BOOK 1276 PAGE 225

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2003 APR 25 P 12: 59

STATE OF SOUTH CAROLINA)
) DECLARATION OF RESTRICTIONS
COUNTY OF OCONEE)

Ref: Robinson enc
900 Independence Center
Charlotte NC 28202-9812
1400
00795:3

THIS DECLARATION OF RESTRICTIONS (this "Declaration") is made this 12th day of June, 2002, by BLACKRIVER DEVELOPMENT, LLC, its successors and assigns (hereinafter called "Developer"), and any and all persons, firms or corporations hereafter acquiring any of the hereinafter described property, and their respective heirs, successors or assigns.

WITNESSETH

WHEREAS, the Developer is the owner of that certain subdivision known as High Hammock Estates, as shown on that certain subdivision map entitled High Hammock Estates prepared by Associated Land Surveyors and recorded in Plat Book A844 at Page 3 & 4, in the Office of the Oconee County Register of Deeds. The Developer has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property for the protection of the property and the future owners thereof.

RESTRICTIONS

NOW, THEREFORE, in consideration of the premises, the Developer agrees with any and all persons, firms or corporations hereafter acquiring any of the property hereinafter described, that the same shall be and is hereby subject to the following restrictions, conditions and covenants (hereinafter collectively referred to as "Restrictions") relating to the use and occupancy thereof, which are to be construed as restrictive covenants running with the land comprising the lots hereinafter described and shall inure to the benefit of and be binding upon the heirs, successors and assigns of Developer and all other acquiring parties and persons.

1. DESCRIPTION OF PROPERTY RESTRICTED. The property which is made subject to the restrictions set forth herein is more particularly described as follows (the "Property"):

   BEING known as all lots (the "Lots") of High Hammock Estates and all other portions of the tract containing 16 acres as shown on that certain plat recorded in Map Book A844 at Page 3 & 4 of the Oconee County, South Carolina Register of Deeds (the "Plat").

2. RESIDENTIAL USE OF PROPERTY. All Lots shall be used for residential purposes only, and no structure shall be erected, placed or permitted to remain on any Lot other than one single-family dwelling not more than two and one-half stories in height and any necessary structure customarily incident to such residential use, and not less that 1,800 square feet of heated living area (exclusive of uncovered porches, stoops, terraces, attached garages or carports); subject, however, to the provisions set forth herein. Nothing contained herein shall prevent Developer from using a structure or home as a "model" home or sales office until such time as Developer completes its initial sell-out of all Lots.

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3. BUILDING LINE REQUIREMENTS. The minimum setback lines as shown on the Plat are not intended to create uniformity of setback. They are meant to create a sense of spaciousness and to avoid monotony. For such purposes it is the Developer's intent that setback lines may be staggered where appropriate. The Developer reserves the right to select the precise site location of each house or other structure on each Lot and to arrange the same in such manner and for such reasons as the Developer deems sufficient, provided, however, the Developer shall make such determination so as to insure that the development of the Lots subject to these restrictions is consistent with the provisions set forth herein. The initial setbacks are set forth on the Plat.

   No building or any part thereof, structure, outbuilding, or appurtenances of any nature shall be located on any Lot nearer to the front or rear lines or nearer to the side street or interior Lot line than the minimum setback lines shown on the recorded maps, subject to the following additional provisions:

   (a) Subdivision of Lots. By or with the prior written consent of the Developer, its successors or assigns, one or more Lots (as shown on said map or maps) or parts thereof, may be combined to form one single building Lot, and in such event the building line requirements prescribed shall apply to such Lots as re-subdivided or combined.

