provided they are kept within the residence and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the neighborhood. Unless otherwise required by application of the Fair Housing Act or the Americans With Disabilities Act, the following types of dogs (whether pure bred or mix breed) are prohibited from being kept upon the Development or a Unit, unless such types of dogs are (i) permitted by the Association's insurance carrier and (ii) explicitly approved in writing by the Association: those known as Pit Bulls (American Staffordshire Terriers, American Pit Bull Terriers or Staffordshire Bull Terriers), Rotweillers, Doberman Pinschers, Chows, Presa Canarios, German Shepherds, and wolf hybrids. No person owning or having custody of a permitted animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All permitted dogs shall be on a leash when outside the Owner's Dwelling.

Section 9. Signs. No signs shall be displayed on any Lot with the exception of one "For Sale" or "For Rent" sign not exceeding 36" x 24" in size and one temporary political sign

advertising a candidate or issue may be erected 30 days before the election, run off, primary or referendum, and must be removed within 5 days following the election, run off, primary or referendum. The maximum size of any such political sign shall be set forth in the Architectural Guidelines, from time to time existing, but in the absence of any such guidelines, shall not exceed more than ten (10) square feet. The Association may develop uniform sign standards and specifications to which all Owners must adhere. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Association. Notwithstanding the foregoing, Declarant and, with the consent of and upon such conditions as Declarant, in its sole discretion, might impose, a Builder shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Properties.

Section 10. Water Retention Areas. The Association shall be responsible for maintaining the portions of the storm water drainage system which are within the Common Area, including the water quality and quantity standards of the approved plans, to the extent required by law. A drainage easement is hereby dedicated to the Association for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations.

Each Owner of a Lot which borders a water retention area shall maintain any portion of that Owner's Lot lying within a retention area free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area.

Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

Section 11. Vehicles, Boats and Trailers. No vehicle of any kind shall be parked on any Lot except on a paved parking surface or driveway or within a garage. No truck or vehicle used primarily for commercial purposes (other than those temporarily present on business) and no trailer (except boat trailers and camper trailers) may be parked within the Properties. Any vehicle not in operable condition and validly licensed, and any boat and trailer or camper trailer may be kept on a Lot if kept inside a garage or screened from view from outside of the Unit or an area designated therefore by the Association. For the purpose of the preceding sentence, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less.

Section 12. Walls, Fences, and Hedges. All walls, fences, planters and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established by the Declarant or the ARC.

No perimeter wall or fence, or hedge in excess of six (6) feet in height shall be erected and maintained on a side lot line from a point located three (3) feet back from the front exterior corner of the main residential structure, backward to the rear property line on a Lot and along the rear property line of the Lot.

On corner lots, side yard fences must be set back from the side property line a minimum of one-half (1/2) of the side building line setback shown on the plat.

The design and materials of all fences shall be in accordance with Architectural Guidelines adopted therefore, or in the absence of such guidelines, approved by the ARC prior to construction pursuant to the approval requirements of Article VIII, Section 1, of this Declaration.

Section 13. Antennae and Roof Structures. No radio or other electrical towers, aerials, antennae, or other devices of any type for the reception or transmission of radio broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 37 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

An antenna permissible pursuant to rules adopted by the Association may be installed only if it is approved by the Association pursuant to Article VIII hereof.

Section 14. Visual Obstructions at the Intersections of Public Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five (25) feet from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner lots.

Section 15. Leased Units. An Owner may lease or sublet his Unit; provided, however, that any lease or sublease must be for at least six (6) months, in writing and contain the following provision:

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions And Restrictions For the Rockwell Plantation Community, recorded in the Office of the Register of Deeds of Anderson County, South Carolina. Tenant acknowledges that he has received of a copy such Declaration-and the rules and regulations of the Association and is familiar with the provisions of same."

If an Owner fails to include said provision in any lease or sublease, it shall be conclusively deemed to be included and part of said lease or sublease. Owner shall furnish the Association a copy of any leases or subleases of his Unit.

Section 16. Minimum Size of Units. All Units constructed within the Properties shall be 1200 square feet or larger.

Section 17. Attached Garages. All Units constructed within the Properties shall contain an enclosed garage that is permanently attached to and part of the Unit and such garage shall be large enough to accommodate at least one automobile.

