

BYLAWS
OF
RIVERNORTH HOMEOWNERS ASSOCIATION

ARTICLE I

GENERAL

1.01 APPLICABILITY. These Bylaws provide for the self government of RiverNorth Homeowners Association in accordance with the Articles of Incorporation of RiverNorth Homeowners Association (the "Articles") filed with the Secretary of State of South Carolina and the Declaration of Protective Covenants and Conditions for RiverNorth (the "Declaration") recorded in the real estate records of Aiken County, South Carolina.

1.02 NAME. The name of the corporation is RiverNorth Homeowners Association (the "Association").

1.03 MEMBERSHIP. The Association shall be comprised of Class A Members and one Class B Member as set forth in the Declaration. Every Owner shall automatically be a Member of the Association and shall remain a Member until such time as provided in the Declaration.

1.04 VOTING. Each Member shall be entitled to cast votes as set forth and subject to the provisions of Section 3.03 of the Declaration; provided, however, the votes of a Class A Member may be cast by that Owner's spouse, and as further provided below the vote of any Member may be cast by a lawful proxy. If only one Co-Owner of a Lot attempts to cast a vote, it shall be conclusively presumed that such Co-Owner is authorized on behalf of all Co-Owners to cast the vote for the Lot. No Owner shall be eligible to vote, either in person or by proxy, or be elected to the Board of Directors of the Association (the "Board"), if the voting rights of said Owner have been suspended by the Board of Directors.

1.05 MAJORITY. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totalling more than fifty percent (50%) of the total number of eligible votes, Owners, or other groups. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those voting in person or by proxy. Unless otherwise provided in the Declaration or these Bylaws, all decisions shall be by a majority vote.

1.06 PURPOSE. The Association shall have the responsibility of administering the Development, arranging for the management of the Development and performing all of the other

acts that may be required to be performed by the Association pursuant to the Declaration. Except as to those matters which either the Declaration or the South Carolina Nonprofit Corporation Code specifically require to be performed by the vote of the Association, the administration of the foregoing responsibilities shall be performed by the Board as more particularly set forth herein.

1.07 DEFINITIONS. Generally, terms shall have their natural meanings or the meanings given in the Declaration, the Articles, or the South Carolina Nonprofit Corporation Code.

1.08 REGISTERED OFFICE AND AGENT. The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office.

1.09 OTHER OFFICES. The Association may have offices at such place or places within reasonable proximity to RiverNorth as the Board may from time to time determine or the business of the Association may require or make desirable.

ARTICLE II

Meetings of Members

2.01 ANNUAL MEETINGS. The regular annual meeting of the Members shall be held within the last ten (10) days of the month of May in each year on a day and at an hour set by the Board. Meetings shall be at RiverNorth.

2.02 SPECIAL MEETINGS. Special meetings of the Members for any purpose may be called at any time by the President, the Secretary, or Treasurer, or by request of any two or more members of the Board, or upon written request of the Members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership. Meetings shall be at RiverNorth.

2.03 NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail to each Owner or cause to be delivered to the Owner's Lot a notice of each annual or special meeting of the Association at least twenty-one (21) days prior to each annual meeting and at least seven (7) days prior to each special meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. If any Owner wishes notice to be given at an address other than his or her Lot, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this

Section 2.03 shall be considered service of notice. Upon request, any institutional holder of a first mortgage shall be entitled to written notice of all meetings and shall be permitted to designate a representative to attend and observe any such meeting.

2.04 WAIVER OF NOTICE. Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any meeting of the Owners, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

2.05 QUORUM. Except as may be provided elsewhere, the presence of Owners, in person or by proxy, entitled to cast one-fifth (1/5) of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished.

2.06 ADJOURNMENT. Any meeting of the Owners may be adjourned from time to time to reconvene at a specific time and place by vote of the Owners holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

2.07 PROXIES. The votes appertaining to any Lot may (and shall, in the case of any Owner not a natural person or persons) be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner. To be valid, a proxy must be filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies must be dated and may be revoked only by written notice delivered to the Association. Presence in person by the giver of a proxy at the meeting for which a proxy is given shall automatically invalidate the proxy. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. No proxy shall be valid more than thirty (30) days after its date of execution, unless otherwise provided in the proxy.

2.08 PRESIDING OFFICERS. The President, or in his absence the Vice President, shall serve as a chairman of every Owners' meeting unless some other person is elected to serve as chairman by a majority vote of the votes represented at the meeting. The chairman shall appoint such persons as he deems required to assist with the meeting. Notwithstanding the foregoing, the chairman shall not be replaced by a vote of the Owners during the period in which the Builder and/or Declarant are entitled to appoint members to the Board (as provided in the Declaration), without the prior consent of the Board.

2.09 ORDER OF BUSINESS. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration or these Bylaws. Unless otherwise provided in the notice calling the meeting, the order of business shall be: Roll Call, Proof of Notice, Reading of Minutes, Officers' Reports, Old Business, Elections (if any), New Business, Adjournment.

2.11 ACTION OF OWNERS WITHOUT A MEETING. Any action which may be taken at a meeting of the Owners may be taken without a meeting if a written approval and consent, setting forth the action authorized, shall be signed by each of the Owners entitled to vote on the date on which the last such Owner signs such approval and consent and upon the filing of such approval and consent with the officer of the Association having custody of its books and records. Such approval and consent so filed shall have the same effect as a unanimous vote of the Owners at a special meeting called for the purpose of considering the action authorized.

ARTICLE III

THE BOARD OF DIRECTORS

3.01 GENERAL POWERS. The business and affairs of the Association shall be managed by the Board. In addition to the powers and authority expressly conferred upon it by the Declaration and these Bylaws, the Board may exercise all such powers of the Association and do all such lawful acts and things as are not by law or by the Declaration or the Articles directed or required to be exercised or done by the Members. In accordance with the Declaration, the Board shall have the power to adopt such rules and regulations as it deems necessary and appropriate and to impose sanctions for violations thereof, including, without limitation, monetary fines.

3.02 POWERS. In addition to the powers authorized by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for, the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the common expenses of the Association;

(b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;

(c) overseeing and causing by reasonable means, and/or providing for the operation, care, upkeep, and maintenance, of all Common Property;

(d) where necessary, designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments in accordance with the Declaration and depositing proceeds in a bank depository and using the proceeds to administer the Association;

(f) opening of bank accounts on behalf of the Association and designating the signatures required;

(g) making and amending rules and regulations;

(h) enforcing by legal means the provisions of the Declaration and these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(i) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and their mortgagees, their duly authorized agents, accountants, or attorneys, during general

business hours on working days at the times and in a manner that shall be set and announced by the Board for the general knowledge of the Owners;

(j) where not specifically prohibited by law, delegating its powers and responsibilities, including but not limited to the foregoing, to any officers, committees or subcommittees of the Association, and hiring professional managers, accountants, independent contractors or others for the purpose of operating the Association and maintaining the Common Property.

3.03 NUMBER, ELECTION AND TERM OF OFFICE. Until the right of the Declarant to appoint members of the Board expires or terminates, the Board shall consist of five (5) members. Following expiration or termination of the right of the Declarant to appoint members of the Board, the Board shall consist of nine (9) members. At the first election of Directors by Members of the Association, the Members shall elect three Directors for a term of one year, three Directors for a term of two years and three Directors for a term of three years; and at each annual meeting thereafter the Members shall elect three Directors for a term of three years. At such time as Directors are elected by Members of the Association, nominations for election as a Director may be made from the floor.

3.04 REMOVAL. Any Director may be removed from office with or without cause by the affirmative vote of the holders of a majority of the votes at any election of Directors. Removal action may be taken at any Owners' meeting with respect to which notice of such purpose has been given, and a removed Director's successor may be elected at the same meeting to serve the unexpired term. Until the expiration of the right of the Declarant to appoint and remove Directors, Directors may be removed only by the Declarant.

3.05 VACANCIES. A vacancy occurring in the Board, except by reason of removal of a Director by vote of the Association, may be filled for the unexpired term, and until the Owners shall have elected a successor, by affirmative vote of a majority of the Directors remaining in office though less than a quorum of the Board.

3.06 COMPENSATION. Directors shall not be compensated for services as such unless and to the extent the compensation is authorized by the Members. Directors may be reimbursed for the expenses incurred in carrying out their duties as Directors upon approval of such expenses by the Board. Nothing herein shall prohibit a Director from entering into a contract and being

compensated for services or supplies furnished to the Association in a capacity other than as Director; provided that the Director's interest is known and the contract is approved by a majority of the Board, excluding the Director with whom the contract is made.

3.07 MANAGEMENT AGENT. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board shall authorize. Moreover, any management contract shall contain a termination clause permitting termination by the Association for cause upon no more than thirty (30) days written notice; provided, however, no contract shall be for more than three (3) years; and, provided further, any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days written notice.

3.08 INSURANCE AND FIDELITY BONDS. The Board shall utilize every reasonable effort to cause the Association to obtain the following:

(a) Hazard Insurance on insurable Common Property, if any, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(b) Flood insurance on insurable Common Property located within designated flood hazard areas, if any, in an amount at least equal to the lesser of one hundred percent (100%) of the insurable value (based on current replacement cost) or the maximum coverage available for such property under the National Flood Insurance Program;

(c) Liability insurance covering all Common Property, if any, and any other areas that are under the supervision of the Association, in an amount not less than \$1,000,000.00 for bodily injury and property damage for any single occurrence. Any such policy should provide coverage for bodily injury and property damage that results from the operation, maintenance or use of the Common Property and any legal liability that results from law suits related to employment contracts in which the Association is a party. Each such policy of insurance shall provide for at least thirty (30) days written notice to the Association prior to cancellation or substantial modification; and

(d) Fidelity bonds covering officers, Directors, employees, and other persons who handle or are responsible for

handling Association funds. Such bonds shall be in an amount which in the best business judgment of the Board reflects the estimated maximum amount of funds, including reserve funds in the custody of the Association at any time during the term of the bond, but not less than three (3) months aggregate assessments, plus reserves on hand as of the beginning of the fiscal year, and shall contain waivers of any defense based upon the exclusion of persons serving without compensation. Each such bond shall require at least ten (10) days written notice to the Association and any holders of first mortgages prior to cancellation or substantial modification. Any management agent that handles funds for the Association should also be covered by its own fidelity bond.

3.09 ANNUAL BUDGET. The Board shall prepare a detailed estimated proposed annual budget for each fiscal year of the Association. Such budget shall set forth with particularity all anticipated assessments, other income, and cash requirements for the year, including, but not limited to, salaries, wages, payroll taxes, legal and accounting fees, working capital funds, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and all other common expenses. Such budget shall also set forth each Owner's proposed assessment for common expenses. To the extent that the aggregate assessments and other cash income collected from the Owners during the preceding year are more or less than the expenditures for such preceding year, the surplus or deficit, as the cases may be, shall also be taken into account in the budget. The annual budget shall also take into account the estimated net available cash income for the year from the leasing, operation or use of the Common Property. The annual budget may also provide for a reserve for replacements, in reasonable amounts.

3.10 PARTIAL YEAR OR MONTH. For the first fiscal year of the Association, the annual budget shall be as approved by the Board prior to the conveyance of any Lot by the Declarant to any individual Owner, other than to a builder who acquires the land for the purpose of erecting a dwelling thereon. If such fiscal year, or any succeeding fiscal year, is less than a full year, then the monthly assessment for each Owner shall be proportionate to the number of months and days in such period covered by such budget.

3.11 SUPPLEMENTAL ASSESSMENTS. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, or if there shall be any nonrecurring common expenses or

any common expenses not set forth in the annual budgets adopted, then the Board shall prepare and propose a supplemental budget covering the estimated deficiency for the remainder of the year, or such nonrecurring common expenses or other common expenses, for submission to the Association.

3.12 COMMITTEES OF THE BOARD OF DIRECTORS. The Board by resolution adopted by a majority of the full Board may designate from among its members an executive committee and one or more other committees, each consisting of two or more Directors. Except as prohibited by law, each committee shall have the authority set forth in the resolution establishing said committee.

3.13 COMMITTEES OF OWNERS. The Board, by resolution adopted by a majority of the full Board, may appoint committees of Owners, each of which committees shall contain at least one member of the Board and shall consist of three or more Members. Except as prohibited by law, each such committee shall have the authority set forth in the resolution establishing said committee.

3.14 REGULAR MEETINGS. Regular meetings of the Board shall be held immediately after the annual meeting of Owners or any meeting held in lieu thereof. In addition, the Board may schedule other meetings to occur at regular intervals throughout the year.

3.15 SPECIAL MEETINGS. Special meetings of the Board may be called by or at the request of the President, or in his absence by the Secretary of the Association, or by any two Directors in office at that time.

3.16 PLACE OF MEETINGS. Directors shall hold their meetings at RiverNorth or at such other location as may be mutually agreed upon by the Directors.

