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STATE OF SOUTH CAROLINA

COUNTY OF GREENWOOD

RESTATEMENT OF DECLARATION OF COVENANTS
AND RESTRICTIONS OF STONEY POINT PROPERTY
OWNERS' ASSOCIATION, INC. AND STONEY POINT
REAL ESTATE PARTNERSHIP AND RESTATEMENT
OF BY-LAWS OF STONEY POINT PROPERTY
OWNERS' ASSOCIATION, INC. (ORIGINAL
DECLARATION AND BYLAWS RECORDED IN DEED BOOK 348
AT PAGE 245)

THIS RESTATEMENT OF THE DECLARATION OF COVENANTS AND RESTRICTIONS OF STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC. AND STONEY POINT REAL ESTATE PARTNERSHIP AND RESTATEMENT OF BY-LAWS OF STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC. (the "**Restatement**") is made on the Execution Date (hereinafter defined) by **Stoney Point Property Owners' Association, Inc.**, a South Carolina non-profit corporation (the "**Association**").

WHEREAS, The DECLARATION OF COVENANTS AND RESTRICTIONS OF STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC. AND STONEY POINT REAL ESTATE PARTNERSHIP, was recorded April 25, 1990 in the Office of the Register of Deeds for Greenwood County in Deed Book 348 at Page 245 (as further amended and supplemented the "**Declaration**"); and

WHEREAS, The BY-LAWS OF STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC., is attached to the Declaration as Exhibit "C" (as amended, the By-Laws"); and

WHEREAS, an Amendment to the Declaration recorded on December 5, 2019 in the Office of the Register of Deeds for Greenwood County, in Deed Book 1615 at Page 2853, provides that the Board has the authority to file a Restated Declaration and Restated By-laws encompassing all prior amendments and any future amendments in order to have a comprehensive and unified Declaration and By-laws, which is a continual right that may be exercised at the discretion of the Board at any time an amendment is approved; and

WHEREAS, pursuant to this authority, this Restatement has been compiled for ease of use and will not supersede, change, amend nor replace the Declaration or any Supplements or Amendments which have been duly approved and authorized by the Members of the Association but will be recorded in the Office of the Clerk of Court for Greenwood County, South Carolina; and

WHEREAS, no changes were made to the original Exhibits A & B to the Declaration.

NOW, THEREFORE, KNOW BY THESE PRESENTS that the Association hereby submits this Restatement for public record.

IN WITNESS WHEREOF, the Association has by its duly authorized officers set their hands and seals this 9th day of March, 2022 (the "Execution Date"), and by doing so acknowledge and affirm that this Restated Declaration has been duly approved by the Board of Directors for the Association

The foregoing, being signed and sealed on the Execution Date, is subject to the twenty (20) year limitation as provided in Section 15-3-520 of the South Carolina Code of laws.

SIGNED, SEALED, ACCEPTED AND DELIVERED:

WITNESSES:

[Signature]
(witness #1)

[Signature]
(witness #2)

ASSOCIATION:

Stoney Point Property Owners' Association, Inc.

By: Scott M. Braidic (L.S.)

Print Name: Scott BRAIDIC

Its: President

STATE OF SOUTH CAROLINA)
COUNTY OF Greenwood)

ACKNOWLEDGEMENT

I, Christine S. Beskie, a Notary Public for the State of South Carolina, do hereby certify that **Stoney Point Property Owners' Association, Inc.**, by Scott Braidic, its President personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Given under my hand and official seal this 4th day of March, 2022.

CHRISTINE S. BESKIE
Notary Public, State of South Carolina
My Commission Expires 9/17/2031

[Signature]
Notary Public for South Carolina
My Commission Expires: 9/17/2031

SIGNED, SEALED, ACCEPTED AND DELIVERED:

WITNESSES:

Anna W Sumner
(witness #1)
Edward Beskie
(witness #2)

ASSOCIATION:

Stoney Point Property Owners' Association, Inc.

By: Christine S Beskie (L.S.)
Print Name: Christine S Beskie
Its: Secretary

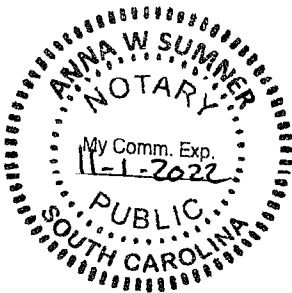
STATE OF SOUTH CAROLINA)
COUNTY OF Greenwood)

ACKNOWLEDGEMENT

I, Anna W. Sumner, a Notary Public for the State of South Carolina, do hereby certify that **Stoney Point Property Owners' Association, Inc.**, by Christine S. Beskie, its Secretary personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Given under my hand and official seal this 9th day of March, 2022.

Anna W Sumner
Notary Public for South Carolina
My Commission Expires: 11-1-2022



DECLARATION OF COVENANTS AND RESTRICTIONS
OF
STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC.
AND
STONEY POINT REAL ESTATE PARTNERSHIP

**DECLARATION OF COVENANTS AND RESTRICTIONS
OF
STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC.
AND
STONEY POINT REAL ESTATE PARTNERSHIP**

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DECLARATION OF COVENANTS AND RESTRICTIONS OF
STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC., AND
STONEY POINT REAL ESTATE PARTNERSHIP

THIS DECLARATION, executed this 25th day of April, 1990, by Stoney Point Property Owners' Association, Inc., a South Carolina non-profit corporation, hereinafter called "Association."

W I T N E S S E T H:

WHEREAS, Company, as the Owner of the real property (hereinafter referred to as the "Property") described in Part One, ARTICLE II of this Declaration, desires to create thereon a planned development community known as Stoney Point on Lake Greenwood with certain facilities, amenities and services for the use and benefit of all property owners within such community; and

WHEREAS, the Company desires to provide for the preservation of the values and amenities and for the maintenance of common facilities, services and properties; and to this end, Company does hereby subject the Property described in Part One, ARTICLE II together with such additions as may hereafter be made, as provided in Part One, ARTICLE II, to the covenants, restrictions, easements, affirmative obligations, charges and liens, hereinafter set forth, hereinafter referred to as the "Covenants" or the "Declaration," all of which is hereby declared to be for the benefit of said Property and each and every owner of any and all parts thereof; and

WHEREAS, Company deems it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which can be delegated and assigned the power and authority of maintaining and administering the common properties and services, administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement; and

WHEREAS, Company has caused to be incorporated under the laws of the State of South Carolina, a non-profit corporation, Stoney Point Property Owners' Association, Inc., for the purpose of exercising the functions aforesaid, which functions are hereinafter more fully set forth; and

WHEREAS, this Declaration will be referred to as the "Stoney Point Covenants of 1990," and will be recorded in the Office of the Clerk of Court for Greenwood County, South Carolina, and may be incorporated by reference in deeds to property issued by the Company, by reference to the Book and Page of recording in the realty records in said office.

NOW THEREFORE, the Company declares that the real property described in Part one, ARTICLE II, and such additions thereto as may hereinafter be made pursuant to Part One, ARTICLE II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, changes, assessments, affirmative obligations, and liens hereinafter set forth. These Covenants, the benefits of these Covenants, and the affirmative and negative burdens of these Covenants, shall touch and concern and run with the land herein referred to as the "Property." The Company reserves the right to add additional Covenants in respect to the property owned by the Company at the time of the adoption of the additional Covenants

but not to property previously conveyed to others. All rights and easements reserved by the Company under these Covenants shall also be reserved to the assignees and successors in interest of the Company.

**PART ONE
GENERAL REFERENCES**

**ARTICLE I
DEFINITIONS**

Section 1. The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) “Affiliate” shall mean any corporation more than fifty percent (50%) of the voting stock of which is owned or controlled by the Company and any corporation, partnership or joint venture in which the Company has more than a fifty percent (50%) equity interest or an interest in fifty percent (50%) or more of the cash flow from such partnership, corporation or joint venture.

(b) “Approval by the Company” shall mean written approval issued by the Company, signed by its appropriate officers or Managing Agent or designated representative.

(c) “Approval by the Architectural Review Board or Company” shall mean and refer to any approval required under these Covenants to be made by the Architectural Review Board or Company and which shall be sought and received or denied pursuant to the provisions of these Covenants.

(d) “Architectural Review Board” or “Review Board” shall mean and refer to that Board formed and operated in the manner described in Part Two, ARTICLE I hereof.

(e) “Association” shall mean and refer to the Stoney Point Property Owners’ Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

(f) “By-Laws of the Association” or “By-Laws” shall mean and refer to the By-Laws of the Stoney Point Property Owners’ Association, Inc., the initial text of which is set forth in Exhibit “C” attached hereto and made a part hereof.

(g) “Club” or “Golf Club” shall mean and refer to the Stoney Point Golf Club, a division of Stoney Point Limited Partnership. The Club’s sole purpose is to own and operate a semi-private golf club for the use and benefit of its members and their guests and business invitees and their guests of Stoney Point Limited Partnership. Generally, the Club intends to assume operation of the Stoney Point Golf Club facilities at such time in the future when the Club facilities are fully developed. The Stoney Point Limited Partnership is a South Carolina Limited Partnership formed for the specific

purpose of developing, operating or leasing the facilities of the Stoney Point Golf Club as a commercial and semi-private membership facility. It is contemplated that the Club facilities will include a full length 18-hole golf course, a practice and putting area, a central golf facility including a pro shop, business office, a mixed grill and seating area, and a separate golf equipment and maintenance area, to be constructed on approximately 163 acres of land within the boundaries of Stoney Point on Lake Greenwood. The Club facilities are expected to be fully operational by March 1, 1991.

(h) "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Association and designated in said deed or lease as "Common Properties." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated a "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying dwelling places or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such Lease.

(i) "Company" shall mean Stoney Point Real Estate Partnership, a South Carolina general partnership, and its successors and assigns.

(j) "Covenants" or "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions of Stoney Point Property Owners' Association, Inc. and Stoney Point Real Estate Partnership, including all covenants, conditions, restrictions and obligations set forth in this Declaration.

(k) "Developer" shall mean any Owner of three (3) or more lots for the purpose of developing, building, reselling, etc. Developer shall be synonymous with Declarant and this section in no way is intended to convey Declarant rights to Developers.

(l) "Development Unit Parcels" shall mean and refer to those parcels or tracts of land conveyed by the Company to third parties under covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Residential Lots, Multi-Family Tracts, or Public and Commercial Sites.

(m) "Dwelling Unit" shall mean and refer to any improved property intended for use as a single-family dwelling, including any single-family detached dwelling, patio home, condominium unit or townhouse unit, located within the Property.

(n) "Horizontal Property Regime" shall mean and refer to the legal entity established under the laws of South Carolina in which owners of a single-family dwelling, lodging, or commercial unit in a multi-unit building, buildings, or structure, own such unit directly and hold a co-ownership with other unit holders of the Regime

common property areas and facilities held in common by the Regime for all Owners of the multi-unit complex. The instruments creating a Horizontal Property Regime within the Property shall be submitted to the Company for its review prior to recordation and prior to sale of units. For the Horizontal Property Regime instrument to be valid, there must be an instrument indicating the Company's approval of such Horizontal Property Regime instruments, which is executed by the Company and which is recorded with the Register of Mesne Conveyances simultaneously with the official filing for record of such Regime legal documents with the Office of the Clerk of Court for Greenwood County.

(o) "Intended for Use" shall mean the use intended for various parcels within the Property as shown on the Master Plan of Stoney Point prepared by the Company as the same may be revised from time to time by the Company, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the Property.

(p) "Master Plan" shall mean and refer to the drawing which represents the conceptual land plan for the future development of Stoney Point on Lake Greenwood. Since the concept of the future development of the undeveloped portions of Stoney Point on Lake Greenwood is subject to continuing revision and change at the discretion of the Company as provided in Part One, ARTICLE II, Section 1 hereof, present and future references to the "Master Plan" shall be references to the latest revision thereof. In addition, no implied reciprocal covenants shall arise with respect to lands which have been retained by the Company for future development except that all the covenants, restrictions, obligations and conditions set forth in this Declaration shall apply to all portions of the Property retained by the Company. THIS DECLARATION DOES NOT DESIGNATE ANY PORTION OF THE PROPERTY FOR ANY PARTICULAR USE, SUCH DESIGNATION TO BE MADE BY SEPARATE SUBSEQUENT DECLARATION OR BY RECORDED PLAT WITH SUCH DESIGNATION CLEARLY AND UNEQUIVOCALLY SHOWN THEREON. THE COMPANY SHALL NOT BE BOUND BY ANY DEVELOPMENT PLAN, USE OR RESTRICTION OF USE SHOWN ON ANY MASTER PLAN, AND MAY AT ANY TIME CHANGE OR REVISE SAID MASTER PLAN.

(q) "Member" shall mean and refer to the Company and all those Owners who are Members of the Association as provided in Part Three, ARTICLE I, Section 1 hereof, including the spouse and children (under 18) permanently residing with said Owner.

(r) "Multi-Family Tract" shall mean any unimproved parcel of land located within the Property, intended for use as sites for multi-family dwellings including, without limitations, condominium regimes. For the purposes of this Declaration, a parcel of land shall not be deemed a "Multi-Family Tract" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such Property for multi-family use or an appropriate document executed by the Company is recorded in the Office of the Clerk of Court, and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete

to be subject to assessment as improved Property.

(s) “Offensive or Noxious” activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior or activity which is inconsistent with both the reasonable pleasurable use of the Property area by substantial number of the residents and guests and their reasonable expectations of permanent habitation, vacationing, studying, meeting, working, recreating, or enjoying sports, music, food, natural surroundings, and entertainment, free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, racing vehicles, offensive displays of public sexuality, significantly loud radio, hi-fi, electronic music distractions, or other similar unreasonable behavior curtailing the reasonable pleasure and use of the facilities within the Property. Public musical or other entertainment, parades, concerts, festivals, tournaments, competitions or shows conducted under permit from the Company shall not constitute offensive or noxious activity or behavior unless such permit is withdrawn by the Company, or its terms and conditions violated.

(t) “Office of the Clerk of Court” or “Clerk of Court” shall mean and refer to the Office of the Clerk of Court for Greenwood County, South Carolina, and the successors of that office.

(u) “Owner” shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot, Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, Unsubdivided Land, or Private Recreational Tract situated upon the Property, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term “Owner” mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court, a long-term contract of sale covering any Lot or parcel of land within the Property, the Owner of such Lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(v) The “Property”, “Stoney Point”, and “Stoney Point on Lake Greenwood” shall mean and refer to the property described in Part One, ARTICLE II, Section 1 hereof, and additions thereto, as are subjected to this Declaration or any supplemental declaration under the provisions of Part One, ARTICLE II, Section 2 hereof and shall include: (1) Residential Lots; (2) Dwelling Units; (3) Multi-Family Tract; (4) Public and Commercial Sites; (5) Public and Commercial Units; (6) Development Unit Parcels owned by the Company or other Owners; (7) Unsubdivided

Land owned by the Company or other Owners; (8) Common Properties; and (9) any Open Space not designated as Common Properties.

(w) “Public or Commercial Site” shall mean any unimproved parcel of land within the Property, intended for use as a site for improvements designed to accommodate commercial or business enterprises to serve residents and guests of Stoney Point on Lake Greenwood and/or the public, including but not limited to: business and professional offices; facilities for the retail sale of goods and services; social clubs; restaurants; inns; lounges; recreational facilities open in whole or in part to the public; gasoline stations and convenience stores; and the Stoney Point Golf Club; provided, however, that a “Public and Commercial Site” shall not include Property upon which improvements are to be built which also qualifies as a Multi-Family Tract. For the purposes of this Declaration, a parcel of land shall not be deemed a “Public and Commercial Site” until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such Property as a public or commercial site or other appropriate document executed by the Company is recorded in the Office of the Clerk of Court, and further, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

(x) “Public and Commercial Unit” shall mean and include any improved parcel of land within the Property which is intended and designed to accommodate public, commercial or business enterprises to serve residents and guests of Stoney Point on Lake Greenwood and/or the public, including but not limited to all those enterprises enumerated in subparagraph (v) immediately above. A parcel of land shall not be deemed to be improved until the improvements being constructed on said parcel are sufficiently complete to be subject to assessment as improved properties.

(y) “Recorded” shall mean made a matter of public record by permanently registering same in the Office of the Clerk of Court.

(z) “Referendum” shall mean and refer to the power of all or some specific portion of the Members to vote by mailed ballots on certain actions by the Board of Directors of the Association more particularly set forth herein including, without limitation, the levy of any Special Assessment; and the addition or deletion of functions or services which the Association is authorized to perform. In the event fifty-one percent (51%) of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to “pass” and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage required to “pass” shall be specifically expressed herein, that higher percentage shall control in that instance.

(aa) “Residential Lot” or “Lot” shall mean and refer to any unimproved parcel of land located within the Property which is intended for use as a site for a single-family detached dwelling or a patio dwelling as shown upon any recorded final subdivision map of any part of the Property or which is declared such by other recorded documents executed by the Company. A parcel of land shall be deemed to be

unimproved until the improvements being constructed thereon are sufficiently complete to be subject to assessment as improved properties.

(bb) “Undeveloped Land” shall be land owned by the Company which is not improved and which has not been designated as Open Space or Common Properties whether subdivided or unsubdivided.

(cc) “Unsubdivided Land” shall mean and refer to all land in the Property described in Part One, ARTICLE II, hereof, and additions thereto as are subjected to this Declaration or any supplemental declaration under the provisions of Part One, ARTICLE II, hereof, which has not been subdivided into or designated as Residential Lots, Multi-Family Tracts, Public and Commercial Sites, or Development Unit Parcels, through metes and bounds subdivision plats filed for record in the Office of the Clerk of Court expressly declaring or labeling such portions of the Property for development as such uses or which is declared to be restricted for such use by a recorded document executed by the Company. For the purposes of this Declaration, the following classifications of Property shall not be deemed “Unsubdivided Land” and shall be expressly excepted from the definition thereof:

(1) all lands committed to the Association through express written notification by the Company to the Association of intent to convey in the manner provided herein;

(2) all lands designated on the Master Plan for intended use, or by actual use if applicable, for outdoor recreation facilities; woodland and wetland conservancies; all easements for drainage of surface water; community marinas and community clubs or similar facilities;

(3) all lands expressly designated in any way as Common Properties or Open Space.

