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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF YORK )

DECLARATION OF RESTRICTIVE AND  
PROTECTIVE COVENANTS  
CLOVER MEADOWS SUBDIVISION

This Declaration of Restrictive and Protective Covenants for Clover Meadows Subdivision is made on the date hereinafter set forth by Craft Homes USA, LLC (hereinafter referred to as the "Declarant" or "Craft Homes") and its successors and/or assigns.

WHEREAS, the Declarant is the owner of a certain 126.40 ac. tract of land located as shown on a plat of survey for J.D. Penley Heirs, dated Sept. 4, 1999, and recorded in the Plat Book B-186 at Page 307 in the office of the Clerk of Court for York County, South Carolina, which it intends to develop in whole or in part and designate as Clover Meadows Subdivision (hereinafter referred to as the "Subdivision"), pursuant to the terms and conditions of this Declaration of Restrictive and Protective Covenants (hereinafter referred to as the "Declaration"); and,

WHEREAS, the Declarant will develop the Subdivision in multiple phases and, thereby, the Declarant intends to do so by recording multiple survey plats each of which will be subject to the uniform system of covenants, restrictions, uses and charges as hereinafter set forth; and,

WHEREAS, the Declarant has received final Subdivision Plat approval from the York County Planning and Zoning Department for filing thereof, and has subsequently duly filed said first plat as designated here below; and,

NOW, THEREFORE, Declarant hereby declares that all the property described in the "Final Subdivision Plat of Clover Meadows Phase 1, Map 1" by Meade Gunnel Engineering & Surveyors which plat is dated 5/14/2002 and recorded in Plat Book C70, Page 8 in the Office of the Clerk of Court for York County shall be held, sold and conveyed subject to the Declaration which are imposed for the purpose of enhancing and protecting the value, desirability and attractiveness of both the real property shown thereon and that which may be added and annexed hereunder subsequent to the date hereof. These easements, restrictions and covenants shall run with the title and shall inure to the benefit of the Declarant, the Real Property Owners and the Clover Meadows Homeowner's Association ("Association") as that term is used herein.

The Declaration shall be binding on all persons claiming under it until December 31, 2033, at which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless by vote of seventy-five (75%) of the then owners of the numbered lots in the Subdivision, it is agreed to change the Declaration in whole or in part.

ARTICLE I

CONCEPTS & DEFINITIONS

The terms used herein are given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms are defined as follows:

"Affiliate": Any Person, Director, Shareholder, Attorney, and/or "Contractor" whose general purpose for their involvement with the Subdivision is the construction, development, and perpetuation of same in and under the general terms detailed within this Declaration.

"Architectural Guidelines": The Subdivision's architectural, design, and construction guidelines and review procedures adopted pursuant to the Declaration and/or By-laws.

"Architectural Review Committee", "ARC" or "Architectural Committee": The committee established to review plans and specifications for the construction or modification of improvements to the real property which is part of this Subdivision.

"Articles": The Articles of Incorporation of Clover Meadows Homeowners Association, Inc., filed with the South Carolina Secretary of State, as they may be amended from time to time.

"Association": The Clover Meadows Homeowners Association, Inc., a South Carolina nonprofit corporation, its successors or assigns.

"Board of Directors" or "Board": The body responsible for the general governance and administration of the Association, selected as provided in the Association By-Laws.

"Builder": Any person acquiring Lots for the purpose of constructing homes for later sale to consumers or who purchases land within the Community for development, and/or resale in the ordinary course of its business.

"By-Laws": The By-Laws of Clover Meadows Homeowners Association, Inc., as they may be amended from time to time. A copy of the initial By-Laws is attached to this Declaration as Exhibit "B".

"Common Areas" : All real and personal property, including easements, which the Association owns, leases, or otherwise has a right to possess or use for the common use and enjoyment of the Owners. Common Areas include the Limited Common Area, as defined below.

"Common Expenses": The actual and estimated expenses the Association incurs, or expects to incur, for the general benefit of all Owners. Common Expenses include any reserves the Board finds necessary or appropriate.

"Common Maintenance Areas": The Common Area, together with any other area for which the Association has or assumes maintenance or other responsibility.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Community, or the minimum standards established pursuant to the Architectural Review Committee, Use Restrictions, and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance

requirements, and subjective elements, such as matters subject to the Board's or the ARC's discretion. The Community-Wide Standard may or may not be set out in writing. The Community-Wide Standard may evolve as development progresses and as the Subdivision changes.

"Declarant": Craft Homes USA, LLC, or any successor or assign as developer of all or any portion of Subdivision who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant executes.

"Dwelling": The single family residence constructed upon the Lot.

"Lot": A portion of the Subdivision, whether improved or unimproved, which may be independently owned and conveyed, and upon which a dwelling is intended for development, use, and occupancy. The term shall refer to the land which comprises the Lot itself as well as any improvements on the Lot. The boundaries of each Lot shall be shown on a Plat.

A parcel shall be deemed to be a single Lot until such time as a plat subdivides all or a portion of the parcel. Thereafter, the subdivided portion shall contain the number of Lots shown on the Plat. Any portion not subdivided shall continue to be a single Lot.

"Member": Each Owner, as described in herein. There shall be two classes of membership, Class "A" and Class "B" as described herein.

"Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

"Owner": The title holder to any Lot, but excluding, in all cases, anyone holding an interest merely as security for the performance of an obligation (e.g., a Mortgagee). If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": An individual, a corporation, a partnership, a limited liability company, a limited liability partnership, a trustee, or any other legal entity.

"Plat": Any Recorded land survey plat for all or any portion of the Subdivision.

"Record," "Recordings" or "Recorded": To file, the filing of a legal instrument, or a certified true copy of a legal instrument filed of record in the Office of the Clerk of Court for York County, South Carolina, or such other place designated as the official York County location for recording documents affecting title to real estate.

"Regular Assessment": Annual assessments levied to fund Common Expenses for the general benefit of all Lots, and the Association, as determined in accordance herein.

"Special Assessment" : Assessments charged against all Lots in accordance herein

"Supplemental Declaration": A Recorded instrument which subjects additional property to this Declaration, identifies Common Area and/or imposes additional restrictions and obligations on the land described.