4. ARCHITECTURAL CONTROL. No dwelling structure, fence, wall, outbuilding or other accessory feature to the dwelling structure shall be commenced, erected, placed, maintained or altered on any Lot, combination of Lots, or portion of the Property, until the complete construction plans and specifications showing, among other details, the external appearance, have been approved in writing by Developer, or its successors or assigns. The areas over which approval shall be required shall include, but shall not be limited to, the size and plan of the principal residential structure, the size and plan of the attached or detached garage, the location, elevation, materials, and manner of construction of any driveway, walk, swimming pool, utility building, patio, fence, or other exterior improvement. No residence shall utilize exterior materials of vinyl siding,T-111 plywood or similar material without Developer's consent, which consent may be withheld at Developer's sole discretion. Developer or its designated agent shall have fifteen (15) days after receipt of such plans and specifications for proposed construction to accept or reject the same in whole or in part; if neither acceptance nor rejection has been made in writing by Developer or its designated agent within said fifteen (15) days, then the plans and specifications shall be deemed to be approved as submitted automatically. After Developer or its designated agent grants permission for construction, the actual construction in accordance with the approved construction plans, plot plan and specifications, together with the requirements of these restrictions shall be the responsibility of the owner and/or builder. Any permission granted by Developer or its designated agent for construction under this covenant shall not constitute or be construed as an approval by Developer of the structural stability, design, or quality of any building. There shall be no mobile homes or modular homes placed or constructed on the Lots. All buildings must conform to local and state building codes.

The exterior of all houses and other structures must be completed within one (1) year after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities.

The architectural control approvals provided herein shall remain in Developer, or its successors and assigns, until such time as a dwelling structure has been established and is being used for each Lot on the Plat.

5. DESIGN AND SITE APPROVAL. After the initial construction of any main dwelling has been completed, no garage, fence, carport, room, building, utility shed, dock, bulkhead or similar structure customarily incident to the residential use of the Lots subject to these restrictions (except as otherwise provided below) whether attached or detached from the main dwelling, shall be erected, placed, altered, or permitted to remain on any Lot unless the design, plans and location of the same shall have been approved in writing by the Developer, its successors or assigns. If the Developer fails to approve or disapprove such design, plans and location within 15 days after receipt of written plans and specifications, then further approval will not be required but will be deemed to have been waived. Developer shall be entitled to stop any construction in violation of these restrictions so long as Developer owns any Lot or Lots within the Property.

6. WALLS, FENCES, HEDGES AND DELIVERY RECEPTACLES.

   (a) No wall, hedge, mass planting or other similar obstruction exceeding three feet in height (and no fence of any type or height) shall be erected or permitted to remain between the street right-of-way and the applicable minimum building setback line.

   (b) No receptacles of any construction or height for the receipt of mail, newspapers or similar delivered materials shall be erected or permitted to remain between the front street right of way and the applicable minimum building setback line; provided, however, that this restriction shall be unenforceable insofar as it may conflict with the regulations, now or hereafter adopted, of any governmental agency.

7. USE OF OUTBUIILDINGS AND SIMILAR STRUCTURES. No structure of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, shack, tent, garage, barn or any other structure of a similar nature shall be used as a residence either temporarily or permanently. Provided, however, this paragraph shall not be construed to prevent the Developer from using sheds or other temporary structures during construction for such purposes as the Developer deems necessary.

8. ANIMALS AND PETS. No animals, livestock or poultry of any kind shall be raised, bred, pastured, or maintained on any Lot, except household pets which may be kept thereon in reasonable numbers as pets for the sole pleasure and use of the occupants, but not for any commercial use or purposes. Birds shall be confined in cages. No animals or poultry of any kind other than household pets shall be kept or maintained on any Lot. All dogs shall either

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remain on their owner's property or be on a leash when off the owner's premises. Each owner shall be responsible for all damages or injuries inflicted by non-leashed dogs.

9. SIGN BOARDS. No commercial signs, including "for rent", "for sale", and other similar signs, shall be erected or maintained on any Lot except with the prior written permission of the Developer. Permission is not required for "for sale" signs of two (2) feet by three (3) feet or less. If such permission is granted, the Developer reserves the right to restrict size, color and content of such signs. Property identification and like signs exceeding a combined total of more than two (2) square feet may not be erected without the written permission of the Developer. Developer reserves the right to place signs as it deems necessary for sales and marketing purposes and entry monument purposes.

10. PROHIBITIONS AND NUISANCES

(a) No trailer, motor home, motorized vehicles, basement, tent, shack, garage, barn or other building of a similar nature erected on any Lot shall be used at any time as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

(b) No noxious or offensive trade or activity shall be conducted or permitted upon any Lot, nor shall anything be done or permitted on any Lot that may be or become a nuisance or annoyance to the neighborhood.

(c) No television disc or other receiver of such nature in excess of 20 inches in diameter shall be allowed to be placed or maintained on any Lot or exterior of any dwelling.