(dd) “Use or Used for Residential Purposes” shall mean to be used as one’s residence or normal and customary place of abode as hereinafter more fully set forth in Part Two, ARTICLE I, Section 2, and shall not include any use for business purposes except as expressly permitted in Part Two, ARTICLE I, Section 2, hereof. All individual lots which are platted and recorded shall be deemed to be Residential Lots to be used for Residential Purposes unless some other use or intention is indicated on the plat or some related recorded document.

ARTICLE II PROPERTY AND ADDITIONS THERETO

Section 1. Property. The real property (“Property”) which is, and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants is described as follows:

All that tract or parcel of land, situate, lying and being in Stoney Point on Lake

Greenwood, Greenwood County, South Carolina, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

The Company intends to develop the Property in accordance with its Master Plan, as subsequently modified from time to time, as a residential community featuring recreational facilities, certain commercial or public facilities, various amenities and any other lawful activities which the Company deems appropriate as uses for such Property. The Company reserves the right to review and modify the Master Plan at its sole option from time to time based upon its continuing research and design program. The Master Plan shall not bind the Company, its successors and assigns, to adhere to the master plan in the development of the land shown thereon except as to the (1) general location and approximate acreage of the Common Properties specifically designated as such; (2) a residential density of not more than five (5) Dwelling Units per acre on the existing Property as initially described herein as of the date of filing this Declaration, and (3) a restriction that no building will exceed three (3) stories in height as hereinafter more fully defined. Subject to its right to modify its Master Plan as stated herein, the Company shall hereafter convey to the Association those properties set forth herein in Part Three, ARTICLE II, Section 5. In addition, the Company may at its option convey to the Association as provided in said Part Three, ARTICLE II those parcels of land designated on the Master Plan as properties which may be transferred to the Association, as, in the reasonable exercise of its discretion, it so chooses without regard to the relative location of such properties or sections within the overall plan. Once conveyed to the Association, these properties shall become Common Properties. The Company shall not be required to follow any predetermined sequence or order of improvements and development; and it may bring within the plan of these Covenants additional lands, and develop the same before completing the development of the Property. Other than as stated in this paragraph, the Company shall have full power to add to, subtract from or make changes in the Master Plan regardless of the fact that such actions may alter the relative maximum potential voting strength of the various types of membership of the Association.

Section 2. Additions to Property. Additional lands may become subject to, but not limited to, this Declaration in the following manner:

(a) Additions. The Company, its successors, and assigns, shall have the right, without further consent of the Association, to bring within the plan and operation of this Declaration: (i) all or any part of that Property described in Exhibit "B" attached hereto and made a part hereof; and (ii) additional properties in future stages of the development beyond those described in Exhibit "A" and Exhibit "B" so long as they are contiguous with then existing portions of Stoney Point on Lake Greenwood. For purposes of this paragraph, contiguity shall not be defeated or denied where the only impediment to actual "touching" is a separation caused by a road, right-of-way or easement, and such shall be deemed contiguous. The additions authorized under this Section shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property after which it shall fall within the definition of Property herein set forth.

(b) Other Additions. Upon approval in writing of the Association, pursuant to majority concurrence of the Board of Directors, the Owner(s) of any contiguous property who desires to add it to the plan of these Covenants and to subject it to the

jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of the Declaration to such additional property. Prior to authorizing such annexation, the Board of Directors shall ensure that the property to be annexed meets the requirements set forth in this Declaration regarding consistency with the scheme of development and shall ensure that the infrastructure of the property to be annexed (roadways, storm water system, etc.) are in accordance with applicable Greenwood County construction standards.

The Supplementary Declaration may contain such complementary additions and/or modification of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Association, to reflect the different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration, but such modification shall have no effect on the Property described in Part One, ARTICLE II, Section 1 above.

(c) Mergers. Upon merger or consolidation of the Association with another association, as provided for in the By-laws of the Association, its property, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the property, rights and obligation of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall affect any revocation, change or addition to the covenants established by this Declaration within the Property, including, without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interests of Members of the Association.

(d) Separate Associations. For any property subjected to this Declaration pursuant to the provisions of this Section, there may be established by the Company an additional association limited to the Owners and/or residents of such additional property in order to promote their social welfare, including their health, safety, education, culture, comfort, and convenience, to elect representatives on the Board of the Association, to receive from the Association a portion, as determined by the Board of Directors of the Association, of the annual assessments levied pursuant hereto and use such funds for its general purposes, and to make and enforce rules and regulations of supplementary covenants and restrictions, if any, applicable to such additional lands.

PART TWO
COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE
TO DEVELOPMENT OF STONEY POINT ON LAKE GREENWOOD

ARTICLE I
GENERAL COVENANTS

Section 1. Purposes. The primary purpose of these Covenants and the foremost consideration in the origin of same has been the creation of a residential community which is aesthetically pleasing, which is functionally convenient, which is capable of maintaining itself while retaining private control, and which provides for the ultimate ownership, operation and maintenance, through the Company or the Association, of the Common Properties. The establishment of extensive objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of property and of technological advances and environmental values. For this reason, such standards are not established hereby, but may be suggested by the Company in discussions with and in materials submitted to Owners. These standards and this Declaration are consistent with and serve to complement the Subdivision Ordinances of Greenwood County, South Carolina. To implement these Covenants, the Company shall, through the Review Board as defined in Section 3 of this ARTICLE I, establish and amend from time-to-time objective standards and guidelines which shall be in addition to and more restrictive than said governmental standards.

Section 2. Residential Use. All Lots or parcels of land in areas of the Property designated as residential areas either by reference on a plat, deed or other document or by zoning designation shall be used for residential purposes exclusively. No structure or structures shall be erected, altered, placed or permitted to remain on any residential parcel other than as provided in these Covenants and restrictions, or except as provided for in each deed of conveyance. Moreover, the deed transferring a parcel to be used for residential purposes may, in the sole discretion of the Company, among other things expressly determine and limit the number or density of residential lots, villas, townhouses, condominiums or other residential units applicable to that specific residential parcel. It may also impose height restrictions and/or minimum parking requirements applicable to that specific parcel as well as other similar specific development constraints.

“Residential,” referring to a mode of occupancy, is used in contradistinction to “business” or “commerce” or “mercantile” activity and, except where otherwise expressly provided, “residential” shall apply to temporary as well as permanent uses, and shall apply to vacant land as well as to buildings constructed thereon. No Lot or Dwelling Unit restricted to “residential” purposes may be used as a means of service to business establishments on adjacent Lots, including but not limited to supplementary facilities or an intentional passageway or entrance into a business. Use for single household residential purposes shall mean and refer to use as a place of long-term dwelling or residence, and shall also include use for seasonal lodging. The restriction to use for “residential” purposes is subject to the following qualifications:

(a) Unless further restricted in the deed or other document, the use of a portion of a Dwelling Unit as an office shall be considered as a residential use if such use does not create a significant increase in customer or client traffic to and from the Dwelling Unit, if no sign, symbol, logo or nameplate identifying a business or professional office is affixed to or about the grounds or the entrance to the Dwelling Unit, if the office is only incidentally used for business or professional purposes, and if the Company, after responding to a complaint by a neighboring Property Owner, has not expressly requested that the subject Dwelling Unit not be used in whole or in part as an office.

(b) The use of a Dwelling Unit as a model or for sales or operational purposes shall be limited to those granted written temporary permission for such use by the Company

in its sole discretion, and may be deemed a use for residential purposes for a maximum period of forty-eight (48) months after the building is newly constructed and is ready for occupancy, and use of said Dwelling Unit as a model or for sales or operational purposes after said forty-eight-month period shall be prohibited.

Section 3. Architectural and Design Review.

(a) Purpose: In order to preserve the natural beauty of Stoney Point on Lake Greenwood and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of property, no building, fence, wall, sign, swimming pool, tennis court, roof, exterior or other structure shall be erected, placed, added to, or altered until the proposed building plans, specifications (including height, color and composition of roof, siding, or other exterior materials and finish), plot plan (showing the proposed location of such building or structure, drives and parking areas), landscape plan and construction schedule shall have been submitted and approved in writing as hereinafter provided.

(b) Objectives: Architectural and Design review shall be directed towards attaining the following objectives for Stoney Point on Lake Greenwood:

(1) preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause disruption of natural water courses or scar natural land forms;

(2) ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Residential Lots and Dwelling Units and with surrounding Residential Lots, Dwelling Units and structures and does not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;

(3) ensuring that the architectural design and structures and their materials and colors are visually harmonious with Stoney Point on Lake Greenwood's overall appearance, history and cultural heritage, with surrounding development, with natural land forms and native vegetations, and with development plans officially approved by the Company, or any governmental or public authority, if any, for the areas in which the structures are proposed to be located;

(4) ensuring the plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots, and blend harmoniously with the natural landscape;

(5) ensuring that any development, structure, building or landscaping complies with the provisions of these Covenants;

(6) promoting building design and construction techniques that respond to energy consumption and environmental quality consideration such as heat loss, air emissions and run-off water quality.

(c) Architectural Review Board.

(1) The Company shall establish an Architectural Review Board (such board hereinafter referred to as the "Review Board") which shall consist of three (3) to five (5) members. All of the members shall be appointed by the Company until such time as the Company, in its sole discretion, transfers control of the Review Board functions to the Association. The regular term of office for each member shall be one (1) year, coinciding with the fiscal year of the Company. Any member appointed by the Company may be removed with or without cause by the Company at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former members. When control of the Review Board functions is transferred to the Association, members of the Review Board shall be elected by the Board of Directors of the Association, and any member so elected may resign or be removed by the Board in the same manner as provided in the By-Laws of the Association for the resignation and removal of officers of the Board.

(2) The Review Board shall select its own Chairman and he, or in his absence, the Vice-Chairman, shall be the presiding officer of its meetings. All meetings shall be held at least once in each calendar month or upon call of the Chairman; all meetings shall be held at the offices of the Company in Stoney Point on Lake Greenwood, Greenwood, South Carolina or at such other places as may be designated by the Chairman. A simple majority of the members shall constitute a quorum for the transaction of business, provided a minimum of two (2) members appointed by the Company shall be present in order to have a quorum prior to transfer of control of the Review Board by the Association. The affirmative vote of a majority of the members of the Review Board shall constitute the action of the Review Board on any matter before it. The Review Board shall operate in accordance with its own rules of procedure which shall be filed with the Association and maintained in the records of the Association.

(3) The Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, and/or attorneys, who need not be licensed to practice in the State of South Carolina, to advise and assist the Review Board in performing the design review functions herein prescribed.

(d) Transfer of Architectural Review Authority. Upon the sale of greater than seventy-five percent (75%) of the sites for the permitted Dwelling Units within the existing Property, or, if additions are made to the existing Property, then upon sale of greater than seventy-five percent (75%) of the sites for the maximum permitted Dwelling Units within the Property, as so expanded, the Company may, by filing a supplementary declaration of covenants and conditions with the Clerk of Court, transfer the above-described architectural review authority to a permanent Review Board which, subject to the covenants and conditions stated within the aforesaid supplemental declaration, shall be under the control of the Association. This Section does not obligate the Company to make such transfer at any particular time; provided, however, that such transfer must be made no later than December 31, 1999, as to all portions of the Property shown on recorded plats where more than seventy-five percent (75%) of the sites for permitted Dwelling Units have been sold to third parties. The transfers of such rights as to all other properties shall be made on a platted area by platted area basis as the seventy-five percent (75%) test as to permitted Dwelling Unit sites referred to above has been achieved.

(e) Review of Approval of Plans for Additions, Alterations or Changes to Structures and Landscaping: No building, wall, fence, sign, swimming pool, tennis court, roof, color and composition of roof, siding and other exterior materials and finishes, exterior light or other structure or improvement of any kind shall be commenced or erected upon any Residential Lot, or upon the exterior of any Dwelling Unit, or upon any Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, or Development Unit Parcel, or upon the Common Properties, nor shall any landscaping be done, nor shall any addition to any existing building or alteration or change therein be made until the proposed building plans, specifications (including height, color and composition of roof, siding or other exterior materials and finish), plot plan (showing the location of such building or structure, drives and parking area), landscape plan, and construction schedule shall have been submitted to and approved by the Review Board.

(f) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans: Two (2) copies of all plans and related data shall be furnished the Review Board. One (1) copy shall be retained in the records of the Review Board. The other copy shall be returned to the Property Owner marked "approved" or "disapproved." The Review Board shall establish a fee from time to time sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects, landscape architects, urban designers or attorney's retainer in accordance with subparagraph (c) (iii) above. Approvals shall be dated and shall not be effective for construction commenced more than twelve (12) months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within thirty (30) days following receipt by Review Board of written request for approval, the provisions of this Section shall be thereby waived. Refusal of approval of plans, location or specification may be based by Review Board upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious.

(g) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship: No approval of plans, location or specifications, and no publication or architectural standards bulletins shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. Neither the Company nor the Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved neither under these Covenants nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to property subject to these Covenants, agree to hold the Review Board and the Company harmless for any failure thereof caused by the Owner's architect or builder. The Company reserves the right to prohibit the Owner's builder and/or general contractor from going to or upon the site in the event it is determined that failure to comply with approved plans is intentional or due to gross negligence under the above-mentioned circumstances. The Owner hereby agrees that the exercise of these rights shall not constitute a denial of Owner's property rights and shall not give rise to a cause of action for damages by the Owner.

(h) Violation Charges. In addition to any means of enforcement provided elsewhere in the Covenants, the Association shall have the authority to assess violation charges not to

exceed twenty-five (\$25.00) dollars per day against an Owner for violations of the Declaration or other Association Governing Documents by such Owner or such Owner's tenants, guests, invitees, agents and employees, including without limitation violations of the rules and decisions of the Architectural Review Board ("Violation Charges"). Violation Charges accrue from the date of notice of the violation to the Owner from the Association or Architectural Review Board. The Board of Directors may delegate to the Architectural Review Board the authority to establish a schedule of violation charges based upon the various types of violations and length of the violation, however the Board of Directors shall retain the exclusive authority to levy, or to not levy, such violation charges against the Owners in its sole discretion. Violation charges shall be collectible as any other Assessment, including but not limited to constituting a lien against such Owner's lot and being the personal obligation of such Owner. No violation charges will be assessed against an Owner until the Association has given such Owner notice of the alleged violation and an opportunity for a hearing pursuant to any further procedures that may be adopted by the Board of Directors. If a hearing is timely requested by the Owner, the hearing may be conducted by either the Board of Directors or the Architectural Review Board, as determined from time to time by the Board; however, if a hearing is conducted by the Architectural Review Board, the Owner found in violation of the Governing Documents or Rules and Regulations shall have the right to appeal that decision to the Board of Directors pursuant to such reasonable procedures as adopted by the Board.

Section 4. Siting. To assure that buildings and other structures will be located so that the maximum view, privacy and breeze will be available to each building or structure, and that structures will be located with regard to the topography of each property taking into consideration the location of large trees, structures previously built or approved pursuant to this ARTICLE for adjacent parcels of land, and other aesthetic and environmental considerations, the Review Board and the Company reserves unto itself, its successors and assigns, the right to control and to decide solely (so long as (a) its decisions are not arbitrary and capricious, and (b) subject to the provisions of the pertinent land use regulations of public authorities having jurisdiction) the precise site and location of any building or structures on any Property in Stoney Point on Lake Greenwood, including the right to prescribe setbacks as it deems appropriate.

The location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. Provided, however, that in the event an agreed location is stipulated in writing in the contract of purchase and approved by the Company, and such location complies with the Greenwood County Subdivision Regulations, the Company shall automatically approve such location for a residence or group of residential units.

Section 5. Parking. Each Owner subject to these Covenants shall provide space off of streets or community roads for the parking of at least two (2) automobiles for each Dwelling Unit prior to the occupancy of any building or structure constructed on said Property in accordance with reasonable standards established by the Review Board.

Section 6. Completion of Construction. The exterior of all dwellings and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency, or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have

been completed. During the continuance of construction, the Owner shall require the contractor to maintain the Residential Lot or building site in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools and construction material from the Lot. Any damage to roads, bike paths, Common Properties, or property owned by others caused by the Owner's contractor or other parties providing labor or services to the Owner shall be repaired by the Owner or by the Company at Owner's expense. Landscaping plans for all Dwelling Units and other structures must be completely implemented within ninety (90) days of occupancy or issuance of a Certificate of Occupancy by the appropriate authority, whichever date shall first occur.

Section 7. Service Yards. Each Owner shall provide a visually screened area to serve as a service yard and an area in which garbage receptacles, fuel tanks or similar storage receptacles, electric and gas meters, air-conditioning equipment, clothes lines, and other unsightly objects must be placed or stored in order to conceal them from view from the road and adjacent properties.

Plans for such visually screened area delineating the size, design, texture, appearance and location must be approved by the Review Board prior to construction. Garbage receptacles and household fuel tanks may be located outside of such screened areas only if located underground.

Section 8. Automotive Fuel Tanks. No automotive fuel tanks of any type whatsoever shall be permitted on Lots or other residential parcels or tracts. Moreover, no automotive fuel tanks shall be permitted on any other portions of the Property without the written consent of the Company. The granting of such consent by the Company shall not render the Company liable for any loss or injury caused by the existence of such tank in such location.

Section 9. Signs. No signs or ornaments shall be erected or maintained on the Property by anyone including, but not limited to, the Owner, a realtor, a contractor or subcontractor, or except with the, written permission of the Review Board or except as may be required by legal proceedings. If such permission is granted the Review Board reserves the right to restrict size, color and content of such signs.

Section 10. Other Buildings and Vehicles. No mobile home, trailer, tent, barn, or other similar out-building, vehicle, or structure shall be placed on any Residential Lot or Development Unit Parcel or any Multi-Family Tract, or Public and Commercial Site, at any time, either temporarily or permanently, without prior approval from the Review Board and such approval shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No home trailers or residence trailer may be permitted on the Lot, Tract or Parcel and no boats, boat trailers, campers, motorcycles, motorbikes, recreational vehicles, trucks, or utility trailers may be maintained on the Property, without prior written approval of the Review Board. The term "truck" as used herein is intended to refer to those vehicles of various sizes and designs for transporting goods, moving heavy articles or hauling quantities of cargo and which are used in a trade or business in which the truck is used because of its commercial capabilities and not merely as a means of transportation, or which displays identification on the exterior of the vehicle to a commercial enterprise. This is not intended to include such dual-purpose vehicles as station wagons, jeeps, "scouts" or "waggoner" type vehicles and sports trucks and trucks of one-half (1/2) ton or less that do not have exposed signage or logo other than discreet identification approved by the Review Board and do not have exposed equipment or supplies, or similar, attractive vehicles

driven and maintained primarily as a means of transportation.