"Use Restrictions" : The initial use restrictions, rules, and regulations governing the use of and activities on the Lots and the Common Areas set forth in Exhibit "C," as they may be changed in accordance with Article III or otherwise amended.

ARTICLE II

USES PERMITTED AND PROHIBITED

1. Each numbered lot in the Subdivision shall be used solely for residential purposes. All houses constructed upon each numbered lot shall be exclusively for single family residential dwellings ("Permitted Dwelling") not to exceed two and one-half (2 1/2) stories in height.
2. No crawl space, tent, shack, garage, barn or any allowable outbuildings of any type not otherwise restricted by the Declaration, placed upon any lot shall at any time be used as a residence, either temporarily or permanently. No allowable structure of a temporary nature shall be used as a residence.
3. Other than temporary construction or sales offices for Craft Homes and/or its affiliates, no house trailer, mobile home, or any other type of home "titled" by the State of South Carolina as "personal property" shall be placed on any lot either temporarily or permanently. No trailer, boat, recreational vehicle, and/or similar equipment, may be parked by a resident on any location in the neighborhood other than his/her lot, and in so doing, such equipment shall at all times be parked behind the dwelling in such a fashion so that any view thereof from the street is either eliminated, or at least minimized to the greatest extent possible. Trailers, boats, recreational vehicles, and/or similar equipment will be allowed to park in the front or side of the dwelling periodically for up to 24 hours for unloading and loading purposes only. When parked on the lot, such equipment shall at all times be neatly stored and every effort should be made to make such equipment inconspicuous. No tree houses, storage sheds or playhouses shall be erected on any lot, unless previously approved in writing by the Architectural Committee.
4. No noxious or offensive activity shall be carried on anywhere on the property subject to these covenants, nor shall anything be done thereon which may be or become a nuisance or menace to the neighborhood. No part of any of the property shall be used for any business or commercial purpose, nor may any part of the property be used to store or park business related equipment.
5. No animals shall be kept, maintained or quartered on any lots except that a total of three (3) cats, dogs, fish, or caged birds may be kept as pets and as such, may be kept only for the pleasure of the occupants. Where applicable, all such animals should be kept either inside or under the direct control of their owner(s) by leash or other applicable restraining devices at

- all times. If the animal(s) in question are kept outside, suitable housing must be approved by the Architectural Committee, and the Association must approve the type of restraint contemplated to ensure the safety of the other lot owners in the Subdivision.
6. The total area of all driveways shall be paved or finished by plant mix concrete, asphalt or such other materials as may be approved in writing by the Architectural Committee.
  7. Nothing contained within this Declaration shall be construed to prevent approved Craft Homes, affiliates and/or contractors actively working in the Subdivision from maintaining temporary sales and construction offices, storage facilities on any lot or land which is still owned by Declarant while the Subdivision is in the process of being developed and while houses are under construction within the development.
  8. Garbage, trash cans, wood piles and clothes drying lines must be so located that they will not be visible from the street.
  9. Property owners will be required to keep tall shrubbery or hedges trimmed to reasonable limits so that air circulation or view from surrounding property will not be adversely affected and traffic hazards will not be created. Further, all owners shall be required to maintain their lots and any improvements thereon at all times in a neat, attractive and presentable manner so as not to detract from the overall appearance of the Subdivision or the surrounding property. In the event any owner shall fail to maintain his or her lot to the standards set forth herein, then Declarant or Association shall have the right to enter upon such lot and perform, or cause to be performed, any work required to remedy the situation. All costs so incurred shall be immediately reimbursed by the Owner(s) to Declarant or Association. In the event such reimbursement does not occur within a reasonable time following demand from Declarant or Association, the outstanding sum shall be deemed to be an Assessment against the property. Vegetable and ornamental gardens, sandboxes or other children's play equipment shall be located only in the rear yard of any lot.
  10. No window air conditioning units shall be installed on the front of any building.
  11. No metal fences may be installed or maintained on any lot. Allowable fences shall be 72" in height, wooden shadow box, picket or dog-eared fences. Hedges shall be maintained in a neat condition on both sides of any fence erected. All walls, fences and hedges shall not be located within setbacks or site triangles as described herein or shown on recorded maps of the property. No area of the fence can go in front of the rear building line of the house.
  12. Provisions must be made by the property owners for off street parking of their own cars and those belonging to guests, invitees and employees, as the parking of such cars on street rights-of-way for more than a twenty-four hour period of time shall not be permitted.
  13. No motorcycles, off-road motorbikes, mini-bikes, go-carts or other similar vehicles shall be operated on any lot, common area or any area of any type in and around the neighborhood.
  14. No fireworks of any kind shall be stored or used on any lot or in the common area or on any portion of the property or any public or private road or street in the Subdivision.
  15. Each lot upon which a residence has been constructed shall have a mailbox of a type and size specified by Declarant and/or the Architectural committee. Such mailbox shall be properly maintained at all times by the owner and shall not be altered or replaced except by a new mailbox identical to the one originally installed. Mailboxes made out of, supported, encased, or which use brick, concrete, or any other type of "permanent" construction type of material are specifically disallowed.
  16. The area in the road right-of-way in front of the lot must be maintained by lot owner as well

as the entire lot.