Section 18. Seasonal or Holiday Decorations. (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot or residential dwelling within a reasonable period of time after such holiday passes. The ARC has the sole discretion to determine what is a reasonable period of time for seasonal or holiday decorations to exist after the holiday passes and its determination shall be final.

Section 19. Time Sharing and Vacation Multiple Ownership Plans. No part of the Properties subject to this Declaration, including any improvements thereon or to be built thereon, will be used for or subject to any type of Vacation Time Sharing Plan or Vacation Multiple Ownership Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et. seq., or any subsequent laws of the State of South Carolina dealing with that or similar type of ownership by a Unit Owner, or which is used for, in conjunction with and/or as an advertised part of any time share exchange program which makes available as accommodations the Unit and which is not otherwise registered as a Vacation Time Sharing Plan or Vacation Multiple Ownership Plan or which utilizes the Unit as accommodations for time share sale prospects of any person or entity, without the prior written consent of the Declarant, which it may grant or deny in whole, or may grant to some and deny to others, in its sole discretion.

Section 20. Water Wells. No private water well may be drilled, installed or maintained on any Lot for irrigation. The ARC may, however, authorize shallow wells for closed-end, geo-thermal residential systems. Furthermore, except for the Declarant and the Association, no Owner shall draw water from any ponds or water sources on the Properties for any purpose whatsoever.

Section 21. Propane Gas Tanks. Any propane gas tanks shall be buried underground on a Lot and the lid shielded from the view from any road by plantings or other means approved by the ARC and must be installed in accordance with all applicable federal, state, and local laws, rules, and regulations.

Section 22. Firearms and Fireworks. No firearms or fireworks of any variety shall be discharged upon or within any Lot or upon any Common Area. The term "firearms" shall include, without limitation, guns, "B-B" guns and pellet guns. Notwithstanding the foregoing, the Board of Directors may, if allowed by law, contract for a professionally conducted fireworks display.

Section 23. Exclusion of Above Ground Utilities. All electrical service and telephone lines shall be placed underground and no outside electrical lines shall be placed overhead. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the Development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

Section 24. Drainage. No Owner shall channel or direct drainage water onto a neighboring Unit, Lot, or Common Area except in accordance with a drainage plan approved by the Declarant. No Owner shall make any change to or modification of the originally established grades, swales and slopes on a Lot in any way that changes or impedes the originally established flow of storm water drainage.

Section 25. Artificial Vegetation, Exterior Sculpture and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of a Unit or Lot. Exterior sculpture, fountains, flags, and similar items are subject to the Declarant's or the ARC's prior approval; provided, however, that nothing contained herein shall prohibit the appropriate display of the American flag.

Section 26. Mining and Drilling. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the Properties, nor shall any oil, natural gas, petroleum, asphalt or hydrocarbon products or materials of any kind be produced or extracted from a Lot.

Section 19. Deviations. Declarant at its sole discretion, is hereby permitted to approve deviations to restrictions in Article XI in instances where in its judgment, such deviation will not adversely affect the development of the Property as a whole. Such approvals must be granted in writing and when given will automatically amend these restrictions for that certain Lot only.

ARTICLE XII GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Further, the Board of Directors shall have the right to record in the appropriate land records a notice of violation of this Declaration or the Bylaws of the Association, or any rules, regulations, use restrictions, or design guidelines promulgated by the Association and to assess the cost of recording and removing such notice against the Owner in violation of the Declaration.

Section 2. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. For so long as Declarant owns any Lot or Unit within the Properties, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of same in the Office of the Register of Deeds of Anderson County, South Carolina.

The covenants and restrictions of this Declaration, and any amendments thereto, are appurtenant to and shall run with and be binding upon the Properties and the Owners thereof for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or amended by a vote of the Owners as set forth below.

Subject to the provisions of Section 8(e) hereof and after the expiration of the Declarant Control Period, this Declaration may be terminated or amended during the first twenty-five year period by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots, and thereafter by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots, provided, however, that so long as there is Class B membership, no amendment adopted by the Owners shall be effective unless and until such amendment is approved in writing by the Declarant. Amendment or termination shall be by written instrument signed by the appropriate persons or entities and recorded in the Office of the Register of Deeds of Anderson County, South Carolina, and upon recordation, shall be binding on all Lots and Units within the Properties and the Owners thereof, without regard to whether the Owner of such Lot voted for or against or signed or did not sign the amendment.