(d) No inoperable or wrecked vehicles of any kind may be placed on or allowed to remain on any Lot.

(e) No chain link fence or wire and post fence shall be built on any Lot and no fence of any kind shall be located on any Lot that exceeds six (6) feet in height other than a fence enclosing a tennis court, and such tennis court fence shall not exceed ten (10) feet in height. No fence of any kind shall be erected before first being approved by Developer including design, location and materials.

(f) No solar panels may be place or maintained on any plane of the roof facing the street on which a house fronts.

(g) No vehicles of any type may be parked in the front yard of a home on any Lot other than in the driveway area and also shall not be parked between the lake and home.

(h) No outside clothesline shall be permitted on any Lot.

(i) No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever, nor for the storage of any property or thing which will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any

substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No trash, rubbish, stored materials, or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish or other debris for pickup by governmental and other similar garbage and trash removal service units. In the event any owner of any developed Lot fails or refuses to keep such property free from any such unsightly items, weeds or underbrush, 15 days after posting a notice thereon or mailing a notice to the owner at his property address requesting the owner to comply with the requirements of the paragraph, the Developer may enter and remove all such unsightly items of growth at the owner's expense. Owners by acquiring property subject to these restrictions agree to pay such costs promptly upon demand by the Developer, its agents, assigns, or representatives. No such entry as provided herein shall be deemed a trespass.

(j) As to any portion of any Lot that fronts on any pond, waterway, wetland area or water feature, no Lot owner shall be entitled to erect any pump house or to draw water from any such water source for irrigation without the prior written consent of Developer or other applicable authorities, which consent may be withheld at Developer's sole discretion. All pump house or other similar features shall be subject to the same architectural review restrictions set forth herein. Moreover, any owner of any Lot fronting such water course may not erect, construct or build any dock, deck, gazebo, boathouse, patio or other similar improvement along any water course without the prior written consent of the Developer which may be withheld at the Developer's sole discretion.

No structures, including walls, fences, or plantings shall be erected or grown on any part of the property which will interfere with the rights and use of any and all of the easements or rights of way herein reserved by the Developer.

11. EFFECTIVE PERIOD AND ENFORCEMENT OF RESTRICTIONS. The foregoing restrictions shall be construed to be covenants running with the Property and shall be binding and effective for a period of thirty years from the filing date hereof at which time they shall be automatically extended for successive periods of ten years unless it is agreed by the vote of a majority interest of the then owners of the Property to change, amend or revoke the restrictions in whole or in part.

If any person, firm or corporation shall violate or attempt to violate any of these restrictions, it shall be lawful for any other person, firm or corporation owning any property within the Property to prosecute the violating party at law or in equity for any claim which these restrictions may create in such other owner or interested party either to prevent said person, firm or corporation from doing such acts or to recover damages or other dues for such violation. At Developer's discretion, Developer may elect to assign all or any portion of Developer's rights hereunder as Developer sees fit.

Invalidation of any one or more of these restrictions by judgment or court order shall in no way affect any of the other provisions not expressly held to be void, and all such remaining provisions shall remain in full force and effect.

12. ADDITIONAL RESTRICTIONS. The additional restrictions and covenants imposed on the Lots by Developer's predecessor in title, Crescent Resources, Inc., which restrictions are attached hereto as Exhibit A, and incorporated herein by reference.

13. DITCHES AND SWALES. Each owner shall keep drainage ditches and swales located on his lot, free and unobstructed and in good repair and shall provide for the installation of such culverts upon his lot as may be reasonably required for proper drainage, and must comply with the South Carolina Surface Water Run-Off Regulations.

14. WATER AND SEWAGE. All water shall be purchased after such system is designed, located and constructed in accordance with the requirements, standards and recommendations of the Seneca Light & Water Co. or such other governmental agency or authority as may be authorized by law to approve private sewage disposal systems. Approval of such system, as installed, shall be obtained from such authority. In no event shall such systems be located so as to contaminate any stream or lake.

15. SIGHT DISTANCES AT INTERSECTIONS. No fence, wall, hedge or other shrub planting which obstructs sight lines of roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street-side property lines and a line connecting them at points twenty five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

16. DRIVEWAY SURFACES. All driveways shall have a surface of concrete, slate, asphalt, brick or stones for a distance of at least 50 feet from roadway.