3.17 NOTICE OF MEETINGS. No notice shall be required for any regularly scheduled meeting of the Board. Unless waived or unless action is taken without a meeting as contemplated in Section 3.20, the President or Secretary or any Director shall give notice to each Director of each special meeting stating the time, place and purposes of the meeting. Such notice shall be given by mailing a notice of the meeting at least three (3) days before the date of the meeting, or by telephone, telegram, cablegram, or personal delivery at least one (1) day before the date of the meeting. Notice shall be deemed to have been given by telegram or cablegram at the time notice is filed with the transmitting agency. Attendance by a Director at a meeting shall

constitute waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

3.18 QUORUM. A quorum shall be deemed present throughout any meeting of the Board if persons entitled to cast a majority of the votes in that body are present at the beginning of the meeting.

3.19 VOTE REQUIRED FOR ACTION. Except as otherwise provided in this Section or by law, the action of a majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board. Vacancies in the Board may be filled as provided in Section 3.05 of these Bylaws.

3.20 ACTION BY DIRECTORS WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a written consent thereto shall be signed by all the Directors and such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board.

3.21 ADJOURNMENTS. A meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

3.22 BOARD APPOINTED BY DECLARANT. Notwithstanding anything to the contrary contained in these Bylaws, the composition and appointment of the Board, as well as the activities of the Board, shall be governed by the Declaration for so long as the Declarant maintains the right to appoint members to the Board.

ARTICLE IV

OFFICERS

4.01 NUMBER. The executive officers of the Association shall consist of a President, one or more Vice Presidents as determined or designated by the Board, a Secretary and a

Treasurer. The Board shall from time to time create and establish the duties of such other officers and elect or provide for the appointment of such other officers or assistant officers as it deems necessary for the efficient management of the Association, but the Association shall not be required to have at any time any officers other than a President, Secretary and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.02 ELECTION AND TERM. All executive officers shall be elected by the Board and shall serve at the will of the Board and until their successors have been elected and have qualified or until their earlier death, resignation, removal, retirement or disqualification.

4.03 COMPENSATION. The compensation of all executive officers of the Association shall be fixed by the Board; provided, however, that no officers appointed by the Declarant shall receive any compensation from the Association.

4.04 REMOVAL. Any officer or agent elected by the Board may be removed by the Board at any meeting with respect to which notice of such purpose has been given to the members thereof, or by the Declarant until the expiration of Declarant's right as provided in the Declaration.

4.05 PRESIDENT. The President shall be the chief executive officer of the Association and shall have the general supervision of the business of the Association. He shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board.

4.06 VICE PRESIDENT. The Vice President shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President. If the Association has more than one Vice President, the one designated by the Board shall act in lieu of the President. Vice Presidents shall perform whatever duties and have whatever powers the Board may from time to time assign.

4.07 SECRETARY. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Owners, Directors and committees of Directors. He shall have authority to give all notices required by law or these Bylaws. He shall be custodian of the corporate books, records, contracts and other documents. The Secretary may affix the corporate seal to any lawfully executed documents requiring it and shall sign such instruments as may require his signature. The Secretary shall

perform whatever additional powers the Board may from time to time assign him.

4.08 TREASURER. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse the same under the direction of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports of the same to the Board and the President upon request. The Treasurer shall perform all duties as may be assigned to him from time to time by the Board.

4.09 ASSISTANT SECRETARY AND ASSISTANT TREASURER. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Board or by the person appointing them. Specifically, the Assistant Secretary may affix the corporate seal to all necessary documents and attest the signature of any officer of the Association.

4.10 AGREEMENTS, CONTRACTS, DEEDS, LEASES, ETC. All agreements, contracts, deeds, leases, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

ARTICLE V

INDEMNIFICATION

5.01 GENERAL. The Association shall indemnify and hold harmless each of its Directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board against all contractual and other liabilities to others arising out of contracts made by, or other acts of, such Directors, Board, officers, or committee members, on behalf of the Owners, or arising out of their status as Directors, Board, officers, or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such Director, officer,

Board, or committee member may be involved by virtue of such persons being or having been such Director, officer, Board, or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such persons shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board, or committee member, or (b) any matter settled or compromised, unless in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such Director, officer, Board, or committee member.

5.02 SUCCESS ON MERITS. To the extent that the Board, a Director, officer of the Association or member of any committee appointed pursuant to these Bylaws has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.01 hereof, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

5.03 ADVANCE PAYMENT. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that such person or entity is entitled to be indemnified by the Association as authorized in this Article V.

5.04 MISCELLANEOUS. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Owner arising out of any contract made by or other acts of the Directors, Board, officers, or members of such committees, shall be limited to such proportion of the total liability thereunder as is determined by dividing the total liability by the then existing number of Owners. Every agreement made by the Directors, Board, officers, or members of such committees, or by an agent, on behalf of the Owners, shall provide that the Directors, Board, officers, or members of such committees, or by such agent, on behalf of the Owners, as the case may be, are acting only as agent for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such

proportion of the total liability thereunder as set forth in this Section 5.04. The indemnification provided by this Article V shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a Director, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns of such person or entity.

ARTICLE VI

MISCELLANEOUS

6.01 NOTICES. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) If to a Lot Owner, at the address which the Lot Owner has designated in writing and filed with the Secretary of the Association, or if no such address has been designated, at the address of the Lot of such Owner;

(b) If to the Association or the Board, at the principal office of the Association, or at such other address as shall be designated by the notice to the Owners and Declarant, if required, pursuant to this Section; or

(c) If to the Declarant, as specified in the Declaration or at such other address as shall be designated by a notice to the Owners and the Association pursuant to this Section.

6.02 WAIVER. Whenever any notice is required to be given to any Owner or Director by law or by the Declaration, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the Director or Owner entitled to such notice or by the proxy of such Owner, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.

6.03 SEVERABILITY. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

6.04 CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

6.05 GENDER AND GRAMMAR. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so required.

6.06 CONFLICTS. In the event of conflicts between the South Carolina Nonprofit Corporation Code, the Declaration, the Articles, and these Bylaws, the order of control shall be the order listed above.

6.07 AMENDMENT. These Bylaws may be amended, modified or rescinded by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the Members holding two-thirds (2/3) of the total vote of the Association. These Bylaws may also be amended unilaterally by the Board during that period of time in which the Declarant has the right to appoint members to the Board if such an amendment would fall into one of the four categories set forth in Section 9.02 of the Declaration allowing unilateral amendment of the Declaration by the Declarant. Notice of any meeting at which an amendment will be considered shall state that fact and the subject matter of the proposed amendment. Notwithstanding anything to the contrary contained in these Bylaws, no amendment may be adopted which would eliminate, prejudice, abridge or otherwise adversely affect any right, benefits, privileges or priorities granted or reserved to the Declarant, Builder, or any mortgagee without the prior written consent of the Declarant and/or Builder and/or said mortgagees, as the case may be. No amendment that is in conflict with the Articles or the Declaration shall be adopted.

6.08 FISCAL YEAR. The Board is authorized to fix the fiscal year of the Association and to change the same from time to time as it deems appropriate.

6.09 SEAL. The corporate seal shall be in such form as the Board may from time to time determine.

6.10 BOOKS AND RECORDS. All members of the Association and any institutional holder of a first mortgage shall, upon

written request, be entitled to inspect all books and records of the Association during normal business hours at the office of the Association or other place designated reasonably by the Board as the depository of such books and records.

I hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors of the Corporation on May 19, 1995.

Secretary

54.00
100.00
100.00 (2 plats)

**DECLARATION OF PROTECTIVE
COVENANTS AND CONDITIONS FOR RIVERNORTH**

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DECLARATION OF PROTECTIVE
COVENANTS AND CONDITIONS FOR RIVERNORTH

THIS DECLARATION OF PROTECTIVE COVENANTS AND CONDITIONS FOR RIVERNORTH (the "Declaration") is made on the date hereinafter set forth by RIVERSIDE PARTNERS, L.P., a South Carolina limited partnership (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real Property located in Aiken County, South Carolina, which property is more particularly described in Exhibit "A" attached hereto and by this reference herein (the "Property"); and

WHEREAS, the Property which is described in Exhibit "A" is to be developed into a residential development to be known as RiverNorth; and

WHEREAS, Declarant desires to provide for the development and establishment of the RiverNorth community, which shall include the governance of RiverNorth by a homeowner's association and the sharing of certain common areas and facilities by the homeowners of RiverNorth; and

WHEREAS, Declarant has caused the Association (as hereinafter defined) to be formed as a non-profit civic organization to perform certain functions for the common good and general welfare of the Owners (as hereinafter defined) in RiverNorth;

NOW, THEREFORE, the Declarant hereby declares that all of the Property described in Exhibit "A" shall be held, sold and conveyed subject to this Declaration, which is for the purpose of enhancing and protecting the desirability and attractiveness of, and which shall run with, the Property, and be binding on all parties having any right, title or interest in the described Property or any part thereof, and shall, subject to all limitations herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, successors and assigns and to the benefit of the Association.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

FOR BOUNDARY PLAT SEE BOOK 33 AT PAGE 228 & 229

1.01 Additional Property. "Additional Property" means the additional property which may be added to the Property and made subject to this Declaration pursuant to Article XI hereof. A description of the Additional Property is set forth on Exhibit "B" attached hereto and made a part hereof by reference.

1.02 Association. "Association" means RiverNorth Homeowners Association (a non-profit corporation organized under the South Carolina Nonprofit Corporation Act), its successors and assigns.

1.03 Board. "Board" means the Board of Directors of the Association.

1.04 Bylaws. "Bylaws" means the Bylaws of the Association.

1.05 Common Property. "Common Property" means all real and personal property now or hereafter owned by the Association or, in certain instances, over which the Association has been granted permanent easements for the common use and enjoyment of the Owners, including any Common Access Docks [as defined in Section 2.01(c)].

1.06 Declarant. "Declarant" means (i) RIVERSIDE PARTNERS, L.P.; or (ii) any successor-in-title to said Riverside Partners, L.P. to all or some portion of the Property, provided such successor-in-title shall acquire such Property for the purposes of development or sale and shall not mean a successor-in-title who purchases any Lots (as hereinafter defined) for the purpose of constructing for sale single-family residences thereon, and provided further, that in a written instrument, such successor-in-title is expressly assigned all rights, privileges and options herein reserved to Declarant by the then Declarant; or (iii) should any of the Property become subject to a first mortgage given by Declarant as security for the repayment of a loan to improve the Property for development as part of this residential community, then all rights, privileges and options herein reserved to the Declarant shall inure to the benefit of the holder of such first mortgage upon its becoming the actual owner of the Property through judicial foreclosure or sale made pursuant to any power of sale contained in such first mortgage or by conveyance of a deed in lieu of foreclosure. Should such mortgagee transfer the Property or should a third party purchaser purchase the Property at a foreclosure sale or by a deed in lieu of foreclosure, then in any of such events all rights, privileges and options herein reserved to the Declarant shall inure to the benefit of such transferee or purchaser, as the case may be, upon its becoming the actual owner of the Property. The Declarant, as hereinabove defined, may transfer all of its rights, privileges and options as Declarant to a successor-in-title to all or some

portion of the Property, provided any such successor-in-title shall acquire for the purpose of development or sale all or some portion of such Property, and provided further, that in a written instrument, such successor-in-title is expressly assigned all of Declarant's rights, privileges and options herein reserved to Declarant. Declarant may further delegate all or some of its rights, privileges, duties and obligations hereunder to any person or entity.

1.07 Development. "Development" means the residential subdivision being developed on the Property and to be known as RiverNorth.

1.08 Lot. "Lot" means any numbered parcel of land intended for use as a single-family residential building lot as shown upon plats of surveys of the Property made from time to time and which shall be recorded in the Plat Book records of Aiken County, South Carolina.

1.09 Member. "Member" means any member of the Association.

1.10 Owner. "Owner" means the record owner (including Declarant) whether one or more persons or entities, of a fee simple title to any Lot; provided, however, that where fee simple title has been transferred and is being held merely as security for repayment of a loan, the person or entity who would own the Lot in fee simple if such loan were paid in full shall be considered the Owner.

1.11 Protective Covenants. "Protective Covenants" means all covenants, restrictions, easements, charges, liens and other obligations created or imposed by this Declaration.

1.12 Structure. "Structure" means

(a) any thing or object the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, tree, shrub, sign, signboard, temporary or permanent living quarters (including any house trailer), bulkheading, dock, piling, pier, boathouse, boat ramp, or any other temporary or permanent improvement to such Lot;

(b) any excavation, grading, fill, ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial river, creek, stream, wash or drainage channel from, upon or across any Lot; and

(c) any change in the grade at any point on a Lot of more than six (6) inches, whether or not subsection (b) of this Section 1.12 applies to such change.

