

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS APPLICABLE TO A SUBDIVISION KNOWN AS
STONEWOOD CROSSING,
PLAT BOOK 155, PAGE 95.**

THIS DECLARATION made on the date hereinafter set forth by **Stonewood Crossing, LLC**, a South Carolina limited liability company, hereinafter referred to as "**Declarant.**"

WITNESSETH

WHEREAS, Declarant is the owner of certain property in **Spartanburg County, South Carolina**, is more particularly described as: Lots 1 through 45, on plat entitled "STONEWOOD CROSSING SECTION I A PATIO HOME DEVELOPMENT", prepared by Souther Land Surveying, dated October 24, 2003 and recorded November 10, 2003 in Book 155 at Page 95, Office of the Register of Deeds for Spartanburg County, and reference to which Plat is hereby craved for a complete-metes and bounds description;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "**Association**" shall mean and refer to **Stonewood Crossing Homeowners' Association, Inc., a South Carolina nonprofit corporation**, its successors and assigns.

Section 2. "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the properties, including contract sellers, but excluding the developer and builders holding property for resale and those having such interest merely as security for the performance of an obligation.

Section 3. "**Property**" and "**Properties**" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "**Lot**" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties.

Section 5. "**Declarant**" shall mean and refer to **Stonewood Crossing, LLC**, its successors and assigns.

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Section 6. "**Builder**" shall mean and refer to any builder licensed by and in good standing with **Stonewood Crossing, LLC**, its successors and assign.

Section 7. "**Approved Builder**" shall mean and refer to any builder which has been selected by Declarant to buy lots and construct homes for sale in the Subdivision.

Section 8. "**Common Area**" means all of the Property not occupied by residential structures excluding Lots, specifically including all real property shown and designated on the Plat as "Common Area" and all roads, streets, court, lanes, drives, terraces, courts, avenues or right-of-ways which have not been dedicated to a public entity, all walks, driveways, service areas, service courts, play areas, swimming areas and other areas for **Stonewood Crossing**, including but not limited to, any real property or easements owned by the Association for the common use and enjoyment of the owners. The Common Area shall be owned by the Association for the common use and benefit of the owners, subject to the easements, terms, conditions and restrictions described in this Declaration. Responsibility for the maintenance of the Common Areas, including any paved, landscaped, lighted or other improved areas located within the Common Area shall be the responsibility of the Association.

Section 9. "**Subdivision**" shall mean and refer to property described on the on plat entitled "STONEWOOD CROSSING SECTION I A PATIO HOME DEVELOPMENT", prepared by Souther Land Surveying, dated October 24, 2003 and recorded November 10, 2003 in Book 155 at Page 95, Office of the Register of Deeds for Spartanburg County, and reference to which Plat is hereby craved for a complete-metes and bounds description, which shall be known as **Stonewood Crossing**.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall be a member of the Association, which memberships shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable fees for the maintenance of lighting entrances, common areas, fences, landscaping, sprinkler systems, light fixtures and related bulbs and other reasonable expense.

(b) The right of the Association to suspend the voting rights of an Owner for any period not to exceed (sixty) 60 days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or authority for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer is signed by two-thirds (2/3) of each

class of members and has been recorded;

(d) The right of the Association to impose regulations for the use and enjoyment of the Common Area and Improvements thereon, which regulations may further restrict the use of the Common Area;

(e) The right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities thereon. No such mortgage of the Common Area shall be effective unless an instrument agreeing to such mortgage of Common Area is signed by two-thirds (2/3) of each class of members. Also, so long as there is Class B Membership, mortgage of any Common Area must also be approved by the U. S. Department of Veterans Affairs; and

(f) The right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the properties for the purpose of eliminating unintentional encroachments of Improvements onto portions of the Common Areas or any other purpose or reason. As long as there is Class B Membership, no such exchange of portions of Common Area with the Declarant shall be effective unless an instrument agreeing to such exchange has been approved by the U.S. Department of Veteran Affairs.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The Vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B Members shall be the Declarant and the Approved Builder. The B member(s) shall be entitled to three (3) votes for each Lot owned by **Stonewood Crossing, LLC or Builder**, respectively. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) the sale to the Owners of Seventy Five (75%) Percent of the Lots, or
- (b) on December 31, 2013, or
- (c) when Declarant and Approved Builder elect by notice to the Association in writing to terminate their Class B membership.