- 17. All houses, excluding sales office(s), must have garage doors and garage doors must be closed except when in use.
- 18. Each Owner is responsible for repairing damage to the sidewalks, right-of-way, paving and curb caused during construction of improvements. Furthermore, each Owner is responsible for maintaining the sidewalk in his/her yard to match the existing sidewalk(s) in the Subdivision.
- 19. No signs shall be used upon any lot, excluding those signs in connection with the construction and sale by Craft Homes, its successors and assigns, and/or affiliates without the approval of the Architectural Committee, Homeowners Association, their successors and assigns, and this shall include all signs advertising lot(s) and homes "for sale" and "open house" signs.
- 20. No exterior lights mounted on telephone posts or similar stands or lights operated by photocells (or similar devices) will be permitted. The only permitted exterior lighting will be by standard exterior lamp posts or by spotlights mounted on the residence structure.
- 21. No lot owner will engage in any activity which will result in the deposit or accumulation of trash, refuse, debris or other objectionable matter.
- 22. No inoperable vehicles of any type, whether licensed or unlicensed, will be placed upon the Lot by the Owner, or allowed to remain in inoperable condition for any extended period of time. Additionally, no vehicle larger than a 1 ton standard dually truck, nor a "work" vehicle clearly delineated as such, will be placed upon the lot by the Owner unless such vehicle is located on the lot for purpose of effectuating work on the Lot or Improvements thereto. No part of this provision will be applicable to the Declarant, and/or its affiliates.
- 23. No temporary or permanent outside clothes lines are permitted
- 24. No above-ground swimming pool of any type or description is allowed to be placed on the Lot wherever situated.
- 25. No Radio or Television antennae, Solar panels, or the like will be placed on the roof, or in the front of the dwelling. Such equipment shall be placed behind the dwelling in such a fashion so that any view thereof from the street is either eliminated, or at least minimized to the greatest extent possible. Satellite dishes exceeding 20" in diameter and large antennae located behind the dwelling, but rising above same so that it becomes visible from the front of the lot, are prohibited.
- 26. Storm Doors and Windows, while allowable, are subject to review and approval by the Architectural Committee.

ARTICLE III

**SETBACKS, LOCATION AND SIZE OF IMPROVEMENTS AND LOTS**

- 1. No building shall be erected on any lot nearer to the front property lot line, any side street line or back lot line that is not in compliance with applicable zoning requirements.
- 2. No lot shall be redesigned without first obtaining the written permission of the Architectural Committee.
- 3. Nothing herein contained shall be construed to prohibit the use of more than one lot or of portions of one or more lots as defined herein, provided, written approval thereof shall first

- be obtained from the Architectural Committee.
- 4. Each permitted dwelling shall contain the minimum floor space of one thousand fifty (1050) square feet of heated floor space. In calculating the minimum floor space, only the heated area of the permitted dwelling shall be included.
- 5. No garage or other outbuilding more than two stories in height shall be erected upon any numbered lot.
- 6. No above-ground swimming pools may be constructed on any numbered lot.

ARTICLE IV

CLOVER MEADOWS HOMEOWNERS ASSOCIATION

1. Function of Association.

The Association is the entity responsible for management, maintenance, operation, and control of the Subdivision and its Common Areas. The Association shall perform its functions in accordance with these Restrictive Covenants, and the By-Laws of the Association filed and adopted herewith and as amended from time to time. The Board of Directors shall be responsible for management of the Association and may contract with a property manager for such purposes as it may designate. The Board of Directors is appointed or elected as provided in the By-Laws.

2. Membership.

Every Owner is a Member of the Association; provided, there is only one membership per Lot. If a Lot is owned by more than one Person, each co-Owner shares the privileges of the membership, subject to reasonable Board regulation and the voting restrictions described herein and in the By-Laws. Co-Owners are jointly and severally obligated to perform the responsibilities of an Owner. The membership rights of an Owner which is not an individual (e.g., a corporation) may be exercised by any duly authorized officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a written instrument provided to the Associations Secretary.

3. Voting.

The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members are all Owners except the Class "B" Member. Class "A" Members have one equal vote for each Lot they own, except that there is only one vote per Lot. In any situation where there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The sole Class "B" Member shall be Declarant. The Class "B" Member shall receive three (3) votes for each lot it owns throughout the period of said ownership, and may

additionally appoint a majority of the Board members so long as it owns any lots in Clover Meadows and may exercise any additional rights specified throughout these Restrictive Covenants and/or Bylaws.

4. Acceptance and Control of Association Property.

(a) The Association may acquire, hold, mortgage or otherwise encumber; lease (as landlord or tenant), operate, and dispose of tangible and intangible personal property and real property, subject to the provisions of the Declaration and/or the By-Laws of the Association and may enter into leases, licenses, or operating agreements, for payment or no payment, as the Board deems appropriate, permitting use of portions of the Common Area by others. However, the Association may not convey or subject to a security interest any portion of the Common Area unless Members representing at least 67% of the combined Class "A" & Class "B" vote agree in writing.

(b) Declarant or its designees may transfer to the Association, and the Association shall accept, personal property and or fee title or other property interests in any improved or unimproved real property included within the property described in Exhibit "A". Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

(c) The Association is responsible for management, operation, and control of the Common Area, subject to any covenants, easements, or restrictions set forth in the deed or other instrument transferring the property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate. The Association may enter into a property management agreement with any Person, including Declarant, Affiliate or any other person or organization acceptable to the Declarant.

5. Maintenance of Common Areas.

The Association shall maintain the Common Maintenance Areas in accordance with the accepted community-wide standard. The Common Maintenance Areas shall include, but are not limited to:

(a) the Common Area, including landscaping, structures, and other improvements;

(b) landscaping within public rights-of-way within or abutting Clover Meadows Subdivision;

(c) such portions of any additional property as may be dictated by Declarant, this Declaration, any Supplemental Declaration, any Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, the Association; and

(d) all ponds, streams, and/or wetlands located within the Subdivision which serve as part of the Community's stormwater drainage system, including associated improvements and equipment, but not including any such areas maintained by a community development district or other governmental or quasi governmental body.

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The Association may maintain other property which it does not own, including property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and the Owner consents.

The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

The Association shall maintain the facilities and equipment within the Common Areas in continuous operation, except for any periods necessary, as determined by the Board, to perform required maintenance or repairs, unless Members representing at least 67% of the combined Class "A" & Class "B" vote agree in writing to discontinue such operation (which may include closing and/or demolishing such facilities or equipment). Notwithstanding the above, the Common Areas may not be reduced, nor shall operation of its facilities and equipment be discontinued, without Declarant's prior written approval as long as Declarant or Affiliate owns any property described in Exhibit "A" subject to this Declaration.

The costs associated with maintenance, repair, and replacement of the Common Areas shall be a Common Expense. However, the Association may seek reimbursement from the Owner(s) for certain portions of the Common Areas pursuant to this Declaration, a Supplemental Declaration, or other Recorded covenants or agreements.