Section 4. Interpretation. Headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any provision hereof. Unless the context

otherwise requires, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the word "including" shall mean "including, without limitation". This Declaration and the provisions thereof shall be construed and enforced in accordance with the laws of the State of South Carolina.

Section 5. Subdivision of Lots. No Lot within the Development may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat, except by or with the consent of the Declarant and, if required, by the appropriate governmental authority.

Section 6. Declarant's Right To Change Development. With the approval of the appropriate governmental authority, and subject only to such terms and conditions as said authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots and Units, add Common Area, and reallocate Lots or Units within the Properties.

Section 7. Rules and Regulations: Enforcement. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within the Development and shall furnish a written copy of said rules and regulations to the Owners) of each Lot at least thirty (30) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Association may have under the Bylaws and this Declaration, the Association may impose sanctions for a violation of this Declaration, the Bylaws of the Association, the rules and regulations adopted Association, and any restrictive covenants applicable to the Properties, in accordance with procedures set forth in the Bylaws, which sanctions may include, without limitation, reasonable monetary fines, which shall constitute a lien upon the Lot of the violator, and suspension of the right to vote and the right to use the Common Area any facilities thereon.

In addition, as provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area and recreational facility within the Properties if the Owner is more than thirty (30) days delinquent in paying any Assessment or other charge due to the Association.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the architectural guidelines applicable to the Properties. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under

other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

Section 8. Dispute Resolution.

(a) Consensus for Association Action.

(1) Except as provided in this Section, the Association may not commence a legal proceeding or an action under this Article without the approval of at least two-thirds of the Members. The foregoing shall not apply to: (i) actions brought by the Association to enforce the provisions of this Declaration, the Bylaws, or rules and regulations adopted by the Association (hereinafter collectively referred to as the "Governing Documents"); (ii) the imposition and collection of Assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings against it.

(2) Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including, without limitation, a proceeding based on an alleged defect in any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to have access to inspect and correct the condition of or redesign any portion of any improvement as to which a defect is alleged or to otherwise correct or resolve the dispute.

(b) Alternative Method for Resolving Disputes. Declarant, its officers, directors, employees and agents, the Association, its officers, directors and committee members, all Owners, Members, any Builder, its officers, directors, employees and agents, and any other person or entity not otherwise subject to this Declaration who agrees to submit to this Section 8 (each such person or entity being herein referred to as a "Bound Party" or, in groups, as the "Bound Parties") each agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances and disputes described in Subsection (c) hereof (herein referred to as the "Claims") to the procedures set forth in Subsection (d) hereof.

(c) Claims. Unless specifically exempted below, all Claims between any of the Bound Parties, regardless of how such Claims might have arisen or on what they might be based, including, but not limited to, Claims: (i) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents; (ii) relating to the design and construction of improvements; or (iii) based on any statements, representation, promises, warranties, or other communications alleged to have been made by or on behalf of any Bound Party, shall be subject to the provisions of Subsection (d) hereof.

Notwithstanding the foregoing, unless all parties to any such dispute otherwise agree in writing, the following shall *not* be deemed to be Claims covered by this Subsection (c) and shall *not* be subject to the provisions of Subsection (d):

(1) any proceeding by the Association against any Bound Party to enforce the provisions of Article V of this Declaration;

(2) any proceeding by the Association or the Declarant to obtain a temporary restraining order or injunction (or equivalent equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the *status quo* and preserve the Association's or the

Declarant's ability to act under and enforce the provisions of Articles VIII and XI of this Declaration;

(3) any proceeding between or among Owners, which does not include the Declarant, a Builder, or the Association as a party, if such proceeding asserts a Claim which would constitute a cause of action independent of the Governing Documents; or

(4) any proceeding in which no Bound Party is an indispensable party.

With the consent of all parties thereto, any dispute involving any of the foregoing excepted actions may be submitted to the alternative dispute resolution procedures set forth in Subsection (d).