Section 3. Leases of Lots. Any lease agreement between an Owner and a lessee for the Lease of such Owner's residence on its Lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and Bylaws of the Association, and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots

shall be in writing. Other than the foregoing, there is no restriction on the right of any owner to lease his Lot.

Section 4. Declarant's Covenant to Convey Title to Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to its property designated herein as Common Area to the Association (save and except Common Area that forms a part of any Lot or the Public Roads) at such time as it conveys the first Lot to some person other than Declarant. The Common Area shall be free from any monetary liens but subject to easements of record, including any easements established by this Declaration and expressly subject to an easement in favor of the Declarant to construction recreational facilities on the Common Area that is approved by the Board. Similarly, Declarant will convey to the Association such additional Common Area as is annexed in the future, immediately following its annexation pursuant to this Declaration. The Association shall accept the conveyance of all such Common Area pursuant to this Section.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as herein provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of **Stonewood Crossing** and in particular for the improvement and maintenance of services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials management and supervision, the payment of taxes assessed against the Common Area; the maintenance of water and sewer mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated right-of-way), drives and parking areas within the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws; the maintenance of lakes, ponds, retention areas or other bodies of water located within the Common Area if any; the maintenance of dams and areas surrounding such water; the maintenance of any "sign easement" areas located on any Lot, as shown on a recorded plat; the maintenance of entranceways, landscaping and lighting of Common Area, road medians and islands and

entranceways, the lighting of streets (whether public or private); the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the costs associated with duties of the Architectural Control Committee; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of Improvements to the Common Area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Properties, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to the Association by any Lot Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When a Lot Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$75.00 per Lot and paid on a calendar year basis unless changed by the Association.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year without a vote of the membership. (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten (10%) percent only by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(b) The Board of Directors may fix the annual assessment at an amount not in excess of ten percent (10%) above the previous year's assessment, subject to the provisions as provided for in these Restrictions.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement in the Subdivision, provided that any such assessment shall have the assent to two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot or otherwise.

Section 5. Notice and Quorum for any Action Authorized under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members 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 (60%) percent 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.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots as of January 1, 2004. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as the date of its issuance. The Declarant shall fund such amount necessary to pay approved expenses in excess of the amount collected by the Association until the date Class B membership ceases.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate often (10%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Declarant shall further have the right to convey lot/lots or other property to the Association for use of the residents of this Subdivision as common property to be controlled by the Association

Section 9. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association. Upon default by the Association in the payment to the

governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to or for the benefit of the common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments (including any late payment penalties) in an amount determined by dividing the total taxes and/or assessments and/or penalties due the governmental authority by the total number of Lots in the development. If such sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the owner. This Section shall not become applicable until Class B membership ceases to exist.

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

Section 11. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. All property owned by the Declarant, at the Declarant's election, shall be exempt for the assessments created herein. At the Declarant's election, Lots owned by Approved Builder shall be exempt from assessments during the Approved Builders ownership of the Lot(s), and the annual assessment for such Lot(s) shall commence upon the date of sale of the Lot by the Approved Builder.

ARTICLE IV

ARCHITECTURAL CONTROL

Until such time as the Class B membership expires, Declarant shall annually appoint a member of the Architectural Committee which will be comprised of at least three (3) members.