ARTICLE II

COMMON PROPERTY

2.01 Conveyance of Common Property.

(a) The Declarant may from time to time convey or grant to the Association, or cause the conveyance or grant to the Association, at no expense to the Association and in accordance with this Section 2.01, real and personal property or easements (such real and personal property and any such easements are hereinafter collectively referred to as "Common Property") for the common use and enjoyment of the Owners and, to the extent set forth in this Declaration, the general public.

(b) It is contemplated by the Declarant that the Declarant will convey the Common Property to the Association for scenic and natural area preservation, for maintenance of drainage and utilities and for general recreational use. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change the Common Property contemplated to be conveyed to the Association in accordance with this subsection 2.01(b) at any time prior to conveyance of such Common Property to the Association.

(c) In addition to the property described in subsection 2.01(b), the Declarant may convey to the Association in accordance with this Section 2.01 such other real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development, including, without limitation, the conveyance of real property improved with (or to be improved with) boating docks for the common use and enjoyment of the Owners ("Common Access Docks").

(d) Notwithstanding any legal presumption to the contrary, the fee title to, and all rights in, any portion of the Property owned by the Declarant and designated as Common Property or designated for public use shall be expressly conveyed by written instrument to the Association or to any municipality or other governmental body, agency or authority.

(e) The Association hereby covenants and agrees to accept all such conveyances of Common Property. If the Declarant conveys any improved Common Property to the Association, the procedures contained in this subsection 2.01(e) shall be followed. At the time Declarant is prepared to convey any such improved Common Property the Declarant shall notify the Board. (If at that time the Declarant still has the right to appoint members to the Board, a special meeting of the Owners will be called during which the Class A Members shall elect a committee of three (3) Class A Members to fulfill those obligations described herein of the Board.) Within thirty (30) days after said notification, the Declarant or its representative and the Board shall jointly select a qualified engineer or architect

(hereinafter referred to as the "Expert") for the purpose of inspecting the Common Property to the extent hereinafter provided. If the Board and the Declarant shall fail to agree on the selection of the Expert within such thirty (30) day period, then the Declarant and the Board shall, within 30 days after the expiration of such thirty (30) day period, each select an Expert and within fifteen (15) days following the selection of both Experts, the latter shall in turn select a third (3rd) Expert. The Declarant and the Board of Directors shall each be entitled to designate a representative to accompany the Expert or Experts during the inspection of the Common Property. Such inspection shall be limited to a visual inspection of the Common Property, it being understood that under no circumstances shall any improvements not visible to the naked eye be required to be uncovered and that no attempt shall be made to locate latent defects. Promptly after the completion of such inspection, the Expert or Experts shall submit a written report (hereinafter the "Inspection Report") to the Declarant and the Board stating whether the Common Property has been constructed substantially in accordance with the plans and specifications therefor and specifying the manner, if any, in which such construction does not conform with such plans and specifications and is defective. The Inspection Report shall constitute conclusive evidence that, except as otherwise set forth in such Report, the Declarant has constructed the Common Property substantially in accordance with the plans and specifications therefor and thereafter the Declarant shall have no further liability, duty or obligation with respect to the Common Property except to perform the work called for by the Inspection Report. Following the completion of such work, the Declarant shall, after thirty (30) days notice to the Board, arrange for a re-inspection by the Expert or Experts who prepared the Inspection Report. (To the extent any such Expert or Experts are then unavailable, the procedure employed in the selection of the original Expert or Experts shall be followed in the selection of their successors). The Expert or Experts shall then issue a written report to the Declarant and the Board stating whether the work called for by the Inspection Report has been substantially completed and specifying the manner, if any, in which such work has not been completed and is defective. The Declarant shall perform any work called for by such report of re-inspection as promptly as practicable. The reasonable fees and expenses of the Expert or Experts in connection with the inspection and re-inspection provided for by this subsection 2.01(e) shall be borne by the Declarant.

2.02 Right of Enjoyment. Every Owner shall have a right and easement to use and enjoy the Common Property in accordance with these Protective Covenants and subject to the rules and regulations which may be adopted by the Association, which right shall be appurtenant to and shall pass with the title to every Lot upon transfer; provided, however, that no Owner shall do any act which interferes with the free use and enjoyment of the Common Property by all other Owners. The Association may permit persons who are not Owners to use and enjoy any part or of the Common Property subject to such limitations, and upon such terms

and conditions, as it may from time to time establish. The right and easement of enjoyment granted or permitted by this Section 2.02 is subject to suspension by the Association as provided in subsection 2.03(c) and Section 3.05 hereof.

2.03 Rights of the Association. The rights and privileges conferred in Section 2.02 hereof shall be subject to the right of the Association acting through the Board to:

(a) promulgate rules and regulations relating to the assignment, use, operation and maintenance of the Common Property which rules and regulations shall expressly provide that in no event shall any boat be moored at the Community Access Docks (if any) for a period in excess of twenty-four (24) hours;

(b) charge reasonable fees in connection with the admission to and use of facilities or services; provided that in setting any such fee the Board may establish reasonable classifications which shall be uniform within each such class but need not be uniform between such classes;

(c) suspend, pursuant to Section 3.05 hereof, the voting rights of any Member and the right of enjoyment granted or permitted by Section 2.02 hereof;

(d) grant easements or rights of way over Common Property to any municipality or other governmental body, agency or authority, to any quasi-public agency or to any utility company or cable television system;

(e) enforce all applicable provisions of valid agreements of the Association relating to the Common Property or any part thereof;

(f) borrow money for the purpose of carrying out the activities of the Association, including the acquisition, construction, improvement, equipping and maintenance of Common Property, and in aid thereof to encumber by deed to secure debt, deed of trust, mortgage or other security instrument, any or all of the Association's property, including Common Property and revenues from assessments, user fees and other sources;

(g) dedicate or transfer all or any part of the Common Property or interests therein to any municipality or other governmental body, agency or authority for such purposes and subject to such provisions and conditions as may be agreed upon by the Association and such grantee, including a provision that such property or interest shall cease to be subject to this Declaration or all or any part of the Protective Covenants while held by any such municipality or other governmental body, agency or authority; provided, however, that the Association shall not sell, encumber by security interest, convey, dedicate or transfer any Common Property or interest herein without the approval of two-thirds (2/3) of each class of Members;

(h) sell, lease or otherwise convey all or any part of its properties and interest therein, provided, however, that the Association shall not sell, encumber by security interest, convey, dedicate or transfer any Common Property or interest therein without the approval of two-thirds (2/3) of each class of Members.

2.04 Types of Common Property. At the time of the conveyance of any real property or grant of easement by the Declarant to the Association to be used as Common Property, the Declarant shall designate in the deed of conveyance or easement that such real property is to be Common Property, and further may designate in the deed of conveyance or easement the specific or general purpose or purposes for which such real property or any portion thereof may be used, and in such event, such real property or portion thereof shall not, without a two-thirds (2/3) vote of each class of Members of the Association, be used for any different purpose or purposes.

(a) It is contemplated that certain easements for the erection and maintenance of subdivision signs, walls, fences and other structures intended to provide an attractive atmosphere or to provide privacy to Owners within the Development will be reserved by the Declarant and set forth on plats of survey of the Development recorded in the Aiken County, South Carolina records. Such easements shall be perpetual in duration and shall include the right to erect, maintain, repair, replace and re-erect any such structures within the easement areas, as well as the right to plant grass, plants, flowers, shrubs and trees, to tend and garden the same, and to generally landscape the area within said easement areas to keep them clean, attractive and uniform in appearance for the benefit of all Owners within the Development. Said easement areas shall be designated as such and all Owners taking title to any Lot upon which such an easement lies will take title subject to the easement rights set forth herein, as well as such rights as may be set forth in the deed conveying such easements to the Association. Such easements shall be Common Property.

(b) Certain of the Lots within the Development shall be located along a river, with the ordinary high water mark of such river constituting the boundary line of such Lots. In the event that at anytime the water line of the river shall extend beyond such boundary line and therefore a portion of such Lots are covered by a portion of the river, the Declarant intends to and does hereby reserve a perpetual non-exclusive easement over that portion of the Lots beyond any permitted improvements which an Owner may construct thereon and upon which the river is located for boating, fishing and other forms of recreation, as may be permitted by applicable laws and subject to the terms of this Declaration, for the benefit of Declarant, its successors and assigns, and the Owners, and Declarant further reserves a perpetual non-exclusive easement over that portion of the Lots upon which the river is located for the further purposes of the

maintenance of such river for the benefit of all governmental entities having jurisdiction over the maintenance of such river.

(c) Encroachment Easements. If any buildings or other improvements initially constructed by Declarant, or by any builder who constructed the original dwelling, on any of the Lots, including without limitation any eaves, roof overhangs, balconies, siding, porches, or other structures which may be attached to the walls and roof of such buildings, and which may encroach onto or over or extend into the air space of any portion of the Common Property, or conversely, if any such improvements initially constructed on the Common Property encroach onto or over portions of any Lot, a valid easement for the encroachment and for the maintenance, repair and replacement thereof shall exist so long as the encroachment exists.

2.05 Delegation of Use. Any Owner may delegate his right to use and enjoy the Common Property to the members of his family, his social invitees or his tenants who reside on a Lot. Tenants who reside on a Lot shall have the same rights of delegation as an Owner. Any delegation of rights must be made in accordance with the Bylaws and will be subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

ARTICLE III

THE HOMEOWNERS ASSOCIATION

3.01 Purposes, Powers and Duties of the Association. The Association shall be formed as a non-profit civic organization for the primary purpose of performing certain functions for the common good and general welfare of the residents of the Development. To the extent necessary to carry out such purpose, the Association (a) shall have all of the powers of a corporation organized under the South Carolina Nonprofit Corporation Act, and (b) shall have the power and duty to exercise all of the rights, powers and privileges and to perform all of the duties and obligations of the Association as set forth in this Declaration.

3.02 Membership in The Association. Every Owner shall automatically be a Member of the Association and such membership shall terminate only as provided in this Declaration.

3.03 Voting Rights. Subject to the following provisions of this Section 3.03, the Association shall have two classes for voting membership: Class A and Class B.

(a) Class A. Every person who is an Owner, with the exception of the Declarant and except as otherwise expressly set forth herein, shall be a Class A Member and shall be entitled to one vote for each Lot owned. When more than one person is a Class A member by virtue of an ownership interest in the same Lot, the vote for such Lot shall be exercised as they among

themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of disagreement among such persons and an attempt by two or more of them to cast the vote of such Lot, such persons shall not be recognized and the vote of such Lot shall not be counted. The membership of Class A Members shall automatically terminate upon the Member's sale of his Lot. However, no termination of Class A membership shall affect such Member's obligation to pay assessments, as hereinafter provided for, due and payable for any period prior to the date of such termination, and there will be no refund for assessments paid for periods falling after the date of such termination.

(b) Class B. The Declarant shall be the sole Class B Member. Class B Membership shall be a full voting membership and during its existence the Class B Member shall be entitled to vote on all matters and in all events. The Class B Member shall be entitled to three (3) votes for each Lot owned by it. The Class B membership shall cease and shall be converted to Class A membership at such time as the first of the following events occur: (a) the expiration of twenty (20) years from the date of recording of this Declaration; (b) the date as of which three-fourths (3/4) of the Lots which may be developed on the Property shall have been conveyed by the Declarant to an individual Owner or Owners for residential occupancy, or (c) the surrender by the Declarant of the authority to appoint and remove members of the Board by an express amendment to this Declaration executed and recorded by the Declarant; provided, however, that so long as any mortgagee of Declarant holds a security interest in any portion of the Property as security for a development loan to Declarant, the Class B membership shall not terminate without the prior written consent of such mortgagee. If at the time of termination of the Class B membership, Declarant still owns any Lots, then as to each Lot owned by Declarant, Declarant shall be deemed to be a Class A member.

3.04 Board of Directors and Officers.

(a) Board. The affairs of the Association shall be managed by the Board. The number of directors and the method of election of directors shall be as set forth in this Declaration and in the Bylaws of the Association, as the same may be amended from time to time. Except to the extent otherwise expressly required or authorized by the South Carolina Nonprofit Corporation Act, this Declaration, the Bylaws or the Association's Articles of Incorporation (the "Articles"), the powers inherent in or expressly granted to the Association may be exercised by the Board, acting through the officers of the Association, without any further consent or action on the part of the Members.

(b) Officers. The number of officers and the method of election of officers shall be as set forth in the Bylaws. Notwithstanding any other language or provision to the contrary in this Declaration, in the Articles or in the Bylaws, officers

of the Association shall be appointed by the Board until such time as Declarant no longer has the right to appoint members to the Board.

(c) Casting of Votes. The votes of the Members shall be cast under such rules and procedures as may be prescribed in this Declaration or in the Bylaws, as amended from time to time, or by law.

