

STONELEDGE AT LAKE KEOWEE OWNERS' ASSOCIATION, INC.

APPLICATION FOR DESIGNATED BOAT SLIP

THIS APPLICATION FOR DESIGNATED BOAT SLIP to STONELEDGE AT LAKE KEOWEE OWNERS' ASSOCIATION, INC. ("SLKOA") hereinafter referred to as "Licensor":

Applicant(s) _____

Stoneledge Address: _____

Lot Owned or to be Purchased by Applicant: _____

New Licensee Applied For _____ Transfer of Existing License _____

Designated Boat Slip # Applied For/To Be Transferred: _____

License Transfer Fee Based On Last Purchase Price: _____

Applicant understands that Licensor operates and maintains boat dock facilities for use by eligible SLKOA members desiring to obtain a license for use of a Designated Boat Slip for the storage and mooring of a personal water craft. Boat slips at Stoneledge at Lake Keowee are intended for the sole use and enjoyment of property owners and their guest. **By submitting this application for a license for the use of a Designated Boat Slip, all applicants hereby agree that they have read and understand the Rules and Regulations governing the use of a Designated Boat Slip within Stoneledge at Lake Keowee and by signing below agree to be bound by the terms and provisions thereof, as amended from time to time by the Board of Directors. A copy of the Rules and Regulations governing the use of Designated Boat Slips adopted July 18, 2005 by the Board of Directors for SLKOA are attached hereto as Exhibit A, and incorporated herein by reference as is fully set forth herein (the "Rules and Regulations").**

Applicant also understands and agrees SLKOA has no obligation to issue a license for the use of a Designated Boat Slip to the Applicant and that licenses for the use of a Designated Boat Slip are issued on a first come first serve basis.

Applicant has been advised that Licensor does not maintain an insurance policy which would protect or cover Applicant's personal property, including water craft, from loss by casualty or theft. Applicant must maintain such insurance coverage during the term of a license.

Applicant agrees to pay all license fees and annual dues associated with the grant of a license to use a Designated Boat Slip for so long a valid license exists for the use of the Designated Boat Slip. Applicant has been advised that the license fee paid herewith is to be used by the SLKOA to help pay for the cost of construction, installation and/or repair of boat docks for Stoneledge at Lake Keowee.

Applicant understands and agrees that any breach or failure on the part of Applicant to honor the terms, conditions and provisions of the Rules and Regulations which have not be cured by Applicant within ten (10) days after written notice from Licensor shall give Licensor the privilege of suspending or canceling the license to use a Designated Boat Slip.

Signed:

Applicant or Resident Owner _____ **Date:** _____

Stoneledge HOA Representative: _____ **Date:** _____

Stoneledge at Lake Keowee Dock Rules

Stoneledge at Lake Keowee is an upscale town home community situated on the banks of Lake Keowee in Oconee County, South Carolina. Permission to construct boat docks at Stoneledge at Lake Keowee were granted by the Federal Energy Regulatory Commission (“FERC”) which is the governmental agency charged with overseeing the development of Lake Keowee. The number of Boat Slips that Stoneledge at Lake Keowee Owners’ Association, Inc. (the “Association”), can make available to the Owners in the Stoneledge at Lake Keowee community was limited to fifty-six (56) by FERC. Pursuant to Article XI, Section 4 of the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Stoneledge at Lake Keowee (the “Declaration”), the Board of Directors for the Association has adopted the following Rules and Regulations governing the use and designation of Boat Slips for use by the Owners. Except as otherwise defined herein, all capitalized terms used in the Rules shall have the same meaning as set forth in the Declaration. In the event of a conflict between the terms of these Rules and the Declaration, the terms of the Declaration shall prevail.

The Association shall be responsible for assigning Boat Slips to Owners within the Stoneledge at Lake Keowee Community on a first come first serve basis, except as provided in Section 5 below. “Designated Boat Slips” shall mean Boat Slips which have been designated by the Association for the exclusive use of an Owner through the issuance of a license (“Charter License”) subject to these Rules and Regulations as amended from time to time. In the event the number of Owners requesting a Designated Boat Slip exceeds the number of available Boat Slips, the Association shall establish a waiting list.

Charter Licenses shall be available to the first fifty-six (56) property Owners in the Stoneledge at Lake Keowee community who apply for and are accepted for such Charter Licenses.

