

WHEREAS, IMK Development Co., LLC, changed the name of the Property to "Stoneledge at Lake Keowee" as evidenced by the certain Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Towne Homes on Keowee N/K/A Stoneledge at Lake Keowee dated June 30, 2005, recorded July 15, 2005, in Book 1432, at Page 182, aforesaid records office;

WHEREAS, IMK Development Co., LLC executed an Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee dated November 1, 2005, and recorded on November 15, 2005, in Deed Book 1464 at Page 33, aforesaid records office;

WHEREAS, IMK Development Co., LLC filed a Supplement to the Amended and Restated Declaration of Covenants, Conditions and Restrictions For Stoneledge at Lake Keowee dated March 15, 2007, and recorded on April 12, 2007, in Deed Book 1578, Page 316, aforesaid records office;

WHEREAS, IMK Development Co., LLC executed a Limited Warranty Deed transferring the Common Area and other property to Stoneledge at Lake Keowee Owners' Association, Inc. on June 13, 2008, and recorded on June 17, 2008, in Deed Book 1666, Page 317, aforesaid records office;

WHEREAS, at the official meeting of the Association on September 26, 2008, which was attended by a quorum of the Owners of Lots or Units in the Stoneledge Subdivision, Tim Roberson, President of IMK Development Co., LLC officially turned over IMK's authority as Declarant to the Association;

WHEREAS, on July 30, 2014, Beverly H. Whitfield, Clerk of Court for Oconee County, South Carolina, pursuant to court order, transferred ownership of the real property and the improvements thereon, which include the Sanitary Sewer Facilities Service, to the Association by Clerk of Court's Deed recorded on July 30, 2014, in Deed Book 2043, Page 67 in the aforesaid records office;

WHEREAS, the Association clarified the Association's responsibility for exterior maintenance through an Action by Unanimous Written Consent in Lieu of Meeting of the Directors of Stoneledge at Lake Keowee Owners' Association, Inc. on March 3, 2010, and recorded on November 24, 2010, in Deed Book 1805, Page 241, in the aforesaid records office;

WHEREAS, the Association adopted this Second Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Stoneledge at Lake Keowee at a duly called meeting on October 14, 2016, at which at least seventy-five percent (75%) of the Owners eligible to vote or their proxies voted to approve said Second Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Stoneledge at Lake Keowee; and,

WHEREAS, it is the intent of the Association and Owners that this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee

restate, supersede, and replace the prior declarations, amendments, restatements, and supplements pertaining to the Property, the Association, and/or the Owners;

NOW, THEREFORE, the Association, now having full control of the Stoneledge Subdivision, hereby declares that all of the Property described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These easements, restrictions, covenants, and conditions shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the described Property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to Stoneledge at Lake Keowee Owners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 3. "Boat Dock" means any boat dock or combination of boat docks constructed on Lake Keowee, including all sidewalks providing access to each boat dock, the lighting facilities used in conjunction with boat docks, and the Boat Slips within the boat docks.

Section 4. "Boat Slip" means the boat slips in any Boat Dock. In conjunction with the purchase of a Unit or Lot within the Property, an Owner may purchase a license to use a Boat Slip within a Boat Dock, which license cannot be transferred except in conjunction with the sale of the Unit or Lot.

Section 5. "Builder" shall mean and refer to a licensed builder in good standing with the Association, its successors and assigns.

Section 6. "Building" shall mean and refer to a structure containing one or more Units constructed or erected on the Property.

Section 7. "Bylaws" means the bylaws of the Association as they now or hereafter exist.

Section 8. "Common Area" shall mean and refer to all tangible and intangible personal property, real property, buildings, private roads, garbage disposal facilities, sanitary sewer facilities, Boat Docks, mailbox stations, club house, cabana, tennis courts, pool, recreational parking facilities and other amenities, if any, within the Property owned by or to be conveyed to the Association, along with facilities and improvements erected or constructed thereon, for the exclusive use and enjoyment of the Members as shown on the aforementioned recorded plats, and subsequently approved and recorded plats, and the plats of additional properties hereafter annexed as hereinafter provided, and in accordance with this Agreement. The Common Area shall specifically include any areas designated as "Future Development" on a recorded plat. The Association shall maintain the Common Area at its expense, subject to any restrictions or limitations set forth in the deed of conveyance for any real property within the Property.

Section 9. “Common Expenses” shall mean and include;

(a) Expenses for maintenance of the Units or Lots as provided in this Declaration;

(b) Expenses of administration, maintenance, repair or replacement of the Common Area;

(c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;

(d) Hazard, liability, and/or such other insurance premiums as the Declaration or By-laws may require the Association to purchase; and

(e) Expenses agreed by the members to be common expenses of the Association.

Section 10. “Declarant” shall mean and refer to the former Declarant, IMK Development Co., LLC and its successors and assigns, which turned over control of the Stoneledge Subdivision to the Association on September 28, 2008.

Section 11. “Declaration” shall mean and refer to this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee.

Section 12. “Design Guidelines” shall mean and refer to the exterior plans and specifications and exterior color and finish requirements approved by the Architectural Committee from time to time.

Section 13. “Garbage Disposal Station” shall mean and refer to the areas within the Property, which are designated by the Association, as the case may be, as a garbage disposal station.

Section 14. “Improvements” shall mean buildings or designed landscaping features, including the Sanitary Sewer Service Facilities, outbuildings, streets, roads, driveways, parking areas, fences, antennae, retaining and other walls, hedges, ponds or other constructed or modified waters, swales, culverts, and any other structures of any other type or kind.

Section 15. “Limited Common Area” shall mean and refer to those common elements maintained by the Association in common with the Common Area, which are reserved for the use of a certain number of Owners to the exclusion of other Owners such as mailboxes, the Boat Slips, and Recreational Parking Facilities.

Section 16. “Lot” shall mean and refer to any plot of land within the Property, other than the Common Area and areas designated as Future Development, shown on a recorded Property plat of the Property and upon which a residence has been or may be constructed.

Section 17. “Mailbox Station” shall mean and refer to the areas within the Common Area, which is designated by the Association, as a mailbox station.

Section 18. “Member” shall mean every owner of a fee or undivided fee interest in any Unit or Lot subject to assessment by the Association, but excluding persons who hold an interest merely as security for the performance of any obligations.

Section 19. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot or Unit, which is a part of the Property, but excluding those who have such interest merely as security for the performance of an obligation.

Section 20. “Person” shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity.