3.05 Suspension of Membership. The Board may suspend the voting rights of any Member and the right of enjoyment of the Common Property of any person who:

(a) shall be subject to the "Right of Abatement," as defined in Section 8.02 hereof, by reason of having failed to take the reasonable steps to remedy a violation or breach of the Protective Covenants within thirty (30) days after having received notice of the same pursuant to the provisions of Section 5.01, 6.01 or 8.02 hereof; or

(b) shall be delinquent in the payment of any assessment levied by the Association pursuant to the provisions of Article IV hereof; or

(c) shall be in violation of the rules and regulations of the Association relating to the use, operation and maintenance of Common Property; and

(d) any suspension shall be for the balance of the period in which said Member or person shall remain in violation, breach or default, as aforesaid, except that in the case of a violation described in subsection 3.05(c) hereof or when suspension has been made for similar violations pursuant to subsection 3.05(d) hereof, the suspension may be for a period not to exceed sixty (60) days after the cure or termination of such violation. No such suspension shall prevent an Owner's ingress to or egress from his Lot.

3.06 Voting Procedures. The procedures for the election of Directors of the Association and the resolution of such other issues as may be brought before the membership of the Association shall be governed by this Declaration, the South Carolina Nonprofit Corporation Act, the Articles, and the Bylaws, as each shall from time to time be in force and effect.

3.07 Control by Declarant and Appointment of the Board. Until such time as Declarant no longer has the right to appoint members to the Board, the Board shall consist of five (5) members. Notwithstanding any other language or provision to the contrary contained herein, in the Articles, or in the Bylaws of the Association, the Declarant hereby retains the right to appoint all members to the Board. The right of Declarant to appoint members to the Board also includes the right to remove and replace its appointees until such time as Declarant's right to appoint members to the Board ceases. Declarant shall retain

the right to appoint and remove members of the Board until such time as the first of the following events shall occur: (i) the expiration of twenty (20) years from the date of the recording of this Declaration; (ii) the date upon which three-fourths (3/4) of the Lots which may be developed on the Property shall have been conveyed by Declarant to an individual Owner or Owners for residential occupancy; or (iii) the surrender by Declarant of the authority to appoint and replace members of the Board by an express amendment to this Declaration executed and recorded by Declarant. Upon the expiration of Declarant's right to appoint, remove and replace members of the Board pursuant to the provisions of this Section 3.07, such right shall automatically pass to the Owners, including Declarant if Declarant then owns one or more Lots. Upon the final expiration of all rights of Declarant to appoint and replace members of the Board, a special meeting of the Association shall be called. At such special meeting, the Owners shall elect a new Board which shall undertake the responsibilities of the Board, and Declarant shall deliver the books, accounts, and records, if any, which Declarant has kept on behalf of the Association, and any agreements or contracts executed by or on behalf of the Association during such period which Declarant has in its possession. Each Owner by acceptance of a deed to or other conveyances of a Lot vests in Declarant such authority to appoint and replace members of the Board and officers of the Association as provided in this Section 3.07.

3.08 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law and any other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IV

ASSESSMENTS AND MAINTENANCE CHARGES

4.01 Covenant for Assessments and Creation of Lien and Personal Obligations. The Declarant, to the extent that Declarant is an Owner, hereby covenants and agrees, and each Owner, jointly and severally, for himself, his heirs, distributees, legal representatives, successors and assigns, by acceptance of a deed for a Lot, whether or not the covenants contained herein shall be expressed in any such deed, hereby covenants and agrees as follows:

(a) to pay to the Association the annual assessments which may or shall be levied by the Association pursuant to this Declaration against all Lots owned by him;

(b) to pay to the Association any special assessments for capital improvements and other charges which may or shall be

levied by the Association pursuant to this Declaration against all Lots owned by him;

(c) that there is hereby created a continuing charge and lien upon all Lots owned by him against which all such assessments are made to secure payment of such assessments, late charges and any interest thereon as provided in Section 4.07 hereof and costs of collection, including reasonable attorneys' fees;

(d) that such continuing charge and lien on such Lots binds such Lots in the hands of the then Owner, and the Owner's heirs, devisees, legal representatives, successors and assigns. Such charge and lien is superior to any and all charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon such Lots whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, except (i) such liens for taxes or other public charges as are by applicable law made superior, and (ii) all deeds to secure debt, deeds of trust or mortgages given to secure a loan which are in existence prior to the time that any assessment shall become delinquent, the proceeds of which loan are used (1) to purchase a Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon), and (2) to finance the development of the Lot or the construction, repair or alteration of Structures (provided, however, such lien shall not be inferior to any deeds to secure debt, deeds of trust or mortgages given subsequent to the time that any such assessment shall become delinquent);

(e) that no sale or transfer at foreclosure or in lieu of foreclosure shall relieve any Lot or Lots from liability for any assessment thereafter assessed;

(f) that all assessments (together with interest thereon as provided in Sections 4.07 and 5.11 of this Declaration and costs of collection including reasonable attorneys' fees) or penalties levied against any Lot or Lots owned by him during the period that he is an Owner shall be (in addition to being a continuing charge and lien against such Lot or Lots as provided in Section 4.01(c) of this Declaration) a personal obligation which will survive any sale or transfer of the Lot or Lots owned by him; provided, however, that such personal obligation for delinquent assessments shall not pass to an Owner's successor-in-title unless expressly assumed by such successor.

4.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association and in particular for the purposes of but not limited to, and in addition to other purposes set forth in this Declaration, security for, and the acquisition, construction, improvement, maintenance and equipping of, Common Property, the enforcement of the Protective Covenants contained

in this Declaration, the enforcement of the RiverNorth Design Standards, the payment of operating costs and expenses of the Association and the payment of all principal and interest when due on all debts owed by the Association.

4.03 Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all the sums collected in such year by way of annual assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the annual assessments in any succeeding year, but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes.

4.04 Annual Assessment or Maintenance Charge and Computation of Assessment.

(a) Subject to the terms of this Article IV, each Lot which is a portion of the Property is hereby subjected to an annual assessment. Annual assessments shall be allocated equally among all Lots within the Association. The amount of the annual assessment shall be set forth in an annual budget to be prepared by the Board which shall include the estimated costs of operating the Association during the coming year. The budget shall also include a capital contribution establishing a reserve fund, in accordance with a capital budget. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Lot for the following year, to be delivered to each Owner at least fifteen (15) days prior to the proposed effective date. The budget and the assessments shall become effective unless disapproved by a vote of at least a majority of the total Association membership. Unless requested by the Members in accordance with the provisions for calling a special meeting by the Members, as set forth in the By-Laws, the budget and assessment may take effect without a meeting of the Members. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, the budget and assessment in effect for the then current year shall continue; and the Board may propose a new budget at any time during the year by causing to be delivered to the Members such proposed budget and assessment at least fifteen (15) days prior to the proposed effective date. Annual assessments will be paid by the Owner or Owners of each Lot within the Property in advance in monthly, quarterly or annual installments. The due dates shall be established by the Board.

(b) The annual assessment will commence as to each Lot on the first day of the month following the conveyance of the Lot by Declarant to an Owner.

(c) Unless required as a matter of law, the Declarant shall not be subject to the annual maintenance charge and assessment.

(d) Beginning on the date of this Declaration through December 31 of the first full year following the recordation hereof, the Board shall adopt an amount to be known as the "maximum annual assessment." The rate charged for annual assessments during this period (the "initial rate") will be determined by the Board; however, said initial rate will not exceed the maximum annual assessment during the period through the December 31 of the first full year following the recordation hereof. If not decreased nor increased as provided herein, the maximum annual assessment for each successive year shall equal the maximum annual assessment in effect for the previous year. Beginning the January 1 following the first full year after the year of recordation hereof, and from year to year thereafter, the annual assessment may be adjusted by the Board as the needs of the Development may in the judgment of the Board require; however, the annual assessment for each year shall not exceed the maximum annual assessment for the previous year plus ten percent (10%) without a vote of the membership of the Association, which shall require approval of two-thirds (2/3) of each class of Members present, in person or by proxy, at a meeting duly called for such purpose, with at least sixty percent (60%) of the Owners or other proxies present. If sixty percent (60%) of the Owners do not attend, a second meeting may be called and the quorum will be reduced to thirty percent (30%) of the Owners or their proxies.

(e) The Association shall create a fund for annual assessments to be known as the "general maintenance fund." The Association shall use the proceeds of the general maintenance fund in providing for normal recurring maintenance charges for the Common Property for the use and benefit of all residents of the Development. It is the intention of this Declaration that all assessments be collected by the Association.

(f) Assessments may be used by the Association to provide for, by way of clarification, and not limitation, any and all of the following: normal, recurring maintenance of the area of common responsibility (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for existing landscaping and maintaining and repairing recreational facilities) and the acquisition and installation of capital improvements to such areas, such as sprinkler systems, provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Property; payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions, and conditions affecting the Property to which said assessments apply; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employment of security guards or watchmen, if

determined necessary; caring for vacant Lots; providing insurance on the Common Property; maintenance of islands within any right-of-way within the Development; and doing any other thing or things necessary or desirable in the opinion of the Board or membership of the Association to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the majority of the Members of the Association in the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall also establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Property.

4.05 Special Assessments for Working Capital Fund, Nonrecurring Maintenance, and Capital Improvements. In addition to the annual assessments authorized by this Article IV, the Association may levy a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Property, including fixtures and personal property related thereto, provided that any such assessment shall have been approved by a two-thirds (2/3) vote of each class of Members of the Association who are present in person or by proxy at a meeting duly called for such purpose.

4.06 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.04 or 4.05 shall be sent to all Members, or delivered to their residence, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

4.07 Effect of Nonpayment of Assessments. If any assessment or installment is not paid within fifteen (15) days after the due date there shall be imposed a late or delinquency charge in the amount of the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount of each assessment or installment not paid when due. Any assessment or installment, and any late charge connected therewith, which is not paid within thirty (30) days after the due date of the assessment shall bear interest (from the due date with respect to the assessment or installment, and the date such charge was imposed with respect to the late charge), at the rate of ten percent (10%) per annum or at such rate as the Board may from time to time establish; provided, however, that in no event shall the Board have the power to

establish a rate of interest in violation of the laws of the State of South Carolina. If any one or more installment of any assessment is not paid within thirty (30) days after the due date, the Board may declare any remaining balance of the assessment at once due and payable. In the event that an Owner shall fail to pay fully any portion of any assessment or installment on or before the date on which payment is due, such unpaid portion (including any remaining balance declared immediately due and payable in accordance with the preceding sentence), together with any delinquency charges, interest, and costs of collection, including court costs, the expenses of sale, any expense required for the protection and preservation of the Lot, and reasonable attorney's fees, shall be a binding personal obligation of such Owner, as well as a lien on such Lot enforceable in accordance with the provisions of this Declaration. In addition to the above, if any Owner has not paid any assessment or installment, or any late charges or expenses related thereto, within sixty (60) days after the due date of the assessment or installment, the Association shall have the right to notify any or all mortgagees having a security interest in such Owner's Lot or Lots that such Owner is in default in the performance of his obligations under this Declaration, and of those actions taken or proposed to be taken by the Association as a result of the default.

4.08 Certificate of Payment. Upon written demand by an Owner, the Association shall within a reasonable period of time issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or if any assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.

ARTICLE V

ARCHITECTURAL CONTROL

5.01 Architectural Control Committee - Creation and Composition. The Development shall have an independent architectural control committee consisting of three (3) individuals to be appointed by the Declarant until such time as the Declarant has conveyed all Lots in the Development to an Owner. From and after the time that Declarant shall have conveyed all Lots in the Development to an Owner, or from and after such earlier time as Declarant surrenders the authority of the Declarant to appoint and replace members of the ACC by an express amendment to this Declaration executed and recorded by Declarant, the members of the ACC shall be appointed by the

Board. The architectural control committee for RiverNorth (the "ACC") may, but is not required to, consist of any one or more Owners of a Lot in RiverNorth.

5.02 Purpose, Powers and Duties of the ACC. The purpose of the ACC is to review and approve any proposed installation, construction or alteration of any Structure on any Lot within the Development. All plans shall be submitted to the ACC for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony of external design and general quality with the existing standards of the Development, and (ii) as to the location of Structures with respect to topography, finished ground elevation and surrounding Structures. To the extent necessary to carry out such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with, or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

5.03 Officers, Subcommittees and Compensation. The members of the ACC shall appoint a Chairman from among their number and may appoint, remove and replace from among their number or from the Board such other officers and subcommittees of members of the ACC as they shall from time to time determine necessary. The members of the ACC or any of its subcommittees shall be reimbursed by the Association for traveling expenses and other out-of-pocket costs incurred in the performance of their duties as committee or subcommittee members of the ACC.