(d) Mandatory Procedures.

(1) Notice. Any Bound Party having a Claim (the "Claimant") against any other Bound Party (the "Respondent") (the Claimant and the Respondent being herein individually referred to as a "Party" and collectively as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the persons or entities involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific provisions of the Governing Documents or other authority out of which the Claim arises);

(iii) the proposed remedy; and

(iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(2) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board of Directors of the Association may appoint a representative to assist the Parties in their negotiations.

(ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other time period as may be agreed upon by the Parties), Claimant shall have an additional 30 days in which to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge the Respondent from any liability to any person or entity other than the Claimant.

(iv) Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to AAA mediation, or within such other time as may be determined by the mediator or agreed to by the Parties, the mediator shall issue a written notice of termination of the mediation process, which notice shall state that the Parties are at an impasse and set forth the date that mediation was terminated (hereinafter "Termination of Mediation").

(v) Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all fees and expenses of the mediator and the administrative fees of mediation. If the Parties agree to a resolution of a Claim through negotiation or mediation as set forth in this Subsection (d), and any Party thereafter fails to abide by the terms of the settlement agreement, any other Party may file suit or initiate arbitration proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Subsection (d). In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or, if more than one Party is in noncompliance, from all non-complying Parties pro rata) all costs incurred by such Party in enforcing the agreement, including, without limitation, attorneys' fees and court costs.

(3) Binding Arbitration.

(i) After Termination of Mediation, Claimant shall be entitled to submit the Claim to final, binding arbitration under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry Arbitration Rules, as appropriate. No Claim subject to this Subsection (d), whether by the provisions thereof or by agreement of the Parties, shall be submitted to or decided by or in a court of law. Any judgment upon the award entered by the arbitrator may be entered in and enforced by a court of competent jurisdiction. If the amount claimed by the Complainant or, by the Respondent in a counterclaim, exceeds \$250,000, the Claim shall be heard and determined by three arbitrators. Otherwise, unless the Parties otherwise agree, the Claim shall be heard and determined by an arbitrator. An arbitrator shall have expertise in the areas of the Claim, which may include legal expertise if legal issues are involved.

(ii) Each Party shall bear its own costs of the arbitration, including attorneys' fees, and each Party shall share equally all fees and expenses of the arbitrator and the administrative fees of arbitration.

Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions regarding the arbitrability of any Claim shall be decided by the arbitrator(s).

(iii) The award of the arbitrators shall be accompanied by detailed written findings of fact and conclusions of law. Except as required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all Parties involved in the arbitration.

(e) Amendment of Subsection. Notwithstanding any other provision of this Declaration, this Article XII Section 8 may not be amended prior to the expiration of 20 years from the date of recording of this Declaration without the prior written consent of the Declarant.

(f) Notwithstanding anything to the contrary contained in this Subsection 8, the Declarant, Association, Members, Owners, and any person not otherwise subject to the Declaration who agrees to submit to this Article XII Section 8 (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes between and among themselves, as well as the architect, engineer or other design professional, and the construction contractor of the Development, each of whom are intended to be, and shall be, a third-party beneficiary hereof, involving the Declaration or the Development, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances and disputes, including those in the nature of counterclaims or cross-claims, and whether based upon contract, tort, statute, common law or otherwise, between and among Bound Parties involving the Declaration or the Association (but not matters applicable solely to the Association and the Declaration), including without limitation, claims, grievances or disputes arising out of or relating to the design and/or construction of the Development, or any portion thereof, or interpretation, application or enforcement of the Declaration (collectively "Claims"), except for exempt claims under Section 8 (c), are subject to the procedures set forth in Section 8 (d).

[SIGNATURES ON FOLLOWING PAGE]

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Signed, Sealed and Delivered in the presence of:

DECLARANT:

Witness Number 1

LENNAR CAROLINAS, LLC, a Delaware
limited liability company.

Witness Number 2

By: [Signature] (SEAL)Name: Lisa AnzeloneTitle: Division PresidentDate Executed: 6/29/06STATE OF South Carolina)COUNTY OF Greenville)

I, Judy Robinson, a Notary Public for Greenville County, do hereby certify that
Lisa Anzelone, the Div. President of Lennar Carolinas, LLC, a Delaware limited liability
 company, personally appeared before me this day and acknowledged the due execution of the
 foregoing instrument.