Section 21. “Property” shall mean and refer to that certain real property hereinbefore described in Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation. Said Property shall be known by the name of Stoneledge at Lake Keowee.

Section 22. “Recreational Parking Facilities” shall mean and refer to those parking facilities, if any, dedicated solely for the parking and storage of recreational vehicles. Licenses for the use of the parking spaces within the Recreational Parking Facilities can be sold by the Association to Owners separate and apart from a Unit on a first-come first-served basis. Said licenses cannot be transferred except to another Owner of a Unit within the Property and in the event of any such transfer, the Owner who purchases a license to use the Recreational Parking Facilities from another Owner shall promptly notify the Association in writing of the transfer.

Section 23. “Residence” or “Unit” shall mean and refer to a dwelling or place of residence constructed upon a Lot, including the Lot, within the Property and constituting all or part of a building.

Section 24. “Sanity Sewer Service Facilities” shall mean and refer to those facilities described in Article III, Sections 5 and 6.

ARTICLE II ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation. The Association may annex additional properties to the Property herein described for the purpose of subjecting the annexed property to the provisions of this Declaration and the jurisdiction of the Association. Annexations shall require the approval of the Board and the owner of the annexed property. Additional properties so annexed shall be merged with the Property herein described and with any other previously annexed property, and shall be subject to the provisions of this Declaration, and any amendments thereof, the Articles of Incorporation, and the Bylaws of the Association. All properties annexed shall be contiguous: i) to the Property herein described or ii) to property previously and/or subsequently annexed.

Section 2. Recordation of Supplemental Declaration. Except as provided in Article II, Section 3 below, annexations of additional property shall be completed by the recording with the Register of Deeds of Oconee County, South Carolina of a supplemental Declaration describing the annexation. Said annexation shall be effective upon the filing of the supplemental Declaration unless otherwise provided therein.

Section 3. Annexation of Exhibit “B” Property. By execution of this Second Amended and Restated Declaration, the Association annexes the property described in Exhibit B attached hereto.

ARTICLE III PROPERTY RIGHTS

Section 1. Owners’ Easements of Enjoyment. Subject to the provisions of these covenants and the rules and regulations of the Association as adopted by the Board of Directors, every owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every assessed Unit or Lot, subject to each of the following provisions.

- (a) The right of the Association to limit the number of guests of members.
- (b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area.
- (c) The right of the Association to suspend the voting rights of a Member, or any person to whom a Member has delegated the Member’s voting right, for any period during which any assessment against a Member’s Unit or Lot remains unpaid, and/or for a period as determined by the Board of Directors for any violation or infraction of this Declaration and any amendments thereof or the Association’s published rules and regulations.
- (d) The right of the Association to formulate, publish, and enforce rules and regulations as provided in Article X.
- (e) The right of the Association to levy assessments in accordance with Article VI hereof.
- (f) The right of the Association to suspend the right of a Member to use the pool, tennis courts, clubhouse, workout facilities, Recreational Parking Facilities, Boat Docks and Boat Slips for any period during which any assessment against the Member’s Unit or Lot remains unpaid, and/or for a period as determined by the Board of Directors for any violation or infraction of this Declaration and any amendments thereof or the Association’s published rules and regulations.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his rights of enjoyment to the Common Area to the members of his family, his tenants, or contract purchaser provided every such delegee shall reside on the Property.

Section 3. [Reserved.]

Section 4. Parking and Access Rights. Subject to the provisions of this Declaration and any amendment thereof and the rules and regulations of the Association, the Owners shall park their automobile(s) in the spaces, driveways, or garages reserved by the Association to serve each Unit or Lot. All Owners are hereby granted the right of ingress and egress from their

respective Units or Lots to the roads located on the Property, which are to be private roads, as well as an easement from all private roads to Morgan Road. No recreational vehicles may be stored within the Property or Common Area, except in a licensed recreational parking space designated for such use or in a garage of a Unit containing a garage, provided the garage door is closed and said vehicles or accessories are not visible to persons from the outside. No automobiles or trucks shall be parked or maintained on the Property unless they have a current license plate affixed thereto.

Section 5. Sanitary Sewer Service. All sewer utility service facilities located on, under, or within the boundaries of the Property shall be the property of the Association, which shall have and bear sole responsibility for the maintenance, repair, and replacement of such sewer utility service facilities, including, but not limited to, all sanitary sewer mains, valves, cleanouts, pipes, lines, laterals, meters, or connections associated with such sewer utility facilities (hereinafter referred to as the "Service Facilities"). Such maintenance shall be the responsibility of the Association and shall be paid for as a common expense of the Association, unless it can be shown that such maintenance is being required as a result of the intentional or grossly negligent act of an Owner (in which case such Owner shall be responsible for the cost associated with the same).

(a) **Sanitary Sewer Service Encroachments.** Several sanitary sewer service lines within the Property have been installed and are located partially under parking areas and garages; each Owner consents to such encroachment by the sanitary sewer service lines underneath such parking areas and garages, and grants the Association an easement of access in, upon, and to such areas within parking areas or garages under which a sanitary sewer line exists for the purpose of maintaining said sanitary sewer service line. Upon completion of any such maintenance, the Association shall, as a common expense, return those portions of the parking area or garage to the condition it was in immediately preceding such maintenance. Each Owner, by taking title to a Lot, hereby releases, discharges and acquits the Association from and against all claims, demands, liabilities, costs, expenses, rights of action and/or causes of action of every kind and nature, past, present, or future, arising out of any sanitary sewer service line being located underneath a garage or parking area.

(b) **Easement for Sanitary Sewer Service Facilities.** There is hereby reserved to the Association, an easement and right of way upon, across, and over the property of each Owner and Common Area owned by the Association for access to the sanitary sewer service facilities located on, under, or within such properties, for the purpose of inspection in the normal course of operating the sanitary sewer treatment system serving the Property. Any required repairs, maintenance, or replacement of the sanitary sewer service facilities on the Property shall be promptly undertaken by the Association to prevent or correct a malfunctioning of the sanitary sewer treatment system serving the Property.

Section 6. No Dedication of Roadways or Entranceways. The Association does not intend to dedicate the areas designated as a "Roadway," "Drive Way," "Avenue," "Boulevard," "Court," "Drive," "Road," "Lane," "Place," or "Street" on the Plat to any public agency or authority, it being the Association's intent that the roads remain private.

**ARTICLE IV
HOMEOWNERS' ASSOCIATION**

Section 1. Transfer of Authority. Pursuant to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Stoneledge at Lake Keowee, dated November 1, 2005, IMK Development, Co., LLC turned over its authority as Declarant to the Association on September 28, 2008.