Section 11. Unsightly Conditions. It shall be the responsibility of each Owner and tenant thereof to prevent the accumulation of litter, trash, packing crates or rubbish or the development of any unclean, unsightly or unkempt condition of buildings or grounds on his property either before, during or after construction, nor to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area.

Section 12. Lights. The design and location of all exterior lighting fixtures shall be subject to the approval of the Review Board. Neither these nor any other illumination devices, including but not limited to Christmas ornaments, located anywhere on the structures or grounds of any Residential Lot or Dwelling Unit or other residential structure within the Property shall be located, directed, or of such intensity to affect adversely the nighttime environment of any adjacent property.

Section 13. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured within the residential areas of the Property, except that a reasonable number of common household pets such as dogs and cats may be kept in any one Dwelling Unit. In order to preserve the aesthetic qualities of the Common Properties, to maintain sanitary conditions on the Property, to prevent the spread of worms and infectious diseases on the Common Properties, and to maintain a proper respect for other Owners and users of the Common Properties, each person who keeps a pet within a Dwelling Unit shall abide by the following restrictions, conditions, and affirmative obligations:

(a) No pets may be kept, bred, or maintained for any commercial purpose.

(b) The Owner of such pet or pets, shall exercise best efforts to not allow the pets to excrete upon the Property owned by others or the Company, or to excrete in any area within the Common Properties, which are regularly traversed or in which children may be expected to play.

(c) The Owner of such animals shall use a scoop or other device to clean up any defecation or solid excrement left by their pet upon the Common Properties, Open Space, bike paths or roadways.

(d) The Owner of an animal will not allow it to roam unattended on the Property, it being the responsibility of each pet Owner to keep their animal leashed at all times when outside the parameters of the owner's property. Please note that violators are subject to Violation Charges as defined in Part Two, Article I, Section 3 Sub-Section (h).

(e) The Owner shall muzzle any animal which barks or makes any noises which might be reasonably expected to disturb other Owners.

The breach of any of these five (5) restrictions, conditions, any obligations and duties shall be a noxious and offensive activity constituting a nuisance.

Section 14. Water. No private water wells may be drilled or maintained in the Property of any Owners other than the Company so long as the Company or its agents, or licensees, or a municipal water and sewer provider or other governmental unit, its successors and assigns, has installed a water distribution line within 200 feet of such property with average daily water pressure in such line adequate for the normal household use in dwellings served by such distribution line; provided, however, that Owners may submit to the Architectural Review Board for consideration plans and specifications for use of water-source heating and cooling systems and such plans will be viewed favorably provided they meet all requirements of the South Carolina Department of Health and Environmental Control, the South Carolina Water Resources Commission and any other agencies or governmental bodies having jurisdiction in such matters provided such installation otherwise meets the usual aesthetic considerations of the architectural review process as herein provided.

Section 15. Sewage. No septic tanks may be installed in the Property so long as the Company, or its agents or licensees, or a municipal sewer utility company or other governmental unit, its successors and assigns, operates a sewage distribution line within two hundred (200) feet of such property or is willing to extend such a sewage line to such property. In connection therewith, the STEP-type system approved by the Company and the municipal sewer authority which is connected to the central collection system shall be permitted. No sewage shall be emptied or discharged into any creek, marsh, lake, river or other body of water at any time.

Section 16. Repairs and Hazards. Any building or other improvement on the Property that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the land restored to an orderly and attractive condition. Absent legal impediments, force majeure or similar matters, such corrective activity should be commenced within not more than sixty (60) days and should be diligently manned and prosecuted to a completion in a timely manner thereafter.

No part or parts of any land within Stoney Point on Lake Greenwood shall be used by any Owner in such manner which would increase the hazard of fire on any other part or parts of Stoney Point on Lake Greenwood or any adjoining property.

Section 17. Offensive Activity. No noxious or offensive activity, as herein defined, shall be carried on upon any Residential Lot, Dwelling Unit, Multi-Family Tract, Public and Commercial Sites, Public and Commercial Units, Development Unit Parcel, Common Properties, or any place within Stoney Point on Lake Greenwood, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the community.

Section 18. Certain Easements. The Company reserves unto itself, its heirs, successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground of the Property to erect, maintain, and use electric, cable television, and telephone poles, wires, cables, conduits, drainage ways, sewers, wells, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage or other public conveniences or utilities on, in or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the

Company; or (b) such portion of the Property as may be designated as the site for a building on a plot plan or for erection of a building which has been filed with the Review Board and which has been approved in writing by said Review Board.

The Company further reserves unto itself, its successors, and assigns, a perpetual, alienable and releasable easement and right on, over, and under the ground to erect, maintain and use poles, wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, C.A.T.V., security cable equipment, telephone equipment, gas, sewer, water or other private or public convenience or utilities, on, in or over the rear or street side ten (10) feet of each lot, and ten (10) feet along one side of each lot other than patio lots, and such other areas as are shown on the applicable plats. Moreover, the Company may cut, at its own expense, drain ways for surface water wherever and whenever such action may appear to the Company to be necessary in order to maintain reasonable standards of health, safety and appearance and an easement for such purpose ten (10) feet in width along each side lot line and fifteen (15) feet along each front lot line and such other areas as are shown on the applicable plats, is reserved unto the Company.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Any material disturbance to the grounds of any Owner caused by such utility installation shall be repaired and said grounds returned to their prior condition by the Company or prompt and reasonable remuneration for such repair shall be made to such Owner by the Company.

In addition, the Company reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on and over and under the Property to dispense pesticides and take other action which in the opinion of the Company is necessary or desirable to control insects and vermin, to cut fire breaks and other activities which in the opinion of the Company are necessary or desirable to control fires on the Property, or any improvements thereon.

The Company further reserves to itself, its heirs and assigns, the right to locate wells, pumping stations, siltation basins and tanks, or spray treated effluent within the Property on any Unsubdivided Land, on any Common Properties, on the appropriate areas of the golf course within the Property, or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Owner. Such rights may be exercised by any licensee of the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

Section 19. Antennas and Satellite Dishes. No antenna, satellite dish, or other device for the transmission or reception of television or radio (including amateur or ham radios) or other communication signals is permitted on the exterior of any Dwelling Unit or Residential Lot, except those devices whose installation and use is protected under federal law or regulations (generally, certain antennae under one meter in diameter (39.37 inches)), and then only if the antenna or other device (i) is designed for minimal visual intrusion (i.e., is located in a manner that minimizes visibility from the street or an adjacent Lot and is consistent with community-wide standards as determined by the Review Board and as set forth in the rules and regulations of Stoney Point); and (ii) complies to the maximum extent feasible with the rules and regulations of Stoney Point and of the Review Board within the confines of applicable federal regulations (i.e., without precluding reception of a quality

signal or unreasonably increasing the cost of the antenna or device).

Section 20. Sound Devices. No exterior speaker, horn, whistle, bell, or other Sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon lands within Stoney Point on Lake Greenwood. The playing of loud music within a Dwelling Unit or other structure or from the balcony thereof shall be noxious and offensive behavior constituting a nuisance.

Section 21. Laundry. In order to preserve the aesthetic features of the architecture and landscaping, each Owner, his or her family, his or her guests, or his or her tenants, shall not hang laundry from any area within or outside a Dwelling Unit if such laundry is within the public view, nor hang laundry in full public view to dry, such as on balcony and terrace railings. This provision may, however, be temporarily waived by the Company during periods of severe energy shortages or other conditions where enforcement of this Section would create a hardship.

Section 22. Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction.

In order to preserve the aesthetic value and economic value of all individual properties within the Property, each Owner and the Company (with respect to improved property owned by the Company) shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building structure, improvement or significant vegetation, which shall be damaged or destroyed by Act of God, fire, or other casualty other than war. Variations and waivers of this provision may be made only upon the Review Board establishing that the overall purpose of these Covenants will be best affected by allowing such a variation. Variations to this Section are to be strictly construed and the allowance of a variance by the Company shall not be deemed to be a waiver of the binding effect of this Section on all other Owners.

Section 23. Trespass. Whenever the Association or the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass. As a matter of courtesy, every reasonable effort will be made to notify the Owner prior to performing the required work.

Section 24. Parcels. No Residential Lot, Multi-Family Tract, Public and Commercial Tract, or Public or Commercial Unit shall be subdivided, or its boundary lines changed, nor shall application for same be made to Greenwood County, except with the written consent of the Company. However, the Company hereby expressly reserves to itself, its successors or assigns, the right by mutual consent to replat any such Lot or Tract and to take such other steps as are reasonably necessary to make such replatted Lot or Tract suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights-of-way, private roads, bridges, parks, recreational facilities and Lots.

The provisions of this Section shall not prohibit the combining of two (2) or more contiguous Lots into one (1) larger Lot. Following the combining of two (2) or more Lots into one (1) larger Lot, only the exterior boundary lines of the resulting larger Lot shall be considered in the interpretation of these Covenants. Consolidation of Lots, as described above, must be approved by the Company, said

approval to be granted in the Company's sole discretion upon such terms and conditions as may be established for the Company from time to time, including specific provisions for the payment of assessments.

Section 25. Bridges. The Company expressly reserves to itself, its successors and assigns, any other provisions in this Declaration notwithstanding, the right to build bridges, walkways, or fixed spans across any or all natural or man-made canals, creeks, bike paths, or lakes in Stoney Point on Lake Greenwood. Nothing in this Section shall be construed as placing an affirmative obligation on the Company to provide or construct any such improvement.

Section 26. Building Height. No structure shall be constructed which has a height exceeding three (3) stories or forty (40) feet above the natural grade of the building site or such lesser height as may be mandated by the local governmental regulations applicable to the Property.

Section 27. Minimum Square Footage. No plans will be approved unless the proposed house will have the minimum required square footage of enclosed dwelling area. The minimum required square footage shall be as follows unless other minimum required square footage is specified in the Contract of Sale and expressly stipulated in the Deed from the Company or its successor or assign:

(a) One Thousand Eight Hundred (1,800) square feet of enclosed dwelling area for detached dwellings which are one story in height and which have an attached or detached garage of suitable size to accommodate two (2) vehicles.

(b) Two Thousand (2,000) square feet of enclosed dwelling area for detached dwellings which are one story in height and which have no garage.

(c) Two Thousand (2,000) square feet of enclosed dwelling area for detached dwellings which are two (2) stories in height and which have an attached or detached garage of suitable size to accommodate two (2) vehicles.

(d) Two Thousand Two Hundred (2,200) square feet of enclosed dwelling area for detached dwellings which are two (2) stories in height and which have no garage.

The term "enclosed dwelling area" as used in these minimum size requirements shall mean that total enclosed heated and cooled area within a dwelling. It shall not include garages, terraces, decks, open porches, screen porches, shed-type porches or the like; provided, however, that enclosed porches such as sun porches which are heated and cooled and which have a roof line that forms an integral part of the roof line of the main dwelling, shall be included in the term "enclosed dwelling area."

Section 29. Ingress and Egress; Roadways. The Owner, in accepting title to property conveyed subject to the covenants and restrictions of this Declaration, waives all rights of uncontrolled and unlimited egress and ingress to such property (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Owners and successors-in-title) and agrees that such ingress and egress to its property may be limited to roads built by the Company. Until

such time as said roads are conveyed to the Association or to Greenwood County, the Company shall retain full rights and title to all such roads and reserves the right to add additional roads or modify existing roads from time to time in such manner as it deems appropriate in accordance with its ongoing development activities.

The owner of any roadway in Stoney Point agrees to construct and maintain said roadway in accordance with the Subdivision Ordinance for Greenwood County, South Carolina and any other applicable standards of Greenwood County. Any waiver provided by Greenwood County to their requirements for roadways in Stoney Point will also require a waiver in writing from the Board. The Association shall have the right to enforce these standards in the same manner provision of the Declaration.

The Company reserves the right for itself, its successors and assigns, but not the obligation, to (a) maintain guarded gates controlling access to such roads; (b) require payment of toll charges for use of such roads by members of the general public, including business invitees, except that (1) no such toll shall be applicable to any Owners, lessees or tenants of Owners, nor shall the toll be applicable to any person who gives reasonable evidence satisfactory to entry guards that their entry into the premises of the Owner is with the specific permission of the Owner, or his duly authorized agent, provided, however, that this exception shall not apply to commercial or construction vehicles of any kind; (2) no toll shall be applicable to guests or business invitees of the Club; and (3) no such toll charge shall be applicable to guests of the Company; (c) determine in its sole discretion the types of vehicles that will be permitted access to the Property and use of such roads; (d) provided, however, that the Company reserves the right to limit access to the Property to the Company, Owners, lessees or tenants, and their guests and invitees. If the roadways and streets are conveyed to the Association as herein permitted the aforesaid rights may be assigned to the Association by the Company.

The Company agrees to construct all roads in Stoney Point on Lake Greenwood in accordance with roadway construction standards required by Greenwood County in order for Greenwood County to accept said roadways into the county-maintained roadway system. The Company reserves the right to transfer such roadways to Greenwood County within two (2) years after completion of construction if the County will agree to accept and maintain same. If the Company does not elect to transfer said roads to Greenwood County or if Greenwood County declines to accept same, the Company shall transfer said roadways to the Association subject to Part Three, Article II, Section 4 of the Declaration, as amended. In such event in order to provide for safe and effective regulation of traffic, the Company reserves the right to file with the Clerk of Court the appropriate Consent documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976) applicable to all of the streets and roadways within Stoney Point on Lake Greenwood. Moreover, in such event the Company may promulgate from time-to-time additional parking and traffic regulations which shall supplement the above-mentioned State regulations as it relates to conduct on, over and about the streets and roadways in Stoney Point on Lake Greenwood. These supplemental regulations shall initially include but shall not be limited to those set out hereinafter and the Company reserves the right to adopt additional regulations or to modify previously promulgated regulations from time to time and to make such adoption or modification effective thirty (30) days after mailing notice of same to the record Owners of all Lots, Dwelling Units, or parcels within Stoney Point on Lake Greenwood as of January 1 of the year in which such regulations are promulgated:

(a) Motor scooters, motorcycles, motor bikes, mopeds, or any other motor-powered bicycles may be operated on the roads and streets within Stoney Point by property owners, renters of Stoney Point property or their guests providing at a minimum, they meet all the following criteria (to be determined in the sole discretion of the Board of Directors):

(1) The vehicle shall not exceed engine displacement capacity of 400 cc.;

(2) The vehicle shall be registered with the Association and display the Stoney Point sticker;

(3) The vehicle shall not be modified as to factory installed exhaust systems;

(4) The vehicle shall only be operated during daylight hours;

(5) The vehicle shall be operated only for exit from and return to Stoney Point;

(6) The vehicle and its operator shall be in compliance with all South Carolina statutes and local ordinances pertaining to operation, licensing and insurance of the vehicle; and

(7) The owner of the vehicle and the owner of the residence where the vehicle is stored in Stoney Point are members in good standing of the Association and are otherwise in compliance with the Covenants and Rules and Regulations of the Association, including without limitation the vehicle storage and maintenance requirements contained in Section 10, Article I, Part Two of the Declaration (said Section 10 applying to all types of vehicles specified in this Section 29(a)).

The Board of Directors may set additional criteria for the operation of the above- listed vehicles in this Section 29(a) as needed and its sole discretion. Violation of any of these criteria and restrictions, or any other criteria and restrictions set by the Board of Directors, will result in immediate forfeiture of the right to operate motor scooters, motorcycles, motor bikes, mopeds, or any other motor-powered bicycles in Stoney Point, in addition to subjecting the violating owner to any and all other enforcement rights and powers granted to the Association in this Declaration.

(b) The Company, or the Association after title to the streets and roadways has passed to it from the Company, if applicable, may post “no parking” signs along the streets and roadways within Stoney Point on Lake Greenwood where it, in its sole discretion, determines appropriate to do so. Violators of said “no parking” signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicle shall not be deemed a trespass or a violation of the Owners’ property rights, because the Owner shall be deemed to have consented to such action by accepting the

right to use the roads and streets within Stoney Point on Lake Greenwood.

Section 30. Vacation Time Sharing Plans and Sales or Exchanges of Vacation Multiple Ownership Interests or Similar Types of Ownership Prohibited. No portion of the Property may be sold under or utilized pursuant to: (i) any Vacation Time Sharing Plan as defined in S.C. Code § 27-32-10 et seq., as amended, (ii) any sales or exchanges of Vacation Multiple Ownership Interests as defined in S.C. Code § 27-32-250, as amended, and (iii) any other timesharing, fractional, time interval or similar right-to-use, lease or license programs as those terms are currently generally utilized in the real estate industry.

Section 31. Fences, Courtyards and Enclosures. Perimeter fences along property boundaries are prohibited. Courtyards and enclosures that comply with the standards set by the Architectural Review Board are permitted.

Section 32. Vacation Rentals Prohibited. Leases shall not be for an initial term of less than ninety (90) days nor shall any Dwelling Unit be used for transient or hotel purposes, including but not limited to vacation rentals such as VRBO, Airbnb, HomeAway or any similar arrangement. There shall be no subletting or rental of single rooms or portions of the Dwelling Unit.

Section 33. Obligations of Developers. Developers, as defined in Part I, Article I, Section 1 (k), shall be responsible for building all infrastructure necessary to support any lots owned by the Developer, to include, but not be limited to, roads and storm water systems. All such infrastructure shall be completed in a workmanlike manner and in accordance with applicable standards of Greenwood County. Developers will also be required to maintain roadways in Stoney Point that are not owned by Association in accordance with the Subdivision Ordinance for Greenwood County, South Carolina.

Section 34. Solar Panels. No solar panel shall be permitted on any Lot or other residential parcel or tract without prior written approval from the Architectural Review Board. Such installation shall be completed pursuant to the Architectural Guidelines which may be established and modified from time to time by the Board of Directors or Architectural Review Board.

Section 35. Drones. Neither commercial nor non-commercial drone shall be permitted to fly over or land on Common Areas absent prior authorization of the Board. Drones shall not be operated in a manner which creates the risk of physical harm or property damage. Drones shall not be operated in a manner which tends to invade the privacy of or creates a nuisance for any Owner, his or her occupants, or guests.