Section 1. Plan of Design Approval. All residences, outbuildings, and other structures initially constructed within the Subdivision by Approved Builder (collectively, "Initial Improvements") shall be built in accordance with plans and specifications which have been previously approved by Declarant. Under no circumstances shall any additional architectural approval be required as to the Initial Improvements. Other than the Initial Improvements, no building, fence, wall, porch, deck, or any other structure or improvement (collectively, "Improvements"), including, without limitation, the alteration or painting of the exterior surface of any existing Improvement or Initial Improvement, shall be undertaken upon any Lot unless the plans and specifications and location of the proposed Improvement shall have been expressly approved in writing by the Architectural Committee established pursuant to Section 2. No subsequent alteration

or modification of any existing Improvements, Initial Improvements or construction, erection or installation of additional Improvements may be undertaken or allowed to remain on any Lot without the review and express written approval of the Architectural Committee, subject to Section 2 below.

Section 2. Architectural Committee. Until such time as the Class B membership expires, Declarant shall annually appoint the members of the Architectural Committee, which will be composed of at least one (1) member of the Board. Each member shall be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Property. In the event of the death or resignation of any members of the Architectural Committee, Declarant, for so long as it has the authority to appoint the members of the Architectural Committee, and thereafter the Board, shall have full authority to designate and appoint a successor. Members of the Architectural Committee may be removed and replaced at any time with or without cause, and without prior notice, by Declarant, for so long as Declarant has the right to appoint the members thereof, and thereafter by the Board. Subsequent to the expiration of Class B membership (and earlier if Declarant specifically assigns this right to the Board), the Board shall designate the number of and appoint the members of the Architectural Committee on an annual basis. At any time, Declarant may elect not to designate the number of and/or appoint the members of the Architectural Committee and may assign this right to the Board.

Section 3. No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to, or change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee.

Section 4. The Architectural Committee shall have the right to refuse to approve any plans, specifications, and/or plot plans, taking into consideration the suitability of the proposed building or other Improvements, the materials of which it is to be built, whether or not it is in harmony with the surroundings, and the effect it will have on other residences already constructed.

Section 5. Prior to the commencement of any construction, each Owner shall submit to the Architectural Committee, in duplicate, plans and drawings, in a one eighth (1/8) scale or larger, which shall contain, at a minimum:

- (a) front elevations;
- (b) floor plan;
- (c) the area of heated floor space;
- (d) exterior building material to include color and type of material (brick, siding, cedar, etc.);
- (e) exterior trim color; and,
- (f) roofing material and color.

These requirements also pertain to any alterations and/or additions to existing structures.

One or more of the listed requirements may be waived by the Architectural Committee for plans submitted by Approved Builders.

The documents and other information required to be submitted shall be delivered or mailed to the Architectural Committee. One complete set shall be retained by the Architectural Committee and the second complete set shall be returned to the applicant, with the Architectural Committee's approval or disapproval clearly noted thereon.

Section 6. In the event the Architectural Committee, or its designated committee fails to approve or disapprove such plans within thirty (30) days after they have been submitted to it, such approval will be automatic. The terms "Building" or "Improvements" shall be deemed to include the erection, placement, or alteration of any wall, fence driveway, or parking area, or any such activity undertaken subsequent to initial construction.

Section 7. The Architectural Committee is authorized to modify or amend during or before, in the construction or alteration of any building, the Article of these restrictions concerning set-back and location and size of Improvements if, in the opinion of the Architectural Committee, such shall be necessary to prevent undue hardship.

Section 8. All construction, including fences, by any Owner, shall be performed by a licensed contractor or licensed builder and must be of materials and workmanship comparable to others in the Subdivision.

Section 9. Once construction is commenced, each Owner shall be responsible for insuring that such work proceeds at an orderly and timely pace, with no work stoppage in excess of fourteen (14) consecutive days, acts of God excepted.

Section 10. The construction of all houses and other structures shall be completed within six (6) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder. Houses and other dwelling structures may not be temporarily or permanently occupied until completed. During the continuance of construction, the Owner shall require the contractor to maintain the residential lot in a clear and uncluttered condition.

Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools, and construction materials from the Lot. Any damage to roads or property owned by others caused by the Owner's contractor or other parties providing labor or services to the Owner, shall be repaired by the Owner or by the Declarant at Owner's expense. This includes damage to curbs.