Section 2. Nonprofit Corporation. Stoneledge at Lake Keowee Owners' Association, Inc. is a nonprofit corporation organized under the laws of the State of South Carolina. The Association shall be managed by a Board of four (4) directors who shall be Members of the Association. The Association may increase the size of the Board up to seven (7) members by a majority vote of the Members. Said Board shall be responsible for preparing the Bylaws of the Association, and the rules and regulations governing the use of the Common Area and distributing the same to the Members.

Section 3. Membership. Every Owner of a fee or undivided fee interest in any Unit or Lot subject to assessment by the Association, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of Association. Ownership of such interest shall be the sole qualification for such membership. Membership shall be appurtenant to, and may not be separated from, ownership of any Unit or Lot subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

**ARTICLE V
VOTING RIGHTS**

Members shall be all Owners and shall be entitled to one vote for each Unit or Lot owned. When more than one person holds an interest in any Unit or Lot all such persons shall be members and the vote for such Unit or Lot shall be exercised as the Owners thereof determine, but in no event shall more than one vote be cast with respect to any Unit or Lot, and no fractional vote may be cast with respect to any Unit or Lot.

Pursuant to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Stoneledge at Lake Keowee, dated November 1, 2005, the voting rights of the Declarant, its successors and assigns, were converted to those of a member on January 1, 2008.

**ARTICLE VI
ASSESSMENTS**

Section 1. Covenants for Assessments. Each Owner, by acceptance of a deed for a Unit or Lot whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants for and agrees to pay to the Association:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements;

(c) Special assessments for purchase, repair, replacement, and/or reconstruction of residences and/or the Common Area as hereinafter provided;

(d) As to the licensees of Recreational Parking Facilities only, special assessments against such licensees for the reconstruction, repair, or replacement of the Recreational Parking Facilities; and

(e) As to the licensees of Boat Slips, special assessments for the reconstruction, repair, or replacement of the Boat Docks and/or Boat Slips.

Such assessments shall be fixed, established, and collected from time to time as provided herein or by the Association.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety, and welfare of the residents and the Property; payment of taxes on the Common Area and Limited Common Area; payment of the costs of enforcing these covenants and the rules of the Association; improving and maintaining the Property, the Service Facilities and the exterior of the residences thereon, the Common Area, and the Limited Common Area; payment of the premiums and deductibles of the insurance that the Association is required by this Declaration to maintain; and providing the services, amenities and related facilities for purposes of, and related to, the use and enjoyment of the Common Area and Limited Common Area.

Section 3. Creation of the Lien and Personal Obligation of Assessments. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Unit or Lot and improvements against which each assessment is made. Each assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the Owner of the Unit or Lot at the time when the assessment fell due. In the event that an Owner fails to pay an assessment when due, the Association, in addition to those remedies available at law or equity, can file a lien against the Unit or Lot owned by such Owner, which shall be collectible in accordance with the laws of South Carolina. The personal obligation of an Owner for delinquent assessments shall not pass to his successors in title unless the Association has filed a notice of lien of record in the land records for Oconee County, South Carolina putting the public on notice that the Owner is delinquent in paying its assessments due under this Declaration. Any such notice of lien filed in the land records shall state with clarity the Unit or Lot to which the lien attaches, the name of the Owner who is responsible for the delinquent assessments, the amount of the delinquent assessments, and the name of a contact person with the Association with whom any concerned party can contact to obtain additional information regarding the assessments due to the Association. In the event of the filing of a lien pursuant to the terms of this paragraph, such lien shall be valid and enforceable against the Unit or Lot and any associated Owner until such time as the delinquent assessments are satisfied in full. Once the lien is satisfied in full, the Association shall release the lien on the public records by filing a notice of cancellation of lien in the land records for the County of Oconee, South Carolina.

Section 4. Annual Assessment.

(a) Budget Based Annual Assessment. The Board of Directors of the Association shall establish an annual budget, which includes recurring and current costs and expenses of the Association, accrued debts, insurance payments, taxes, and reserve funds, upon which the annual assessment shall be based. It shall be the responsibility of the Owner to deliver said budget and annual assessment information to potential purchasers of Units or Lots prior to the execution of any contract of sale for the purchase of any Unit or Lot.

(b) Increase by Board of Directors. The annual assessment for any year may be increased for the succeeding year by the Board of Directors without a vote of the membership by an amount, which shall not exceed ten percent (10%) of the previous year's annual assessment. The Board is authorized to increase assessments, within this ten percent (10%) limit, to assure the adequate maintenance to which every Member is entitled.

(c) Increase by Members. The annual assessment may be increased by an amount greater than ten percent (10%) of the previous year's annual assessment by an affirmative vote of a majority of the Members who are voting in person or by proxy at a meeting duly called for such purpose.

(d) Unilateral Authority to Increase Annual Assessments. Notwithstanding the foregoing provisions, the Board of Directors, at all times, is authorized to increase the annual assessment to the extent necessary to pay insurance premiums and real estate taxes, if necessary. All sums collected from annual assessments shall be divided, as directed by the Board, into two parts with one part being used for current operations and/or recurring expenses and the other part being used as a reserve fund.

(e) Reserve Fund. Reserve funds shall be maintained by the Association for the periodic maintenance, repair, and replacement of the Common Area and Service Facilities, improvements to the Common Area, and improvements to any applicable Limited Common Area, which the Association may be obligated to repair and maintain. The purpose of the reserve fund is to insure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. In addition, upon the sale of a Unit or Lot, the Seller and/or Buyer of the Unit or Lot shall be required to contribute the equivalent of two months worth of the annual assessment for the Unit or Lot to the Association's reserve fund; such contributions shall be collected and transferred to the Association at the time of closing of the sale of each Unit or Lot. Such amounts paid into the reserve fund are not to be considered as advanced payment of annual assessments.

(f) Date of Commencement of Annual Assessments. Annual assessments shall be paid in equal monthly installments and the payment of such shall commence upon the first day of the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit or 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 Association, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Unit or Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit or Lot is binding upon the Association as of the date of its issuance.

Section 5. Special Assessments for Capital Improvements for the Common Area or the Exterior Portions of Units. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, and/or unexpected repair or replacement of a described capital improvement to the exterior portion of the Units, which the Association is obligated to maintain, and/or upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3's) of the votes of Members who are voting in person or by proxy at a meeting duly called and with a proper quorum for this purpose.