A Charter License entitles the Charter Licensee and the other occupants of the Charter Licensee’s Lot to unlimited use of a Designated Boat Slip, subject to these Rules and the Declaration. The holder of a Charter License (“Charter Licensee”) shall pay an initiation fee (“Initiation Fee”) as set by the Board of Directors from time to time for the initial assignment of a Charter License. Charter Licensees shall also pay annual assessments and charges associated with the use and occupancy of the Boat Slip as set by the Board of Directors for the Association from time to time.

No Charter Licensee shall have the right to sell, exchange, or convey Charter License, except a Charter Licensee may surrender a Charter License to the Association by providing written notice to the Association.

In the event a Charter Licensee surrenders a Charter License to the Association and simultaneously conveys his or her Lot in the Community to another person that desires to acquire the same Charter License (“New Owner”), the Association shall

refund a portion of the Initiation Fee equal to eighty percent (80%) of the amount of the Initiation Fee paid by the New Owner at the time of the issuance of the Charter License to the New Owner.

Except as provided in Section 4(a) above, in the event a Charter Licensee surrenders (whether voluntarily or involuntarily) a Charter License to the Association, the Association shall refund a portion of the Initiation Fee in an amount equal to eighty percent (80%) of the amount of the Initiation Fee paid by the Charter Licensee at the time of the issuance of the Charter License to the Charter Licensee.

Prior to refunding any portion of an Initiation Fee, the Association may deduct from such refund any all amounts owed by the Charter Licensee to the Association. The Association may withhold payment until after the Charter Licensee has removed all items from the Designated Boat Slip (including any boat, vessel, or lift) (excluding anything being the property of the Association). For purposes of clarification, the Association shall not pay any accumulated interest on any refund of any Initiation Fee. The Association shall not be obligated to maintain the Initiation Fees in any segregated or escrow account and may deposit the funds into its general operating account.

In the event a Charter Licensee surrenders a Charter License to the Association and simultaneously conveys his or her Lot in the Community to a New Owner, the Association shall issue a Charter License for the same Designated Boat Slip to the New Owner upon payment of the Initiation Fee by the New Owner. Such Initiation Fee shall be due and payable on or before the date being seven (7) days after the New Owner's acquisition of a Lot. The New Owner's failure to pay the Initiation Fee to the Association before the end of such seven (7) day period shall be deemed a waiver of the New Owner's right to acquire a Charter License as provided in this Section.

As provided in Section 5B of the Declaration, the Association may levy assessments on the Charter Licensees. In the event a Charter Licensee fails to timely pay any amount owed to the Association, the Association shall be entitled to charge interest, file a lien, and pursue any and all other remedies provided in the Declaration or under applicable law. Without limiting the foregoing, the Association shall also have the following rights against any delinquent Charter Licensee:

In the event a Charter Licensee is more than sixty (60) days late in the payment of any assessment or dues owed to the Association, the Association shall have the right to lock and secure any vessel/boat/lift located in the applicable Designated Boat Slip until all past due amounts and delinquent charges are paid in full, provided the Association shall provide at least seven (7) days advance written notice to the Charter Licensee.

In the event a Charter Licensee is more than sixty (60) days late in the payment of any assessment or dues owed to the Association, the Association may provide written notice to the Charter Licensee of the Association's intent to involuntarily surrender the Charter Licensee's Charter License unless until all past due amounts and delinquent charges are paid in full within fifteen (15) days of the Charter Licensee's receipt of such notice. If the Charter Licensee fails to pay in full to the Association all such past amounts and delinquent chargers, the Association may

involuntarily surrender such Charter Licensee's Charter License.

In the event the Association exercises its right to involuntary surrender a Charter License, the Charter Licensee shall have thirty (30) days from the date of notification that the Charter License has been surrendered to remove any vessel/boat/lift and other personal property from the Designated Boat Slip.

The Association reserves the right to remove at the Charter Licensee's expense any boat/vessel found in the wrong Boat Slip or any boat/vessel occupying a Boat Slip following the surrender of a Charter License. Following such removal, the Association reserves the right to: (a) store the boat/vessel at the expense of the Charter Licensee; or (b) deem the boat/vessel abandoned and sell the boat/vessel and retain the proceeds of such sale.

No part of the boat docks or Boat Slips shall be used for other than the mooring of water craft for which the boat docks and Boat Slips were designed.