5.04 Operations of the ACC.

(a) Meetings. The ACC shall hold regular meetings at least once every three (3) months or more often as may be established by the ACC. Special meetings may be called by the Chairman and shall be called by the Chairman upon the written request of a majority of the members of the ACC then in office. Regular and special meetings of the ACC shall be held at such time and at such place as the ACC shall specify. Notice of each regular or special meeting of the ACC shall be mailed to each member thereof at his residence or at his usual place of business at least three (3) days before the day the meeting is to be held. Notice of regular and special meetings need not specify the purpose or purposes for which the meeting is called. Notice of a meeting need not be given to any member of the ACC who signs a waiver of notice either before or after the meeting. Attendance of a member of the ACC at a meeting shall constitute a waiver of notice of such meeting and shall constitute a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when the member states, at the beginning of the meeting, any such objection or objections to the transaction of business. At each meeting of the ACC, the presence of a majority of the

members then in office shall constitute a quorum for the transaction of business. Except as otherwise provided herein, the act of a majority of the members of an ACC present at any regular or special meeting thereof at which a quorum is present shall constitute the act of the ACC. In the absence of a quorum, any member of the ACC present at the time and place of the meeting may adjourn the meeting from time to time until a quorum shall be present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. The ACC shall maintain both a record of votes and minutes for each of its meetings. The ACC shall make such records and minutes available at reasonable places and times for inspection by Members of the Association and by the Secretary. Any action required to be taken at a meeting of the ACC, or any action which may be taken at a meeting of the ACC, may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all the members of the ACC and be filed within the minutes of the proceedings of the ACC. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document filed by the ACC.

(b) Activities.

(i) The ACC shall adopt and promulgate the RiverNorth Design Standards and shall, as required, make findings, determinations, rulings, and orders with respect to the conformity with said RiverNorth Design Standards of plans and specifications to be submitted for approval to the ACC pursuant to the provisions of this Declaration. The ACC shall, as required, issue permits, authorizations, or approvals, which may include specified requirements or conditions, pursuant to the provisions of this Declaration.

(ii) Any two (2) or more members of the ACC may be authorized by the ACC to exercise the full authority of the ACC with respect to all matters over which the ACC has authority as may be specified by resolution of the ACC, except with respect to the adoption or promulgation of the RiverNorth Design Standards. The unanimous action of the two (2) or more members with respect to the matters specified shall be final and binding upon the ACC and upon any applicant for an approval, permit or authorization, subject, however, to review and modification by the ACC on its own motion or appeal by the applicant to the ACC as provided in this paragraph (ii). Written notice of the decision of such two (2) or more members shall, within thirty (30) working days thereof, be given to any applicant for an approval, permit or authorization. The applicant may, within ten (10) days after receipt of notice of any decision which he deems to be unsatisfactory, file a written request to have the matter in question reviewed by the ACC. Upon the filing of any such request, the matter with respect to which such request was filed shall be submitted to, and reviewed promptly by, the ACC, but in no event later than thirty (30) days after the filing of such

request. The decision of a majority of the members of the ACC with respect to such matter shall be final and binding.

5.05 Design Standards.

(a) The ACC shall from time to time adopt, promulgate, amend, revoke and enforce guidelines set forth in the RiverNorth Design Standards for the purposes of:

(i) governing the form and content of plans and specifications to be submitted to the ACC for approval pursuant to the provisions of this Declaration;

(ii) governing the procedure for such submission of plans and specifications;

(iii) establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures and all other matters that require approval by the ACC pursuant to this Declaration; and

(iv) assuring the conformity and harmony of external design and general quality of the Development as a whole.

(b) The ACC may publish copies of the current RiverNorth Design Standards, in which case it shall be made readily available to Members and prospective Members of the Association and to all applicants seeking the ACC's approval.

(c) The RiverNorth Design Standards may establish differing guidelines for different phases of the Development, all as shall be determined by the ACC and as shall be set forth in the RiverNorth Design Standards. Each Owner of a Lot in any phase of the Development shall be required to comply with the guidelines set forth in the RiverNorth Design Standards which apply to the phase of the Development in which such Owner's Lot is located.

5.06 Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot nor shall any existing Structure upon any Lot be altered, including painted or stained in any way, which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been submitted to and approved in writing by the applicable ACC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the applicable RiverNorth Design Standards, including, and without being limited to:

(a) a site plan showing the location of all proposed and existing Structures on the Lot, including building setbacks,

open space, driveways, walkways and parking spaces (including the number thereof) and all siltation and erosion control measures;

- (b) a foundation plan;
- (c) a floor plan;
- (d) exterior elevations of all proposed Structures and alterations to existing Structures, as such Structures shall appear after all back-filling and landscaping are completed;
- (e) specifications of materials, color scheme, lighting scheme and other details affecting the exterior appearance of all proposed Structures and alterations to existing Structures; and
- (f) plans for landscaping and grading.

5.07 Approval of Plans and Specifications. Upon approval by the ACC of any plans and specifications submitted pursuant to this Declaration, two (2) copies of such plans and specifications, as approved, shall be deposited for permanent record with the ACC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot or Structure of any plans and specifications shall not be deemed a waiver of the ACC's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot or Structure. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

5.08 Disapproval of Plans and Specifications. The ACC shall have the right to disapprove any plans and specifications submitted pursuant to this Declaration for any of the following reasons:

- (a) the failure to include information in such plans and specifications as may have been reasonably requested;
- (b) the failure of such plans or specifications to comply with this Declaration or the RiverNorth Design Standards;
- (c) any other matter which, in the judgment of the ACC, would be likely to cause the proposed installation, construction or alteration of a Structure (i) to fail to be in conformity and harmony of external design and general quality with the standards of the portion of the Development in which the Lot is located, as set forth in the RiverNorth Design Standards,

or (ii) as to location to be incompatible with topography, finished ground elevation and surrounding Structures. In any case in which the ACC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ACC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

5.09 Obligation to Act. The ACC shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the ACC, if granted, together with any conditions imposed by the ACC, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the ACC to take action within thirty (30) days of receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

5.10 Inspection Rights. Any employee or agent of the Association or the ACC may, after reasonable notice, at any reasonable time or times enter upon any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and neither the Association, nor the ACC, nor any such agent shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided such inspection is carried out in accordance with the terms of this Section 5.10.

5.11 Violations. If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article V, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article V and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the violation, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within thirty (30) days after the mailing of the aforesaid notice of violation, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof.

In addition to the Right of Abatement provided in Section 8.02 hereof, the Association may impose a penalty of up to One Hundred Dollars (\$100.00) per day for each day that a violation

of these Protective Covenants continues, which penalty may be imposed from and after the thirtieth (30th) day of the mailing of a notice of violation as provided in this Section 5.11. The Board shall state the amount of any such penalty to be imposed on an Owner and the Lot in the notice given by the Board to the Owner, and such amounts shall constitute a binding personal obligation of such Owner as well as a lien on such Lot enforceable in accordance with the provisions of this Declaration governing the enforcement of the lien for assessments due pursuant to this Declaration.

5.12 Fees. The ACC may impose and collect a reasonable and appropriate fee to cover the cost of inspections performed pursuant to Section 5.10. The fee shall be established from time to time by the ACC and published in the RiverNorth Design Standards.

5.13 Nondiscrimination by ACC. The ACC shall not discriminate against any applicant requesting its approval of plans and specifications because of such applicant's race, color, sex, religion, age or national origin. Further, in the exercise of its powers granted pursuant to this Declaration, the ACC shall not take any action the intent or effect of which is to discriminate against persons of a particular race, color, sex, religion, age or national origin.

5.14 Liability for Defects. Neither the Declarant, the Association, the Board, officers of the Association, the ACC, nor any members or subcommittee members thereof, shall be liable in damages to anyone submitting plans and specifications for approval under the RiverNorth Design Standards, or to any Owner affected by these Protective Covenants. The review, consent, approval, inspection or examination of any plans and specifications or other items to be reviewed, consented to, approved, inspected or examined by the ACC under the terms hereof shall not constitute the assumption of any responsibility by the Declarant, the Association, the Board, the officers of the Association or the ACC for either the accuracy, sufficiency or feasibility of any such items or the quality or suitability of such items for their intended use and shall not imply any acknowledgment, representation or warranty by the Declarant, the Association, the Board, the officers of the Association or the ACC that the plans or other such items are safe, feasible, structurally sound or will comply with any legal or governmental requirements. Every person who submits plans or specifications for approval agrees by the submission of same, and every Owner agrees, that he will not bring any action or suit against the Declarant nor any of the above-described parties responsible for operating the Association and enforcing the RiverNorth Design Standards and the other Protective Covenants to recover for any such alleged damages.

5.15 Declarant. The provisions contained in this Article V shall not apply to Declarant.

ARTICLE VI

GENERAL PROTECTIVE COVENANTS

6.01 Application. All Lots within the Property shall be subject to the Protective Covenants contained in this Article VI, including any amendments hereto. The Association, acting through the Board, shall have standing and the power to enforce such Protective Covenants contained in this Declaration.

6.02 Maintenance. All maintenance of the Lots and all Structures shall be the sole responsibility of the Owner thereof, who shall maintain said property in a manner consistent with the community-wide standard of the Development, this Declaration, and the RiverNorth Design Standards. Each Owner shall keep and maintain each Lot and Structure owned by him, as well as all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all Structures; (ii) the seeding, watering and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges and shrubbery so that the same are not obstructive of a view by motorists or pedestrians of street traffic. If in the opinion of the ACC, any Owner shall fail to perform the duties imposed by this Section, the ACC shall notify the Association. If the Board shall agree with the determination of the ACC with respect to the failure of said Owner to perform the duties imposed by this Section, then the Board shall give written notice to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of said written notice by certified mail, then the Association shall have the Right of Abatement as provided in Section 8.02 hereof. Guidelines relating to the maintenance of Structures and landscaping may be included in the RiverNorth Design Standards.

6.03 Protective Covenant of Use. Lots may be used for family residences only and for no other purpose; provided, however, Declarant may operate a sales office and/or model home on a Lot or Lots designated by Declarant.

6.04 Resubdivision of Property. No Lot may be split, divided, or subdivided for sale, resale, gift, transfer, or otherwise, without the prior written approval of the ACC of the plans and specifications for such split, division or subdivision.

6.05 Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of the plans and specifications for the prevention and control of such erosion or siltation. The ACC may, as a condition or approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may

include (by way of example and not of limitation) physical devices of controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape, and required landscaping as provided for herein. Guidelines for the prevention and control of erosion and siltation may be included in the RiverNorth Design Standards. In amplification of the foregoing, no Owner, and no person at the direction or instance of any Owner, shall undertake any activity which, either directly or indirectly, constitutes a violation of any federal, state or local environmental law, statute, rule or regulation including, but not limited to, the Clean Water Act and any laws, statutes, rules or regulations apply to "wetlands".

6.06 Landscaping. No construction or alteration of any Structure shall take place without the prior written approval by the ACC of plans and specifications for the landscaping to accompany such construction or alteration. Guidelines for the landscaping to accompany the construction or alteration of any Structure shall be included in the RiverNorth Design Standards.

6.07 Trees. Guidelines relating to the preservation of trees and other natural resources and wildlife upon the Property shall be included in the RiverNorth Design Standards. No trees located on any waterfront Lots may be removed without the prior, written approval of the ACC.

6.08 Temporary Buildings. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications therefor approved by the ACC. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot without the express written approval of Declarant.

6.09 Signs.

(a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the ACC's prior written approval of the plans and specifications therefor, be installed, altered or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

(i) such signs as may be required by legal proceedings;

(ii) not more than one "For Sale" or "For Rent" sign, such sign having a maximum face area of four square feet; provided, however, that if, at the time of any desired use of such sign, the Association is making "For Sale" or "For Rent" signs available for the use of Owners, the signs made available by the Association must be used;

(iii) directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ACC.

(b) In no event during approved construction of any Structure shall more than one job identification sign be approved by the ACC. Except as provided in the RiverNorth Design Standards, no "Sold" sign shall at any time be installed or maintained on any Lot or on any portion of the Structure visible from the exterior thereof.

6.10 Setbacks. (a) Each dwelling which is erected on a Lot shall be situated on such Lot in accordance with the building and setback lines shown on the recorded plat, and in no event shall any dwelling be erected upon any Lot in a manner which violates such building and setback lines. For purposes of this requirement, all porches, patios, decks, shutters, awnings, eaves, gutters and other such overhangs will not be considered in violation thereof, even though such structure shall extend beyond said building and setback lines if the same are approved by the ACC.

(b) In approving plans and specifications for any proposed Structure, the ACC may establish setback requirements for the location of such Structure. Guidelines for setbacks may be included in the RiverNorth Design Standards. No Structure shall be erected or placed on any Lot unless its location is consistent with such setbacks.

6.11 Fences. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC of the plans and specifications for such fences and walls. Guidelines relating to the design, location and uses of fences and walls may be included in the RiverNorth Design Standards.

6.12 Roads and Driveways. No road or driveway shall be constructed or altered on any Lot without the prior written approval of the ACC of the plans and specifications for such roads and driveways. Guidelines relating to the design and location of roads and driveways may be included in the RiverNorth Design Standards.