Section 6. Special Assessments for Recreational Parking Facilities. In addition to the annual assessments and special assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment against the licensees of Recreational Parking Facilities applicable to that year for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, and/or unexpected repair or replacement of an improvement upon the recreational parking facilities, including the necessary fixtures and personal property related thereto. A description of such special assessment for recreational parking facilities shall be provided as part of the levied assessment delivered to the licensee.

Section 7. Special Assessments for Sanitary Sewer Service Facilities. In addition to the annual assessments and special assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment against each Unit or Lot applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair and/or replacement of the Sanitary Sewer Service Facilities, including the necessary fixtures and personal property related thereto.

Section 8. Special Assessments for Boat Slips. In addition to the annual assessments and special assessments authorized above, the Association may levy, in any assessment year, a special assessment against the licensees of Boat Slips within the Boat Docks applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair and/or replacement of the Boat Docks and/or Boat Slips, including the necessary fixtures and personal property related thereto.

Section 9. Notice and Quorum for Actions Pursuant to Article VI Sections 4(c) and 5. Written notice of any meeting called for the purpose of taking any action authorized under Article VI Sections 4(c) and 5 shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting; said notice shall clearly state the date, time, location, purpose and procedures for the meeting. The presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of the Members eligible to vote 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 10. Assessment Rate. Both annual and special assessments shall be determined and collected by the Association on the following basis:

(a) The assessments required by Article VI Section 1 (a), (b), and (c) shall be shared equally by the Owners of each Unit or Lot, regardless of the square footage of any individual residence located on the property or whether there are any improvements on a Lot.

(b) The assessments required by Article VI Section 1 (d) and (e) shall be shared equally by the licensees who are required to pay them.

Section 11. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment or portion thereof, which is not paid when it falls due, shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the average prime lending rate in effect for Branch Banking and Trust, its successors or assigns provided, that if Branch Banking & Trust shall cease to exist, the Board of Directors may select a different institution, provided such institution is a National Banking Association. The Association may bring an action against the Owner personally obligated to pay the same, or foreclose the lien against the Unit or Lot, and, in either event, interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the Owner's Unit or Lot.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein on any Unit or Lot shall be subordinate to the lien of any first mortgage on such Unit or Lot. Sale or transfer of any Unit or Lot shall not affect the assessment lien; however, the sale or transfer of any Unit or 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 foreclosure or transfer by proceeding in lieu thereof. No sale or transfer shall relieve such Unit or Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 13. Exempt Property. Any portion of the Property owned by or 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 assessment created herein. Owners of exempt property shall be responsible for maintaining the same and keeping it neat and clean.

ARTICLE VII EXTERIOR MAINTENANCE

Section 1. Maintenance by Association. In addition to maintenance of the Common Area and Limited Common Area, the Association shall provide the exterior maintenance upon each Unit which is subject to assessment hereunder, as follows: stain and/or paint the exterior of

each Unit, repair, replace and care for roofs, gutters and down spouts; repair, replace and care for exterior building surfaces (which includes stone, siding, exterior door frames and exterior window frames, other exterior cladding materials, trim, fascia along with exterior flashings, caulks, sealants (excluding exterior window glazing)), decks, and associated components; and repair, replace, and care for those components associated with the exterior building surfaces to which they are attached and with which they are integrated. The Association shall also replace damaged insulation located adjacent to any of aforementioned items when the damage to the insulation is associated with the damage to the aforementioned item that Association is otherwise obligated to repair or replace. The Association shall not be responsible for replacing any insulation due to natural wear and tear. The Association shall maintain trees, shrubs, grass, landscaping, walks, and other such exterior improvements. Such exterior maintenance shall not include glass, screening, or doors, with the exception of staining or painting as stated above. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right and perpetual easement to unobstructed access over and upon each Lot and the exterior of each Unit at reasonable times to perform maintenance as provided in this Article.

Section 2. Owner's Rights Regarding Exterior Improvements and Planting. Owners may fence in or screen their deck or patio areas; however, any Owner who fences or screens such areas shall first obtain the approval of the Association. No Owner shall plant any vegetation in front or back of his residence except with the prior written approval of the Association and in the event of such approval by the Association, the maintenance of such additional plantings shall be the sole responsibility of the Owner unless the Association agrees to maintain such additional plantings subject to the provisions of this Declaration and any rules and regulations of the Association. If an Owner is required to maintain any additional plantings, and if in the opinion of the Association, any such Owner fails to maintain his plants in a neat and orderly manner, the Association may revoke the Owner's maintenance rights and remove said plants or assess said Owner for any additional expenses incurred in the maintenance of said plants.

Section 3. Obligation of Owners for Maintenance and Repair Costs. In the event that the need for maintenance or repair of a Unit or the improvements therein is caused through the willful or negligent acts of its Owner or his family, tenants, contract purchasers, guests, or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, or smoke, as the foregoing are defined and explained in South Carolina standard fire and extended coverage insurance policies, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Unit is subject.

Section 4. Owner Obligation for Maintenance and Repair. The Owner of each Unit is obligated to repair, maintain, and replace all the components of Owner's Unit that are not required to be repaired, maintained, or replaced by the Association. Owners obligations include but is not limited to: i) those components of the exterior walls not connected to or integrated with the items referenced above as being "exterior building surfaces"; ii) the interior surfaces of a Unit, including, but not limited to, interior drywall or wall materials, interior finishes (including interior paint or wall coverings), and interior floors or floor systems; iii) electrical or mechanical components of the Unit, including those contained in an exterior wall; iv) interior or exterior doors (except staining or painting of exterior surface of doors); v) screening; vi) the foundation and subflooring; and vii) any glass surfaces and associated glazing.

Section 5. Exclusions. Except for the portions of the Unit the Association is responsible as referenced above, the Association shall not be responsible for any damage to any interior portion of a Unit, caused by any leak, flow, water intrusion, or exposure to the elements unless: (1) the Association is responsible as referenced in Section 1 above for the portion of the Unit from which the leak, flow, water intrusion, or exposure to the elements is causing damage; (2) the Owner of the Unit has put the Association on written notice of the specific problem; and (3) the Association has failed to exercise due care to correct the leak, flow, water intrusion, or exposure to the elements within a reasonable time thereafter. For the purposes of illustration, the Association would have liability for damage to the interior floor of a Unit caused by a leak in the roof if the Association failed to exercise due care to repair the leak in the roof after receiving written notice from the Owner of the problem on a timely basis.