17. TIME SHARE OR SIMILAR OWNERSHIP PROHIBITED. No Lot may be sold under or utilized for or pursuant to any timesharing, time interval or similar right-to-use, lease or license programs as those terms are generally utilized in the real estate industry or as those or similar terms are expressed, used or defined in the Vacation Time Share Plan act, Section 27-32-10, et seq., Code of Laws of South Carolina, 1976, as amended, or any similar successor or supplementary laws or regulations. All ownership shall be single family.

18. INGRESS AND EGRESS; ROADWAYS. The Owner, in accepting title to property conveyed subject to the covenants and restrictions of this Declaration, waives all rights of uncontrolled and unlimited egress to such property (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Owners and successors-in-title) and agrees that such ingress and egress to its property shall be limited to road(s) built by the Declarant.

19. TOPOGRAPHY AND VEGETATION. Topographic and vegetation characteristics of a Lot shall not be altered by removal, reduction, cutting, excavation or any other means, except as hereinafter provided, without the prior written approval of the developer or his authorized

agent. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of this Declaration. No trees, over six (6) inches in diameter, may be removed without the written approval of the developer or his authorized agent. Pine trees may be removed without approval, and all dead trees must be removed by lot owner.

20. CERTAIN EASEMENTS. The Declarant reserves unto himself, his heirs and assigns, a perpetual, alienable easement and right on, over and under the ground of the Property to erect, repair, replace, maintain and use electric, cable television and telephone wire, cables, conduits, drainage ways, sewers, wells, irrigation lines and systems, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, irrigation, cable television, drainage or other public conveniences or utilities on, in or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the Declaration; or (b) such portion of the Property as may be designated as the site for a building on a plot plan or for erection of a building which has been filed with the Review Board and which has been approved in writing by said Review Board.

21. HEADINGS AND BINDING EFFECT. Paragraph headings are inserted for reference and convenience and are not to be construed as substantive parts of the paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Developer and all persons claiming by, through or under the Developer.

22. AMENDMENT. Developer, its successors and assigns reserve the right to amend this Declaration for a period of ten years after recordation hereof, at Developer's discretion.

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IN WITNESS WHEREOF, Blackriver Development, LLC has caused these presents to be signed in its name by its members and its seal to be hereunto affixed and attested as of the day and year first above written, all by authority of its Members duly given.

Deborah B. Clark

Barbara Grasser

BLACKRIVER DEVELOPMENT, LLC

By: G. David Bishop

Its: Managing Member

(Seal)

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF Horry)

I, Barbara Grasser a Notary Public for the State of South Carolina, do hereby certify that Blackriver Development, LLC, by G. David Bishop, its Managing Member personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

SWORN to before me this 12th day of June, 2002.

Barbara Grasser (L.S.)
Notary Public for S.C.
My Commission Expires: My Commission Expires July 2, 2009

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FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE 2003 APR 25 P 1:02

AMENDMENT TO DECLARATION OF RESTRICTIONS

Rob Robinson env
101 North Tryon St
Suite 1900
Charlotte, NC 28246
1700
007054

THIS AMENDMENT TO DECLARATION OF RESTRICTIONS (this "Amendment"), dated March 25, 2003, is entered into by:

BLACKRIVER DEVELOPMENT, LLC, a South Carolina limited liability company (the "Developer"); and

G. DAVID BISHOP, a resident of Horry County, South Carolina ("Bishop"); and

BENJIE M. COLLINS and wife LOIS R. COLLINS, residents of Oconee County, South Carolina ("Collins").

RECITALS

A. The Developer formerly was the owner of fee simple title to all lots located within a development known as High Hammock Estates (the "Property"). The Property contains approximately 16 acres, in the aggregate, and is more particularly shown on that plat recorded in Map Book A844 at Pages 3 and 4 in the Office of the Register of Deeds for Oconee County, South Carolina (the "Plat").

B. The Developer previously executed a Declaration of Restrictions dated June 12, 2002 (the "Declaration"), but the Declaration was not recorded at that time. Since the date of recording of the Declaration, the Developer has conveyed Lots 8 and 9 of the Property to Bishop, and has conveyed Lot 1 of the Property to Collins. The Developer continues to own fee simple title to the remainder of the Property.