Section 11. Enforcement. In addition to the Declarant's and the Association's rights to enforce the provisions of this Declaration as set forth hereinafter, the Architectural Committee shall have the specific, nonexclusive right to enforce the provisions contained in this Article and/or to prevent any violation of the provisions contained in this Article by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained herein.

In the event that the Architectural Committee, Declarant or the Association resorts to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of this Article, the Architectural Committee, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a special assessment against the offending Owner's Lot.

Section 12. The Declarant expressly reserves the right to assign any of the duties, powers, functions, and approval authority set forth herein to any assignee at Declarant's sole discretion.

Section 13. Neither Declarant, Builder nor any other member of the Architectural Control Committee, shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control Committee, nor for any structural defects in any work done according to such plans and specifications approved by the Architectural Control Committee. FURTHER, NEITHER DECLARANT, BUILDER NOR ANY MEMBER OF THE ARCHITECTURAL CONTROL COMMITTEE SHALL BE LIABLE IN DAMAGES TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OF SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE ARCHITECTURAL CONTROL COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURAL CONTROL COMMITTEE FOR APPROVAL AGREES, BY SUBMISSIONS OF SUCH PLAN AND SPECIFICATIONS, AND EVERY OWNER OF ANY LOT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, ASSOCIATION, ITS BOARD MEMBERS OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL CONTROL COMMITTEE, TO RECOVER ANY SUCH DAMAGES AND HEREBY RELEASES, REMISES, QUITCLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Section 14. It shall be the responsibility of each Owner and tenant thereof to prevent the accumulation of litter, trash, packing crates, or unkempt condition of buildings or grounds on his property, or to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area. No loose trash will be permitted to be strewn about the Property at any time. Garbage containers must be kept out of sight from the street, except during collection hours. All personal use items shall be stored inside when not in use. These items include, but are not limited to, yard tools, sprinklers, wheel harrows and children's toys as would create a nuisance for the community. All permanent Improvements on the lot shall be keep within reasonable neighborhood standards as determined by the Architectural Committee. In the event the requirements of this section are not adhered to, the Association shall send written notice via certified mail giving an additional period for compliance of ten (10) days, unless a hardship or special circumstance requires additional time. If the violation continues, the Association may at its sole discretion, hire

contractors or personnel to correct said violation and bill the Homeowner for all costs incurred. The amounts owed shall, if not paid, become a lien on the lot as specified herein.

ARTICLE V

USES PERMITTED AND PROHIBITED

Section 1. All platted Lots in the Subdivision shall be used for single-family, residential purposes only and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Architectural Committee; provided however, that nothing herein shall prevent Declarant or any Approved Builder from using any Lot owned by Declarant or such Approved Builder for the purpose of carrying on business related to the development, improvement and sale of Lots in **Stonewood Crossing**.

Section 2. No tent, shack, garage, barn, storage building, or other out-buildings shall be erected upon any Lot without approval from the Architectural Committee and, if approved, it shall not be used as a residence either temporarily or permanently. No structure of a temporary nature or an unfinished house shall be used as a residence and no house trailer, modular home, manufactured home or mobile home shall be placed on any Lot either temporarily or permanently. Any boat, camping trailer, recreational vehicle, and/or similar equipment used for the personal enjoyment of a resident of a Lot shall at all times be neatly stored and positioned so as to be inconspicuous at the rear of the dwelling, if accessible, and if not accessible, must be subject to Architectural Committee approval.

Section 3. No obnoxious or offensive activity shall be permitted anywhere on the property nor shall anything be done which may become an annoyance, nuisance, or menace to the neighborhood. No Lot or any part thereof shall be used for any business, commercial, or public purpose. Business activities in the home which delivers products or services for a fee on site are prohibited, as is any business activity which utilizes more than twenty-five (25%) percent of the heated or unheated space in the home.

Section 4. No animals shall be kept, maintained, or quartered on any Lot or tract in the Subdivision except that cats, dogs, rabbits, hamsters, or caged birds may be kept in reasonable numbers as pets for the pleasure of Owners so long as said animals do not constitute a nuisance & menace to the neighborhood.