ARTICLE VIII PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residence upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. Subject to the terms and provisions of Article XII, the cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. Reconstruction of a party wall after destruction by fire or other casualty shall be governed by the terms and provisions of Article XII of this Declaration.

Section 4. Weatherproofing. Subject to the terms and provisions of Article XII, notwithstanding any other provision of this Article, an Owner whose negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Unit of any other Owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction of a party wall. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the Owner shall restore the adjoining Unit or Units to as near the same condition as that which prevailed prior to commencement of the work as reasonably practicable.

Section 7. Certification With Respect to Contribution. If any Owner desires to sell his or her Unit, the Owner may, in order to assure a prospective purchaser that no adjoining Owner has a right of contribution as provided in this Article, request of the adjoining Owner or Owners

a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining Owner to make such certification immediately upon request and without charge. If the adjoining Owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefor.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall under any provision of this Article, such dispute shall be settled by arbitration as provided under the laws of the State of South Carolina as they are now or hereafter amended (Section 15-48-10 et. seq. Code of Laws of South Carolina, 1976, as amended).

ARTICLE IX ARCHITECTURAL CONTROL

Section 1. Architectural Committee. The Board of Directors may appoint an Architectural Committee of up to seven (7) members by a majority vote of the Board. In the event of a vacancy on the Architectural Committee or the failure or inability of any member to act, the vacancy shall be filled as may be necessary by appointment by the Board of Directors of the Homeowners' Association. The members of the Architectural Committee shall be appointed for a term of three (3) years, but may be reappointed for additional terms with no limit on the number of additional terms to which they may be reappointed. In all matters, a majority vote shall govern.

Section 2. Submission of Plans. Unless otherwise approved by the Architectural Committee, all Units constructed on the Property shall be of the design, size and construction quality required by the design guidelines established by the Architectural Committee, as amended from time to time. No improvements of any nature shall be erected, placed, altered or changed on any Unit in this development until and unless the building plans and specifications showing the proposed type of construction, the exterior design and the location of such improvement have been approved in writing by the Architectural Committee as to conformity and harmony of design and consistency of the plan with existing residences. For the purpose of this Article, the term "improvement" shall include the erection, placement, or alteration of any wall, fence, deck, driveway, parking area, or recreational amenity. Owners shall be responsible for obtaining the approval of any governmental agency necessary for any improvement or the construction or alteration of any Unit or Lot and shall be solely responsible for any violations of any state, federal or local law, ordinance or regulation arising out of any construction undertaken hereunder. Owners shall provide written evidence of governmental approval at the time of submission of plans to the Architectural Committee.

Section 3. Inspection. The Board or the Architectural Committee shall have the right, at their election, to enter upon any Unit or Lot during construction, erection, or installation of improvements or alterations to inspect the work being undertaken in order to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

Section 4. Failure to Approve. In the event that the Architectural Committee fails to approve or disapprove such plans and other requirements within thirty (30) days after they have

been submitted to it, approval of the Architectural Committee will be conclusively presumed to be denied.

Section 5. Approval. Upon the approval by the Architectural Committee of any proposed construction or alteration, the Architectural Committee shall issue to the applicant a written approval. No construction or alteration shall be carried on until and unless such written approval is obtained.

Section 6. Minor Violations. By unanimous vote of all its members, the Architectural Committee is authorized to approve or ratify the construction or alteration of any improvement or the minor violation of the setback, location, and size provisions of these restrictions, if in the opinion of all the members of the Architectural Committee such shall be necessary to prevent undue hardship. The approval or ratification by the Architectural Committee in accordance with this paragraph shall be binding on the Association and all Owners and shall benefit the Unit or Lot for which the minor violation was approved or ratified.

Section 7. Clean Premises. All residences must be completed in a workmanship like manner and the construction site at all times must be kept clean and free of debris.

Section 8. Abandoned Work. In the event construction of the exterior of an improvement to a residence is commenced on any Lot, and work is abandoned for a period of thirty (30) days or longer, without just cause shown, or should any exterior of an improvement to a residence remain unfinished for a period of one (1) year from the date construction began, without just cause shown, then and in either event the Architectural Committee shall have: i) the authority to complete the improvements at the expense of the Owner and shall have a lien against the Lot and all improvements to the extent of any monies expended for said completion, but said lien shall at all times be subordinate to the lien of any prior recorded mortgage or mechanic's lien (but the Architectural Committee shall have the right to contest the validity and amount of such liens); or ii) the authority to remove the improvements from the property and the expense of said removal shall constitute a lien against the Lot, but said lien shall be subordinate to the lien of any prior recorded mortgage or mechanic's lien. Said liens shall be noticed of record and foreclosed in the same manner as the foreclosure of real estate mortgage. No action shall be taken under this paragraph without giving written notice to the owner and to any mortgagee or other lien holder, via certified or registered U.S. Mail, of the proposed action to be taken and along giving said parties ten (10) days in which to allow the parties to show cause, if any, why the Architectural Committee should not take action under this paragraph.

Section 9. Square Footage. The Architectural Committee shall determine the square footage requirements to be contained in each residence. The minimum requirements can vary as to each phase in the Property.

Section 10. Exculpation. NEITHER THE BOARD NOR ANY MEMBER OF THE ARCHITECTURAL COMMITTEE, 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 SUCH PLANS OR SPECIFICATIONS OR

THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE ARCHITECTURAL COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURAL COMMITTEE FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLANS AND SPECIFICATIONS, AND EVERY OWNER OF ANY UNIT OR LOT AGREES, THAT THE OWNER WILL NOT BRING ANY ACTION OR SUIT AGAINST ASSOCIATION, ITS BOARD MEMBERS OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL 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.

ARTICLE X USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Unit, Lot, the Common Area and the Limited Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours and with reasonable notice and/or on the Association website.

Section 2. Use of Property. Each Unit, Building, Lot, the Common Area, and/or the Limited Common Area and facilities shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the Bylaws and the rules and regulations adopted by the Board.

(a) All Buildings, the Common Area and Limited Common Area and facilities shall be used for residential and related common purposes. Each Lot and Residence may not be subdivided and shall be used as a single-family residence and for no other purpose.

(b) Nothing shall be kept, and no activity shall be carried on, in any building or residence, the Common Area or the Limited Common Area, which will increase the rate of insurance applicable to residential use of the Property, any Units or the contents thereof. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence, the Common Area or the Limited Common Area, which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any governmental law, ordinance, or regulation. No waste shall be committed on any portion of the Common Area or the Limited Common Area.