Unless Declarant expressly agrees in writing with the Association to pay the costs of maintaining any portion of the Common Maintenance Areas, Declarant shall have no such obligation, regardless of any inferences which may be drawn from promotional or other materials.

#### 6. Insurance.

(a) Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance as applicable, and as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and within other portions of the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All Association property insurance policies shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(ii) Commercial general liability insurance on the Common Maintenance Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf.

If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000:00 per occurrence and in the aggregate with respect to bodily injury, personal injury, and property damage;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage; and

(v) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment, but not less than an amount equal to one-quarter of the annual Regular Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

In the exercise of its business judgment, the Board may choose to secure additional insurance coverage and higher limits, and may also choose to reduce or eliminate insurance coverage.

Premiums for Common Area insurance shall be a Common Expense.

7. Restoring Damaged Improvements.

In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the same condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless Members representing at least 80% of the total Class "A" and Class "B" votes in the Association decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period may be extended until such funds or information are available. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the overall community-wide standard.

The Association shall retain in a reserve fund for capital items any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed-upon settlement, for the benefit of the Members. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

8. Compliance and Enforcement.

(a) The Board may impose sanctions for violations, which sanctions include those listed below and any others described elsewhere in the Declaration and/or By-Laws of the Association as amended from time to time. The Board may establish a range of penalties for different violations, with violations of the Declaration, unsafe conduct, and harassment or intentionally malicious conduct treated more severely than other violations. The following sanctions require prior notice and an opportunity for a hearing in accordance with the By-Laws:

(i) imposing reasonable monetary fines, not to exceed \$50.00 per violation (or per day in the case of a continuing violation), which shall constitute a lien upon the Owner's Lot (fines may be imposed within a graduated range). There is no limit on the aggregate amount of any fine for a continuing violation;

(ii) suspending an Owner's right to vote;

(iii) suspending any Person's right to use Common Area amenities; provided, nothing shall authorize the Board to impair an Owner or occupant's access to his or her Lot;

(iv) suspending any services provided by the Association;

(v) exercising self-help or taking action to abate any violation of the Declaration and/or the By-Laws of the Association occurring on a Lot in a non-emergency situation (including removing personal property that violates the Restrictive Covenants and/or By-Laws of the Association; and

(vi) levying assessments to cover costs incurred by the Association to bring a Lot into compliance with these Restrictive Covenants and/or By-Laws of the Association.

In addition, the Board may take the following enforcement actions to ensure compliance with the Restrictive Covenants and By-Laws of the Association without the necessity of compliance with the procedures set forth in the By-Laws:

(i) exercising self-help or taking action to abate a violation on a Lot in an emergency situation (including towing vehicles that are in violation of parking rules and regulations);

(ii) exercising self-help or taking action to abate a violation on the Common Area under any circumstances; or

(iii) bringing suit at law for monetary damages or in equity to stop or prevent any violation, or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may Record a notice of violation or perform the required maintenance and assess its costs against the Lot and the Owner. Except in an emergency

situation, the Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

Moreover, if an Owner is legally responsible for damage inflicted on any Common Area, the Association may direct such Owner to repair such damage or the Association may make the repairs and recover damages from the responsible Owner.

The above sanctions shall not apply to Declarant or any Affiliates or to any Lot owned by Declarant or any of its Affiliates. All sanctions and remedies set forth in the Declaration and/or By-Laws of the Association are in addition to any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party may recover all of its costs incurred in the action, including, without limitation, court costs and reasonable attorneys' fees.

(b) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or farther action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

By contract or other agreement, the Association may enforce applicable city and county ordinances. In addition, York County and the City of Clover may enforce their ordinances within Subdivision.

9. Implied Rights: Board Authority

The Association may exercise any right or privilege given to it expressly or by reasonable implication by the Declaration and/or By-Laws of the Association, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Declaration and/or By-Laws of the Association or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

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The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Areas, enforcement of the Declaration and/or By-Laws of the Association, or any other civil claim or action. However, the Board has no legal duty to institute litigation on behalf of or in the name of the Association or the Members.

10. Indemnification of Officers, Directors, and Others.

The officers, directors, and committee members of the Board of Directors, acting in such capacity, shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability for any contract or other commitment made or action taken in good faith on the Association's behalf.

Subject to South Carolina law, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

This right to indemnification shall not be exclusive of any other rights which any present or former officer, director, or committee member may have. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

11. Provision of Services.

The Association may provide, or provide for, services and facilities for all or any of the Members and their Lots, and may enter into contracts or agreements with other entities, including Declarant or its Affiliates, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities, or may include the costs in the Association's budget as a Common Expense and assess it as part of the Regular Assessment, if provided to all Lots. By way of example, such services and facilities might include landscape maintenance, pest control service, cable television service, telephone, internet access, security monitoring, caretaker, transportation, fire protection, utilities, trash collection and recycling, and similar services and facilities.

Nothing in this Section shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, subject to the contract terms, the Board may modify or cancel existing contracts for services in its discretion, unless the services are otherwise required by the Declaration and/or the By-Laws of the Association as amended from time to time. Non-use of services provided to all Owners or Lots as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

12. Relationships with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring properties to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance.

13. Facilities and Services Open to the Public.

Certain of the Common Maintenance Areas, including facilities, may be open for public use and enjoyment. Such facilities and areas may include, for example: greenbelts, trails and paths, parks, areas conducive to gathering and interaction, roads, sidewalks, and medians. So long as Declarant is a Class "B" owner, it may designate such facilities and areas as open to the public. Thereafter, the Board may designate facilities and areas as open for public use.