6.13 Antennae. No exterior television or radio antennae of any sort or any satellite disk or other communications equipment of any kind whatsoever shall be placed, allowed or maintained upon any portion of a Structure or Lot without prior written approval by the ACC. No antennae shall be installed or used for the purpose of transmitting electronic signals.

6.14 Clotheslines, Garbage Cans, Etc. No clotheslines shall be permitted. All HVAC and other equipment, garbage cans and woodpiles shall be kept in a garage or screened by adequate planting or approved fencing so as to conceal them from view by neighboring residences and streets.

6.15 Recreational Vehicles and Trailers. No school bus, truck or commercial vehicle over one (1) ton capacity, house trailer, mobile home, motor home, recreational vehicle, camper, truck with camper top, habitable motor vehicle of any kind, trailers of any kind, or like equipment shall be permitted on any Lot on a permanent basis, but shall be allowed on a temporary basis not to exceed three (3) consecutive days; provided, however, any such vehicle or trailer will be permitted if stored within a garage with the garage door closed. Any trash, firewood, wood scraps, building materials or other such materials contained in any vehicle or trailer shall be covered from view. The provisions of this Section shall not apply to Declarant or to any builder in the process of constructing an approved Structure on any Lot.

With respect to non-waterfront Lots, no boat or boat trailer shall be permitted unless stored within a garage or other enclosed structure approved by the ACC. With respect to waterfront Lots, all boats or boat trailers shall be (i) stored on the Lot within a garage or other enclosed structure approved by the ACC or (ii) moored, docked or stored in or along the adjacent river at a dock, pier, boat shed, boat ramp or like structure approved by the ACC and constructed in accordance with all applicable laws, statutes, rules and regulations, including, without limitation, the requirements of the City of North Augusta and the United States Army Corps of Engineers.

6.16 Recreational Equipment. Recreational and playground equipment shall be placed or installed only upon the rear of a Lot as approved by the ACC.

6.17 Non-Discrimination. No Owner or person authorized to act for an Owner shall refuse to sell or rent, after receiving a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the purchase or rental of any Lot to any persons because of race, color, religion, sex, age or national origin. Anything in this Declaration to the contrary notwithstanding, this covenant shall run with the land and shall remain in effect without any limitation in time.

6.18 Waterfront Land.

(a) On Lots adjacent to rivers, streams, creeks or other water bodies or courses:

(i) no boat canal shall be dug or excavated therein;

(ii) no barge, float or houseboat may be erected, moored or docked adjacent thereto;

(iii) no waterfront improvements, including, without limitation, any bulkheading, dock, piling, pier, boathouse, boat ramp or other marine Structure, shall be erected adjacent thereto unless approved by the ACC and

further erected in accordance with all applicable laws, statutes, rules and regulations, including, without limitation, the requirements of the City of North Augusta and the United States Army Corps of Engineers;

(iv) no refuse of any kind shall be placed on or disposed of therefrom into the adjacent waters;

(v) no boat shall be moored so as to obstruct navigation and no activity shall be conducted on any such body of water and no structure or improvement of any kind shall be placed on such Lot or within such body of water in violation of the applicable laws, rules, statutes and regulations of the governmental entities having jurisdiction over such body of water, and each owner of a Lot upon which any such body of water is located shall comply with the requirements of any such governmental entities and the ACC;

(vi) no tree shall be removed or cut down without the prior written consent of the ACC, which consent shall be expressly conditioned upon, among other things, confirmation by the ACC that the removal of any such tree will not alter or affect any wetlands located on, adjacent to or near such Lot; and

(vii) each Owner of a Lot upon which any such body of water shall be located shall be solely responsible for the maintenance of the banks within or upon such Lot which border any body of water.

(b) Each Owner hereby releases Declarant from any liability related to, and indemnifies and holds Declarant harmless from and against, any loss, cost, injury, damage or expense ever incurred by any such Owner, its tenants, licensees, invitees, contractors, and any other party related to Owner in connection with any activity conducted by such Owner, its tenants, licensees, invitees, contractors, and any other party related to Owner on any such body of water or the construction of any improvement whatsoever by such Owner on any portion of the Owner's Lot adjacent to such body of water, unless due to the gross negligence or willful misconduct of Declarant. EACH OWNER ACKNOWLEDGES THAT HE HAS READ THE PROVISIONS OF THIS RELEASE AND INDEMNITY AND HAS VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY ACCEPTED THE SAME, AFTER OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO THIS RELEASE AND INDEMNITY.

6.19 Animals. No animals, including birds, insects, and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animal shall be allowed to become a nuisance. No Structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot unless the plans, specifications and location for said Structure have been approved by the ACC.

6.20 Solid Waste.

(a) No person shall dump rubbish, garbage, or any other form of solid waste on any Lot or on Common Property.

(b) Except during approved construction and as permitted by law, no person shall burn rubbish, garbage, or any other form of solid waste on any Lot or on Common Property.

(c) Except for building materials employed during the course of construction of any Structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Lot unless screened or otherwise handled in a manner set forth in the RiverNorth Design Standards.

(d) If rubbish, garbage, or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made, in order to provide access to persons making such pick-up. At all other times such containers shall be screened or enclosed in a manner set forth in the RiverNorth Design Standards. Guidelines relating to the type of containers permitted, the manner of storage and the place of pick-up may also be included in the RiverNorth Design Standards.

6.21 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the community.

6.22 Landscape and Monument Easements. On Lots subject to a landscape and monument easement as set forth on any recorded plat of survey of the Development, such Lots are subject to those easement rights set forth in subsection 2.04(a).

ARTICLE VII

EASEMENTS, ZONING AND OTHER RESTRICTIONS

7.01 Easements.

(a) Declarant hereby expressly reserves to the Declarant, its successors and assigns forever, the right to create perpetual easements in, on, over and under any part of the Property owned by Declarant for any purpose which Declarant deems necessary, including, by way of example, and not limitation, the following:

(i) the erection, installation, construction and maintenance of wires, lines, conduits and poles and the necessary or proper attachments in connection with the transmission of electricity, telephone, cable television and other utilities and similar facilities;

(ii) the erection, installation, construction and maintenance of storm-water drains, land drains, public and private sewers, irrigation systems, pipelines for supplying gas, water and heat, and for any other public or quasi-public facility, service or function;

(iii) slope control purposes, including the right to grade and plant slopes and to prevent the performance of any activity which might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow;

(iv) the planting or re-planting of hedges, shrubbery, bushes, trees, flowers and plants of any nature;

(v) the erection, installation, construction and maintenance of fences, walls, monuments, signs, etc. along streets in, around and along and at entrances to the Development, and the right to landscape such areas, plant, re-plant and prune hedges, shrubbery, bushes, trees, flowers, grass and plants of any nature; and

(vi) river, creek and other waterway maintenance, access and recreational use for portions of the Property abutting rivers, creeks or other waterways, if any, which easement may be for the benefit of the Declarant, the Owners and any governmental entities having jurisdiction over such rivers, creeks or other waterways. No easement shall be granted to the Association or others by Declarant to permit any person or persons using any rivers, creeks or other waterways on Common Property to enter onto any portion of a Lot not covered by such river, creek or waterway unless such entering person is the Owner of the Lot.

(b) No Owner shall have any right to use any easement created by the Declarant in, on or over any portion of the Property unless such easement has been expressly assigned in writing by the Declarant to the Association.

(c) In addition to the above, the Declarant hereby grants a general easement in favor of utility, cable television and other such service companies across the Property to maintain, repair, replace and service wires, pipes, conduits, street lights and other structures and facilities provided for the benefit of the Owners.

(d) The easements created in this Article VII are in addition to any easements or rights created elsewhere in this Declaration or in other easements of record. The provisions of this Article VII may not be amended without the written consent of the Declarant, its successors and assigns.

7.02 Easement Area. The words "Easement Area" as used herein shall mean those areas on any Lot with respect to which

easements are shown on a recorded deed or on any filed or recorded map or plat relating thereto.

7.03 Entry. The Declarant and its employees, agents, successors and assigns, shall have the right at all reasonable times to enter upon all parts of each Easement Area for any of the purposes for which such Easement Area is reserved without being deemed to have committed a trespass or wrongful act solely by reason of such entry and the carrying out of such purposes, provided the same are done in accordance with the provisions of this Article VII. The Declarant and its employees, agents, successors and assigns shall be responsible for leaving each Lot in good condition and repair following any work or activity undertaken in an Easement Area pursuant to the provisions of Section 7.01 hereof.

7.04 Zoning, Governmental Laws and Private Restrictions. None of the covenants, restrictions or easements created or imposed by this Declaration shall be construed as permitting any action prohibited by applicable zoning laws, or by the laws, rules or regulations of any governmental body. In the event of any conflict between such laws, rules or regulations and the covenants, restrictions and easements created or imposed by this Declaration, the most restrictive provision shall govern and control.

ARTICLE VIII

ENFORCEMENT

8.01 Right of Enforcement. This Declaration and the Protective Covenants contained herein shall inure to the benefit of and shall be enforceable by (i) the Declarant so long as it is an Owner, (ii) the Association, and (iii) each Owner, his legal representatives, heirs, successors and assigns.

8.02 Right of Abatement.

(a) Except where different notice provisions are expressly provided herein, in the event of a violation or breach of any Protective Covenant contained in this Declaration, the Association shall give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable and diligent steps to remedy such violation or breach within thirty (30) days after the mailing of such written notice, then the Association shall have the Right of Abatement (as hereinafter defined). If any assessment, interest, cost or charge required by this Declaration is not paid within sixty (60) days after such assessment is due or such charge is imposed, the Association shall have the right to notify any or all mortgagees having a security interest in the Owner's Lot or Lots that such Owner is in default in the performance of his

obligations under this Declaration and of those actions taken or proposed to be taken by the Association as a result of the default.

(b) The Right of Abatement, as used in this Declaration means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate (including the cessation of construction), extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the costs thereof, including the costs of collection and reasonable attorneys' fees, together with interest thereon at the lower of the highest rate permitted by law or 10%, to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 8.04 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior, (ii) the liens created by Section 4.01 hereof, and (iii) all deeds to secure debt or mortgages given to secure a loan the proceeds of which are used (1) to purchase a Lot or Lots (together with any and all Structures which may from time to time be placed or located thereon), and (2) to finance the construction, repair or alteration of Structures.

8.03 Specific Performance. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Protective Covenants by appropriate judicial proceedings or to recover damages. However, it is hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by, this Declaration; and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof.

8.04 Collection of Assessments and Enforcement of Lien.

If any assessment, interest, cost or other charge is not paid as required by this Declaration, the Association may bring either an action at law against the Owner personally obligated to pay the same, or may institute a suit at law or in equity to foreclose any lien created by this Declaration against

the Lot or Lots subject to the lien, or both, for the purpose of collecting such assessment, cost or charge, plus any interest thereon and costs of collection, including reasonable attorney's fees.

8.05. No Waiver. The failure of the Declarant, the Association, or the Owner of any Lot, his or its respective legal representatives, heirs, successors and assigns, to enforce any Protective Covenants herein contained shall in no event be considered a waiver of the right to do so thereafter as to any violation or breach occurring prior or subsequent thereto.

ARTICLE IX

DURATION AND AMENDMENT

9.01 Duration and Perpetuities.

(a) The provisions of these Protective Covenants shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law. Provided, however, in the event that South Carolina law limits the period during which covenants restricting lands to certain uses may run, any provision of these Protective Covenants which may be so limited (but which shall not include any easements created by this Declaration or otherwise) affected thereby shall run with and bind the land for the longest period permitted by law, commencing from and after the date these Protective Covenants are filed for record in the Office of the Register of Mesne Conveyances for Aiken County, South Carolina, after which time such provisions shall be automatically extended, if permitted by law, for successive periods of ten (10) years, unless an instrument, signed by at least seventy-five percent (75%) of the then Owners of record and the holders of first mortgages on their Lots has been recorded in the office of the Register of Mesne Conveyances for Aiken County, South Carolina, agreeing to terminate or change such provisions in whole or in part. Every purchaser or grantee of any interest in any portion of the Property, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of these Protective Covenants may be extended and renewed as provided in this Section.

(b) If any of the covenants, conditions, restrictions, easements or other provisions of this Declaration shall be unlawful, void or voidable for violation of the Rule Against Perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Her Majesty Queen Elizabeth II, the Queen of England.