(c) No immoral, improper, offensive or unlawful use shall be made of the Property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction relating to any portion of the Property shall be complied with, by and at the sole expense

of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in or to any residence or in, to, or upon any of the Common Area or Limited Common Area which will impair the structural integrity of any building, residence, or portion of the Common Area or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this Declaration.

(e) No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any part of the property, except that a resident-owner may maintain a home office in the Owner's residence so long as: 1) the existence of said office does not generate pedestrian or vehicular traffic on the Property; 2) no signs or advertisements concerning said business are displayed anywhere on the Property; and 3) the existence of said office does not in any way affect the rights of the other Owners or their enjoyment of the Property.

(f) No Owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any residence, building or any portion of the Common Area or Limited Common Area, except as may be allowed by the Association pursuant to its bylaws.

(g) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area or Limited Common Area except at the direction of and with the express written consent of the Association.

(h) The Common Area and Limited Common Area shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the residences, subject to any rules and regulations that may be adopted by the Association pursuant to its bylaws.

(i) No detached storage buildings of any kind will be allowed upon the Property. Any attached storage facilities including storage facilities constructed as a basement shall be subject to the prior written approval of the Architectural Committee.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be or may become a nuisance or annoyance to residents within the Property.

Section 4. Pets. No animals shall be kept, maintained or quartered on any Unit or Lot except that cats, dogs and caged birds may be kept in reasonable numbers as pets for the pleasure of the occupants. The Board of Directors is authorized (but not required) to issue reasonable rules for the protection of all Owners in this development relating to the number of pets, which may be kept on any Lot. No animals shall be permitted to go beyond the perimeter of any residence unless the animal is on a leash and/or under control of its Owner or the Owner's agent.

Section 5. Attractive Premises. Any garbage containers and trash cans must be so located that they will not be visible from any front street or driveway. The yards of each Unit and Lot shall be maintained so as to be neat and clean at all times.

Section 6. Mail Boxes and Garbage Disposal. The area(s) within the Common Area of the Property, which are designated by the Association as a Mailbox Station and Garbage Disposal Station, if any, are subject to the provisions of these covenants and the rules and regulations of the Association. The Owner of each Unit shall be assigned a mailbox in the Mailbox Station for the receipt of mail. All Owners are hereby granted the right of ingress and egress from their respective Units to the Mailbox Station and Garbage Disposal Station located on the Property. No other mailbox or garbage disposal station of any type may be maintained within the Property, the Common Area or the Limited Common Area, except in the areas designated for such use by the Association. Once completed, all mailboxes, Mailbox Stations and Garbage Disposal Stations, if any, shall be owned and maintained by and at the cost of the Association.

Section 7. Sanctuary. The Property is hereby declared to be a bird sanctuary and any hunting of birds is hereby prohibited.

Section 8. Speed Limits. The Board of Directors of the Association is authorized to establish speed limits through the Property and erect such signs as they deem necessary. The Board of Directors is further authorized and empowered to enforce said speed limits by the promulgation of regulations relating thereto. Such regulations shall be furnished to all Members of the Association.

Section 9. TV Satellites/Dishes. No TV satellite dish larger than the diameter approved by the Association and included in the Rules and Regulations for the Property will be allowed on the exterior of any Unit or Lot. The placement and location of said dishes shall require the prior written approval of the Architectural Committee.

ARTICLE XI EASEMENTS, RIGHTS-OF-WAY AND LICENSES

Section 1. Walks, Drives, Parking Areas and Utilities. Subject to the provisions of these covenants and the rules and regulations of the Association, all of the Property, including the portions of Lots on which no improvements are constructed, the exterior of Units, Common Area and Limited Common Area, shall be subject to a perpetual non-exclusive easement or easements in favor of all Owners of Units for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes and for ingress and egress and regress and to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, cable television lines, and other public utilities subject to this Declaration. The Association shall have the power and authority to grant and to establish in, over, upon, and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Property.

Section 2. Encroachments. Subject to the provisions of these covenants and the rules and regulations of the Association all portions of Lots on which no improvements are

constructed, the exterior of Units, Common Area, and Limited Common Area shall be subjected to easements for the encroachment of initial improvements constructed on adjacent Units to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, gutters, down spouts, and walls. If any encroachment shall occur as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall exist a valid easement for such encroachment and for the maintenance of the same. Every Unit shall be subject to an easement for entry and encroachment by the Association for the purpose of correcting any problems that may arise regarding grading and drainage. The Association, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

Section 3. Structural Support. Subject to the provisions of these covenants and the rules and regulations of the Association, every portion of a Unit, which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all other Units within the Building.

Section 4. Lake Rights, Docks, Etc. Subject to the provisions of these covenants and the rules and regulations of the Association and the availability of Boat Docks and Boat Slips, the Board shall have the authority to assign an Owner a license to use one Boat Slip in the Boat Docks constructed on Lake Keowee. The Association hereby establishes such rights-of-way over the Property and the Boat Docks as may be reasonably necessary for said licensees to enjoy the assigned Boat Slip. The use of a Boat Slip shall be subject to the rules and regulations of the Association, which may provide for, among other things, separate fees and assessments for use of the Boat Slips, closed seasons or limitations on fishing, and reasonable restrictions on the kind and size of boats or motors allowed to be used. Each licensee shall pay an initiation or reservation fee for the assignment of a Boat Slip and a separate annual assessment for the use and maintenance of its Boat Slip and the Boat Dock, as determined by the Board of Directors. No licensee shall undertake, cause, or allow the construction in or upon the Property, except with the express written permission of the Board, of any pier or Boat Dock. No licensee shall have the right to sell, convey, or exchange Boat Slips without the permission of the Association. All Boat Docks shall be owned and maintained by and at the cost of the Association. The Board reserves the right to relocate the Boat Docks and reassign Boat Slips. The Association has only been able to obtain the permits and governmental approvals necessary for the construction of a limited number of Boat Docks and Boat Slips, and assignment of licenses for the use of the Boat Docks and Boat Slips shall be on a first-come first-served basis, subject to the rules and regulations of the Association as adopted by the Board of Directors from time to time.