14. Relationship with Governmental and Tax-Exempt Organizations.

The Association may enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to, state or local governments, public utility providers, and non-profit, tax-exempt organizations for the benefit of the Community, the Association, and the Members. The Association may contribute money, real property (including Common Area), personal property, or services to any such entity. Any such contribution shall be a Common Expense and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

Article V

Association Finances

1. Budgeting and Allocating Common Expenses.

**Association Funds**

- General Operating Fund
- Reserve Fund for Repair and Replacement of Capital Items

**Primary Sources of Income**

- Regular Assessments
- Special Assessments
- Declarant Subsidy (if any)
- One-time Contributions to Working Capital

## Secondary Sources of Income

Facilities Rental  
Monetary Penalties  
Benefited Assessments  
Interest on Reserves and  
Delinquent Assessments  
Late Charges

The Association is authorized to levy Regular Assessments equally against all lots, subject to assessment by the Declaration and/or By-Laws of the Association to fund the Common Expenses. Before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to the Declaration and/or By-Laws of the Association. The budget shall separately reflect all fees for recreational amenities and shall reflect the sources and estimated amounts of funds to cover such expenses, including any prior year's surplus or deficit, any non-assessment income, and anticipated assessment income.

In determining the Regular Assessment, the Board may consider any assessment income expected to be generated from any property reasonably anticipated to become subject to assessment during the fiscal year.

The budget is subject to ratification by the Owners at a meeting. The Board shall send a summary of the proposed budget and notice of the meeting to consider ratification of the budget not less than 10 nor more than 60 days prior to the date of the meeting. A quorum need not be present at the meeting and the notice to Owners shall include a statement that the budget may be ratified without a quorum being present. The budget shall be ratified unless, at such meeting, the Members representing a majority of the Class "A" & Class "B" votes disapprove the budget.

Declarant may, but shall not be obligated to, reduce the Regular Assessment for any fiscal year by payment of a subsidy which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue paying a subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

If any proposed budget is disapproved, or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Regular Assessment from time to time during the year, subject to the notice requirements set forth above and in South Carolina law.

### 2. Budgeting for Reserves.

The Board may include in the Common Expense budget, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. Reserve budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount shall be considered adequate.

The Board may adopt resolutions regarding the expenditure of any reserve funds, including policies designating the nature of assets for which reserve funds may be expended. So long as Declarant or any Affiliate owns any property described in Exhibit "A" neither the Association nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent.

The Board may enter into agreements with Declarant, on negotiated terms, under which Declarant may obligate itself to provide or contribute to reserve funds as needed on a "cash basis" in lieu of funding reserves on an accrual basis. The Board has no duty to fund reserves during any period that Declarant is funding Association budget deficits.

### 3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments against the entire membership to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing at least a majority of the total Class "A" votes in the Association, and the affirmative vote or written consent of the Class "B" Member, if any. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

### 4. Benefited Assessments.

The Association may levy Benefited Assessments against one or more particular Lots as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services which the Association may offer or pursuant to a Supplemental Declaration. Benefited Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing a Lot into compliance with the Declaration and/or By-Laws of the Association, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Benefited Assessment under this subsection.

Lots which Declarant or any Declarant Affiliate owns are exempt from Benefited Assessments.

5. Commencement of Assessment Obligation: Time of Payment.

The obligation to pay assessments commences as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Regular Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Owners shall pay assessments in the manner and on the dates the Board establishes. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in quarterly or monthly installments. Unless the Board otherwise provides, the Regular Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require that the outstanding balance on all assessments be paid in full immediately.

6. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any Lot, covenants and agrees to pay all assessments authorized in the Governing Documents for each Lot owned. All assessments, together with interest (computed from the assessment's due date at a rate of at least 18% per annum or such higher rate as the Board may establish, subject to South Carolina law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Regular Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner is exempt from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant by each Owner. No reduction or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some required function, or for inconvenience or discomfort arising from making repairs or improvements, or for any other reason.

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Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Fund Budget Deficits. During the period in which Declarant owns any property described in Exhibit "A", Declarant may satisfy the obligation for assessments on Lots which it or any Declarant Affiliate owns either by paying assessments in the same manner as any other Owner or by funding the budget deficit. The budget deficit is the difference between the amount of assessments levied on Class "A" Member-owned Lots, plus any other income received during the fiscal year, and the amount of the Association's actual expenditures during the fiscal year, including reserve contributions. Unless Declarant otherwise notifies the Board in writing at least 30 days before the beginning of the fiscal year, Declarant shall continue paying on the same basis as during the previous fiscal year.

Regardless of Declarant's election, Declarant's assessment obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

#### 7. Lien for Assessments.

The Association shall have a lien against each Lot, including Declarant's Lots, to secure payment of delinquent assessments, as well as interest, late charges (subject to North Carolina law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds assessments, and other levies which by law would be superior, and (b) the lien on charge of any Recorded first Mortgage (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Association's lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

At a foreclosure sale, the Association may bid for the Lot and acquire, hold, lease, mortgage, and convey the Lot. The Association may sue for unpaid assessments and other charges without foreclosing or waiving its assessment lien.

Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure by the first Mortgagee extinguishes the lien relating to any amounts due prior to the Mortgagee's foreclosure. The purchaser of a foreclosed Lot shall not be personally liable for assessments on such Lot due prior to the foreclosure sale. Such unpaid assessments shall be a Common Expense collectible from Owners of all Lots subject to assessment under Section 8.6, including such purchaser, its successors and assigns.

Notwithstanding the above, while the Association owns a Lot: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association.

#### 8. Exempt Property.

The following property shall be exempt from payment of Regular Assessments, and Special Assessments:

- (a) All Common Area and other portions of the Community which are not Lots; and
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

In addition, both Declarant and the Association shall have the right, but not the obligation, to grant exemptions to schools, houses of worship, hospitals, or Lots owned by and used by Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code. Exemptions granted by Declarant shall be binding on the Association.