There shall be nothing done or kept on any boat dock or in any Boat Slip which will increase the rate of insurance of any of the boat docks or contents thereof. No Licensee shall permit anything to be done or kept on his/her Designated Boat Slip, or on the boat docks, which will result in the cancellation of insurance, or which would be in violation of any law.

No noxious or offensive activity shall be carried on any boat docks or in any Boat Slips, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Charter Licensees. No Charter Licensee shall make or permit any disturbing noises on the boat docks by himself, his family, servants, employees, agents, visitors and invitees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of the other Charter Licensees. No Charter Licensees shall play upon, or suffer to be played upon, any musical instrument or operate or suffer to be operated an electronic audio device on the boat docks or in a Boat Slip between the hours of nine o'clock P.M. and following eight o'clock A.M. if the same is of such noise level as to disturb or annoy the other Charter Licensees.

Nothing shall be done on any boat dock or in any Boat Slip which will impair the structural integrity of any boat dock or which would structurally change any of the boat docks without the prior written approval of the Board of Directors.

No clothes, towels, sheets, blankets, laundry of any kind, or other articles shall be hung on any boat docks or in any Boat Slip. The boat docks and Boat Slips shall be kept free and clear of rubbish, debris and other unsightly materials.

There shall be no storage of benches, chairs, tables, wake boards, skis, knee boards or other water sports apparatus on any part of the boat docks or in a Boat Slip.

Each Charter Licensee shall keep his/her Designated Boat Slip in a good state of preservation and cleanliness.

The Association, or any of its designated agent, contractor or workman authorized by the Board of Directors, may enter any boat dock or Boat Slip at any reasonable hour of the day for purpose of inspecting any boat dock or Boat Slip for the presence of any rot, rust, corrosion, damage, vermin, insects or other pests and for the purpose of taking such measures as may be necessary to repair any rot, rust, corrosion, or damage or to control or exterminate any vermin, insects or other pests.

Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

No water craft of any kind shall be stored or moored in a Boat Slip unless the water craft is in a good state or repair and appearance. No reconstruction of a water craft or major water craft repair shall be performed in a Boat Slip by any Charter Licensee or any other person without advance written consent from the Association. No water craft shall be stored or moored on in a Boat Slip unless it has a current registration sticker affixed thereto.

With the prior written approval of the Board of Directors, a Charter Licensee may, at his or her sole cost, expense and risk, be allowed to install a mechanical boat lift in a Designated Boat Slip. The mechanical boat lift shall be of a design and type as designated and approved by the Board of Directors from time to time. The Board of Directors shall, from time to time, designate approved vendors who shall be the exclusive vendors for the installation, maintenance and removal of the mechanical boat lifts. Upon surrender of a Charter License and issuance of a Charter License to a New Owner for the same Designated Boat Slip, the Licensee shall notify the Board of Directors in writing whether the mechanical boat lift will be transferred to the New Owner. If the Charter Licensee surrenders his/her Charter License and the mechanical boat lift in the Designated Boat Slip is not transferred to a New Owner, such Charter Licensee shall have a period of thirty (30) days from the date of the surrender of the Charter License to remove a mechanical boat lift using an approved vendor which removal shall be at the Licensee's sole cost, expense and risk. Failure to so remove a mechanical boat lift within the designated time period shall be deemed an abandonment of the mechanical boat lift by the Charter Licensee. Thereafter, the Board of Directors shall have the right to cause the mechanical boat lift to be removed and seek reimbursement for the costs and expense of removing the same (including reasonable attorney's fees) from the Charter Licensee or transfer ownership of the mechanical boat lift to a new Charter Licensee of the Designated Boat Slip.

Neither the Association, nor the Board of Directors while acting in such official capacity, 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 application for a Charter License or installation of a mechanical boat lift or the exercise of any other power or right of the Association or Board of Directors provided for in these Rules and Regulations. Every person who submits an application for a Charter License or a request to install a mechanical boat lift to the Board of Directors for approval agrees, by submission of such application or request, that he/she will not bring any action or suit against the Association or the Board of Directors members or officers to recover any 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.

These Rules and Regulations supplement the Declaration. These Rules and Regulations can be amended at any time by appropriate resolution of the Board of

Directors

Approved by resolution of the Board of Directors on November 14, 2011.