9.02 Amendment. So long as Declarant owns at least one (1) Lot held primarily for sale, these Protective Covenants may be amended unilaterally at any time and from time to time by Declarant (i) if such amendment is necessary to bring any

provision hereof into compliance with any applicable governmental statute, rule, regulation or permit applicable to the Development or any judicial determination which shall be in conflict herewith, (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to these Protective Covenants, (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to these Protective Covenants, or (iv) if such amendment is necessary to enable any governmental agency, such as the Veterans Administration, or reputable private mortgage insurance company to insure mortgage loans on the Lots subject to these Protective Covenants; provided any such amendment shall not adversely affect the title to any Owner's Lot, unless any such Owner so affected thereby shall consent thereto in writing. These Protective Covenants may be amended at any time and from time to time by an agreement signed by at least seventy-five percent (75%) of the Owners, provided, however, such amendment by the Owners shall not be effective unless also signed by the Declarant, if the Declarant is the Owner of any real property subject to these Protective Covenants. No amendment to the provisions of these Protective Covenants shall alter, modify, change or rescind any right, title, interest or privilege herein granted or accorded to the holder of any mortgage encumbering any Lot affected thereby unless such holder shall consent in writing thereto. Any such amendment shall not become effective until the instrument evidencing such change has been filed for record in the office of the Register of Mesne Conveyances for Aiken County, South Carolina. The written consent thereto of any mortgage holder affected thereby shall also be filed with such amendment. Every purchaser or grantee of any interest in any real property now or hereafter subject to these Protective Covenants, by acceptance of a deed or other conveyance therefor, thereby agrees that these Protective Covenants may be amended as provided in this Section 9.02.

ARTICLE X

MISCELLANEOUS

10.01 Other Changes. Notwithstanding any other provisions herein which may be construed to the contrary, unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) of the individual Lots in the Development have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Property owned, directly or indirectly, by the Association (the granting of easements for public utilities or for other public or

quasi-public purposes consistent with the intended use of such common area or property by the Association shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of dwellings on the Lots of the Development, the exterior maintenance of Lots and improvements thereon, the maintenance of the Common Property or party walks or common fences or common roadways and driveways, or the upkeep of lawns and plantings in the Development;

(d) fail to maintain fire and extended coverage on insurable Common Property, if any, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value of such property (based on current replacement cost); or

(e) use hazard insurance proceeds for losses to any Common Property for other than the repair, replacement or reconstruction of such property.

10.02 Rights of First Mortgagees.

(a) First mortgagees of Lots in the Development may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Association's Common Property and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Property, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Despite any other provision of this Declaration which may be interpreted otherwise, it is expressly intended that no Owner or any other party have priority over any rights of the first mortgagee of a Lot pursuant to its mortgage or security deed in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Property.

(b) In addition to the rights of mortgagees elsewhere provided, each first mortgagee of a Lot, upon request, shall (i) be entitled to written notice from the Association of any default hereunder of an Owner which is not cured within sixty (60) days; (ii) be entitled to attend and observe all meetings of Owners, but not meetings of the Board; (iii) be furnished copies of annual financial reports made to the Owners; and (iv) be entitled to inspect the financial books and records of the Association during reasonable business hours.

10.03 Professional Management. Any agreement for professional management of the Association, or any other contract

providing for services of the Declarant, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days written notice.

10.04 Notice of Leases; Tenants and Guests. All tenants, lessees/ guests and visitors are subject to the covenants contained in this Declaration, and they must abide by the rules and regulations set forth herein and as promulgated by the Association and the ACC. It is the responsibility of the Owner to inform his tenants, lessees, guests and visitors of this requirement. It is also the responsibility of the Owner to inform the Association of any lease of his dwelling, whether by written or oral agreement, and where the Owner will not be occupying his dwelling, to provide the Association with a forwarding address where he may be contacted.

10.05 No Reverter. No restriction herein is intended to be, nor shall be construed as, a condition subsequent or as creating a possibility of reverter.

10.06 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

10.07 Headings. The headings of the Articles and Sections hereof are for convenience only and shall not affect the meaning or interpretation of the contents of this Declaration.

10.08 Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

10.09 Notices. All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures or consent of any kind made pursuant to this Declaration, whether made by the Declarant, the Association, the Owner, or any other person, shall be made in writing. All such writings shall be sufficient only if deposited in the United States Mail, with sufficient postage, and sent to the following addresses:

- (a) Declarant: Riverside Partners, L.P.
3799 Inverness Way
Augusta, Georgia 30907
- (b) Owners: Each Owner's address as registered
with the Association in accordance
with the Bylaws.

Any written communication transmitted in accordance with this Section 10.09 shall be deemed received on the third (3rd) day following the day such written notice is deposited in the United States Mail.

10.10 No Liability. Declarant has, using best efforts and all due diligence, prepared and recorded this Declaration so that each and every Owner shall have the right and the power to enforce the terms and provisions of this Declaration against every other Owner. However, in the event that this Declaration is, for any reason whatsoever, unenforceable by an Owner (or any other person) in a court of law or otherwise, Declarant and the officers, directors, shareholders, partners or representatives of Declarant shall have no liability of any kind as a result of such unenforceability, and each and every Owner, by acceptance of a deed conveying a Lot, acknowledges that Declarant and the officers, directors, shareholders, partners or representatives of Declarant shall have no such liability.

ARTICLE XI

ANNEXATION

11.01 Submission of Additional Property. Declarant shall have the option and right from time to time, without the necessity of consent by the Association, the Board or the Owners, but subject to Section 11.02 hereof, to submit all or portions of the Additional Property to this Declaration and thereby to cause the Additional Property, or such portions thereof, to become part of the Property. This option may be exercised by the Declarant in accordance with the conditions and limitations set out in Section 11.02 hereof, which are the only conditions and limitations on such right.

11.02 Conditions of Annexation. Any annexation as permitted in Section 11.01 hereof shall be in accordance with the following terms and conditions:

A. The option to submit portions of the Additional Property may be exercised at any time and from time to time until twenty (20) years from the date this Declaration is recorded; provided, however, that the Owners of Lots to which two-thirds of the Class A votes in the Association appertain, exclusive of any vote or votes appurtenant to Lots then owned by Declarant, may consent to the extension of such option by vote taken not more than one (1) year prior to the date upon which such option will expire.

B. The legal description of the Additional Property is set forth in Exhibit "B". Portions of the Additional Property may be added at different times, and there are no limitations fixing the boundaries of those portions or regulating the order in which any such portions may become part of the Property.

C. All Lots created on portions of the Additional Property which are added to the Property shall be subject to all covenants, restrictions, rights and obligations set forth in the Declaration.

D. The option reserved by Section 11.01 hereof may be exercised by the Declarant alone (without the consent of the Association or any Owner) by the execution by the Declarant of an amendment to this Declaration which shall be filed for record in the Office of the Register of Mesne Conveyances for Aiken County, South Carolina, together with a plat of that portion of the Additional Property which is to become part of the Property by reason of such amendment. Such plat shall indicate the boundaries of that portion of the Additional Property which is to become part of the Property, the boundaries of all Lots to be located therein, and an identifying number for each such Lot. Any such amendment shall expressly submit that portion of the Additional Property which is to become part of the Property from time to time, and upon the exercise, if any, of such option, the provisions of this Declaration shall be understood and construed as embracing all of the Property, including the initial phase and such portions of the Additional Property as have become part of the Property by annexation.

E. From and after the date of annexation of any portion of the Additional Property, each Lot so added to the Property and the Owners thereof, shall have the same vote, shall share the same obligations and responsibilities, and shall have the same rights and privileges accorded every other Lot previously comprising part of the Property. Upon annexation of each portion of the Property, as herein provided, the Association shall be deemed to have assumed, automatically, and without the necessity of consent by the Association, the Board or any individual Owners, the covenants to maintain the Common Property and the other obligations imposed by this Declaration, as amended from time to time, with respect to that portion of the Additional Property which is then the subject of annexation.

F. It is understood that if the Development is approved for funding of individual Lot loans by the Federal Housing Administration and/or the Veterans Administration, any variance from the plan of annexation initially approved by them may jeopardize future funding unless such variance is approved prior to implementation.

G. Each Owner, by acceptance of a deed to a Lot in the Property, and the Association, shall be deemed to have approved annexation in the manner provided in this Article XI.

11.03 Use of Additional Property. Unless and until the Additional Property is submitted to this Declaration, such Additional Property may be used for any lawful purposes. Said Additional Property is currently used by Declarant for recreational hunting purposes, but Declarant shall be under no obligation to continue such use or to change such use so long as the Additional Property is not subject to this Declaration.

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EXHIBIT "A"

The Property

See Legal Description attached hereto and Boundary Plat recorded herewith which are hereby incorporated by reference herein.

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND LYING, SITUATE AND BEING LOCATED IN THE CITY OF NORTH AUGUSTA, COUNTY OF AIKEN, STATE OF SOUTH CAROLINA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHERE THE CENTERLINE OF U.S. HIGHWAY #1 OVERPASS INTERSECTS THE CENTERLINE OF A SERVICE ROAD TO THE AUGUSTA CONCRETE BLOCK COMPANY; THENCE, RUNNING S28°09'52"E A DISTANCE OF 134.46' TO THE TRUE POINT OF BEGINNING;

THENCE, RUNNING N83°45'16"E A DISTANCE OF 939.32' TO A POINT;
 THENCE, RUNNING S06°41'00"E A DISTANCE OF 1036.36' TO A POINT;
 THENCE, RUNNING N51°31'58"E A DISTANCE OF 32.25' TO A POINT;
 THENCE, RUNNING N51°36'00"E A DISTANCE OF 577.75' TO A POINT;
 THENCE, RUNNING S29°24'00"E A DISTANCE OF 1060.00' TO A POINT;
 THENCE, RUNNING S67°24'00"E A DISTANCE OF 2910.00' TO A POINT;
 THENCE, RUNNING S36°39'00"E A DISTANCE OF 692.20' TO A POINT

LOCATED AT THE EDGE OF THE WETLANDS; THENCE, ALONG THE WETLANDS IN A SOUTHEASTERLY DIRECTION AS FOLLOWS:

THENCE, RUNNING S88°18'29"E A DISTANCE OF 18.53' TO A POINT;
 THENCE, RUNNING S11°23'09"E A DISTANCE OF 35.04' TO A POINT;
 THENCE, RUNNING S75°45'09"E A DISTANCE OF 25.18' TO A POINT;
 THENCE, RUNNING N63°27'50"E A DISTANCE OF 23.12' TO A POINT;
 THENCE, RUNNING N67°21'41"E A DISTANCE OF 20.45' TO A POINT;
 THENCE, RUNNING N80°10'03"E A DISTANCE OF 25.79' TO A POINT;
 THENCE, RUNNING S65°17'28"E A DISTANCE OF 29.33' TO A POINT;
 THENCE, RUNNING S26°05'36"E A DISTANCE OF 26.49' TO A POINT;
 THENCE, RUNNING S24°19'58"E A DISTANCE OF 29.15' TO A POINT;
 THENCE, RUNNING S58°43'27"E A DISTANCE OF 28.36' TO A POINT;
 THENCE, RUNNING S83°03'20"E A DISTANCE OF 37.08' TO A POINT;
 THENCE, RUNNING S53°06'32"E A DISTANCE OF 27.35' TO A POINT;
 THENCE, RUNNING S62°20'04"E A DISTANCE OF 37.72' TO A POINT;
 THENCE, RUNNING S60°25'57"E A DISTANCE OF 38.08' TO A POINT;
 THENCE, RUNNING S79°27'09"E A DISTANCE OF 50.69' TO A POINT;
 THENCE, RUNNING S71°54'00"E A DISTANCE OF 29.62' TO A POINT;
 THENCE, RUNNING S73°06'16"E A DISTANCE OF 35.37' TO A POINT;
 THENCE, RUNNING S81°21'00"E A DISTANCE OF 31.01' TO A POINT;
 THENCE, RUNNING S64°32'40"E A DISTANCE OF 37.90' TO A POINT;
 THENCE, RUNNING S21°29'53"E A DISTANCE OF 30.56' TO A POINT;
 THENCE, RUNNING S57°48'41"E A DISTANCE OF 29.36' TO A POINT;
 THENCE, RUNNING S47°05'16"E A DISTANCE OF 21.98' TO A POINT;
 THENCE, RUNNING S72°44'18"E A DISTANCE OF 25.13' TO A POINT;
 THENCE, RUNNING N76°15'02"E A DISTANCE OF 22.38' TO A POINT;
 THENCE, RUNNING S45°48'05"E A DISTANCE OF 24.79' TO A POINT;
 THENCE, RUNNING N87°07'30"E A DISTANCE OF 23.08' TO A POINT;
 THENCE, RUNNING S49°14'52"E A DISTANCE OF 4.24' TO A POINT;
 THENCE, RUNNING S79°53'42"E A DISTANCE OF 24.18' TO A POINT;
 THENCE, RUNNING S71°06'05"E A DISTANCE OF 25.95' TO A POINT;
 THENCE, RUNNING S40°34'52"E A DISTANCE OF 26.39' TO A POINT;
 THENCE, RUNNING S72°50'17"W A DISTANCE OF 25.18' TO A POINT;