#### 9. Use and Consumption Fees Licenses and Royalties.

The Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

### ARTICLE VI

#### ARCHITECTURAL REVIEW & CONTROL

1. An Architectural Review Committee ("ARC") or the "Architectural Committee" is hereby created which shall be initially composed of three (3) individuals appointed by Declarant. At such time as the Declarant is no longer a Class "B" Member of the Association, or at an earlier time if Declarant so chooses, control over the composition of and appointment of members to the ARC will be delegated to the Association. In the event of the failure of inability, for any reason, of a member to act, the vacancy created shall be filled temporarily or permanently, as necessary, by the remaining member(s) of the Committee.
2. No improvements, buildings, fences, structures whether permanent or temporary, including but not limited to television satellite disc systems shall be erected, placed, or altered on any Lot or Lots until and unless building plans, specifications and plot plan of such residence, structures or television satellite disc systems have been approved in writing as to the conformity and harmony of external design and consistence with plans of existing residences or other building and as to the location of the structure with respect to topography and finished ground elevation, by the Architectural Committee. Exterior television antennae, solar panels and satellite dish antennae will not be allowed unless reasonably concealed and approved by the Architectural Committee and installed in accordance with Federal Communication Commission guidelines.
3. And such wall or fence proposed to be erected or placed on any such lot, whether as part of the original residence design or a later addition, must receive the approval in writing of the Architectural Committee. The Architectural Committee shall have the right to refuse to

approve any such fencing, taking into consideration the suitability of the proposed fencing, the materials of which it is to be built, whether or not it is in harmony with the surroundings and what effect it will have on other residences already constructed and what effect it will have on the adjacent neighboring property.

4. Prior to the commencement of any construction, each Owner, other than Craft Homes, shall submit to the Committee, in duplicate, plans and drawings, which shall have been prepared in a 1/8 scale or larger, which shall contain at a minimum:

- (a) Front, rear and side elevations
- (b) Floor plans
- (c) The area of heated floor space
- (d) Exterior building material to include manufacturer, color and texture
- (e) Exterior trim color
- (f) Roofing material, color and pitch (which shall be at least 6/12 relationship)
- (g) Site plan showing toll a scale of one to fifty or larger; foundation of all structures, walks, driveways, fences and drainage plans
- (h) Landscaping plan of front yard, side yards and rear yard
- (i) Estimated completion dates of all construction and improvements
- (j) Any treatment required to adequately handle surface water run-off due to changes in topography, it being the responsibility of each lot owner and all persons or entities employed by such person to assist in the construction of any building or improvement on such lot to control the discharge of surface water or sediment from such lot onto or upon any other part of the Subdivision

The documents and other information required to be submitted shall be delivered or mailed to the Architectural Committee, 2649 Breckonridge Centre Drive, Suite 104, Monroe N.C. 28110. One complete set shall be retained by the Committee and the second complete set shall be returned to the applicant, with the Committee's approval or disapproval clearly noted thereon.

5. In the event said Architectural Committee fails to approve or disapprove such designs and plans within forty-five (45) days after said plans have been submitted to it, and if no suit to enjoin the erection or alteration of such building or improvement, to include, but not be limited to any outbuilding, wall or fence, has been commenced before such erection or alteration is substantially completed, this requirement shall be deemed to have been fully complied with and no suit or claim will be available to said Committee, or to any lot owner or other person.
6. No member of the Architectural Committee shall be liable for any act or omission except for willful misconduct or gross and inexcusable neglect.
7. The Architectural Committee is authorized to approve, disapprove, or ratify the initial construction or alteration of any building, improvement, structure, wall, fence, landscaping at the sole discretion of the Committee. Such approval, disapproval, or ratification shall be requested in writing and, once given, shall be binding on all persons subject to these restrictions.
8. All construction by any Owner shall be performed by a licensed contractor or licensed

builder.

9. Once construction shall have commenced, each Owner, other than Craft Homes, shall be responsible for ensuring that such work proceeds at an orderly and timely pace, with no stoppage of work for more than forty-five (45) consecutive days to be condoned, acts of God excepted, and to be completed, including landscaping, and ready within ten (10) months from the commencement date.
10. The Architectural Committee expressly reserves the right to assign any of the duties, powers, functions and approval authority set forth herein to any successor in title or duly organized legal entity at Architectural Committee's sole discretion.
11. Any damage(s) to any street, curb or gutter which occurs as a result of construction activity relating to any lot shall be promptly repaired by the Owner of such lot. If such Owner fails or refuses to complete such repairs, the Committee shall have the right to delegate such completion to Association, and all costs and expenses incurred in completing such work shall be immediately due and owing by Owner. In the event such amount is not liquidated by the appropriate owner within a reasonable time following notice thereof, Association shall assess the appropriate lot in such amount in the same manner as assessments are or may be imposed as provided elsewhere herein.

## ARTICLE VII

### EASEMENTS

1. Easements are reserved, over the front and side lot lines five (5) feet in width on each interior lot and ten (10) feet in width over the rear lot line on each interior lot for the installation, operation, maintenance of utilities and for drainage purposes and normal house maintenance. On each lot which abuts property other than that owned by Declarant, an easement of five (5) feet in width on the front and side lot lines and fifteen (15) feet in width on the rear lot lines is reserved for the installation, operation and maintenance of utilities and for drainage purposes. Any additional easements across individual lots or common area, as are shown on the recorded plat for Subdivision, are also reserved. In the event it is determined that other and further easements are required over any lot lines in locations not shown on any recorded plat and not along rear or side lot lines, such easements may be established by the Declarant, except that if any such easements are reserved or established after the conveyance of a lot or lots to be affected thereby, the written assent of the Owner or Owners of such lot or lots and of the trustees and mortgagees constituting a lien thereon shall be required. The Association may reserve and grant easements for the installation and maintenance of sewer, utilities and drainage facilities over, under and through the Common Areas. Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.
2. Declarant specifically reserves the right to grant specific easements for all public/local services over any lot for the installation and maintenance of utilities, including, but not

limited to, waterlines, sanitary sewers, storm drainage facilities, gas lines, telephone, electric power lines and cable television to the providers of such service.

3. Declarant hereby establishes the above listed easements for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable television lines, firefighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.
4. Declarant hereby grants to builders and reserves such easements through the properties as may be reasonably necessary for the purpose of completing the development, advertisement, construction and sale of the properties through signage and for the installation and maintenance of utilities, streets and common use facilities, which easement shall exist as long as reasonably necessary for such purposes.