C. The Developer recorded the Declaration in the Office of the Register of Deeds for Oconee County, South Carolina, immediately prior to the recordation of this Amendment. The parties desire: (1) to ratify the Declaration, as amended hereby, (2) to provide for the creation of an incorporated, non-profit property owners' association that will be responsible for the operation and maintenance of the common areas within the Property, and (3) to grant to that association the power to levy and collect assessments against all owners of lots within the Property.

AMENDMENTS TO DECLARATION

NOW, THEREFORE, in consideration of the premises and the purposes set forth therein, the parties hereto modify and amend the Declaration as follows:

1. **Defined Terms**. Any capitalized term used in this Amendment that is not defined in this Amendment shall have the meaning given that term in the Declaration. Any capitalized

term inserted into the Declaration by this Amendment that is not defined in the Declaration shall have the meaning given that term in this Amendment.

2. **Easement over Common Areas**. The following provision is added to the Declaration as new Section 23:

"23. EASEMENTS OVER COMMON AREAS. Each owner of fee simple any Lot (referred to in this Declaration as an "Owner") shall have a perpetual right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, subject to the terms of this Section 23. As used in this Declaration, the term "Common Areas" shall mean: (x) those portions of the Property outside of the boundaries of any numbered Lot, as shown on the Plat, including but not limited to the portions of the Property within the right-of-way of Crooked Creek Road, the right-of-way of High Hammock Drive and the strip of land designated as "10' Pedestrian Access to Lots 7, 8 and 9" on the Plat (the "Pedestrian Access Area"), and (z) all improvements, including but not limited to paved areas, landscaping, signs and lighting fixtures, located within those areas.

The foregoing easement rights include, without limitation, a non-exclusive access easement over the road within the right-of-way of High Hammock Drive, for the purpose of vehicular and pedestrian access, ingress and egress to each Lot from Crooked Creek Road, and a perpetual non-exclusive access easement over the Pedestrian Access Area for the purpose of pedestrian access, ingress and egress from Lots 7, 8 and 9 to the shoreline of Lake Keowee. The access easements described in this Section 23 shall survive the expiration or earlier termination of this Declaration. All easements over the Common Areas created by this Section 23 shall be deemed appurtenant to each Lot (except that the pedestrian access shall be appurtenant only to Lots 7, 8 and 9), shall inure to the benefit of each Owner and its tenants, family members, guests, invitees and agents, and are granted subject to the following conditions and reservations:

(a) The right of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of utility facilities; and

(b) The right of the Association to establish reasonable rules and regulations for the use of any of the facilities situated upon the Common Areas by Owners or their tenants, family members, guests, invitees and agents, provided that no such rule shall completely deprive the Owners of Lots 7, 8 and 9 from the right to use the Pedestrian Access Area."

3. **Creation of Association**. The following provision is added to the Declaration as new Section 24:

"24. THE ASSOCIATION AND ASSESSMENT PROCEDURES. The Developer, Bishop and Collins, for each Lot owned by them within the Property, hereby covenant, and each future Owner of any Lot, by acceptance of a deed therefor, is deemed to covenant and agree to pay assessments to the Association (defined below) in accordance with the following provisions:

(a) Purposes of the Association. The Developer has formed a nonprofit, incorporated association known as High Hammock Estates Property Owners Association, Inc. (the "Association"). The Association is hereby delegated and assigned powers of maintaining and administering the Common Areas within the Property, of administering and enforcing the covenants and restrictions created in this Declaration, of levying, collecting and disbursing the assessments and charges created in this Declaration, and of taking any steps or performing any acts deemed necessary or appropriate to promote the welfare of the Owners of Lots.

(b) Membership in the Association. All Owners automatically shall be members of the Association, and shall enjoy the privileges and be bound by the obligations contained in this Declaration and the organizational documents of the Association, including the obligation to pay assessments. Ownership of any fee or undivided interest in any Lot shall be the sole qualification for membership in the Association. Membership in the Association shall be appurtenant to and may not be separated from the ownership of any Lot.

(c) Voting Rights. The Owner of each Lot shall be entitled to one vote in the Association. The vote for any Lot owned by more than one person or entity shall be exercised as they among themselves shall determine, but in no event shall the vote with respect to any jointly owned Lot be cast separately.