THENCE, RUNNING S68°13'01"W A DISTANCE OF 20.97' TO A POINT;
 THENCE, RUNNING S73°34'19"W A DISTANCE OF 32.31' TO A POINT;
 THENCE, RUNNING N78°17'21"W A DISTANCE OF 19.87' TO A POINT;
 THENCE, RUNNING S22°10'10"W A DISTANCE OF 34.41' TO A POINT;
 THENCE, RUNNING S49°22'20"E A DISTANCE OF 18.77' TO A POINT;
 THENCE, RUNNING S73°22'37"E A DISTANCE OF 31.13' TO A POINT;
 THENCE, RUNNING S47°00'38"E A DISTANCE OF 28.09' TO A POINT;
 THENCE, RUNNING S05°55'59"E A DISTANCE OF 25.52' TO A POINT;
 THENCE, RUNNING S31°23'33"W A DISTANCE OF 18.21' TO A POINT;
 THENCE, RUNNING S29°30'40"E A DISTANCE OF 33.41' TO A POINT;
 THENCE, RUNNING S33°18'07"E A DISTANCE OF 41.03' TO A POINT;
 THENCE, RUNNING S64°22'26"E A DISTANCE OF 61.72' TO A POINT;
 THENCE, RUNNING S62°05'00"E A DISTANCE OF 53.69' TO A POINT;
 THENCE, RUNNING S49°08'43"E A DISTANCE OF 68.05' TO A POINT;
 THENCE, RUNNING N86°37'00"E A DISTANCE OF 87.70' TO A POINT;
 THENCE, RUNNING N78°11'45"E A DISTANCE OF 106.77' TO A POINT;
 THENCE, RUNNING N86°41'55"E A DISTANCE OF 135.81' TO A POINT;
 THENCE, RUNNING N89°49'01"E A DISTANCE OF 105.13' TO A POINT;
 THENCE, RUNNING N82°16'53"E A DISTANCE OF 97.63' TO A POINT;
 THENCE, RUNNING S86°04'34"E A DISTANCE OF 72.06' TO A POINT;
 THENCE, RUNNING S63°57'55"E A DISTANCE OF 100.02' TO A POINT;
 THENCE, RUNNING S47°13'36"E A DISTANCE OF 120.91' TO A POINT;
 THENCE, RUNNING S62°43'59"E A DISTANCE OF 97.49' TO A POINT;
 THENCE, RUNNING S61°57'04"E A DISTANCE OF 144.52' TO A POINT;
 THENCE, RUNNING S38°21'57"E A DISTANCE OF 107.89' TO A POINT;
 THENCE, RUNNING S36°36'34"E A DISTANCE OF 75.97' TO A POINT;
 THENCE, RUNNING S49°15'59"E A DISTANCE OF 40.65' TO A POINT;
 THENCE, RUNNING S47°04'04"E A DISTANCE OF 64.09' TO A POINT;
 THENCE, RUNNING S86°24'01"E A DISTANCE OF 61.64' TO A POINT;
 THENCE, RUNNING S63°20'46"E A DISTANCE OF 108.20' TO A POINT;
 THENCE, RUNNING S75°09'01"E A DISTANCE OF 57.04' TO A POINT;
 THENCE, RUNNING N78°50'32"E A DISTANCE OF 121.71' TO A POINT;
 THENCE, RUNNING N89°22'38"E A DISTANCE OF 128.40' TO A POINT;
 THENCE, RUNNING N87°17'37"E A DISTANCE OF 109.30' TO A POINT;
 THENCE, RUNNING S87°48'27"E A DISTANCE OF 68.75' TO A POINT;
 THENCE, RUNNING S84°23'49"E A DISTANCE OF 121.72' TO A POINT;
 THENCE, RUNNING S86°17'16"E A DISTANCE OF 67.65' TO A POINT;
 THENCE, RUNNING S86°50'12"E A DISTANCE OF 95.84' TO A POINT;
 THENCE, RUNNING S84°31'16"E A DISTANCE OF 81.69' TO A POINT;
 THENCE, RUNNING S86°48'58"E A DISTANCE OF 99.42' TO A POINT;
 THENCE, RUNNING N86°46'22"E A DISTANCE OF 102.59' TO A POINT;
 THENCE, RUNNING N88°28'47"E A DISTANCE OF 75.20' TO A POINT;
 THENCE, RUNNING S18°27'49"E A DISTANCE OF 149.20' TO A POINT;
 THENCE, RUNNING N61°05'04"E A DISTANCE OF 87.44' TO A POINT;
 THENCE, RUNNING S51°48'35"E A DISTANCE OF 24.97' TO A POINT;
 THENCE, RUNNING S38°10'21"W A DISTANCE OF 1794.96' TO A POINT
 LOCATED ON THE NORTH BANK OF THE SAVANNAH RIVER; THENCE, RUNNING
 ALONG THE BANK OF THE SAVANNAH RIVER IN A NORTHWEST DIRECTION ON
 A SURVEY TRAVERSE AS FOLLOWS:

THENCE, RUNNING N06°59'06"E A DISTANCE OF 112.94' TO A POINT;
 THENCE, RUNNING N55°12'17"W A DISTANCE OF 127.11' TO A POINT;
 THENCE, RUNNING N45°47'15"W A DISTANCE OF 404.37' TO A POINT;
 THENCE, RUNNING N41°59'56"W A DISTANCE OF 261.49' TO A POINT;
 THENCE, RUNNING N44°36'40"W A DISTANCE OF 438.67' TO A POINT;
 THENCE, RUNNING N38°18'48"W A DISTANCE OF 139.86' TO A POINT;
 THENCE, RUNNING N54°13'23"W A DISTANCE OF 167.82' TO A POINT;
 THENCE, RUNNING N44°37'50"W A DISTANCE OF 156.23' TO A POINT;
 THENCE, RUNNING N47°54'07"W A DISTANCE OF 330.63' TO A POINT;
 THENCE, RUNNING N62°47'40"W A DISTANCE OF 196.08' TO A POINT;
 THENCE, RUNNING N69°00'38"W A DISTANCE OF 133.53' TO A POINT;
 THENCE, RUNNING N67°17'42"W A DISTANCE OF 410.21' TO A POINT;
 THENCE, RUNNING N74°44'12"W A DISTANCE OF 220.91' TO A POINT;
 THENCE, RUNNING N75°07'45"W A DISTANCE OF 343.55' TO A POINT;
 THENCE, RUNNING N77°33'59"W A DISTANCE OF 433.75' TO A POINT;
 THENCE, RUNNING N78°33'37"W A DISTANCE OF 290.66' TO A POINT;
 THENCE, RUNNING N77°59'22"W A DISTANCE OF 435.84' TO A POINT;
 THENCE, RUNNING N70°27'45"W A DISTANCE OF 341.39' TO A POINT;
 THENCE, RUNNING N74°11'07"W A DISTANCE OF 140.49' TO A POINT;
 THENCE, RUNNING N67°39'58"W A DISTANCE OF 210.13' TO A POINT;
 THENCE, RUNNING N68°42'32"W A DISTANCE OF 390.55' TO A POINT;
 THENCE, RUNNING N77°43'53"W A DISTANCE OF 168.58' TO A POINT;
 THENCE, RUNNING N66°41'42"W A DISTANCE OF 245.81' TO A POINT;
 THENCE, RUNNING N63°24'53"W A DISTANCE OF 361.59' TO A POINT;
 THENCE, RUNNING N70°00'39"W A DISTANCE OF 123.06' TO A POINT;
 THENCE, RUNNING N69°09'27"W A DISTANCE OF 119.69' TO A POINT;
 THENCE, RUNNING N62°01'59"W A DISTANCE OF 341.70' TO A POINT;
 THENCE, RUNNING N71°14'57"W A DISTANCE OF 186.87' TO A POINT;
 THENCE, RUNNING N58°20'40"W A DISTANCE OF 151.77' TO A POINT;
 THENCE, RUNNING N62°16'43"W A DISTANCE OF 178.85' TO A POINT;
 THENCE, RUNNING N67°05'09"W A DISTANCE OF 166.36' TO A POINT

LOCATED WHERE THE WESTERN BOUNDARY OF SAID TRACT INTERSECTS THE NORTH BANK OF THE SAVANNAH RIVER, HIGH WATER MARK BEING ACTUAL PROPERTY LINE; THENCE, RUNNING AWAY FROM THE SAVANNAH RIVER ON A BEARING OF N50°29'24"E A DISTANCE OF 454.30' TO A POINT LOCATED AT THE TOP OF BANK AT CREEK; THENCE, FOLLOWING SAID CREEK IN A NORTHERLY DIRECTION ON A SURVEY TRAVERSE AS FOLLOWS:

THENCE, RUNNING N20°36'21"W A DISTANCE OF 173.37' TO A POINT;
 THENCE, RUNNING N22°05'59"E A DISTANCE OF 299.43' TO A POINT
 LOCATED AT THE TOP OF BANK AT CREEK, SAID CREEK BEING THE ACTUAL PROPERTY LINE; THENCE, LEAVING SAID CREEK ON A BEARING OF N70°42'22"W A DISTANCE OF 1186.96' TO A POINT;
 THENCE, RUNNING N38°43'50"E A DISTANCE OF 121.00' TO A POINT;
 THENCE, RUNNING N49°34'38"E A DISTANCE OF 179.87' TO A POINT;
 THENCE, RUNNING N55°51'34"W A DISTANCE OF 163.92' TO A POINT;
 THENCE, RUNNING N34°26'19"E A DISTANCE OF 256.34' TO A POINT;
 THENCE, RUNNING N53°56'28"W A DISTANCE OF 348.83' TO A POINT;
 THENCE, RUNNING ALONG A CURVE TO THE LEFT WITH A RADIUS OF 162.00 FOR A DISTANCE OF 221.34' TO A POINT; THENCE, RUNNING S36°08'01"W A DISTANCE OF 24.54' TO A POINT;

THENCE, RUNNING N56°15'37"W A DISTANCE OF 10.45' TO A POINT;
THENCE, RUNNING IN A WESTERLY DIRECTION ALONG A CURVE TO THE
RIGHT WITH A RADIUS OF 360.10 FOR A DISTANCE OF 176.98 FEET TO A
POINT LOCATED ON THE EASTERN RIGHT-OF-WAY OF U.S. HIGHWAY #1;
THENCE, ALONG SAID RIGHT-OF-WAY ON A BEARING OF N18°00'53"W A
DISTANCE OF 30.00'; THENCE, RUNNING IN A NORTHERLY DIRECTION
ALONG SAID RIGHT-OF-WAY ON A CURVE TO THE LEFT WITH A RADIUS OF
280.91 FOR A DISTANCE OF 157.62 FEET TO A POINT; THENCE, RUNNING
IN A NORTHERLY DIRECTION ALONG SAID RIGHT-OF-WAY ON A CURVE TO
THE LEFT WITH A RADIUS OF 372.82 FOR A DISTANCE OF 154.60' TO A
POINT; THENCE, CONTINUING ALONG THE RIGHT-OF-WAY OF U.S. HIGHWAY
#1 ON A BEARING OF N06°55'21"E A DISTANCE OF 201.62' TO A POINT;
THENCE, CONTINUING ALONG THE RIGHT-OF-WAY OF U.S. HIGHWAY #1 ON A
CURVE TO THE RIGHT WITH A RADIUS OF 415.43 FOR A DISTANCE OF
226.49' TO A POINT; THENCE, CONTINUING ALONG THE RIGHT-OF-WAY OF
U.S. HIGHWAY #1 ON A BEARING OF S51°56'21"E A DISTANCE OF 19.93'
TO A POINT; THENCE, CONTINUING ALONG THE RIGHT-OF-WAY OF U.S.
HIGHWAY #1 ON A BEARING OF N36°18'09"E A DISTANCE OF 36.54' BACK
TO THE TRUE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS
±263.1 ACRES.

EXHIBIT "B"

Additional Property

All property now owned or hereafter acquired and delineated as Southern Road Builders, Gordon Farmer, Carl E. Sanders, Moragne, et. al., Simkins, City of North Augusta, Simkins, Wiggins Est., and Carl E. Sanders on the Boundary Plat recorded herewith which is hereby incorporated by reference herein.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed and sealed this 22nd day of May, 1995.

"DECLARANT"

Riverside Partners, L.P., a South Carolina Limited Partnership
BY: General Partner:
North Riverside Partners, a South Carolina Corporation

BY: Carl E. Sanders (L.S.)
Its President

WITNESS:

Linda P. Lagrow
Frampton W. Toole, III

STATE OF SOUTH CAROLINA,)
)
COUNTY OF AIKEN.)

PERSONALLY appeared before me, Linda P. Lagrow, and made oath that she saw the within named Riverside Partners, L.P., a South Carolina Limited Partnership by: General Partner: North Riverside Partners, a South Carolina Corporation, by Carl E. Sanders, Jr., Its President, sign, seal, and as its act and deed, deliver the within written Declaration, and that she with Frampton W. Toole, III, witnessed the execution thereof.

SWORN to before me this

22nd day of May, 1995.

Frampton W. Toole, III (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 10-30-00.

Linda P. Lagrow

RECORDED 5-31-95 at 1210 hrs
Peggy J. Whitman
CLERK AIKEN COUNTY