Section 5. Tall shrubbery or hedges shall be trimmed to reasonable limits where traffic hazards may be created.

Section 6. Each Owner subject to these restrictions shall provide space for the off-street parking of automobiles prior to the occupancy of any building or structure constructed on said Property in accordance with reasonable standards established by the Architectural Committee. Vehicles shall not be parked in any front or side yard except in areas designated as a driveway or parking area. Vehicles in disrepair shall not be stored on the Property. No passenger vehicles without current registration and license tags will be allowed in the Subdivision or on any Owner's Lot.

Vehicles being repaired out of doors must have work completed within twenty-four (24) hours. Visiting guests only may use paved streets for temporary parking of their vehicles. All owners must park in designated parking areas on their Lot. No commercial vehicles in excess of 10,500 pounds gross vehicle weight may be stored or housed on the Property at any time. The Declarant may also direct vehicle owners to park outside the confines of the Property during the construction phase of any structure or landscaping.

ARTICLE VI

EASEMENTS

Section 1. In addition to other easements as are shown on the recorded Subdivision plat, a five foot easement is reserved over and across all side and rear lot lines, and a ten foot easement is reserved over and across the front lot line, for drainage, utility, cable television, gas, water, power, sewer, and telephone installation and maintenance; provided that should two lots be consolidated to support one residence, then and in that event, the easements herein above provided shall apply only with respect to the exterior lines of such consolidated lot.

Section 2. Declarant specifically reserves the right to grant specific easements to any utility services listed herein at any time following the date hereof until any specific Lot shall be conveyed by Declarant. The right is reserved to authorize the lying and placing of sewer, gas, and water pipelines, telephone, cable television, telegraph, and electrical light poles on any of the streets and easements shown on the recorded subdivision plat. An easement for the installation and maintenance of utilities and drainage facilities is reserved over said streets and easements.

Section 3. Access Easement. Easements for access to the Subdivision are reserved as indicated on recorded plats and in recorded easements. The Declarant hereby grants, gives and conveys to each Owner a perpetual, nonexclusive easement over the area designated as a road, street, terrace, avenue, court, drive, trail or lane on the Plat for vehicular and pedestrian ingress and egress to and from the Subdivision to Cooper Road (the nearest public road). The easements granted under this Section are reserved and shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Property.

Section 4. Easement of Use and Enjoyment of Common Areas. Each Owner shall have a right of way for ingress and egress, by vehicle or on foot and easement of enjoyment into, upon and across the Common Areas and any improvements or facilities located therein now or hereinafter constructed for all purposes. Free passage and access shall at all times be provided and no fence or other obstruction shall at any time be erected, maintained, placed or permitted which shall in any way interfere with such free passage or access except for security gates at the entrance to the Subdivision. Such easement shall be appurtenant to and shall pass with the title to every Property, subject to the right of the Association to promulgate rules and regulations to control use of the Common Areas and further subject to the Association By-laws, as the same are amended from time to time.

ARTICLE VII**SETBACK, LOCATION, AND SIZE OF IMPROVEMENTS
AND OF BUILDING PLOTS**

Section 1. Nothing herein contained shall be construed to prohibit the use of more than one (1) Lot or portions of one or more lots as a single-residential building site, provided that said Lot would otherwise meet the requirements as to size, setback line, and directional facing of said building as determined by the Declarant.

Section 2. No building shall be erected on any Lot nearer to the front lot line or nearer to the side street line than the building setback line shown on the recorded plat. Any such building shall face toward the front line of the Lot except that buildings to be constructed on corner Lots shall face in the direction designated by the Architectural Committee. No building shall be located nearer to any interior side lot line than the distance determined by applicable building codes.