### ARTICLE VIII

#### MISCELLANEOUS

1. In the event a dwelling is damaged or destroyed, and the Owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the lot until paid by the Owner and may be foreclosed in the same manner set forth in Article V for liens for assessments.
2. Any dwelling which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of the Declaration and to the Bylaws of the Association.
3. The Declarant or any Owner shall have the right to enforce, by any proceeding at law or in equity (which shall include specific performance or injunctive relief), all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant or any Owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver granted to it under this Declaration to any person, firm, corporation or other entity without approval of the Owners. The Declarant may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance and ~~management of the Property. However, no such contract shall be binding upon the~~ homeowners of Subdivision except those expressed adoption and/or ratification of the terms and conditions of such contract.
4. Invalidation of any one or more of these covenants by Judgment of Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.
5. Limitations. It is distinctly understood and agreed that nothing herein contained shall be taken and construed as imposing any conditions or restrictions upon any land not specifically covered by the Declaration.
6. Covenant Running With the Land. All provisions of this Declaration shall be construed to the covenants running with the land, and with every part thereof and interest therein, in every

Owner or any other person or legal entity claiming an interest in the lot, and his/her/its heirs, executors, administrators, successors in assigns, shall be bound by all of the provisions of this Declaration.

- 7. Amendment. Declarant reserves the sole right to amend the Declaration without the vote of home owners. Other than Declarant amending this Declaration, which it can do, at any time, in its sole discretion, this Declaration may be amended during the first twenty-five (25) year period by an instrument signed by not less than seventy-five percent (75%) of the Owners, and, thereafter, by an instrument signed by not less than sixty percent (60%) of the Owners. Any such amendment or termination shall not be effective until an instrument evidencing such change has been filed or recorded in the Office of the Lancaster County Clerk of Court. In the event Declarant has arranged for and provided purchasers of lots with FHA insured or VA mortgage loans, then prior approval of FHA/VA is also required for amending this Declaration. Additionally, so long as Declarant, its heirs, successors, or assigns is an Owner, any such amendment or termination will not be effective unless agreed to by Declarant in writing prior to recordation in the Office of the York County Clerk of Court.
- 8. The Declaration shall be binding on all persons claiming under it until December 31, 2033, at which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless by vote of seventy-five (75%) of the then owners of the numbered lots in the Subdivision, it is agreed to change the Declaration in whole or in part.

IN WITNESS WHEREOF, the said Declarant has hereunto executed the Declaration this 17<sup>th</sup> day of July, 2002

Richard B. Miller  
Witness 1

Justin J. Lika  
Witness 2 or Notary

Craft Homes USA, LLC DAJ  
[Signature]  
Its: President

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF MECKLENBURG )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named David C. [unclear] as a managing member of Craft Homes USA, LLC, sign, seal, and as its act and deed, deliver the within-written instrument and that (s)he, with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 17<sup>th</sup> day of July 2002.

[Signature]  
Witness 1

Notary Public: [Signature]  
My commission expires: 12-16-06

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P. 25

RECORDED 10/07/2003 02:04:58PM  
Bk:05755 Pg:00087 Pages:3  
Fee:10.00 State:0.00  
County:0.00 Exempt:  
David Hamilton, Clerk of Court  
York County, SC

STATE OF SOUTH CAROLINA )  
 )  
 )  
 )  
COUNTY OF YORK ) AMENDMENT TO DECLARATION  
 ) OF RESTRICTIVE AND PROTECTIVE  
 ) COVENANTS FOR CLOVER  
 ) MEADOWS SUBDIVISION

WHEREAS, Craft Homes USA, LLC of Union County, North Carolina, referred to as the "Developer" or "Declarant", did execute a DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS FOR CLOVER MEADOWS SUBDIVISION, referred to as the "Declaration" on July 17<sup>th</sup>, 2002, and did cause said Declaration to be filed in Record Book 4515 at Page 248 in the Office of the Clerk of Court for York County, South Carolina on July 25<sup>th</sup>, 2002; and,

WHEREAS, said "Declaration" currently encumbers all the property described in the "Final Subdivision Plat of Clover Meadows Phase 1, Map 1" by Meade Gunnell Engineering & Surveyors as shown and further delineated in said Survey Plat dated 5/14/2002 and as recorded as Plat Book C70 Page 8 in the Office of the Clerk of Court for York County; and,

WHEREAS, subsequent to recordation the Declarant has determined that said "Declaration" needed to be further amended and also corrected for typographical errors; and,

WHEREAS, said "Declaration" specifically allowed for the amendment of same at the sole discretion of the Declarant; and,

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that via the execution and filing hereof, the Declarant does hereby Amend the Declaration of Restrictive and Protective Covenants of the Clover Meadows Subdivision, the "Declaration", as follows:

1. Article I "Lot" - Second paragraph, second sentence change "F"lat to "P"lat.
2. Article II "Uses Permitted & Prohibited" - Section 3, change "Craft Homes and/or its affiliates" to "Craft Homes, its successors and assigns, and/or its affiliates".
3. Article II "Uses Permitted & Prohibited" - Section 5, remove all references to "fish" and "caged birds". Also add, "Lot Owners are responsible for damage caused by their pets, and also for cleaning up excrement from pets which excrement is deposited on any property other than that owned by the pet owner".
4. Article II "Uses Permitted & Prohibited" - Section 8, remove "clothes drying line".
5. Article II "Uses Permitted & Prohibited" - Section 11, remove entire

sentence "All walls, fences and hedges shall not be located within setbacks or site triangles as described herein or shown on recorded maps of the property". Add, "Allowable fences shall be between 48" and 72" in height...". Add, "All fencing is subject to Architectural Review Committee approval which approval may include stipulations for proper care and upkeep of the type fencing contemplated".