ARTICLE II ENVIRONMENTAL CONTROLS

Section 1. Topography and Vegetation. Topographic and vegetation characteristics of a Residential Lot, Multi-Family Tract, Public and Commercial Site and Public and Commercial Unit or Development Unit Parcel shall not be altered by removal, reduction, cutting, excavation or any

other means without the prior written approval of the Review Board. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of this Declaration.

Section 2. Tree Removal. No trees, bushes, or underbrush of any kind four (4) inches or more in diameter at a point four (4) feet above ground level) and no flowering trees such as dogwood, magnolia, etc., regardless of size may be removed without the written approval of the Review Board. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or other approved structures or within ten (10) feet of the approved site for such building or structures will be granted unless such removal will substantially decrease the beauty of the affected portion of the Property. The Company or Review Board reserves the right wherever to do so would not substantially diminish the use of the lot as a building site to have specimen trees preserved and that site planning provide for their retention. A tree location plan and location map of adjacent and nearby structures may be required as a part of the submission under Part Two, ARTICLE I, Section 3 and this ARTICLE II.

Section 3. Certain Controls. To implement effective and adequate erosion control and protect the beauty of the Property, the company, its successors, assigns (including but not limited to the Association), and agents shall have the right to enter upon any property before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon the property for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices, the Company or Association, as the case may be, shall give the Owner the opportunity to take any corrective action required by giving the Owner notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by such Owner. If the Owner fails to take the corrective action specified immediately, the Company or Association, as the case may be, may then exercise its right to enter upon the property in order to take the necessary corrective action. The cost of such corrective or erosion prevention measures when performed by the Company or the Association, their successors or assigns, on an improved property, shall be paid by the Owner thereof within thirty (30) days after receipt by Owner of an invoice from the Company or the Association setting forth the cost of such work. If the Owner fails to voluntarily remit such reimbursement in a timely manner the Company or the Association shall be entitled to enforce collection thereof in a court of competent jurisdiction and shall likewise be entitled to collect all costs and expenses of collection, including reasonable attorney's fees incurred by the Company or the Association, as applicable, and shall further be entitled to collect a late charge equal to 1 1/2% per month of the amount of such invoice from the date of said invoice until fully paid.

To implement effective insect, reptile and woods fire control, the Company, its successors, assigns, and agents have the right to enter upon any property on which a building or structure has not been constructed and upon which no landscaping plan has been implemented. In any case which in the opinion of the Company detracts from the overall beauty, setting and safety of Stoney Point on Lake Greenwood, the Company, its successors, assigns, and agents shall have the aforementioned rights of entry for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds or other unsightly growth, removing trash, draining standing water or dispensing pesticides.

The cost of this vegetation, trash and drainage control shall be kept as low as reasonably possible and shall be paid by the respective Owner and the Company shall be entitled to exercise the enforced collection rights specified in the preceding paragraph. Such entry shall not be made until thirty (30) days after such Owner has been notified in writing of the need of such work and unless such Owner fails to perform the work within said thirty (30) day period.

The provisions of this Section 3 shall not be construed as an obligation on the part of the Company to mow, clear, cut or prune any property, to provide garbage or trash removal services, to perform any grading or landscaping work, construct or maintain erosion prevention devices or storm drainage improvements, or to provide water pollution control on any privately owned property.

Entrance upon property pursuant to the provisions of this Section 3 shall not be deemed a trespass.

The rights reserved unto the Company, in this Section 3 shall not be unreasonably employed and shall be used only where necessary to affect the stated intents and purposes of this Declaration.

Section 4. Environmental Hazards. To secure the natural beauty of Stoney Point on Lake Greenwood, the Company, its successors or assigns may promulgate and amend from time-to-time rules and regulations which shall govern activities which may, in its judgment, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals. Failure of any Owner or tenant of property on Stoney Point on Lake Greenwood to comply with the requirements of such rules and regulations shall constitute a breach of these Covenants.

The Company hereby reserves unto itself, its successors, assigns, and agents a perpetual, alienable and releasable easement and right on, over and under all property on Stoney Point on Lake Greenwood for the purpose of taking any action necessary to effect compliance with such environmental rules and regulations and covenants. The cost of such action by the Company shall be paid by the respective Owner(s) of the property upon which the work is performed.

Section 5. Further Siting Authority. To prevent excessive “run-off” or drainage resulting from any improvements to residential Lots or other tracts, the Company hereby reserves to itself, its heirs and assigns, the right to establish a maximum percentage of property which may be covered by a building, patio, driveway or other structures. In the establishment of such maximum percentage the Company shall consider topography, percolation rate of the soil, soil types and conditions, vegetation cover and other relevant environmental factors. Neither this nor any other right reserved herein by the Company shall be construed, however, to be an obligation of the Company to take any action.

Section 6. Erosion in Open Spaces, and Properties. The Company, its successors and assigns, shall have the right, but shall not be obligated, to protect, all Common Properties from erosion, by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the, Company. The right is likewise reserved to the Company to take steps

necessary, within Open Space and Common Properties, to provide and insure, - 26 -adequate drainage ways, to cut fire breaks, and to remove diseased, dead or dangerous trees and carry out other similar activities, the cost of which services is to be paid by assessments of the Owners in accordance with the provisions of Part Three of this Declaration.

Section 7. Standard Reasonableness. The rights reserved unto the Company in this ARTICLE II shall not be unreasonably employed and shall be used only where necessary to affect the stated intents and purposes of this Declaration.

ARTICLE III SPECIAL RESTRICTIONS AFFECTING OPEN SPACE

Section 1. Company's Intention for Open Space. Where land planning results in the designation of areas of open space, it is the intent of the Company to maintain and enhance (or to convey, subject to open space restrictions, to the Association) those areas, if any, which the Company designates as "Open Space" on plats hereafter filed for record in the Office of the Clerk of Court by the Company. Such Open Space may, but need not necessarily be, also designated as Common Properties at the time of their conveyance to the Association. It is the further intent and purpose of these restrictions and covenants to protect Lake Greenwood and to maintain and enhance the conservation of natural and scenic resources, to promote the conservation of soils, wetlands, wildlife, game and migratory birds, enhance the value of abutting and neighboring residential areas adjacent to such Open Space, and to afford and enhance recreational opportunities, preserve historical sites and implement generally the Stoney Point on Lake Greenwood Master Plan for development.

Section 2. Open Space Easement. To ensure that land designated as Open Space Area, if any, will remain in an undeveloped and natural state, an Open Space Easement is hereby granted to the Owners in Stoney Point on Lake Greenwood, their guests and tenants. The Open Space Easement granted hereby shall entitle such Owners, their guests and tenants to enjoy the Open Space areas subject to the rules and regulations of the Company.

Section 3. Activities Prohibited in Open Space. It is expressly understood and agreed that no building, tent, trailer, camper, recreational vehicle, or other structure, either temporary or permanent, except as noted elsewhere herein, shall be erected or caused to be placed on any lands shown and set aside on a recorded subdivision plat as Open Space.

Section 4. Reserved Rights for Wildlife Feeding and Preservation. Pursuant to its overall program of wildlife conservation and nature study, the right is expressly reserved to the Company and to the Association to erect wildlife feeding stations, to plant small patches of cover and food crops for quail, turkeys, deer and other wildlife, to make access trails and paths through said Open Space areas for the purpose of permitting observation and study of wildlife and hiking to erect small signs throughout the Open Space areas designating points of particular interest, and attraction, and to take such other steps as are reasonable, necessary and proper to further the aims and purposes of the Open Space areas and community use and enjoyment thereof.

Section 5. Erosion Prevention Activities Permitted. The Company and the Association shall have the right to protect from erosion the land described as Open Space area by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means deemed expedient or necessary by the Company or the Association. The right is likewise reserved to the Company and to the Association to take necessary steps to provide and ensure adequate drainage ways in Open Space, to cut fire breaks, remove diseased, dead, or dangerous trees and carry out other similar activities.

Section 6. Rights Reserved in Company. The Company reserves unto itself, its successors and assigns the right to go on, over and under the ground to erect, maintain and use poles, wire, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities in said Open Space areas. These reservations and rights expressly include the right to cut any trees, bushes, or shrubbery; rights to make any gradings of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Company further reserves the right to locate wells, pumping stations and tanks within such Open Space areas. Such rights may be exercised by any licensee of the Company, but his reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

Section 7. Dumping Prohibited. No dumping of trash, garbage, sewage, sawdust or any unsightly or offensive material shall be placed upon such Open Space areas, except as is temporary and incidental to the bona fide improvement of the area in a manner consistent with its classification as Open Space.

Section 8. Consistent Rights to Use Reserved. The Company expressly reserves to itself, its successors and assigns, every reasonable use and enjoyment of said. Open Space, •in a manner. not inconsistent with the provisions of this Declaration.

Section 9. Corrective Action No Trespass. Where the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or to do any action on the Open Space areas entering such property and taking such action shall not be deemed a breach of these Covenants.

Section 10. No General Easement Intended. The granting of this easement does in no way grant to the public or to the Owners of any surrounding or adjacent land, the right to enter such Open Space without the express permission of the Company.

Section 11. No Affirmative Action Required of Company. It is expressly understood and agreed that the granting of this easement does in no way place a burden of affirmative action on the Company, that the Company is not bound to make any of the improvements noted herein or extend to any Owner any service of any kind, except as such may be undertaken at the expense of the Association.

ARTICLE IV
SPECIAL RESTRICTIONS AFFECTING GOLF FAIRWAY RESIDENTIAL AREAS

Section 1. Golf Fairway Defined. “Golf Fairway Residential Areas” is, defined as all those residential lots or tracts or blocks of land intended for residential development located adjacent, to any golf course land located in Stoney Point on Lake Greenwood.

Section 2. Golf Course Maintenance Easement. That portion of any Golf Fairway residential lot or residential tract within twenty (20) feet of the Lot or tract line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect. All individual Lot or tract landscaping plans must be approved by the Company before implementation.

Section 3. Golf Course Maintenance Easement. There is reserved to the Company a “Golf Course Maintenance Easement Area” on each Lot or tract adjacent to any golf course located in Stoney Point on Lake Greenwood. This reserved easement shall permit the Company at its election, to go onto any Golf Course Maintenance Easement Area for the purpose of landscaping or maintaining said area. Such maintenance and landscaping may include regular removal of underbrush, trees less than four (4) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such Lots within twenty (20) feet of the Lot line(s) or tract line bordering the golf course, or such lesser area as may be shown as a “Golf Course Maintenance Area” on the recorded plats thereof. The described maintenance and landscaping rights shall apply to the entire Lot or tract until there has been filed with the Company a landscaping plan for such Lot or tract by the Owner thereof, or alternatively, a residence constructed on the Lot or Dwelling Units constructed on the tract. The Company reserves the right to waive the easement herein reserved in whole or in part in its sole discretion.

Section 4. Permissive Easement Prior to Dwelling Construction. Until such time as a residence is constructed on a Lot, the Company and the Association reserves an easement to permit and authorize registered golf course players and their caddies to enter upon a Lot to recover a ball or play a ball, subject to the official rules of the course without such entering and playing being deemed a trespass. After a Dwelling Unit is constructed, such easement shall be limited to that portion of the Lot included in the Golf Course Maintenance Easement Area, and recovery of balls only, not play, shall be permitted in such Easement Area. Golfers or caddies shall not be entitled to enter any such Lot with a golf cart or other vehicle, nor spend unreasonable time on such Lot, or in any way commit a nuisance while on such Lot. After construction of a Dwelling Unit on a Golf Fairway Lot, “Out of Bounds” markers may be placed on said Lot line at the expense of the Company.

Section 5. Distracting Activity Prohibited. Owners of Lots or Dwelling Units adjacent to golf fairways shall be obligated to refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as burning trash on a Lot adjacent to the golf course when the smoke would cross onto the fairway, and the maintenance of unfenced dogs or other pets on the Lot or residential tract adjacent to the golf

course under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

Section 6. Reserved Approval Rights. Notwithstanding the provisions of Section 3 of this ARTICLE IV, the Company hereby reserves the right to allow an Owner to construct a dwelling over a portion of the “Golf Course Maintenance Easement Area” in those cases where it, in its discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course.

ARTICLE V SPECIAL RESTRICTIONS AFFECTING ALL WATERFRONT AREAS

Section 1. Conditions of Limited Dock Construction. All improvements, including piers, docks, boat lifts, and seawalls, which encroach on Lake Greenwood are subject to the approval of Greenwood County. Prior to the starting of any such construction, written evidence of County approval must be submitted to the Review Board. All boat house structures, including roofs, must comply with Stoney Point established standards for materials, dimensions, and color, as determined in the sole discretion of the Review Board.

Section 2. Maintenance of Dock. All Owners who construct or cause to be constructed said docks, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high-water mark, exclusive of pilings, and to maintain such paint or preservatives in an attractive manner. The Company or the Association shall be the judge as to whether the docks are safe, clean, orderly in appearance and properly painted or preserved in accordance with reasonable standards; and, where the Company notifies the particular Owner in writing that said dock fails to meet acceptable standards, said Owner shall thereupon remedy such condition within thirty (30) days to the satisfaction of the Company, and that failing to so remedy such conditions, the Owners hereby covenant and agree that the Company may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock up to acceptable standards, all such repairs and actions to be at the expense, solely, of the Owner in question. If the Owner fails to reimburse the Company for any such expenditures within thirty (30) days' after being invoiced for same, the Company shall be entitled to collect same in a court of competent jurisdiction, and shall likewise be entitled to recover all costs and expenses of collection together with reasonable attorney fees and together with a late charge equal to 1 ½% per month of the amount of such invoice from the date of said invoice until fully paid.

Section 3. Entry Not Trespass. Whenever the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto entering the property and taking such action shall not be deemed a trespass.

ARTICLE VI SPECIAL RESTRICTIONS AFFECTING PATIO HOME SITES (ZERO LOT LINE PROVISIONS)

Section 1. Patio Wall Construction. Residential Lots shown on recorded plats and on which a patio wall is designated are referred to herein as “Patio Home Sites.” Dwelling Units constructed on Patio Home Sites must be constructed so as to utilize a patio wall (sometimes referred to as “privacy wall”) as designated on the recorded subdivision plat. Such patio wall shall be constructed simultaneously with a Patio Home and shall be located so that the exterior of the same shall be located three (3) feet inside of and parallel to the designated Lot line on the recorded subdivision plat.

Section 2. Location of Dwelling. The Dwelling Unit shall utilize a portion of the patio wall as one of its exterior walls (unless an alternative location of the Dwelling Unit is approved pursuant to the provisions of Section 3 of this ARTICLE VI) and shall be constructed so that neither the patio wall nor the Dwelling Unit provides any window or view openings looking into or overlooking the adjacent Lot and provides no access way or entry way into said adjacent Lot.

Section 3. Alternative Location of Dwelling. Should an Owner of a Patio Lot desire to locate his Patio Home on a portion of the Lot other than contiguous to the patio wall, he may apply to the Review Board for approval of the alternative location. A site plan showing the proposed alternative location shall accompany such application. The Review Board’s approval of the alternative location shall not relieve the Owner’s responsibility to construct a patio wall as required by Section 1 of this ARTICLE VI. Approval or disapproval of an application for alternative location of a Patio Home may be based by the Review Board on purely aesthetic considerations.

Section 4. Setbacks. Setback requirements shall be adopted and administered by the Review Board and shall be promulgated in the Building Guidelines. Those requirements shall apply to all architectural elements integrated within the enclosed habitable space of a patio home which is covered by roof, i.e., garages, carports, screened porches, etc. Roof overhangs may occur in the setback areas but shall not be closer than one foot (1’) from the property line. In addition, decks, excluding those facing a golf course or a lake, may be permitted within the 1-foot setbacks subject to approval by the Review Board. Patio structures shall be limited to a maximum of two stories in height. It is desirable that a variety of building heights be constructed throughout the plantation ranging from one to two stories. Should a majority of the Dwelling Units be constructed of near equal height, the Board reserves the right to require that certain homesites be developed for alternate height buildings to insure against monotony in building heights.

Section 5. Maximum Permissible Lot Area of Dwelling. The first-floor enclosed area of a Patio Home may not be constructed so as to cover or occupy in excess of forty-five percent (45%) of the entire area of the Patio Lot. “Enclosed area”, for purposes of this provision, shall include heated and cooled area together with garage and covered porches.

Section 6. Cost of Patio Wall. The cost of construction, maintenance and repair of a patio wall shall be the sole responsibility of the Lot Owner on whose Lot the same is situated.

Section 7. Easement Adjacent to Patio Wall. There shall be reserved a three-foot easement on each Lot between the exterior of the patio wall and/or Dwelling Unit and the parallel Lot boundary line for the use and enjoyment of the adjacent Lot Owner, only as hereinafter provided. Said

three (3) foot easement area and the exterior of the patio wall and/or Patio Home may be used by an adjacent Lot Owner only for the planting and care of shrubbery and other landscaping, providing the same does not interfere with the structural integrity of the patio wall and/or Patio Home.

Section 8. Water Run-Off Control. Each Patio Home shall be designed and constructed to ensure that no excessive rainwater is discharged upon the adjoining Lot. Gutters may be required in some instances at the discretion of the Review Board.

Section 9. Easement for Adjacent Patio Wall. An eight (8) foot easement is further reserved along the boundary line of each Lot, opposite the boundary line along which the patio wall is to be constructed, for the construction, maintenance, and repair of the patio wall and/or Patio Home on the adjoining Lot. The use of said easement area by an adjoining Lot Owner shall not exceed a reasonable period of time during construction nor shall it exceed a period of fifteen (15) days each year for essential maintenance. Any shrubbery or planting in the eight (8) foot easement area that is removed or damaged by the adjoining Lot Owner during the construction, maintenance or repair of his patio wall and/or Patio Home, shall be repaired or replaced at the expense of the said adjoining Lot Owner causing such damages.

Section 10. Patio Wall as Party Wall. Notwithstanding the foregoing, Owners of two (2) contiguous Patio Home Sites may apply to the Review Board for approval to construct and maintain a party wall along their common boundary line, provided that:

(a) Such party wall shall constitute an integral part of each Owner's Patio Home.

(b) The Review Board's approval of the construction of a party wall will not relieve an Owner's responsibility to construct a patio wall which is designated to be located three (3) feet from a boundary line other than that over which the party wall is to be constructed.

(c) Provisions of this Section 10 which are in conflict or inconsistent with provisions of the preceding Sections 1-9 shall control.