(d) Directors Appointed by the Developer. The initial board of directors of the Association (the "Board") shall consist of not less than three (3) persons appointed by the Developer. These persons may or may not be employees of the Developer, and need not own a Lot. Until these persons are replaced by elected Board members at the first annual meeting of Members, they shall constitute the Board of the Association and exercise all powers and duties granted to the Board in the bylaws of the Association. The initial directors are specifically authorized to fix the annual assessments for periods through December 31, 2004, and to enter into a Management Agreement for the Association, subject to the limitations set forth in Paragraph 24(r) below.

(e) Creation of the Lien and Personal Obligation of Assessments. The Owner of each Lot shall pay to the Association: (1) annual assessments or charges of the Association, and (2) special assessments of the Association as provided in Paragraph 24(h), such assessments to be established and collected as provided in this Paragraph 24. Each annual and special assessment, together with interest, costs and reasonable attorneys' fees, shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal financial obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title (other than as a lien on the Lot) unless expressly assumed by them.

(f) Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, maintenance and operation of the Common Areas, including but not limited to the following:

(1) The cost and expense of maintaining, repairing and replacing all improvements located within the Common Areas;

(2) The cost of any liability insurance policy maintained by the Association with respect to the Common Areas;

(3) The cost of paying ad valorem real property taxes on the Common Areas, regardless of whether such Common Areas are owned in fee by the Association or by another Owner;

(4) The cost of all utility services used in connection with the operation of the Common Areas;

(5) The cost of operating and maintaining the equipment used in connection with the maintenance of the Common Areas, including charges for depreciation of such maintenance equipment;

(6) The cost of lighting, operating, insuring, maintaining, repairing and replacing all identification signs for the Property, whether or not located on the Property; and

(7) A management fee to the Management Firm in an amount not to exceed fifteen percent (15%) of the costs listed in (1) through (6) above.

(g) Maximum Annual Assessment. Until December 31, 2004, the maximum annual assessment for each Lot (the "Assessment Cap") shall be One Hundred and No/100 Dollars ($100.00) per Lot. From and after December 31, 2004, the Assessment Cap may be increased by the Board, without a vote of the membership, so long as the amount of the increase does not exceed fifteen percent (15%) per annum, calculated on a cumulative basis.

(1) From and after December 31, 2004, the Assessment Cap may be increased above the increase allowed above by a vote of two-thirds (2/3) of the votes of the Members of the Association who are voting in person or by proxy, at a meeting duly called for this purpose.

(2) The Board shall fix the annual assessment for each calendar year at an amount not in excess of the Assessment Cap for that year.

(h) Special Assessments. In addition to the annual assessments authorized in Paragraph 24(g), the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part: (a) the cost of any construction, reconstruction, repair or replacement of capital improvements upon the Common Areas, including but not limited to fixtures and personal property related thereto; (b) the cost of paying special governmental assessments; or (c) any other cost or expense, payment of which through special assessment is approved by two-thirds (2/3) of the votes of the Members of the Association who are voting in person or by proxy at a

meeting duly called for this purpose. There shall be no limit on the amount of any such special assessments.

(i) Uniform Rate of Assessment. Both annual and special assessments levied by the Association must be fixed at a uniform rate for each Lot.

(j) Date of Commencement of Annual Assessments: Due Dates. The annual assessments levied by the Association shall commence as to each Lot upon the date of recording of this Amendment. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board and, unless otherwise determined by the Board, annual assessments shall be collected annually.