Section 3. Detached Buildings, approved as provided in Article VI shall be of the same exterior material as the house and of a size no greater than 12' x 12' and be placed no nearer to any lot line than the distance determined by applicable building codes. **LOCATION OF ALL DETACHED BUILDINGS SHALL BE APPROVED IN ADVANCE BY THE ARCHITECTURAL COMMITTEE.**

Section 4. No wall, fence, or hedge shall be erected between the street and the front corner of the main body of house. All fences shall be approved in advance by the Architectural Committee. Chain link fences are prohibited. Fences must be installed by a fence contractor and all work shall be installed in a neat, plumb and workmanlike manner. All fence posts will be set in concrete. Sakrete or equal is approved for this purpose.

Section 5. The total area of all driveways shall be paved. All driveways shall be able to accommodate two (2) full-size cars parked side by side in the parking area of the driveway.

Section 6. No Lot shall be recut so as to face in any direction other than is shown on the recorded plat nor shall it be recut so as to make any building site smaller than is provided for herein without the express written consent of the Declarant in Declarant's sole and absolute discretion.

Section 7. No residence shall be constructed containing less than 1,250 square feet for a one story or 700 square feet for the first story for a two story or story and one half; exclusive of porches, garages, and breezeways. In computing the square footage of any residence containing a basement which is finished and heated, one-half (½) credit shall be given. Exceptions to this limitation may be granted by the Architectural Committee if in the opinion of the Committee that proposed residence would be in keeping with the overall concept of the Subdivision.

Section 8. Portable basketball goals or above-ground pools shall not be constructed or placed on any Lot, except that temporary inflatable pools for small children are acceptable. The location and installation of swingsets and permanent basketball goals must be approved in advance

by the Architectural Committee.

Section 9. Declarant reserves the right to place additional signs as needed.

Section 10. No residence shall be constructed without having at least a one-car garage which will be maintained permanently as a functional garage.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, the Articles of Incorporation, or Bylaws of the Association. In the event that the Declarant, any Owner, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a special assessment against the offending Owner's Lot. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws on the other, be interpreted, construed and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles of Incorporation or Bylaws to the contrary, to the extent permitted by law.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods often (10) years. Declarant specifically reserves the right to amend this Declaration, or any portion hereof, on its own motion without the consent of any other Owners or Members, for as long as Declarant owns at least one (1) Lot in Stonewood Crossing. This Declaration may also be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) percent of the Lot Votes as provided for in Article II Section 2, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot Owners. Any amendment must be recorded. As long as Approved Builder owns any Lot in the Subdivision, no amendment shall be effective as

against the Approved Builder without the written consent of Approved Builder, which consent shall not be unreasonably withheld or delayed.

Section 5. Annexation. Additional residential property may be annexed to the Properties. The Declarant shall have the express right to use any lot or lots owned by the Declarant as a street or streets to have access to adjoining properties so as to make said property a part of this Subdivision and subject to these restrictions by amendment.

Section 6. FHA/VA approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration, Veterans Administration, Fannie Mae or other similar agency: Annexation of additional properties and amendment of this Declaration of Covenants, Conditions, and Restrictions, if applicable.

ARTICLE IX

MISCELLANEOUS

Section 1. No signs shall be permitted on any Lots except that a single sign offering the Property for sale may be placed on such Lot, providing such sign is approved by the Architectural Committee.

Section 2. All residences shall have a special mailbox which will be available from a source to be specified by the Declarant. Mailboxes shall be maintained in good state of repair by Owners at all times.

Section 3. The removal of any trees in excess of six (6") inches in diameter at a height of three (3') feet above ground level shall require prior approval of the Architectural Committee. No trees may be removed until final building plans have been approved by the Architectural Committee.

Section 4. The Owner of each Lot shall cause written notice to be delivered to the Declarant upon the conveyance of any Lot by him, advising Declarant of the conveyance.

Section 5. No satellite or television dish or radio antenna shall be constructed or placed on any Lot except where type, size, screening, and location have been approved by the Architectural Committee. No Owner shall install or permit to be installed window or roof-top air conditioning units or similar machines or objects outside of the Owner's house or which protrude through the walls, windows or roof of a house.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hands and seals this 9 day of December, 2003.

SIGNATURES ON THE FOLLOWING PAGES.