ARTICLE VII SPECIAL RESTRICTIONS AFFECTING LOTS ADJACENT TO UNPAVED ROADS

Section 1. Lots Adjacent to Unpaved Roads Defined. "Lots Adjacent to Unpaved Roads" is defined as all those residential lots or tracts or blocks of land intended for residential development located adjacent to any unpaved roadway located in Stoney Point on Lake Greenwood.

Section 2. Specific Assessments Defined. "Specific Assessments" is defined as a charge levied by the Board of Directors against a specific Lot or Dwelling Unit intended to compensate for costs of maintenance performed by the Association for which the Owner is responsible. Specific Assessments shall be collectable in the same manner as Annual and Special Assessments, as provided for herein.

Section 3. Specific Assessments levied against Lots Adjacent to Unpaved Roads.

The Board shall have the authority, in its discretion, to levy Specific Assessments against Lots Adjacent to Unpaved Roads to defer the costs of reconstruction, maintenance, repair or paving of these roadways, as the Board deems necessary from time to time. All Specific Assessments levied hereunder shall be secured by a lien and may be foreclosed in the same manner as Annual and Special Assessments.

ARTICLE VIII
GOLF CLUB MEMBERSHIP REQUIREMENT

Section 1. Personal Obligation of Membership. All Owners of Property are required to purchase a minimum of one (1) single Social Membership and pay the full and current (as of the date of transfer of the Lot) initiation fee to join the Links at Stoney Point Golf Club, its successor or assign (“the Golf Club” or “the Links”). Higher membership levels (e.g. family or golf memberships) shall satisfy this covenant. Owners of multiple Residential Lots or Dwelling Units shall be required to purchase one (1) single Social Membership in order to satisfy this covenant for all Lots or Dwelling Units Owners not already bound to mandatory Golf Club membership. Owners of all other Property wherein assessments are calculated based on acreage shall be deemed to satisfy this covenant by purchasing one (1) single Social Membership; provided, that the sale of any individual Lot or Dwelling Unit derived from that acreage shall trigger the transfer fee and initiation fee for each Lot or Dwelling Unit sold. Any and all such payments shall be made to and collected by Hole 19, LLC, its successor, assign or transferees, for so long as the Links continues to operate as a golf club. Payments under this section may be collected in the same manner as Assessments, pursuant to Article III of the Declaration.

The full initiation fee, at its then current rate, must be paid for each Lot each time a Lot is sold or there is otherwise a change in ownership of the Lot. The current membership fee requirements as of the date of this instrument are attached as Exhibit “A”. Subsequent Social Membership initiation fees, transfer fees, monthly membership fees and dining minimum increases shall be limited to a maximum of five (5%) percent of the previous year or the cost-of-living index, whichever is greater, and no fees shall be increased until calendar year 2022.

Section 2. Golf Club Ownership Successors and Assigns. In the event that the Golf Club ownership changes due to any sale, foreclosure, deed in lie of foreclosure, or any other voluntary or involuntary transfer of title, the new Owner, successor or assignee shall not have the ability to retroactively increase fees. Any attempt by a subsequent Golf Club owner to retroactively increase fees in violation hereof, shall render this covenant null and void and without any binding effect.

Section 3. Authorized Service of Association. In the event that a court of competent jurisdiction determines that this Amendment should be set aside or otherwise invalidated for any reason, the Association shall be authorized to purchase Social Memberships as an amenity for Property Owner as an authorized service per Part Three, Article IV, Section 2 of the Declaration, and to use the annual assessments as payment thereof pursuant to Part Three, Article III of the Declaration.

PART THREE
STONE POINT PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner shall be a Member of the Association. The Company shall be a Member of the Association. However, in the case of multiple ownership of any Residential Lot, Dwelling Unit or other properties in Stoney Point on Lake Greenwood, there shall be a maximum of one (1) Member. In the event of such multiple ownership of any kind, including by a partnership or corporation, the name of the Owner designated as Member shall be submitted to the Company and/or the Association each year, not later than the 1st day of January of each year and only the designated Member shall be entitled to access to the facilities of the Association as a Member of the Association. Remaining Owners shall be entitled to access only in accordance with rules and regulations established by the Association, its successors and assigns, for guests. If no designation of a Member is made by the multiple Owners, all such Owners shall be required to pay such user fees as may be established by the Association.

Section 2. Voting Rights. The Association shall have four types of regular voting memberships:

TYPE "A" - Type "A" Members shall be all those Owners of Residential Lots and Dwelling Unit, including the Company. A Type "A" Member shall be entitled to one (1) vote for each Dwelling Unit which he owns. An owner of a Residential Lot upon which a Dwelling Unit has not been constructed shall likewise be entitled to one (1) vote for each Residential Lot which he owns. If a Dwelling Unit is constructed on more than one (1) Residential Lot, the Owner shall have one (1) vote for the Dwelling Unit and one (1) lot, and one (1) additional vote for each additional Residential Lot comprising a part of the total consolidated home or building site.

TYPE "B" - Type "B" Members shall be all those Owners, including the Company, of platted Public or Commercial Sites and Multi-Family Tracts. A Type "B" Member shall be entitled to one (1) vote for each one-fourth (0.25) of one (1) acre contained in the Public or Commercial Site(s), or Multi-Family Tract(s) which such Member owns; provided, however, that in computing the number of votes such Member shall have, the area contained in such property shall be rounded off to the nearest one-fourth (0.25) of one (1) acre.

TYPE "C" - Type "C" Members shall be all such Owners including the Company, of Public and Commercial Units. All Type "C" Members shall be entitled to one (1) vote for each increment annual assessment paid which is equivalent to the Residential Lot assessment paid to the Association on a single Residential Lot; provided, however, that in computing the number of votes such an Owner shall have, the number of assessments shall be rounded off to the nearest Lot assessment dollar increment equal to the single Residential Lot assessment.

TYPE "D" - Type "D" Members shall include all those Owners, including the Company, of Unsubdivided Lands and Development Unit Parcels held and intended for future development by the Company or some third party. A Type "D" Member shall be entitled to one (1) vote for each increment annual assessment paid which is equivalent to the Residential Lot assessment paid to the Association on a single Residential Lot; provided, however, that in computing the number of votes such an Owner shall have, the number of assessments shall be rounded off to the nearest dollar increment equal to the single Residential Lot assessment.

When any Property entitling the Owner to membership as a Type "A," "B," "C" or "D" Member of the Association is owned of record in the name of two (2) or more persons, or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then unless the instrument or order appointing them or creating the tenancy otherwise directs, and it or a copy thereof is filed with the secretary of the Association, their acts with respect to voting shall have the following effect:

- (a) if only one (1) vote, in person or by proxy, his act binds all;
- (b) if more than one (1) vote, in person or by proxy, the act of the majority so voting binds all;
- (c) if more than one (1) vote in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled its proportionate share of the vote or votes;
- (d) if the instrument or order so filed shows that any such tenancy is held in unequal interest, a majority or even split for purposes of this paragraph shall be a majority or even split in interest;
- (e) the principles of this Paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his lessee who has entered into a lease with a term of two (2) years or more; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the Property actually leased by such lessee. The Type "A," "B," "C" and "D" Members are sometimes hereinafter collectively referred to as the "Members."

Section 3. Special Voting Membership. In addition to the Type "A," "B," "C" and "D" regular voting memberships described hereinabove, there shall be allowed a Special Voting Membership for the Company under the following circumstances:

So long as the Company's total amount of assessments paid (under its classification as a Type "A," "B," "C" or "D" Member), total amount of Association operating deficits

funded by the Company and total amount of loans by the Company to the Association outstanding exceed, cumulatively, the total amount of assessments paid by all Type "A" Members or until ninety percent (90%) of the Lots and Dwelling Units in the Property (as now constituted or as hereafter enlarged by annexation as herein provided) have been sold, whichever shall occur last, the Company shall be allowed a Special Voting Membership by which it shall be entitled to the same number of votes as cumulatively held by all Type "A," "B," "C" and "D" Members (including itself), plus one (1). This provision, without further reference herein, shall be self-operative and its applicability determined, for any purpose, by reference to the Annual Statement of the Association for the preceding year, or years, required by this Declaration in Part Three, ARTICLE III, Section 14.

Section 4. Composition of Board. The Association shall be governed by a Board of Directors consisting of five (5) Members, with the number in subsequent years to be determined as provided for in the By-Laws of the Association. All members of the Board other than those appointed by the Company shall be Owners within the Property. In the event that all or a portion of the property described in Exhibit "B" attached hereto is annexed into the Property, the Company reserves the rights to have the Board expanded up to seven (7) members.

Section 5. Cumulative Voting Not Permitted. Each Member of each Membership class shall have as many votes as equals the number of votes he is entitled to based on his ownership of one or more of the various classifications of property as computed by the formula set out hereinabove in Section 2 hereof. As set forth in the By-Laws, Members shall cast all their allocated votes for each Board of Directors' seat up for election. Cumulative voting, the practice of allowing a Member to cast all of its allocated votes multiplied by the number of Board of Directors' seats up for election and applying this cumulative total to only one Board seat or otherwise distributing this cumulative total of votes amongst the Board seats as they see fit, is not allowed and expressly prohibited by this Declaration and the By-Laws. Members are divided into classes for the sole purpose of computing voting rights and shall, in no event, vote as a class.

Section 6. Member to Have Power of Referendum in Certain Instances.

Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event fifty-one percent (51%), or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions there for.

In the event of a dispute as to whether a Referendum is required, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the

opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five percent (25%) of the total membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members.

Regarding any issue, except those expressly provided for otherwise in this Declaration, which involves Special Assessments, extraordinary expenditures, or commitments by the Association that principally benefit the Company, to the exclusion of other Owners, there shall be a Referendum in which the Company shall not be permitted to cast its Special Voting Membership votes, as hereinabove described, but shall be limited to the votes allotted it under Classes "A," "B," "C" and "D" designations.

Section 7. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows: The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association the presence at the meeting of Members or proxies entitled to cast fifty percent (50%) of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such meeting shall be the presence of Members or proxies entitled to cast twenty- five percent (25%) of the total vote of the membership of the Association. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such third meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this ARTICLE I, Section 7, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Part Four, ARTICLE II, and Section 3 shall govern in that instance. For the purpose of this Section 7, "proper notice" shall be deemed to be given when given each Member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered.

Section 8. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association.

ARTICLE II PROPERTY RIGHTS IN THE COMMON PROPERTY

Section 1. Members' Easement of Enjoyment in Common Properties. Subject to the provisions of these Covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Type "A," "B," "C" and "D" Member and every tenant and guest of such Type "A," "B," "C" and "D" Member shall have a right of easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Residential Lot, Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and

Commercial Unit, or Development Unit Parcel. The privilege granted to guests and tenants of twelve (12) months or less of Members to use and enjoy the Common Properties (but not the right and easement to use the roads belonging to the Association, subject to the rules, regulations and fees, if any, established by the Association for such use) may be denied to or withdrawn from such guests or tenants of twelve (12) months or less by an affirmative vote of ninety percent (90%) of the votes cast at a meeting of the Association called for the purpose of voting on such denial or withdrawal.

Section 2. Title to Common Properties. The Company Covenants for itself, its successors and assigns, that it shall convey by deed to the Association, at no cost to the Association, those parcels of land and facilities described in Section 4 of this ARTICLE II, within two (2) years after the Company has completed improvements thereon, if such be required. Upon such conveyance, the Association shall immediately become responsible for all maintenance, operation and such additional construction of improvements as may be authorized by the Association's Board of Directors. It is the purpose of this provision to provide that, upon conveyance, and in accordance with the transfer procedures set forth in Section 4 of this ARTICLE II, as amended, the Association shall be responsible for all maintenance of the Common Properties upon which all improvements required to be made by the Company have been completed.

Natural areas, wetlands, trail areas, roads (if applicable), etc. shall be conveyed in large or small parcels from time to time after the Company has completed the surveying and platting of all adjacent subdivisions for single-family detached, and patio housing areas, multi-family tracts or public and commercial sites which may abut such natural areas, wetlands, trail areas, roads, etc. The Company covenants for itself, its successors and assigns, that it shall convey by deed to the Association all such properties within two (2) years of notification to all Members of the Association, in writing, of its intent to convey such properties; provided, however, that in the case of Common Properties upon which improvements are required to be made by the Company, such notification of "intent to convey" shall not be deemed to be made until such time as the improvements have been completed such that the facility is functionally complete. Such notification will not normally show metes and bounds and, in any event, the metes and bounds as shown on the recorded plat and deed to the Association shall govern. All said parcels of land may be conveyed to the Association subject to: (1) all restrictive covenants of record at the time of the conveyance, including but by no means limited to this Declaration; (2) all existing mortgages; and (3) a reservation by the Company of the right to substitute or add new mortgages thereon; provided, however, that in no event shall the Association be obligated to assume the payment of principal or interest on any such mortgages. Notwithstanding anything in the foregoing to the contrary, the Company shall not be required to convey the above-referred-to parcels where such conveyance would be prohibited under agreements existing on the date hereof but, in such case, shall be allowed to postpone such conveyance, without penalty, until such time as said prohibition may be nullified.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) the right of the Association, in accordance with its By-laws, to borrow money from the Company or any other lender for the purpose of improving and/or maintaining the Common Properties, and providing services authorized herein and in

aid thereof to mortgage said properties; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures; and

(c) the right of the Association, as provided in its Bylaws, to suspend the rights and easements of enjoyment of any Member, or any Tenant or Guest of any Member, for any period during which the payment of any assessment against property owned by such Member remains delinquent, and for any period not to exceed one hundred eighty (180) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment, and provided that the Association shall not suspend the right to use the roads belonging to the Association, if applicable, subject to the rules, regulations and fees, if any, established by the Association for such use; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties, and any facilities included therein; and

(e) in the event that the Association is deeded the roadways to own and maintain, the Board of Directors of the Association shall have the power to place any reasonable restrictions upon the use of the Association's roadways, subject to a Member's right of ingress and egress, including but not limited to the types and sizes of vehicles permitted to use said roads, the maximum and minimum speeds of vehicles using said road, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of the roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable. The Member's easement shall likewise be subject to the provisions of Part Two, ARTICLE I, Section 29 hereof; and

(f) the right of the Company or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility easements on any part of the Common Properties; and

(g) the right of the Association to give or sell all or any part of the Common Properties, including leasehold interests, to any public agency, authority, public service district, utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift or sale or determination as to the purposes or as to the conditions thereof shall be effective unless such dedication, transfers and determinations as to purposes and conditions shall be authorized by the affirmative vote of three-fourths (3/4) of the votes cast at a duly called meeting of the Association, subject to the quorum requirements established by Part Four, ARTICLE II, Section 2, and unless written notice of the meeting and of the proposed agreement and action thereunder is sent to every Member of the Association at least thirty (30) days prior to such meeting. A true copy of such resolution together

with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Properties prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the membership; and

(h) the rights of reversion of the Lessor of any Common Properties leased by the Association upon expiration of the lease.

(i) the right of the Association, in addition to any means of enforcement provided elsewhere in the Covenants, to assess Violation Charges pursuant to Section 3(h), Article I, Part Two of the Declaration against an Owner for violations of the Declaration or other Association Governing Documents by such Owner or such Owner's tenants, guests, invitees, agents and employees, including without limitation violations of the rules and decisions of the Architectural Review Board.

Section 4. Transfers to Association. The Company covenants for itself, its, successors or assigns, that, upon the sale of ninety percent (90%) of the Residential Lots or Dwelling Unit planned for Stoney Point on Lake Greenwood as now constituted or as hereafter enlarged by annexation as herein provided, it shall convey to the Association those properties designated as "Common Properties" or "Common Area" in the deeds conveying such properties (not already conveyed) to the Association. Such conveyances shall be subject to (1) all the restrictions and limitations of the various Parts and Articles of this Declaration, as amended, (2) any other applicable restrictions, reservations and limitations of record, and (3) the Association's inspection and acceptance rights as described herein. Prior to recording any Common Properties deed from Declarant to Association, Declarant shall deliver said deed to the Association's Board of Directors and the Board shall be provided a reasonable opportunity to independently inspect the condition of the Common Properties prior to its acceptance of the deed on behalf of the Association. The Board and Declarant shall use their best efforts to resolve any maintenance or repair issues in order to facilitate timely acceptance, execution and recordation of the Common Properties deed. The Common Properties include, but are not hereby limited to, the following:

- (a) All community roads and rights-of-way thereof within the properties which connect all Residential Lots, Dwelling Unit, Multi-Family Tracts, Public or Commercial Sites, Public or Commercial Units, and Development Unit Parcels, to the highways of the State of South Carolina, as such roads and rights-of-way are completed, but only to the extent that such roadways are not transferred to Greenwood County or to the State of South Carolina's control.
- (b) All common-use bike trails, jogging trails, or designated on the Master Plan to be contained, within a Residential Lot Subdivision, Multi-Family Tract, Public or Commercial Site, or Development Unit Parcel which is to be conveyed periodically along with Open Space areas as completed.

ARTICLE III
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Company covenants, and each Owner of any Residential Lot, Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, and Unsubdivided Land, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (1) Annual assessments or charges; (2) Special assessments or charges for the purposes set forth in this ARTICLE III; and (3) any other fees or charges provided for in these Covenants or Rules and Regulations, including without limitation Violation Charges pursuant to Section 3(h), Article I, Part Two of the Declaration, all of which shall be treated as assessments for purposes of these Covenants. All such assessments shall be fixed, established and collected from time to time as herein provided. The Annual and Special assessments together with such interest thereon and costs of collection therefore as hereinafter provided, and the Violation Charges, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person or entity which was the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of a Residential Lot, Dwelling Unit, Multi-Family Tract, Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, and Unsubdivided Land, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The Annual assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, enlargement and operation of the Common Properties, and to provide services which the Association is required or authorized to provide. In carrying out these duties, the Association may make payment of taxes and insurance thereon, make improvements on Common Properties, pay the cost of labor, equipment, materials, management, supervision, accounting, and Member information services, maintain offices and equipment, repay any loans made to the Association, and take such other action as is necessary to carry out its required or authorized functions.