(k) Effect of Nonpayment of Assessments: Remedies of the Association. If any annual or special assessment is not paid within thirty (30) days after its due date, the unpaid assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of South Carolina at the time of such delinquency, whichever is less, and shall be a charge on the land and shall be a continuing lien upon the Lot of the defaulting Owner. In the case of co-ownership of a Lot, all of the co-owners shall be jointly and severally liable for the entire amount of any such lien. In that event, the Association may file a notice of lien in accordance with the procedures set forth in the Code of Laws of South Carolina, and the Association may bring an action at law against the Owner personally obligated to pay the assessment or foreclose the lien against his Lot to collect said assessment. In addition, interest, reasonable attorneys' fees not to exceed fifteen percent (15%) of the amounts due, and costs of such action or foreclosure shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, expressly grants to and vests in the Association or its agents the right and power to bring such action or foreclosure. Any such foreclosure shall be accomplished in an action brought in the name of the Association in the manner that a foreclosure of a mortgage or deed of trust would be brought, or as otherwise expressly provided by law, and each Owner grants to the Association a power of sale in connection with any such charge or lien. The lien provided for in this Paragraph 24(k) shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on any Lot and to acquire and hold, lease, mortgage and convey the same. NO OWNER MAY WAIVE OR OTHERWISE ESCAPE LIABILITY FOR THE ASSESSMENTS PROVIDED FOR HEREIN BY NON-USE OF THE COMMON AREAS OR BY ABANDONMENT OF ITS LOT.

(l) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to: (1) the lien of any first lien mortgage on any Lot, provided the holder of such mortgage is an institutional lender, and (2) any tax lien or special assessment on a Lot made by lawful governmental authority. Sale or transfer of any Lot shall not affect the assessment lien, but the sale or transfer of any Lot by foreclosure of any mortgage held by an institutional lender, or any proceeding in lieu

thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such unpaid assessments shall be deemed to be expenses of the Association assessable against and collectible from all Owners, including the Owner of the Lot acquired as a result of foreclosure or deed in lieu of foreclosure. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

(m) Exempt Property. The following parts of the Property shall be exempt from assessment liens of the Association: (1) the Common Areas; and (2) any part of the Property dedicated to and accepted by a local public authority (the recording of this Declaration shall in no way be deemed a dedication of, or offer to dedicate, any part of the Property to any public authority).

(n) No Obligation to Provide Funds. The Developer shall have absolutely no obligation to make payments to or for the Association for any purpose except for its obligation to make periodic payment of assessments levied on Lots which the Developer may from time to time own. The Developer may, at its discretion, lend funds to the Association from time to time as required, which loans shall be repayable with interest at a rate no higher than the prime rate of interest listed in the "Money Rates" table of The Wall Street Journal, and with a maturity date no more than one (1) year from the date of advancement of funds.

(o) Reserve Funds. From and after the recording of this Declaration, the Association may establish and maintain a reserve fund or funds for replacement and maintenance of the improvements located on the Common Areas. In that event, the Association shall allocate revenues from assessments to such reserve fund or funds in such amounts and in such manner as may be established from time to time by the Board.

(p) Association to Maintain Books and Records. The Association shall maintain, or cause the Management Firm to maintain, at all times detailed books, records and financial statements relating to all costs and expenses incurred by it in the performance of its maintenance and repair obligations under this Paragraph 24, for a period of at least twenty-four (24) months following the end of each calendar year. Any Owner of a Lot shall have the right to inspect and audit such books and records at the office of the Management Firm during business hours upon fifteen (15) days' advance written notice.

(q) Voluntary Conveyance; Estoppels. Except as provided in Paragraph 24(l), the lien for assessments of the Association created in this Paragraph 24 shall not be affected by any conveyance of a Lot, and shall remain a continuing charge on that Lot and a continuing lien which may be foreclosed as provided in Paragraph 24(k). Any grantee in a voluntary conveyance shall be entitled to a statement from the Board, setting forth the amount of the unpaid assessments against the grantor due the Association. Following receipt of such statement, such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in that statement.

(r) Management and Other Agreements. The Association shall have the right to enter into a property management agreement for the Property with any individual, firm or entity (the "Management Firm") that the Association deems appropriate and in the best interest of the Property. A copy of any such agreement shall be made available to each Owner upon request. Any such agreement entered into by the Association shall provide that it may be cancelled, with or without cause, upon no more than ninety (90) days' notice and without penalty at any time.

(s) Failure of Association to Pay Taxes and Special Assessments on Common Area. If the Association, contrary to its obligation to do so, fails to pay the ad valorem taxes or any special governmental assessments on the Common Areas on or before the date one hundred eighty (180) days after such taxes or assessments become delinquent, then such taxes or assessments, together with any interest and penalties thereon, shall be and become a lien, on a pro rata basis, upon all improved Lots. Such liens may be foreclosed by the governmental authority in the same manner as provided for foreclosure of liens for ad valorem taxes and assessments for public improvements.