Witness my hand and seal this 29 day of June, 2006.Judy Robinson (SEAL)Notary Public for Greenville County, SOUTH CAROLINAMy commission expires: 02/24/2010

EXHIBIT A"**Legal Description of Property****LEGAL DESCRIPTION:**

ALL those certain pieces, parcels or lots of land, together with any improvements thereon, situate, lying and being in the County of Anderson, State of South Carolina, containing the acreage as more particularly shown and being more particularly shown and delineated on a plat entitled "Boundary Survey @ the Request of: Lennar Carolina, Inc." prepared by Wes E. Smith of Azimuth Control, Inc., dated January 20, 2004 and recorded September 7, 2004, in Plat Slide 1479 at Page 10 in the Office of the Register of Deeds for Anderson County, South Carolina.

The same property being further described as follows:**Parcel No. 1:**

All that certain piece, parcel or tract of land containing 17.2 acres, more or less, situate, lying and being in School District Number 5, Hopewell Township, County of Anderson, State of South Carolina, which is shown and designated as Tract "B" on a plat prepared by Alvin Freeman, Registered Land Surveyor, which plat is duly recorded in the Office of the Clerk of Court for Anderson County, South Carolina in Plat Book 80 at Page 105. According to the said plat, the tract is bounded on the East by Midway Road, on the North by Tract B-1 on said plat; on the West by Tract "A" on said plat, and on the Southwest and South by Tract "B-2" on said plat.

ALSO:**Parcel No. 2:**

All that certain piece, parcel or tract of land containing 38.9 acres, more or less, situate, lying and being in School District Number 5, Hopewell Township, County of Anderson, State of South Carolina, which is shown and designated as Tract "B-1" on a plat prepared by Alvin Freeman, Registered Land Surveyor, which plat is duly recorded in the Office of the Clerk of Court for Anderson County, South Carolina in Plat Book 80 at Page 105. According to the said plat, the tract is bounded on the North by lands of Jack Odell; on the East by lands of Raymond P. Axman, F. G. Waters and Midway Road; on the South by Tracts A and B on said plat, and on the West by Tract "B-4" on said plat, a road intervening.

LESS AND EXCEPTING from the above Tract B-1 is the following land conveyed by Susan Elizabeth Stanley Perry to D. Richard Stoute and Carol S. Stoute: (1) 1.01 acres in deed dated October 16, 1985 and recorded in Deed Book 20-P at Page 939, and (2) 1.00 acre in deed dated November 15, 1985 and recorded in Deed Book 20-Q at Page 609, both in the Office of the Clerk of Court for Anderson County.

DERIVATION:

Deed to Lennar Carolinas, LLC, a Delaware limited liability company, from Lennar Carolina, LLC, a Delaware limited liability company, and successor by conversion to Lennar Carolina, Inc., a Delaware corporation, formerly known as Lennar Communities of Carolina, Inc., dated July 21, 2005 and recorded July 25, 2005 in the Office of the Register of Deeds for Anderson County in Book 6858, at page 311. Deed to Lennar Carolina, Inc. by Susan S. Shuford (F/K/A Susan Elizabeth Stanley and A/K/A Susan Stanley Perry, Susan E. Stanley Perry, Susan Elizabeth Perry, Susan Stanley, Susan E. Stanley, Susan S. Perry and Susan Stanley Shuford) recorded September 13, 2004 in the Office of the Register of Deeds for Anderson County, South Carolina in Book 6369 at Page 27.

TAX MAP NO.: 147-00-08-032-000

EXHIBIT "B"

Legal Description of Additional property

NONE.

060022880 7/12/2006 10:09:06 AM
FILED, RECORDED, INDEXED
Bk: 07466 Ps: 00223 Pages: 033
Rec Fee: 39.00 St Fee:
Co Fee:
REGISTER OF DEEDS, ANDERSON CO, SC
Shirley McElhannon

RECEIVED
MEXGEN PHOTET LTD
CO. 11-1-00
SUSAN C. A. 11-00
ATTENTION: 11-1-00
TWENTY-THREE