Section 3. Application of "Minimum" and "Maximum" Assessment. The minimum annual assessment, as set forth in the schedule herein below, shall be levied by the Association unless the Board of the Association, by unanimous vote, determines that the important and essential functions of the Association may be properly funded only by an assessment above the minimum but not more than the applicable maximum regular assessment, as set forth in the schedule herein below. If the Board of Directors shall levy the applicable minimum assessment for any assessment year and thereafter, during such assessment year, determine that the important and essential functions of the Association cannot be funded by the minimum assessment, the Board may, by unanimous decision, levy a supplemental assessment but in no event shall the sum of the minimum and supplemental regular annual assessments for that year exceed the applicable maximum regular assessments.

For the purposes of this Section 3, the term "supplemental assessment" shall mean any assessment in excess of the amount reflected in the schedule below as the applicable "minimum

regular assessment” for such type of property, up to the amount reflected as the “maximum regular assessment” for such type of property.

The annual assessment minimum and maximum amounts shall be the sums calculated in accordance with the following schedule as may be increased in each instance by an inflation adjuster as set forth in this Part Three, ARTICLE III, Section 3(j) herein below.

(a)	Residential Lots	Minimum Regular Annual Assessment \$200.00	Maximum Regular Annual Assessment \$300.00
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Property shall not be classified for purposes of these Covenants and these Annual Assessments as a Residential Lot, whether conveyed to the purchaser by the Company, or held by the Company in its own inventory, until its character is defined by the recording of a plat or other recorded instrument clearly designating it as a Residential Lot. The recording date of said plat or other recorded instrument shall constitute the date upon which the assessment becomes effective. The assessment shall be prorated on an annual basis for the year in which the assessment became effective (i.e., the year in which the plat or other recorded instrument designating the property as a Residential Lot was recorded).

(b)	Dwelling Units	Minimum Regular Annual Assessment \$200.00	Maximum Regular Annual Assessment \$300.00
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Property shall not be classified for purposes of these Covenants and these Annual Assessments as a Dwelling Unit until the earlier of (i) the issuance of a Certificate of Occupancy by the appropriate governmental agency or (ii) its character is defined by the recording of a plat or other recorded instrument clearly designating it as a Dwelling Unit. In the case of option (i) above, the date the Certificate of Occupancy is issued shall constitute the date upon which the assessment becomes effective. In the case of option (ii) above, the recording date of said plat or other recorded instrument shall constitute the date upon which the assessment becomes effective. The assessment shall be prorated on an annual basis for the year in which the assessment became effective.

		<u>Minimum Regular Annual Assessment</u>	<u>Maximum Regular Annual Assessment</u>
(c)	Multi-Family and Residential Tract	1/4 of 1% of bona fide sales price	3/8 of 1% of bona fide sales price
(d)	Public and Commercial Site:	1/4 of 1% of bona fide sales price	3/8 of 1% of bona fide sales price

(e)	Public and Commercial Unit:	The greater of \$.50/sq. ft. of enclosed heated & air-conditioned space or 1/2 of 1% of the first \$500,000 of gross revenue and 3/4 of 1% of all gross revenue in excess of \$500,000	The greater of \$.75/sq. ft. of enclosed heated & air-conditioned space or 3/4 of 1% of the first \$500,000 of gross revenue and 1% of all gross revenue in excess of \$500,000
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Property shall not be classified for purposes of these Covenants and these Annual Assessments as a Public and Commercial Unit until the earlier of (i) the issuance of a Certificate of Occupancy by the appropriate governmental agency or (ii) its character is defined by the recording of a plat or other recorded instrument clearly designating it as a Public and Commercial Unit. In the case of option (i) above, the date the Certificate of Occupancy is issued shall constitute the date upon which the assessment becomes effective. In the case of option (ii) above, the recording date of said plat or other recorded instrument shall constitute the date upon which the assessment becomes effective. The assessment shall be prorated on an annual basis for the year in which the assessment became effective.

	<u>Minimum Regular Annual Assessment</u>	<u>Maximum Regular Annual Assessment</u>	
(f)	Unsubdivided Land : All Unsubdivided Land contained within the Property:	\$ 20.00/acre	\$ 30.00/acre
(g)	All Development Unit Parcels contained within the Property:	1/4 of 1% of bona fide sales price	3/8 of 1% of bona fide sales price

For purposes of the above assessment, "bona fide sales price" shall be the sales price at which such Property was originally conveyed by the Company, its successors or assigns to a third-party purchaser.

(h) The Company will provide to the Association upon request a copy of all plats of Stoney Point on Lake Greenwood properties recorded at the Office of the Clerk of Court by the Company.

(i) The assessments charged by the Association shall be rounded off to the nearest dollar.

(j) After January 1, 1992, the Board of Directors may increase the minimum and maximum annual assessments on a one-time basis if the Board, after analysis of the operating revenues and expenses for calendar year 1991 and an analysis of projected revenue and expenses for the next five (5) years, determines by at least a two-thirds vote that a higher minimum and maximum annual assessment shall be required to establish an economically viable base of operation for the Association. Any such increase shall be made in a proportionate manner as hereinafter provided. From and after January 1, 1998, the minimum and maximum annual assessment may be increased each year by the Board of Directors of the Association by an amount not in excess of five percent (5%) per year, or the percentage increase between the first month and the last month on an annual assessment period in the Consumer Price Index, U.S. City Average, All Items (1967-100) (hereafter "C.P.I.") issued by the U.S. City Average, Labor Statistics in its monthly report entitled "The Consumer Price Index, U.S. City Average and Selected Areas" whichever of these two percentage figures is larger, unless three-fourths (3/4) of the votes cast at a duly called meeting of the Association, subject to the quorum requirement established by Part Three, ARTICLE II, Section 2 hereof, vote against such increase or vote to increase said annual assessment by a greater amount or to decrease the minimum and maximum annual assessment. In the event that the C.P.I. referred to above shall be discontinued, there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

In the event the Board does not increase the minimum and maximum annual assessment in a given year, or increases it in an amount less than that which is authorized by this Section 3, paragraph (k), the Board shall be deemed to have reserved the right and shall be authorized in subsequent years to implement that reserved portion of the authorized but unexercised authority to increase said assessment but any application of same may only be given prospective application. As an illustration, if the Board was authorized to increase the minimum and maximum by five percent (5%) in years 1991 and 1992 but chose not to impose such increases, it could increase the minimum and maximum in 1993 by the amount applicable for 1993 plus up to ten percent (10%), for levy in 1993.

The Board of Directors of the Association may by unanimous decision, after consideration of current costs and future, needs of the Association, fix the annual regular assessment for any year at an amount less than the applicable minimum regular annual assessment, but such action shall not constitute a waiver by the Association of its right to revert to the full minimum regular assessment in subsequent years. However, if the Board of Directors fixes such regular annual assessment at an amount less than the minimum and it subsequently is determined by the Board that the amount assessed will not be sufficient, the Board shall have the power to make a supplemental regular annual assessment, but in no event shall the sum of the initial and supplemental regular annual assessments in any one year exceed the applicable maximum regular assessment. Moreover, supplemental regular annual assessments of this type may not be assessed for any year prior to the year in which such supplemental annual assessments are levied.

Any increase or decrease in the fixed amount of the annual maximum or minimum regular assessment shall be made in such a manner that the proportionate increase or decrease in such maximum or minimum assessment is the same for Owners of Residential Lots and Dwelling Units, Multi-Family Tracts, Public and Commercial Sites, Public and Commercial Units, Development Unit Parcels or Unsubdivided Land, and likewise any time the actual assessment levied by the Board of Directors of the Association is less than the minimum regular annual assessment such decrease shall

be apportioned among the Owners of Residential Lots and Dwelling Units, Multi-Family Tracts, Public and Commercial Sites, Public and Commercial Units, Development Unit Parcels and Unsubdivided Land, such that the proportionate decrease received by each class of Owners of the various classes of the property may be altered only by the favorable vote of ninety percent (90%) of the votes cast at a duly called meeting of the Association, subject to the quorum requirements established by Part Three, ARTICLE III, Section 8 hereof, and by ninety percent (90%) of the votes cast at said meeting by the Members of the classes whose proportionate share is being altered.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual regular minimum and maximum assessments authorized by Section 3 hereinabove, the Association may levy special assessments, for the purpose of construction or reconstruction, repair or replacement of capital improvements upon the Common Properties, including the necessary fixtures and personal property related thereto, or for additions to the Common Properties or to provide for the necessary facilities and equipment to offer the services authorized herein, and repay any loan made to the Association to enable it to perform the duties and functions authorized herein, provided that such assessment; shall have received the assent of a majority of the votes of the Members responding to a mail Referendum within thirty (30) days of mailing, with such mail Referendum to include a statement prepared by the Directors of the Association favoring such assessments stating the reasons therefore, together with a statement prepared by the Directors dissenting from such assessment; provided, however, that neither of such statements may exceed a maximum length of five (5) pages on each proposed assessment. This provision shall be interpreted to mean that the Association may make in any one year an annual assessment up to the maximum set forth in Section 3 of this ARTICLE III, plus an additional special assessment which additional special assessment may not exceed the amount set for the maximum annual assessment on any particular class or type property. The fact that the Association has made an annual assessment for an amount up to the permitted maximum shall not affect its right to make a special assessment during the year.

The proportion of each special assessment to be paid by the Owners of the various classifications. of assessable property shall be equal to the sum of the total applicable regular maximum assessments of all property in that class, for the assessment year during which. such special assessments are approved, expressed as a percentage of the sum of the total applicable maximum regular assessments on all property within the Property for the year during which such assessment is approved. Such special assessment in any one year may not exceed a sum equal to the amount of the maximum annual assessment for such year except for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss.

Section 5. Reserve Fund. The Association shall establish a reserve fund from its regular annual assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs or replacements of improvements, and (b) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss. Such fund shall not exceed ten percent (10%) of its receipts from the regular annual assessments in each year. Moreover, the total of said reserve shall not exceed in the aggregate a sum equal to one hundred percent (100%) of the annual Association budget without approval of the Members in the same manner as specified for approval of special assessments for additions and improvements.

Section 6. Change in Minimum and maximum Amounts of Annual Assessments Upon Merger or Consolidation. The limitations of Section 3 hereof shall apply to any merger or consolidation in which the Association is authorized to participate under Part One, ARTICLE II, Section 2, hereof, and under the By-laws of the Association.

Section 7. Quorum for any Action Authorized under This ARTICLE. The quorum required for any action authorized to be taken by the Association Members under this ARTICLE III shall be as follows:

The first time any meeting of the members of the Association is called to take action under this ARTICLE III, the presence at the meeting of Members or proxies entitled to cast fifty percent (50%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast twenty-five percent (25%) of the total vote of the membership of the Association.

Section 8. Annual Assessments Determination Date and Due Date. Unless otherwise provided herein, property shall be assessed at the time its character is defined by the recording of a plat or other recorded instrument clearly designating its type of use thereon, and the recording date of the plat or other recorded instrument shall constitute the date upon which the applicable assessment becomes effective. Said assessment shall be prorated on an annual basis for the year in which the assessment became effective (i.e., the year in which the plat or other recorded instrument designating the property was recorded, unless otherwise provided herein). Thereafter, said property shall be assessed according to its character as of January 1st of the assessment year.

Beginning

with the year 1991 and thereafter, the annual assessment shall be made for the calendar year in advance and shall become due and payable within sixty (60) days after the amount of such assessment is fixed by the Board of Directors of the Association. The Board of Directors of the Association shall have the power to change the date upon which annual assessments become due and payable and also to determine the method of payment of annual assessments, i.e., lump sum, monthly installments, quarterly, etc.; provided, however, that the annual assessment shall be due and payable at least annually and provided further that the Association shall permit a Member to elect to pay the annual assessment in equal monthly installment on terms that are not more than a total of ten percent (10%) greater than a possible discount lump sum payment.

In any instance where assessments, either in whole or in part, are based upon percentages of gross revenues as stated herein, such assessments for the coming year shall be based upon the revenues produced through December 31st of the preceding year, whether for a full year or a fraction of a year.

Section 9. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment against each Residential Lot, Dwelling Unit, Multi-Family Tract, Public or Commercial Site, Public or Commercial Unit, Development Unit Parcel or Unsubdivided Land, within the minimum and maximum assessment range as provided hereinabove, and shall, at that time, direct the preparation of an index of the properties and assessments applicable

thereto which shall be kept in the office of the Association and which shall be open to inspection by any owner. Written notice of assessment shall thereupon be sent to every Owner subject thereto.

The Board of Directors shall not have authority to levy a special assessment above the maximum regular assessment unless such special assessment is approved by a Referendum relating thereto as herein provided.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence against all but the Owner of payment of any assessment therein stated to have been paid.

Section 10. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessment is not paid on or before the past-due date specified in Section 8 hereof, then such assessment shall become delinquent and shall, together with a late charge thereon at the rate of one and one-half per-cent (1.5%) per month from the due date and cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Owner at the time when the assessment first became due and payable to pay such assessment, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors-in-title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Owner personally and there shall be added to the amount of such assessment the late charges hereinabove specified until judgment, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment at the rate of eighteen percent (18%) per annum or the maximum lawful rate on such judgments and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

In addition to the rights of action set forth above, the Board of the Association may suspend the membership rights of any Member during the period when the assessment remains unpaid. Upon payment of such assessment and late charges, etc., the Owner's rights and privileges shall be automatically restored. This provision shall not empower the Board to suspend the rights to use the roads within the Property.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding or deed in lieu of foreclosure and, provided, further, that any delinquent assessments which are extinguished pursuant to the foregoing provision may be reallocated and assessed to all Members as an expense of the Association. Such sale or transfer shall not relieve such property from liability for any assessments accruing after conveyance by mortgagee to a subsequent Owner; provided, however, that the mortgagee shall not be

liable for assessments until it has held title to the property for more than one (1) year.

Section 12. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

- (a) the grantee in conveyances made for the purpose of granting utility easements;
- (b) all Common Properties as defined in Part One, ARTICLE I, Section 1, hereof and all Open Space as described in Part Two, ARTICLE III;
- (c) Property which is used for any of the following purposes:
 - (1) in the maintenance and service of facilities within the properties; and
 - (2) community clubs; woodlands, conservancies; utilities; and facilities of non-profit associations (not intended to imply that Owners are exempt from assessments on their Lot, Dwelling Unit, etc., but rather that, for example, a condominium association is not also assessed over and above the specific property assessments of the Owners)

Section 13. Annual Statement. The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be necessary to set out in the statement the name of any creditor of the Association; provided; however, that this requirement shall be construed to apply only to creditors of more than One Thousand Dollars (\$1,000). Such officer shall furnish to each Member of the Association and any holder of a first mortgage on any Dwelling Unit who may make request therefore in writing, a copy of such statement within thirty (30) days after receipt of such request. Such copy may be furnished to the Member or mortgage holder either in person or by mail.

ARTICLE IV FUNCTIONS OF ASSOCIATION

Section 1. Properties. The Association shall be authorized to own and maintain Common Properties, equipment, furnishings, and improvements devoted to the following uses:

- (a) for roads or roadways, if any, provided they are not transferred to Greenwood County or the State of South Carolina's control, and parkways along said roads or roadways throughout the Property;

(b) for sidewalks, walking paths or trails, and bicycle paths, if any, throughout the Property;

(c) for providing any of the services which the Association is authorized to offer under Section 2 of this ARTICLE IV;

(d) for purposes set out in deeds or long-term leases by which Common Properties are conveyed or leased to the Association, provided that such purposes shall be approved by the Members of the Association as set out in Section 3 of this ARTICLE IV;

(e) for play fields, tennis facilities, wildlife areas, fishing facilities, open spaces, wildlife conservancies and other recreational facilities of any nature;

(f) for community meeting facilities serving the Property;

(g) for water and sewage facilities and any other utilities, if not provided by a private utility or public or municipal water and sewer authority;

(h) for insect control within the Property; and

(i) for drainage facilities serving the Property.

Section 2. Authorized Services. The Association shall be authorized but not required to provide the following services:

(a) cleanup and maintenance of all roads, roadways, parkways, to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the State and local government, if applicable, and clean up and maintenance of other Common Properties within the Property and also all public properties which are located within or in a reasonable proximity to the Property such that their deterioration would affect the appearance of the Property as a whole.

(b) landscaping of roads and parkways, sidewalks and walking paths and any other Common Properties;

(c) lighting of roads, sidewalks and walking paths throughout the Property;

(d) security functions, including but not limited to maintenance of electronic and other security alarm devices and control centers for the protection of persons and property within the Property;

(e) insect and pest control to the extent that it is necessary or desirable in the judgment of the Board of Directors of the Association to supplement the service provided by the state and local governments;

(f) the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;

(g) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants, or restrictions applicable to the Property;

(h) to set up and operate an architectural review board in the event that the Association is designated by the Company as the agent of the Company for such purpose;

(i) to conduct recreation, sport, craft, and cultural programs of interest to Members, their children and guests;

(j) to construct improvements on Common Properties for use for any of the purposes or as may be required to provide the services as authorized in this ARTICLE;

(k) to provide administrative services including but not limited to: legal; accounting and financial; and communication services informing Members of activities, notice of meetings, referendums, etc., incident to the above-listed services.

In the event the Company is unable or unwilling to perform any of the services listed above in a manner satisfactory to the Board of Directors of the Association, the Association shall be and hereby is authorized to perform such services.

Section 3. Obligation of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of Sections 1 and 2 of this ARTICLES IV. Except as herein expressly mandated, the functions and services to be carried out or offered by the Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Members of the Association. Special assessments shall be submitted for referendum as herein provided. The functions and services which the Association is authorized to carry out or to provide, may be added or reduced at any time upon the affirmative vote of fifty-one percent (51%) or more of those voting in a Referendum within Class A, Class B, and Class C Members conducted by the Board of Directors under the same procedures as for a special assessment; provided, however, that in any referendum for the deletion of a service to Class D Members, such Members shall also be entitled to vote.

Section 4. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Company may, but shall not be obligated to, make loans to the Association, subject to approval by the Company of the use to which such loan proceeds will be put and the method by which such loans will be repaid and subject to a maximum of loan amount approved by the Company, at interest rates

acceptable to the Company. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there is outstanding any amounts due the Company as repayment of any loans made by the Company to the Association.

Section 5. Contracts. The Association, prior to the passage of control from the Company to the Members as herein provided, shall not enter into any contracts or leases, including management contracts, which would bind the Association either directly or indirectly unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control of the Association from the Company to the Members, upon not more than ninety (90) days' notice to the other party to the contract or lease.