(t) Failure to Maintain. If any Owner (the "Defaulting Owner") fails to maintain its Lot and the Improvements thereon in the condition required by of this Declaration, then the Association or the Management Firm may undertake to maintain such area upon fifteen (15) days prior written notice to the Defaulting Owner, and the Defaulting Owner shall pay all costs and expenses of such maintenance to Association (or directly to the Management Firm) within ten (10) days after receipt of a detailed invoice for such cost and expenses. The Association shall have the same remedies for non-payment of amounts under this Paragraph 24(t) as it has for unpaid assessments."

4. **Grant of Easements to Association**. Subject to the terms of the Declaration, the Association shall have the same easements over the Property as are reserved by the Developer under Paragraphs 20 and 23 of the Declaration.

5. **Other Rights of Association**. In addition to the rights granted to it under Paragraph 24 of the Declaration, as amended and restated hereby, the Association shall have the same rights as the Developer to enforce the terms and conditions of the Declaration, as provided in Paragraph 11 of the Declaration.

6. **Ratification**. Except as expressly amended by this Amendment, the Declaration shall continue in full force and effect in accordance with its terms, and is hereby ratified by each party to this Amendment.

7. **Joinder by Mortgagee**. Wachovia Bank, N.A. (the "Lender") is the owner and holder of the indebtedness secured by a Mortgage, Assignment of Rents, Security Agreement and Financing Statement, executed and delivered by the Developer, dated November 15, 2000 and recorded in Mortgage Book 1236 at Page 160 in the Office of the Register of Deeds for Oconee County. The Lender joins in the execution of this Amendment for the sole purpose of evidencing its consent to, and approval of, the recording of the Declaration, and the modifications to the Declaration contained in this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment under seal, as of the day and year first above written, and the Lender joins in the execution hereof for the limited purposes specified in Paragraph 7.

Witnesses:

Brent K. Lloyd

Barbara Frasier

BLACKRIVER DEVELOPMENT, LLC
a South Carolina limited liability company

By: G. David Bishop (SEAL)
G. David Bishop, its Managing Member

STATE OF SOUTH CAROLINA

COUNTY OF HORRY

BEFORE me personally appeared the undersigned witness who on oath says that s/he saw the within named **Blackriver Development, LLC**, by G. David Bishop, its Managing Member, 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.

Brent K. Lloyd
Witness

SWORN to and subscribed before me
this 25th day of March, 2003.

Barbara Frasier
Notary Public for South Carolina

My Commission Expires: ____ Commission Expires July 2, 2009

[NOTARIAL SEAL]

[signatures continued]

Witnesses:

(SEAL)
G. David Bishop

STATE OF SOUTH CAROLINA

COUNTY OF HORRY

BEFORE me personally appeared the undersigned witness who on oath says that s/he saw the within named **G. David Bishop** sign, seal, and as his act and deed, deliver the within written instrument; and that s/he, with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN to and subscribed before me
this 25th day of March, 2003.

Notary Public for South Carolina

My Commission Expires: My Commission Expires July 2, 2009

[NOTARIAL SEAL]

[signatures continued]

THE LAKE COMPANY
LAKE KEOWEE, SC

Witnesses:

Benjie M. Collins (SEAL)

Lois R. Collins (SEAL)

Witness

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

BEFORE me personally appeared the undersigned witness who on oath says that s/he saw the within named **Benjie M. Collins and wife Lois R. Collins** sign, seal, and as their act and deed, deliver the within written instrument; and that s/he, with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN to and subscribed before me
this 21st day of March, 2003.

Notary Public for South Carolina

My Commission Expires: 3-16-2010

[NOTARIAL SEAL]

THE LAKE COMPANY
LAKE KEOWEE, SC

[signatures continued]

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Witnesses:

WACHOVIA BANK, N.A., a national bank

By: _____ (SEAL)
Name: Mary Jo Rogers
Title: Vice President

STATE OF SOUTH CAROLINA

COUNTY OF Horry

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within **Wachovia Bank, N.A.**, a national bank, by Mary Jo Rogers its VP, 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 7th day of March, 2003.

Notary Public for South Carolina
My Commission Expires: 2/13/07

THE LAKE COMPANY
LAKE KEOWEE, SC