Section 5. Recreational Parking Facilities. Subject to the provisions of these covenants and the rules and regulations of the Association, the Association shall have the right, but not the obligation, to assign each Owner a license to use one recreational parking space within the Recreational Parking Facilities if any such areas are developed by Association. The Association hereby establishes such rights-of-way over the Property and the Recreational Parking Facilities as may be reasonably necessary for each licensee of a recreational parking space to enjoy the assigned recreational parking space. The use of the recreational parking space shall be subject to the rules and regulations of the Association. Once completed, all Recreational Parking Facilities shall be owned and maintained by and at the cost of the Association, and shall be subject to assessment provisions in this Declaration or subsequently adopted declaration, amendments,

and/or supplements thereof. The Association reserves the right to relocate the Recreational Parking Facility and reassign said licenses. Each licensee shall pay a separate annual assessment for the use and maintenance of its parking space.

Section 6. Emergencies. Every Lot and Residence shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, and/or alleviating any emergency condition which arises upon any Lot or within any Residence, which endangers any building or portion of the Common Area or Limited Common Area.

**ARTICLE XII
COVENANTS OF ASSOCIATION AND OWNER TO KEEP UNITS INSURED
AGAINST LOSS, TO REBUILD, AND TO KEEP UNITS IN GOOD REPAIR**

The Association and each Owner, by the Owner's acceptance of a deed for an interest in real estate within the Property, regardless of whether or not it shall be so expressed in said deed, agree to the following:

Section 1. The Association shall obtain a group or blanket insurance policy equal to the full replacement value of the improvements on the Property. Said policy shall contain a Replacement Cost Endorsement providing not less than 100% of the insurable value based on current replacement costs of a Unit. The Association shall be responsible for paying any and all deductible on the group or blanket insurance policy.

(a) The full amount of any insurance proceeds shall be applied to the rebuilding or repair of any Unit (subject to the provisions and covenants contained in any mortgage or mortgages creating a lien against any Unit).

(b) Said Unit(s) shall be rebuilt or repaired in the event of damage thereto provided the Property is insured under a group or blanket hazard insurance policy, which contains a replacement cost endorsement providing for replacement of a dwelling from insurance proceeds as required by the foregoing provisions.

(c) The Owner shall keep the Owner's Unit in good repair.

(d) Premiums for the group or blanket hazard insurance policy shall be a common expense and shall be collectible in the same manner and to the same extent as provided for assessments as provided in this Declaration. The lien for assessments for insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for annual and special assessments.

(e) The foregoing insurance policy shall provide that insurance proceeds payable on account of loss of, or damage to the Property shall be adjusted with the carrier by the Association and shall be payable solely to that Owner's mortgagee, if any, and the Association as Insurance Trustee for the Owner. Such insurance proceeds shall be applied to the repair or restoration of the Property as hereinafter provided. Such insurance policy shall provide that coverage may not be canceled by the carrier without first giving the Association and Owner's mortgagee, if any, ten (10) days written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against

any Owner, member of the Owner's family, the Association, its officers, agents and employees, as well as a waiver of the "pro rata" clause.

(f) Contents and personal property insurance will not be covered by the insurance policies maintained by the Association. Any Owner may at his/her own expense carry any and all other insurance the Owner deems necessary beyond that included in the policies maintained by the Association.

(g) In the event of damage or destruction by fire or other casualty to any Property covered by insurance payable to the Association, the Board of Directors shall, with the concurrence of mortgagees, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Property to as good condition as formerly existed. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two reputable contractors, and then may negotiate with any such contractor, who may be required to provide a full performance bond for the repair, reconstruction, or rebuilding of such building or buildings.

(h) Pursuant to Article VI Section 1 (c) of this Declaration, the Association may levy in any calendar year, a special assessment for the purpose of defraying the cost of construction, reconstruction, repair or replacement of a Building or Buildings containing Units to the extent that insurance proceeds under a group insurance policy containing a Replacement Cost Endorsement are insufficient to pay all costs of said construction, reconstruction, repair or replacement to as good condition as existed prior to damage or destruction by fire or other casualty covered by said insurance.

(i) The reconstructed or repaired Unit shall be substantially identical to the destroyed Unit, unless a change shall be approved by the Board, and shall be constructed in conformity with plans submitted to and approved by the Board prior to construction.

(j) If a dwelling is not habitable by reason of damage, the obligation of the Owner to pay annual assessment installments shall continue to be assessed against the Owner. In the event a dwelling is damaged or destroyed the Owner, at the Owner's expense, shall remove all personal debris from the Unit within thirty (30) days; if the Owner fails to do so, the Association may cause the debris to be removed and the cost of removal shall constitute a lien upon the Unit until paid by the Owner, unless the Unit is thereafter acquired by the Association.

(k) Any Unit, which has been destroyed, in whole or in part, by fire or other casualty, and is substantially restored or reconstructed, shall be subject to the provisions of this Declaration and to the Bylaws of the Association.

Section 2. The Association shall also obtain a broad form public liability policy covering all Common Area and Limited Common Area for all damage or injury caused by the negligence of the Association or any of its agents, officer or employees in an amount of not less than one million dollars for each occurrence and such policies shall contain a waiver of the right of subrogation against the Board of Directors, members of the Association, its officers, agents and employees.

Section 3. The Association shall maintain adequate fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity coverage, whether insurance or bond, shall:

- (a) Name the Association as an obligee.
- (b) Be written in an amount equal to at least 150% of the estimated annual operation expenses of the Association, including reserves.
- (c) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of “employee” or similar expression.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Enforcement. 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 this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity 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. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with the land 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 of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Units or Lots who approve the amendment; provided, however, that the Board of Directors may amend this Declaration, without the consent of Owners, to correct any obvious error or inconsistency in drafting, typing or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Office of the Register of Deeds for Oconee County, South Carolina. All amendments shall become effective upon recordation.

Section 4. Conflicts. In the event of any irreconcilable conflict between this Declaration, the Bylaws of the Association, or the Rules and Regulations of the Association as adopted by the Board of Directors, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provision of the Articles shall control.

Section 5. Mortgage. Neither this Declaration or the rules and regulations of the Association shall restrict an Owner's right to mortgage his or her Unit. In addition, they do not limit the Owners financing options requiring the use of a specific lending institution or a particular type of lender. Lenders being referred to herein include the Federal National Mortgage Association (FNMA).

Section 6. Additional Restrictions. This Declaration supplements those certain covenants and restrictions found in Deed Book 1113, Page 70, in the office of the Register of Deeds for Oconee County, South Carolina, and which may apply to the Property.

Section 7. Supersedes Prior Declaration, Amendments, and Supplement. The Board and Association intend for this Declaration, and any subsequent amendments and supplements thereof that are recorded in the Office of the Register of Deeds for Oconee County, South Carolina, to be in substitution of and to extinguish those original, amended, and supplemental declarations recited in the preamble to this Declaration, and declares those prior declarations, amendments, and supplement to be void and of no further force and effect.