Section 6. Working Capital. An additional function of the Association shall be to establish at the time of activation of the Association a working capital fund which shall collect at least two (2) months' assessments for each Lot or Dwelling Unit. Each Lot or Dwelling Unit's share of the working capital fund must be collected from the purchaser of the Lot or Dwelling Unit and transferred to the Association at the time of closing of the initial sale of each Lot or Dwelling Unit from the Company or other initial grantor. The working capital funds shall be maintained in an account for the use and benefit of the Association. The purpose of this fund is to ensure that the Association Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advanced payment of regular assessments.

Section 7. Information. It shall be the responsibility of the Association to make available to Owners and mortgage lenders making loans to Owners, and to holders, insurers or guarantor-s of any first mortgage on a Dwelling Unit within the Property, current copies of the Declaration, By-Laws, other rules and regulations relating to the Property, and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal working hours or under other reasonable circumstances.

Section 8. Lenders' Notices. An additional function of the Association shall be to provide, upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot or Dwelling Unit number or address, written notice to any mortgage holder, insurer or guarantor of any of the following matters:

- (a) any condemnation or casualty loss that affects either a material portion of the Property or the Lot or Dwelling Unit securing its mortgage;
- (b) any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any Lot or Dwelling Unit on which the lender holds the mortgage;
- (c) a lapse, cancellation or material modification or any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action that requires the consent of a specified percentage

of mortgage holders.

Section 9. Insurance Requirements. The Association shall at all times maintain in full force and effect casualty (hazard and flood) and liability insurance and fidelity bond coverage as hereinafter specified:

(a) Hazard Insurance - The hazard coverage required hereunder shall protect at least against loss or damage by fire or all other hazards that are normally covered by the standard extended coverage endorsement and all other perils customarily covered for similar structures, including those covered by the standard “all risk” endorsement, and shall likewise include, but shall not necessarily be limited to, the following coverage:

(i) The Association shall maintain a policy of property insurance, with the premiums being paid as a common expense. The policy must cover all of the Common Properties, except for those that are normally excluded from coverage, such as land, foundation, excavation, etc. Fixtures and building service equipment that are considered part of the Common Properties, as well as personal property and supplies of the Association, shall be covered.

(ii) Amount of Insurance. Insurance should cover one hundred percent (100%) of the current replacement cost of the insured facilities. Coverage does not need to include land, foundations, excavation or other items that are usually excluded from insurance coverage.

(iii) Special Endorsements. The insurance coverage herein required shall include Agreed Amount and Inflation Guard Endorsements when it can be reasonably obtained. Construction code endorsements such as Demolition Costs Endorsements, Contingent Liability from Operation of Building Laws Endorsements and Increased Cost of Construction Endorsements shall be required when reasonably obtainable.

(b) Flood Insurance - If any part of the project is in a flood hazard zone - as defined by the Federal Emergency Management Agency - the Association must maintain a “master” or “blanket” policy of flood insurance and provide for the premiums to be paid as a common expense. The policy should cover any buildings on Common Properties and any other real or personal property of the Association. The amount of insurance should be at least equal to the lesser of one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area; or, the maximum coverage available for the property under the National Flood Insurance Program.

(c) Liability Insurance - The Association shall maintain a comprehensive general liability insurance policy covering all common areas, public ways and any other areas comprising the Common Properties which are under its supervision. The insurance should also cover commercial spaces, if any, that are owned by the

Association, even if they are leased to others. The policy shall provide coverage of at least ONE MILLION DOLLARS (\$1,000,000) for bodily injury and property damage for a single occurrence. The liability insurance should provide coverage for the following:

(i) bodily injury and property damage that results from the operation, maintenance or use of the Common Properties, and any facilities thereon; and

(ii) any legal liability that results from lawsuits related to employment contracts in which the Association is a party.

The Association's liability policy shall provide for at least ten (10) days' written notice to the Association before the insurer can cancel or substantially modify the policy.

(d) Fidelity Bonds - The Association shall have blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not that person receives compensation for their services. Any management agent retained by the Association that handles funds for the Association shall also be covered by its own fidelity bond.

Except for fidelity bonds that a management agent obtains for its personnel, all other bonds shall name the Association as an obligee and shall have their premiums paid as a common expense by the Association.

The fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. Additionally, the fidelity bond coverage must at least equal the sum of three (3) months' assessments of Lots and Dwelling Units in the Property, plus the Association's reserve funds.

The bonds must include a provision that calls for ten (10) days' written notice to the Association before the bond can be cancelled or substantially modified for any reason. This same notice must also be given to each servicer that services a FNMA owned mortgage in the Property provided the Association has been given notice from such servicer and a request for such notification.

PART FOUR GENERAL PROVISIONS

ARTICLE I DURATION

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns,

for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five-year period this Declaration shall be automatically renewed and extended for successive ten-year periods. The number of ten-year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten-year renewal period for an additional ten-year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial twenty-five year period, or during the last year of any subsequent ten-year renewal, period three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating the Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Office of the Clerk of Court for Greenwood County, South Carolina, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration.

ARTICLE II AMENDMENTS

Section 1. Procedure for Corrective Amendments. The Company specifically reserves to itself, its successors and assigns, the right to amend this Declaration, or any portion thereof, on its own motion for a period of five (5) years from the date of the execution of this Declaration to correct typographical errors and to eliminate scrivener's errors, so long as the voting power of existing Members is not diluted thereby, nor the amount of assessments of such existing Members raised or changed in any manner which would adversely affect such Members.

Section 2. Procedure for Other Amendments. The procedure for further amendment of this Declaration shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least thirty (30) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved by the Members as set forth above, the President and Secretary of the Association shall execute an Addendum to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than sixty (60) days after the date of the meeting of the Association at which such amendment was adopted), the date of the meeting of the Association at which the amendment was adopted, the date that notice of such meeting was given, the total number of votes necessary to adopt the amendment, and the total number of votes cast for and against the amendment. Such Addendum shall be recorded in the Office of the Clerk of Court for Greenwood County, South Carolina.

Section 3. Quorum Required for Amendment by Members. The quorum required for any action authorized to be taken by the Association under this ARTICLE II shall be as follows:

The first time any meeting of the Members of the Association is called to take action under this ARTICLE II, the presence at the meeting of the Members or proxies entitled to cast sixty percent (60%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members or proxies entitled to cast fifty percent (50%) of the total vote of the Association.

Section 4. Limited Right of Amendment by Company. The Company reserves in each instance the right to add additional restrictive covenants to Part Two hereof in respect to lands conveyed in the future in The Vale, or to limit therein the application of Part Two of these Covenants, provided that no limitations shall be made applicable to a portion of the Lots in a platted subdivision, with any limitations to this Declaration of Covenants to be applicable only as to subdivisions in which no parcels or Lots have been previously conveyed subject to this prior Declaration of Covenants.

ARTICLE III NOTICES

Section 1. How Notice Given. Any notice required to be sent to any Member or Owner under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as Owner in the public records of Greenwood County, South Carolina, on the first day of the calendar month in which said notice is mailed.

Section 2. Notice to Co-Owners. Notice to one (1) of two (2) or more co- owners of a Residential Lot, Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, or Private Recreational Tract shall constitute notice to all co-owners.

Section 3. Notice Where Address or Ownership Changed. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title.

ARTICLE IV ENFORCEMENT, SEVERABILITY, AND INTERPRETATION

Section 1. Who May Enforce Generally? In the event of a violation or breach of any of the affirmative obligations or restrictions contained in this Declaration by any Owner or Member or agent of such Owner or Member, the Company or any other Owners or Members, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

Section 2. Enforcement by the Association. In addition to the foregoing, the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

The Association may engage a person or persons to respond to complaints received as to violations of the Covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Company or Association may engage legal counsel to bring an appropriate injunctive action, including any appeals, to enforce these Covenants. Violators shall be obligated to reimburse the Association in full for all its direct and indirect costs, including but not limited to legal fees incurred by the Association in maintaining compliance with these Covenants in the event the Association prevails in such proceedings.

Further, in addition to any means of enforcement provided elsewhere in the Covenants, the Association shall have the authority to assess Violation Charges pursuant to Section 3(h), Article I, Part Two of the Declaration against an Owner for violations of the Declaration or other Association Governing Documents by such Owner or such Owner's tenants, guests, invitees, agents, and employees, including without limitation violations of the rules and decisions of the Architectural Review Board.

Section 3. Enforcement by the Company. In addition to the foregoing, the Company shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Company in full for its direct and indirect costs, including but not limited to legal fees incurred by the Company in maintaining compliance with these Covenants in the event the Company prevails in such proceedings.

Section 4. Against Whom May the Covenants be Enforced. The obligations and benefits prescribed by the Covenants shall run with the Property and shall be enforceable against the Company, its successors or assigns, the Association and against any Owner or other person whose activities bear a relation to the Property when the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations or attempts to violate or circumvent the covenants and restrictions set forth in this Declaration.

Section 5. Means of Enforcement. Enforcement of these Covenants shall be by any proceeding at law or in equity, whether it be to restrain violation or to recover damages or to create any lien created by these Covenants.

Section 6. Severability. Should any covenants and restrictions herein have contained, or any Part, ARTICLE, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 7. Interpretation. In all cases, the provisions of this Declaration shall be given that interpretations of construction which will best tend toward the consummation of the general plan of development of the Property. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning or similar ordinance which allows a less restricted use of the Property.

Section 8. Authorized Action. All action which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the Bylaws of the Association, unless the terms of this instrument provided otherwise.

Section 9. Trespass. Whenever the Association, and/or the Company are permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

ARTICLE V TERMINATION OF ASSOCIATION

Section 1. Declaration of Invalidity Within Twenty-Five Years. In the event that this Declaration be declared to be void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, and such adjudication occurs within twenty-five (25) years of the date of recording this Declaration, all Common Properties belonging to the Association at the time of such adjudication shall revert to the Company.

Section 2. Company as Trustee for Owners. The Company shall own and operate said Common Properties as Trustee for use and benefit of Owners within the Property.

Section 3. Declaration of Invalidity After Twenty-Five Years or Non-Renewal. If said adjudication shall occur on a date more than twenty-five (25) years after date of recording of this Declaration, or if the Members of the Association should vote not to renew and extend this Declaration as provided for in ARTICLE I, Section 1 hereof, all Common Properties owned by the Association at such time shall be transferred to a Trustee appointed by the Court of Common Pleas of Greenwood County, South Carolina, which Trustee shall own and operate said Common Properties for the use and benefit of Owners within the Property as set forth below:

(a) Each Lot, Dwelling Unit, tract or parcel of land located within the Property shall be subject to an annual assessment which shall be paid by the Owner of each such Lot, Dwelling Unit, tract or parcel to the Company or Trustee, whichever becomes the successor-in-title to the Association. The amount of such annual assessment and its due date shall be determined solely by the Company or the Trustee, as the case may be, but the amount of such annual assessment on any particular Lot, Dwelling Unit, tract or parcel shall not exceed the amount actually assessed against that

Lot, Dwelling Unit, tract or parcel in the last year that assessments were levied by the Association, subject to the adjustments set forth in subparagraph (b) immediately below.

(b) The amount of the minimum and maximum annual assessment which may be charged by the Company or Trustee hereunder on any particular Lot, Dwelling Unit, tract or parcel shall be automatically increased each year by either five percent (5%) or the percentage increase between the first month and the last month of the annual assessment period in the Consumer Price Index, U.S. City Average, All Items (1967-100) (hereafter "C.P.I.") issued by the U.S. Bureau of Labor Statistics in its monthly report entitled "The Consumer Price Index, U.S. City Average and Selected Areas," whichever of these two percentage figures is larger. The actual amount of such increase in the regular minimum and maximum annual assessment on a Lot, Dwelling Unit, tract or parcel shall equal the regular minimum and maximum annual assessments on such Lot, Dwelling Unit, tract or parcel for the previous year each multiplied by the larger of the two percentage factors set forth above. If the C.P.I. is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Any past due annual assessment together with a late charge thereon at a rate of one and one-half percent (1.5%) per month from the due date and all costs of collection including reasonable attorney's fees shall be a personal obligation of the Owner at the time the annual assessment became past due, and it shall also constitute and become a charge and continuing lien on the Lot, Dwelling Unit, tract, or parcel of land and all improvements thereon, against which the assessment has been made, in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

(d) The Company, or the Trustee, as the case may be, shall be required to use the funds collected as annual assessments for the operation, maintenance, repair and upkeep of the Common Properties. The Company or Trustee may charge as part of the cost of such functions the reasonable value of its services in carrying out the duties herein provided for. Neither the Company nor the Trustee shall have the obligations to provide for operation, maintenance, repair and upkeep of the Common Properties, once the funds provided by the annual assessment have been exhausted.

(e) The Company shall have the right to convey title to the Common Properties and to assign its rights and duties hereunder, provided that the transferee accepts such properties subject to the limitations and uses imposed hereby and affirmatively acknowledges its acceptance of the duties imposed hereby.

(f) The Trustee shall have the power to dispose of the Common Properties free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be approved in writing by fifty-one percent (51%) of the Owners of property within the Property or, in the alternative, shall be found to be in the best interest of the Owners of property within the Property by the Court of Common Pleas of Greenwood County, South Carolina. The proceeds of such a sale

shall first be used for the payment of any debts or obligations constituting a lien on the Common Properties, then for the payment of any obligations incurred by the Trustee in the operation, maintenance, repair, and upkeep of such property, then for the payment of any obligations distributed among the Owners of property within the Property, exclusive of the Trustees, in a proportion equal to the portion that the maximum annual assessment on property owned by a particular Owner bears to the total maximum annual assessments for all property located within the Property.

ARTICLE VI ASSIGNMENT

The Company reserves the right to assign to the Association its rights reserved in these Covenants to approve (or disapprove) improvements proposed in Stoney Point on Lake Greenwood and nearby areas, including, but not limited to, the right to approve (or disapprove) architectural or other plans or drawings, specifications, color, finish, plat or site plan and construction schedules, and any other rights or prerogatives reserved unto the Company.

EXHIBIT "A"

Description of Property Initially Subject to Covenants

All those certain lots or parcels of land, together with improvements thereon, situate, lying, and being in the County of Greenwood, State of South Carolina, being those numbered lots of Phase I, Sections I, II, and III of Stoney Point Subdivision as shown on plats thereof prepared by Heaner Engineering Company, Inc. recorded in Plat Book 59 at page 46, Plat Book 59 at page 47, and Plat Book at page 48 in the office of the Clerk of Court for Greenwood County, and being Lots 1 through 139 as shown on the aforesaid plats of survey.

EXHIBIT "B"

Description of Land to be Added to Property

The following property may, but is not required to be subject to the Covenants, Conditions, and Restrictions of the within Declaration:

All those certain lots or parcels of land situate, lying, and being in the County of Greenwood, State of South Carolina, being more particularly shown and designated as Parcel BG7, Parcel BR1, Parcel BR2, Parcel BR3, Parcel BR4, Parcel BR5, and Parcel BR6, as shown on plat prepared by Heaner Engineering Company, Inc. and recorded in Plat Book 59 at page 45 in the office of the Clerk of Court for Greenwood County, which is incorporated herein by reference; ALSO, Parcels BG1, BG2, BG3, BG4, BG5, and BG6.

ALSO, Parcel JR1, Parcel JR2, Parcel JR3, Parcel JR4, Parcel JR5, and Parcel JR6, as shown on plat prepared by Heaner Engineering Company, Inc. recorded in Plat Book 59 at page 44, which is incorporated herein by reference and made part and parcel hereof; ALSO, Parcels JG1, JG2, JG3, JG4, JG5, JG6, JG7.

ALSO, all that certain piece, parcel of tract of land, together with improvements thereon, situate, lying, and being on the waters of Lake Greenwood, in the County of Greenwood, State of South Carolina, containing 5.25 acres, more or less, as will more fully appear by reference to plat thereof prepared by Hearst Coleman & Associates, Engineers, dated December 28, 1971, and recorded in the office of the Clerk of Court for Greenwood County in Plat Book 21 at page 128 (of this 5.25 acre parcel, 2.0 acres was conveyed to William P. Scurry by deed recorded in Deed Book 244 at page 118, the initial deed from R. Brooks Scurry to Dr. Jack C. Scurry conveying the entire 5.25 acre parcel was recorded in Deed Book 235 at page 43).

EXHIBIT "C"
BY-LAWS
OF
STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I
IDENTITY

Section 1. Name. The name of the corporation is Stoney Point Property Owners' Association, Inc. (hereinafter referred to as the "Association") which was created and exists as a non-profit corporation under the laws of the State of South Carolina.

Section 2. Office of Association. The office of the Association shall be at the offices of Stoney Point Real Estate Partnership or at such other place as may be subsequently designated by the Board of Director-s of the Association.

ARTICLE II
DEFINITIONS

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain DECLARATION OF COVENANTS AND RESTRICTIONS OF STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC. AND STONEY POINT DEVELOPMENT COMPANY, INC., dated April 25, 1990, and recorded in the Office of the Clerk of Court for Greenwood County, South Carolina in Deed Book 348 at Page 245 ("Declaration"), certain provisions of which Declaration may be repeated in full or in part and may be renumbered as they appear herein.

ARTICLE III
MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Every Owner, including Stoney Point Real Estate partnership (hereinafter referred to as "the Company"), shall be a member of the Association. However, in the case of multiple ownership of any Residential Lot, Dwelling Unit or other properties in Stoney Point on Lake Greenwood, there shall be a maximum of one (1) member. In the event of such multiple ownership of any kind, including by a partnership or corporation, the name of the Owner designated as member shall be submitted to the Company and/or the Association each year, not later than the first (1st) day of January of each year and only the designated member shall be entitled to access to the facilities of the Association as a member of the Association. Remaining Owners shall be entitled to access only in accordance with rules and regulations established by the Association, its successors and assigns, for guests. If no designation

of a member is made by the multiple Owners, all such Owners shall be required to pay such user fees as may be established by the Association.

Section 2. Voting Right. The Association shall have four (4) types of regular voting memberships:

TYPE "A" – Type "A" Members shall be all those Owners of Residential Lots and Dwelling Unit, including the Company. A Type "A" Member shall be entitled to one (1) vote for each Dwelling Unit which he owns. An owner of a Residential Lot upon which a Dwelling Unit has not been constructed shall likewise be entitled to one (1) vote for each Residential Lot which he owns. If a Dwelling Unit is constructed on more than one (1) Residential Lot, the Owner shall have one (1) vote for the Dwelling Unit and one (1) lot, and one (1) additional vote for each additional Residential Lot comprising a part of the total consolidated home or building site.