6. Article II "Uses Permitted & Prohibited" - Section 14, remove entirely, replace with "Fireworks allowed under applicable State, County, or Municipal Laws may be stored by the owner on his/her particular lot and used on said lot or in the common areas. Fireworks may, however, only be used between the hours of 10:00 a.m. and 10:00 p.m.; and lot owners who use fireworks are responsible for cleanup of any trash or debris resulting there from on any subdivision lot, or common area".
7. Article II "Uses Permitted & Prohibited" - Section 19, remove entirely, replace with "With regards to any usage of signs by a Lot Owner other than the Developer, its agents or assigns, the Homeowners Association retains the exclusive right to approve sign usage in the Subdivision. Requests to use particular signs "for sale", "open house", "yard sale", etc. must be submitted in writing to the Homeowners Association for potential disapproval at least seven (7) business days prior to the contemplated usage.
8. Article II "Uses Permitted & Prohibited" - Section 20, remove entirely, replace with "Exterior lighting not attached or mounted on the residence structure must be approved by the Architectural Review Committee".
9. Article II "Uses Permitted & Prohibited" - Section 22, add the following sentence: "No vehicles, whether operable or inoperable, may park adjacent to the road on the Lot Owner's property except for loading and unloading purposes. No vehicles may park on Common Area Property overnight, and only Lot Owner's vehicles may park on said property during the limited time period in which the Lot Owner intends to make use of the Common Area Property.
10. Article VIII Miscellaneous - Section 7: Change "the office of the Lancaster County Clerk of Court" to "the office of the York County Clerk of Court".

Feb 10 05 01:08p

IN WITNESS WHEREOF, the said Declarant has hereunto executed this Amendment this 23rd day of September, 2003

Craft Homes USA, LLC

Baena Little

Witness 1

[Signature]

Its: Managing Member

Jessica S. Craig

Witness 2 or Notary

STATE OF NORTH CAROLINA )

Union )

COUNTY OF MECKLENBURG )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named David Cuthbertson as a managing member of Craft Homes USA, LLC, sign, seal, and as its act and deed, deliver the within-written instrument and that (s)he, with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 23rd day of, September 2003.

Baena Little

Witness 1

Notary Public: Jessica S. Craig

My commission expires: 08-29-2008



IN WITNESS WHEREOF, the said Declarant has hereunto executed this Amendment this 23<sup>rd</sup> day of September, 2003

Raene Little  
Witness 1

Craft Homes USA, LLC  
[Signature]  
Its: Member Manager

Jessica S. Craig  
Witness 2 or Notary  
STATE OF NORTH CAROLINA )  
Union )  
COUNTY OF MECKLENBURG )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named David Cuthbertson as a managing member of Craft Homes USA, LLC, sign, seal, and as its act and deed, deliver the within-written instrument and that (s)he, with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 23<sup>rd</sup> day of, September 2003.

Raene Little  
Witness 1

Notary Public: Jessica S. Craig  
My commission expires: 08-29-2008

Constitution Law Associates  
1452 Constitution Blvd.  
Rock Hill, SC 29732

Client # 04-1347

FILED FOR RECORD AT 11:39:37AM BOOK 06779 PAGE 00212  
David Hamilton - Clerk of Court  
York County Courthouse  
Instrument Number: 000217618

STATE OF SOUTH CAROLINA ) SUPPLEMENTARY DECLARATION  
 ) OF RESTRICTIVE AND PROTECTIVE  
 ) COVENANTS FOR CLOVER  
COUNTY OF YORK ) MEADOWS SUBDIVISION

WHEREAS, Craft Homes USA, LLC of Union County, North Carolina, referred to as the "Developer" or "Declarant", did execute a DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS FOR CLOVER MEADOWS SUBDIVISION, referred to as the "Declaration" on July 17<sup>th</sup>, 2002, and did cause said Declaration to be filed in Record Book 4515 at Page 248 in the Office of the Clerk of Court for York County, South Carolina on July 25<sup>th</sup>, 2002; and,

WHEREAS, Craft Homes USA, LLC of Union County, North Carolina, referred to as the "Developer" or "Declarant", did execute a AMENDMENT TO DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS FOR CLOVER MEADOWS SUBDIVISION, referred to as the "Amended Declaration" on September 23, 2003, and did cause said Declaration to be filed in Record Book 5755 at Page 87 in the Office of the Clerk of Court for York County, South Carolina on October 7<sup>th</sup>, 2003; and,

WHEREAS, both the "Declaration" and the "Amended Declaration" as filed only encumbered the property described as "Final Subdivision Plat of Clover Meadows Phase 1, Map 1" by Meade Gunnell Engineering & Surveyors as shown and further delineated in a Survey Plat dated 5/14/2002 and as recorded in Plat Book C70 Page 8 in the Office of the Clerk for York County; and,

WHEREAS, a subsequent Supplemental Declaration of Restrictive and Protective Covenants for the Clover Meadows Subdivision was filed encumbering Property designated as "Final Subdivision Plat of Clover Meadows Phase 1, Map 4" as shown on a plat survey by Meade Gunnell Engineering & Surveying, PC as filed 6/17/03 in Plat Book C-183 Page 5 as referenced in the Supplemental filing dated 10/7/2003 and recorded in Book 5755 Page 88 in the Office of the Clerk of Court for York County; and,

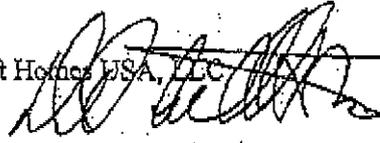
WHEREAS, Declarant now wishes to encumber additional lots under the common scheme of Restrictive and Protective Covenants established under the aforementioned "Declaration" and "Amended Declaration"; and,

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that Craft Homes USA, LLC of Union County, North Carolina as Declarant does hereby incorporate and declare all that property designated as "Final Subdivision Plat of Clover Meadows Phase 1, Map 3" as shown on a plat survey by Meade Gunnell Engineering & Surveying, PC as filed September 10, 2004 in Plat Book C315 Page 10 in the Office of the Clerk of Court for York County, subject to both the "Declaration" and "Amended Declaration" as above detailed.

IN WITNESS WHEREOF, the said Declarant has hereunto executed this Amendment

this 8<sup>th</sup> day of December, 2004.

Craft Homes USA, LLC



Its: Manager

Donald W. Hardy  
Witness 1

Jessica S. Craig  
Witness 2 or Notary

STATE OF NORTH CAROLINA )  
                                  ) Union )  
COUNTY OF MECKLENBURG )

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the within-named David Cuthbertson as a managing member of Craft Homes USA, LLC, sign, seal, and as its act and deed, deliver the within-written instrument and that (s)he, with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 8<sup>th</sup> day of, December 2004.

Donald W. Hardy  
Witness 1

Notary Public: Jessica S. Craig  
My commission expires: 02-29-2005