ARTICLE XIV RIGHTS OF FIRST MORTGAGEES

The following provisions, in addition to provisions set forth elsewhere in this Declaration, shall be applicable to the holders of first mortgages (and other parties as may be indicated) upon the individual Units and Lots subject to this Declaration and any amendments thereto.

Section 1. Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage and will not be liable for such Unit's unpaid dues or charges, which accrue prior to the acquisition of title to such Unit by the mortgagee; otherwise, said first mortgagee taking title shall be subject to the provisions of the Declaration.

Section 2. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage held, provided the first mortgagees have provided the Association with their contact information and have requested, in writing, to receive said notice) of the individual Units 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 such Association, for the benefit of the Units (the granting of easements for other public purposes consistent with the intended use of such Common Area property 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 a Unit 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 Units, the exterior maintenance of Units, the maintenance of the Common Area

property, party walls or common fences and driveways, or the upkeep of lawns and plantings in the Subdivision;

(d) fail to maintain fire and extended coverage on insurable Common Area property 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); or

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

Section 3. First mortgagees of Units may, jointly or singly, pay taxes or other charges, which are in default and which may or have become a charge against any Common Area property, may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area property. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby reflected in this Declaration as an agreement in favor of all first mortgagees of Units duly executed by the Association.

Section 4. No provision of the constituent documents gives a Unit Owner, or any other party, priority over any rights of the first mortgagee of a Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to, or taking of, Common Area property.

Section 5. The Association is required to make available to Unit Owners and lenders, and to holders, insurers, or guarantors of any first mortgage the following: current copies of the Declaration, Bylaws, or other rules concerning the project, evidence of insurance held by the Association, and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 6. Any holder of a first mortgage is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 7. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Property or the Unit securing its mortgage.

(b) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage.

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

EXHIBIT A - LEGAL DESCRIPTION

Parcel 1:

ALL that certain piece, parcel, or tract of land, with improvements thereon, including Lots 1 through 37, and Common Area, situate, lying and being in the County of Oconee, State of South Carolina, containing 12.40 acres, more or less, and being known and designated as Stoneledge at Lake Keowee, Phase 1, as shown on a plat prepared by Freeland & Associates, Inc., dated June 16, 2005, and recorded June 28, 2005, in the Register of Deeds Office for Oconee County, South Carolina, in Plat Book B-73 at Pages 3-4, and having such metes and bounds, courses and distances as said plat will more fully reveal; previously shown in Plat Book B-73 at Pages 3-4.

Tax Map Nos. 178-05-01-001 through 178-05-01-037; 178-05-01-095.

Parcel 2:

ALL that certain piece, parcel, or tract of land, with improvements thereon, including Lots 38 through 94, and Common Area, situate, lying and being in the County of Oconee, State of South Carolina, containing 17.894 acres, more or less, and being known and designated as Stoneledge at Lake Keowee, Phase 2, Sheets 1 and 2, as shown on a plat prepared by Freeland & Associates, Inc., dated January 3, 2006, and recorded January 22, 2007, in the Register of Deeds Office for Oconee County, South Carolina, in Plat Book B-185 at Pages 3-6, and having such metes and bounds, courses and distances as said plat will more fully reveal; previously shown at Plat Book B-64 at Pages 1-2.

Tax Map Nos. 178-05-01-038 through 178-05-01-094; 178-05-01-096.

Parcel 3:

ALL that certain piece, parcel, or tract of land situate, lying and being in the County of Oconee, State of South Carolina, containing 14.396 acres, more or less, as shown on a plat entitled ALTA/ACSM Land Title Survey for IMK Development Co., LLC, prepared by Freeland & Associates, Inc., dated April 20, 2005, last revised April 28, 2005, Sheet 1, and recorded April 29, 2005, in the Register of Deeds Office for Oconee County, South Carolina, in Plat Book B-64 at Page 3, and having such metes and bounds, courses and distances as said plat will more fully reveal; previously shown in Plat Book AA-888 at Pages 3-6.

Tax Map No. 178-00-02-074.

Parcel 4:

ALL that certain piece, parcel, or tract of land situate, lying and being in the County of Oconee, State of South Carolina, containing 2.435 acres, more or less, as shown on a plat entitled ALTA/ACSM Land Title Survey for IMK Development Co., LLC, prepared by Freeland & Associates, Inc., dated April 20, 2005, last revised April 28, 2005, Sheet 1 of 9, and recorded April 29, 2005, in the Register of Deeds Office for Oconee County, South Carolina, in Plat Book B-64 at Page 4, and having such metes and bounds, courses and distances as said plat will more fully reveal; previously shown in Plat Book A-814 at Page 2.

Tax Map No. 178-00-02-096.

Easements:

TOGETHER with the easements, road rights-of-way and any and all other rights granted the deeds and covenants of record, including those found herein.

ATTESTATION AND CERTIFICATION

PERSONALLY APPEARED, LINDA M. LOVE, who
deposes as follows:

My name is Linda M. Love, I am over the age of eighteen years old and
am in all respects legally competent to execute this affidavit.

I attest that all facts herein are based on my personal knowledge.

I am the Secretary of the Stoneledge at Lake Keowee Owners' Association, Inc. (the
"Association"), a nonprofit corporation organized under the laws of South Carolina.

I hereby certify and attest that in accordance with the Association's covenants, conditions, and
restrictions of record and its Bylaws, at least seventy-five percent (75%) of the eligible-to-vote
Owners in the Stoneledge at Lake Keowee Subdivision submitted ballots signifying agreement
with and approval of the amendment attached hereto, which is known as the Second Amended
and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake
Keowee and that said ballots were reviewed, counted, and accepted by the Association at a
meeting of the Association's Board of Directors held on the 14 day of October, 2016.

FURTHER AFIANT SAYETH NOT.

By: Stoneledge at Lake Keowee Owners'
Association, Inc.

R.F. Plachta
, Witness

Linda M. Love
, Secretary

Donna M. Furnari
, Notary Public

STATE OF SOUTH CAROLINA)
)) PROBATE
COUNTY OF OCONEE)

I, DONNA M FURNARI, a Notary Public for the State of South Carolina do
hereby certify that LINDA M LOVE personally appeared before me this
day and acknowledged the due execution of the foregoing Attestation and Certification.

Witness my hand and official seal this 27TH day of JANUARY 2017.

Donna M. Furnari
Notary Public of South Carolina
My commission expires: 10/28/2024