TYPE "B" – Type "B" Members shall be all those Owners, including the Company, of platted Public or Commercial Sites and Multi-Family Tracts. A Type "B" Member shall be entitled to one (1) vote for each one-fourth (0.25) of one (1) acre contained in the Public or Commercial Site(s), or Multi-Family Tract(s) which such Member owns; provided, however, that in computing the number of votes such Member shall have, the area contained in such property shall be rounded off to the nearest one-fourth (0.25) of one (1) acre.

TYPE "C" – Type "C" Members shall be all such Owners including the Company, of Public and Commercial Units. All Type "C" Members shall be entitled to one (1) vote for each increment annual assessment paid which is equivalent to the Residential Lot assessment paid to the Association on a single Residential Lot; provided, however, that in computing the number of votes such an Owner shall have, the number of assessments shall be rounded off to the nearest Lot assessment dollar increment, equal to the single Residential Lot assessment.

TYPE "D" – Type "D" Members shall include all those Owners, including the Company, of Unsubdivided Lands and Development Unit Parcels held and intended for future development by the Company or some third party. A Type "D" Member shall be entitled to one (1) vote for each increment annual assessment paid which is equivalent to the Residential Lot assessment paid to the Association on a single Residential Lot; provided, however, that in computing the number of votes such an Owner shall have, the number of assessments shall be rounded off to the nearest dollar increment equal to the single Residential Lot assessment.

When any Property entitling the Owner to membership as a Type "A", "B", "C" or "D" member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then unless the instrument or order appointing them or creating the tenancy otherwise directs, and it or a copy thereof is filed with the Secretary

of the Association, their acts with respect to voting shall have the following effect:

- (1) if only one (1) vote, in person or by proxy, his act binds all;
- (2) if more than one (1) vote, in person or by proxy, the act of the majority so voting binds all;
- (3) if more than one (1) vote in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled its proportionate share of the vote or votes;
- (4) if the instrument or order so filed shows that any such tenancy is held in unequal interest, a majority or even split for purposes of this Paragraph shall be a majority or even split in interest;
- (5) the principles of this Paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his lessee who has entered into a lease with a term of two (2) years or more; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the Property actually leased by such lessee. The Type "A", "B", "C" or "D" members are sometimes hereinafter collectively referred to as the "Members."

Section 3. Special Voting Membership. In addition to the Type "A", "B", "C" and "D" regular voting Memberships described hereinabove, there shall be allowed a Special Voting Membership for the Company under the following circumstances:

So long as the Partnership's total amount of assessments paid (under its classification as a Type "A", "B", "C" or "D" Member), the total amount of operating deficits funded by the Company and the total amount of loans by the Company to the Association outstanding exceed, cumulatively, the total amount of assessments paid by all Type "A" Members, or until ninety percent (90%) of the Lots and Dwelling Units in the Property (as now constituted or as hereafter enlarged by annexation as herein provided) have been sold, whichever shall occur last, the Company shall be allowed a Special Voting Membership by which it shall be entitled to the same number of votes as cumulatively held by all Type "A", "B", "C" and "D" Members (including itself), plus one (1). This provision, without further reference herein, shall be self-operative and its applicability determined, for any purpose, by reference to the Annual Statement of the Association for the preceding year, or years, required by the Declaration in Part Three, ARTICLE III, Section 13.

Section 4. Cumulative Voting Not Permitted. Each Member of each Membership class shall have as many votes as equals the number of votes he is entitled to based on his ownership of one or more of the various classifications of property as computed by the formula set out hereinabove in Section 2 hereof. As set forth herein, Members shall cast all their allocated votes

for each Board of Directors' seat up for election. Cumulative voting, the practice of allowing a Member to cast all of its allocated votes multiplied by the number Board of Directors' seats up for election and applying this cumulative total to only one Board seat or otherwise distributing this cumulative total of votes amongst the Board seats as they see fit, is not allowed and expressly prohibited by the Declaration and these By-Laws. Members are divided into classes for the sole purpose of computing voting rights and shall, in no event, vote as a class.

Section 5. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services, which the Association is authorized to perform. In the event fifty-one percent (51%), or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions there for.

In the event of a dispute as to whether a Referendum is required, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five percent (25%) of the total Membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members.

Regarding any issue, except those expressly provided for otherwise in the Declaration which involves Special Assessments, extraordinary expenditures, or commitments by the Association that principally benefit the Company, to the exclusion of other Owners, there shall be a Referendum in which the Company shall not be permitted to cast its special Voting Membership votes as hereinabove described but shall be limited to the votes allotted it under Classes "A", "B", "C" and "D" designations.

Section 6. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting of Members or proxies entitled to cast fifty percent (50%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such meeting shall be the presence of Members or proxies entitled to cast twenty-five percent (25%) of the total vote of the Membership of the Association.

In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for such third meeting. Unless otherwise provided, any reference hereafter to “votes cast at a duly called meeting” shall be construed to be subject to the quorum requirements established by this ARTICLE III, Section 6, and any other requirements for such “duly called meeting” which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of the Declaration and the quorum requirement established by Part Four, ARTICLE II, and Section 3 of the Declaration shall govern in that instance. For the purpose of this Section 6, “proper notice” shall be deemed to be given when given to each Member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered.

Section 7. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association.

ARTICLE IV MEETING OF MEMBERSHIP

Section 1. Place. All meetings of the Association Membership shall be held at the office of the Association, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting, and shall be open to all Owners.

Section 2. Membership List. At least ten (10) but not more than forty (40) days before every meeting of the Association or election of directors, a complete list of Members of the Association shall be prepared by the Secretary. Such list shall be maintained in the office of the Association for at least ten (10) days prior to any meeting or election and ten (10) days after any meeting or election.

Section 3. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed, at least fourteen (14) days (but not more than thirty (30) days) before such meeting to each Member entitled to vote thereat, to the last known address of the person or entity who appears as Owner in the Office of the Clerk of Court for Greenwood County, South Carolina, on the first day of the calendar month in which said notice is mailed. Notice to one (1) of two (2) or more co-owners of a Residential Lot, Dwelling Unit or Unsubdivided Land shall constitute notice to all co- owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Evidence of such notice having been

given may consist of an Affidavit of Meeting evidencing that the requisite notice was posted at least fourteen (14) days prior to such meeting

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the total vote of each Membership class shall constitute a quorum for any action except as otherwise provided in the Certificate of Incorporation, the Declaration, or these By-Laws.

Section 5. Annual Meeting. The annual Meeting shall be held at 6:00 P.M., eastern standard time, on the first Sunday in the month of December each year or on such other date in the month of November as is set by the Board from year to year with at least thirty (30) days' notice thereof to each Member, for the purpose of electing directors and transacting any other business authorized to its transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the Members shall elect new Members of the Board of Directors by plurality vote and in accordance with Article V of these By-Laws, and shall transact such other business as may properly be brought before the meeting.

Section 6. Special Meeting. Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President of the Association and shall be called by the President or Secretary of the Association at the request, in writing, of Members owning twenty-five percent (25%) or more of the interests in the Property, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the Notice thereof.

Section 7. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of Members may be waived if a majority of Members who would have been entitled to vote on the action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all Members unless all Members participated in the approval of such action.

Section 8. Adjourned Meeting. If any meeting of the Members cannot be organized or convened because a quorum does not exist, then the Members entitled to vote thereat or the person initially calling the meeting shall have power to adjourn the meeting and to call a second meeting subject to the giving of proper notice and the required quorum at such second meeting shall be the presence of Members or proxies entitled to cast twenty-five percent (25%) of the total vote of the Membership of the Association. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called in the same manner as the second meeting subject to the giving of proper notice and there shall be no quorum requirement for such third meeting. This provision shall not apply when the proposed action is the amendment of the Declaration and the quorum requirement established by Part Four, ARTICLE II, of said Declaration shall govern in that instance.

Section 9. Members to Have Power of Referendum in Certain Instances. Where specifically provided for in the Declaration, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event fifty-one percent (51%), or more, of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to “pass” and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to “pass” shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor. In the event of a dispute as to whether a Referendum is required, the following action may be taken: within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five percent (25%) of the total Membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members.

ARTICLE V DIRECTORS

Section 1. Composition of the Board of Directors. The Association shall be governed by a Board of Directors initially consisting of five (5) Members. The number of Directors in subsequent years shall be determined by the Members of the Board of Directors as provided for in these By-Laws or by the Association. In the event that all or a portion of the property described in Exhibit “B” attached to the Declaration is annexed into the Property, the Company reserves the right, so long as it retains voting control of the Association, to have the Board of Directors expanded up to seven (7) Members.

Section 2. Qualifications and Selection of Board Members. All Directors other than those appointed to the Board of Directors by the Company shall be an Owner or the spouse or significant other of an Owner. All officers of a corporate Member for purposes of this Section 2 shall be deemed to be Members of the Association so as to qualify as a Director herein. Each Member of each Membership class shall have as many votes as equals the number of votes he is entitled to based on his ownership of one or more of the various classifications of property as computed by the formula set out hereinabove in Section 2 hereof. As set forth herein, Members shall cast all their allocated votes for each Board of Directors’ seat up for election. Cumulative voting, the practice of allowing a Member to cast all of its allocated votes multiplied by the number Board of Directors’ seats up for election and applying this cumulative total to only one Board seat or otherwise distributing this cumulative total of votes amongst the Board seats as they see fit, is not allowed and expressly prohibited by the Declaration and these By-Laws. Members are divided into classes for the sole purpose of computing voting rights and shall, in no event, vote as a class.

Section 3. Term of Office. The initial Members of the Board of Directors who are appointed by the Company shall be appointed for a one-year term. Thereafter, at the first election of Directors by the Membership, the Members shall elect one (1) Director for a term of one (1)

year, two (2) Directors for a term of two (2) years and two (2) Directors for a term of three (3) years; and at each annual meeting thereafter the Members shall elect Directors to fill the expiring terms for a term of three (3) years; no Director shall serve more than two (2) consecutive full terms. In the event the Board is expanded as permitted by Section 1 of this ARTICLE V, the term of new Members shall be staggered in similar fashion as directed by the Board.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. A successor may then and there be elected to fill the vacancy thus created. Should the Association fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided in Section 5 below.

Section 5. Vacancies on Board of Directors. If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Members of the Board of Directors, though less than a quorum, as defined in ARTICLE VI, section 5 below, shall choose a successor or successors, at any regular or special meeting of the Board of Directors. Such replacement Member of the Board of Directors shall hold office for the balance of the unexpired term.

Section 6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the Board of Directors elected at the second annual meeting of the Membership, the transfer of title of the Lot, Dwelling Unit, Tract or Parcel from which Membership in the Association is derived by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No Director shall continue to serve on the Board of Directors should he be more than thirty (30) days delinquent in the payment as a Member of any assessment against his Lot, Dwelling, Unit, Tract or Parcel; and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 7. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI NOMINATIONS AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of the Members of the initial Board of Directors shall be made by the Company; thereafter, nomination for election to the Board of

Directors by the Members shall be made by a Nominating Committee. Nominations may also be made by a petition of not less than twenty-five (25) Members in good standing submitting such nomination in writing to any officer or Director at least twenty-four (24) hours prior to the date and time set for the meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Director as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made only from among Members and shall be made in such categories of directorship as required by the provisions of ARTICLE V, Section 1 of these By-Laws.

Section 2. Election. Subsequent to the appointment of the initial Board of Directors by the Company, election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Although not required, notice of such regular meeting shall nevertheless be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the date of such meeting. All meetings of the Board, including special meetings in accordance with Section 2 below, shall be open to all Members.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Members of the Board of Directors, after not less than three (3) days' notice, in writing, to all Members of the Board of Directors of the time, place and purpose of such meeting.

Section 3. Place of Meetings. Meetings of the Board of Directors shall be held in Greenwood County, South Carolina, whenever practical. However, this provision is in no way intended to invalidate in any way whatsoever meetings held somewhere other than Greenwood County, South Carolina, so long as such meetings are proper in all other respects.

Section 4. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board

shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5. Quorum. At all meetings of the Board of Directors, a majority of the Members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Members of the Board of Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of, a meeting by signing and concurring in the Minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 7. Executive Session. Upon motion of any Director and affirmative vote of the Majority of Directors, the Board shall go into Executive Session for the purpose of discussing contract negotiations, any matter protected by the attorney-client privilege, or personnel matters. During Executive Session, all persons other than the Board of Directors and invited guests shall be excused from the room. No minutes shall be taken during Executive Session and no action of the Board shall be taken.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Owners. These powers and duties shall specifically include, but shall not be limited to, the matters hereinafter set forth.

Section 1. Powers. The powers of the Board of Directors shall specifically include, but shall not be limited to the following:

- (a) To adopt and publish rules and regulations governing the use of the Property, excluding the Club, and facilities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, to include Violation Charges. Rules and regulations are standards promulgated for the enforcement of existing restrictions. Any rule or regulation adopted pursuant to this subparagraph shall be published to the Members at least thirty (30) days prior to taking effect and any rule or regulation may be rescinded or modified by majority vote of the Members at a Meeting

with notice as provided herein.

(b) To suspend the voting rights and right to use of the recreational facilities of a Delinquent Member or Member not in good standing (as determined by the Board of Directors after a hearing) during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights are suspended automatically during any period of time in which a Member is not in good standing or upon delinquency of assessments and may also be suspended after notice and hearing, for a period not to exceed one hundred eighty (180) days for infraction of any provision of the Declaration, these By-Laws, or any published rules and regulations. Delinquent Members and Members not in good standing shall not be counted toward any quorum requirement provided for herein.

(c) to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) to declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors

(e) to employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) to secure Officers and Directors Liability Insurance covering the Officers and Directors of the Association at the expense of the Association; and

(g) to borrow money to meet the financial needs of the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association the proceeds of which loans shall be used by the Association in performing its authorized functions.

Section 2. Duties. The duties of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the Membership;

(b) to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each

property ownership form as defined in the Declaration not later than the first calendar quarter in each year;

(2) send written notice of each assessment to every Owner subject thereto as soon as practicable after the fixing hereof; and

(3) enforce the lien rights against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) to procure and maintain adequate liability and hazard insurance on property owned by the Association in the form and amount required by the Declaration;

(f) to cause all officers or employees of the Association having fiscal responsibilities to be bonded, with fidelity bonds in the form and amount required by the Association, and the premium on such bonds shall be paid by the Association;

(g) to cause the Common Properties to be adequately maintained;

(h) to review and amend, if appropriate, the proposed annual budget as prepared by the Treasurer in accordance with ARTICLE X, Section 8 hereof.

ARTICLE IX LIABILITY OF THE DIRECTORS

The Members of the Board of Directors shall not be liable to the Owners or the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the Members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Director-s shall have no personal liability with respect to any contract made by them on behalf of the Association. It is understood and permissible and shall not be deemed to be self-dealing for the Association to contract with the Company or with corporations or other entities owned, controlled or affiliated with the Company. It is also intended that the liability of any Member arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the Members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his interest in the Common Properties bears to the interests of all Members in the Common Properties. Every agreement made by the Board of Directors, or by any managing agent, or by any management firm, as the case may be, is made in the capacity only as an agent for the

Members and shall have no personal liability thereunder (except as Members). Moreover, each Member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Properties bears to the interests of all Members in the Common Properties.

ARTICLE X OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President (who shall also be Chairman of the Board of Directors), a Vice President (who shall also be Vice-Chairman of the Board of Directors), a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of whom shall be Members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until their successors are chosen and assume office in their stead unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Term. The Board of Directors may appoint Assistant Secretaries and Assistant Treasurers and such other officer as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time-to-time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance or acknowledgment of acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of appointive offices created pursuant to Section 4 of this ARTICLE.

Section 8. Duties. The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. He shall be Chairman of the Board of Directors and shall preside at all meetings of the Owners and of the Board of Directors; shall see that orders and resolutions of the Board are carried out. He shall have executive powers and general supervision over the affairs of the Association and other officers. The President shall sign all leases, mortgages, deeds, contracts and other written instruments and shall co-sign all checks and promissory notes. He shall perform the entire duties incident to his office or which may be delegated to him from time to time by the Board of Directors.

Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him from time to time by the Board of Directors. He shall automatically serve as Vice-Chairman of the Board of Directors.

Secretary

The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the Members and shall attend and keep the minutes of same. The Secretary shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Treasurer

The Treasurer shall:

(a) have custody of the Association's funds and securities, except the funds payable to any management firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors;

(b) disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association;

(c) collect the assessments and maintenance fees and shall promptly

report the status of collections and of all delinquencies to the Board of Directors;

(d) give status reports to potential transferees on which reports the transferees may rely;

(e) cause an annual financial review of the Association to be completed in a timely fashion by a certified public accountant selected by the Board of Directors and the results of such financial review shall be reported to the Board of Directors;

(f) in conjunction with the Association's accountant and such other persons as the Board of Directors may designate, shall prepare an annual budget for consideration, modification, if appropriate, and ultimate approval by the Board of Directors;

(g) the duties of the Treasurer shall be performed by the Assistant Treasurer when the Treasurer is absent;

(h) the duties of the Treasurer may be fulfilled by a management firm employed by the Association, in which event such management firm shall have custody of the books of the Association as it determines is necessary for the performance of such treasurer duties and the foregoing may include any books required to be kept by the Secretary of the Association.

ARTICLE XII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

ARTICLE XIII ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge of one and one-half percent (1 1/2%) of the delinquent payment amount per month from the due date until paid or such other amount as set by the Board of Directors from time to time, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs of collection, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or other-wise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of this property by which he is entitled to Membership.

ARTICLE XIV
COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management of affairs and business of the Association. Such committee shall consist of at least three (3) Members. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

ARTICLE XV
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: STONEY POINT PROPERTY OWNERS' ASSOCIATION, INC., or an appropriate abbreviation thereof, and the year of incorporation.

ARTICLE XVII
INDEMNIFICATION

The Association and Owners shall indemnify every Director and every officer, his heirs, executors, and administrators, against all losses, costs and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

ARTICLE XVIII
PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

ARTICLE XIX
AMENDMENTS

These By-Laws may be amended at a regular or special meeting of the Members by a majority vote at a duly called meeting at which a quorum exists as provided in Section 4 of ARTICLE IV hereof and provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.