

## DECLARATION OF COVENANTS AND RESTRICTIONS

### THE WOODS AT LAKE KEOWEE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (“Declaration”) is made this 18 day of April, 2000, by THE WOODS AT LAKE KEOWEE, INC., a South Carolina corporation, hereinafter referred to as “Declarant”. All capitalized terms used herein shall have the meanings set forth in Article 1, or elsewhere in this Declaration.

#### STATEMENT OF PURPOSE

Declarant is the developer and owner of certain property located in Oconee County, South Carolina, which is more particularly described on that certain survey recorded in Plat Book A747, at page 4-7, in the Office of the Clerk of Court for Oconee County. Declarant desires to provide for the creation on the property shown on that survey a residential community of single-family residences to be named THE WOODS AT LAKE KEOWEE (the “Development”).

Declarant desires to insure that attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and enhance the value and amenities of all properties within the Development. Furthermore, Declarant desires to provide for the maintenance and upkeep of any Amenity Areas within the Development for the common use and benefit of all Property Owners, including, but no limited to, Street Lights, Amenity Area, Parking Area, Clubhouse, Pool, Tennis Court, Entrance Monument, Boat Storage Area and Public Roads (prior to acceptance by governmental authorities for public maintenance). As part of such Areas, Declarant desires to construct and provide for the maintenance and upkeep of Entrance Monuments to be located at the entrance to the Development, which Entrance Monuments to be located at the entrance to the benefit of all Owners. Declarant further desires to construct and provide as part of such Amenities Piers containing Boatslips over the water of Lake Keowee, which Piers with Boatslips will be for the common use and benefit of certain, but not all Owners.

Declarant desires to provide for a system whereby all Owners will pay for the maintenance and upkeep of the Amenity Areas; provided, however, that maintenance and upkeep of the Piers and Boatslips will be paid for only by Owners in Development who are entitled to the use of a Boatslip and Pier. All

Owners in the Development will pay the further cost associated with the Street Lights, and the cost of maintenance and upkeep of the Amenity Area, Pool, Tennis Court, Clubhouse, Parking Area, Entrance Monument, Boat Storage Area and Public Roads (prior to their acceptance for public maintenance) and such other Common Areas as such Owners are entitled to use and enjoy.

To these ends, Declarant desires to subject the real property described herein to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said real property and each Owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Areas (except as otherwise provided in the Declaration), administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the values and amenities in the Development, to ensure the residents' benefit of the specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas and other amenities as provided in the Declaration and the Bylaws.

To that end, Declarant has or will cause to be incorporated under South Carolina law, pursuant to the Articles of Incorporation attached hereto as Exhibit "A" and incorporated herein by reference, THE WOODS T LAKE KEOWEE OWNERS ASSOCIATION, INC., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions, said corporation to be governed by the Bylaws attached hereto as Exhibit "B" and incorporated herein by reference.

NOW, THEREFORE, Declarant, by this Declaration, does declare that all of the Property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the real property described herein as be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

## ARTICLE 1

### DEFINITIONS

Section 1. “Additional Property” shall mean and refer to any additional real estate adjacent or contiguous to the Property shown on the survey recorded in Plat Book A747, at page 4-7, in the Office of the Clerk of Court for Oconee County, and any property located within four thousand (4,000) feet of any boundary of the Property shown on the above-referenced map, all or a portion of which may be made subject to the terms of this Declaration in accordance with the provisions of Article II, Section 2 of this Declaration.

Section 2. “Amenity Area” shall mean and refer to the parcels of land labeled “Amenity Area” on the survey, together with the Clubhouse, Pool, Tennis Court, Pier, Boatslips and Parking Area, which shall be constructed thereon and made subject to the terms of this Declaration in accordance with the provisions of Article 2 and Article 3, Section 1 of this Declaration for the common use and enjoyment of all Owners, except the Pier and Boatslips which will be for the sole use and enjoyment of certain, but not all Owners.

Section 3. “Articles of Incorporation: shall mean and refer to the Articles of Incorporation for the Association attached hereto as Exhibit “A” and incorporated herein by reference.

Section 4. “Association” shall mean and refer to THE WOODS AT LAKE KEOWEE OWNERS ASSOCIATION, INC, a South Carolina non-profit corporation, its successors and assigns.

Section 5. “Board of Directors” shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 6. “Boatslip” or “Boatslips” shall mean and refer to the boatslips over the waters of Lake Keowee, which Boatslips are designated on the survey, together with any additional Boatslips which Declarant may cause to be constructed in accordance with the terms of Section 2.2 of this Declaration, and which Boatslips are more particularly addressed In Article 4 and Article 6 of this Declaration and approved by the Lake Management Division of Duke Energy Company.

Section 7. “Boat Storage Area” shall mean and refer to the Common Area

labeled on the survey as “Boat Storage Area”, together with any additional Boat Storage Areas which Declarant may cause to be constructed in accordance with the terms of Section 2.2 of this declaration, and which Boat Storage Area is more particularly addressed in Article 4 of this Declaration.

Section 8. “Boatslip Lots” shall initially mean and refer to Lots 1-11, 17-26, 35, 36, and 57-75 in the Development which have, as an appurtenance to the Lot, the right to use an assigned Boatslip, and shall mean and refer to any other Lot which obtains the right to use a Boatslip by conveyance from another Owner, as more particularly set forth in Section 4.8 of this Declaration, on a first come first serve basis depending upon availability as approved by the Lake Management Division of Duke Energy Company.

Section 9. “Bylaws” shall mean and refer to the Bylaws for the Association, substantially in the form attached as Exhibit “B” hereto and incorporated herein by reference.

Section 10. “Common Area” or “Common Areas” shall mean and refer to the Piers, Boatslips, Entrance Monument, Street Lights, Public Roads (prior to their acceptance for maintenance by the Oconee County public Works Department or other governmental entity), and Amenity Areas, collectively. The Common Areas shall be owned by the Association (except as otherwise provided herein) for the common use and benefit of all Owners; provided, however, that only the Owners of Boatslip Lots shall be entitled to the use and benefit of the specified Piers and Boatslips as designated in this Declaration or any one or more Supplemental Declaration on a first come, first serve basis depending upon availability and approval by the Lake Management Division of Duke Energy Company. The Declarant reserves the right, but not the obligation, to provide additional Common Areas within the Subdivision, and shall have the right to designate which Owners shall be permitted to use any Common Areas or future Common Areas as set forth in Section 2.2 of this Declaration.

Section 11. “Declarant” shall mean and refer to The Woods at Lake Keowee, Inc., and such of its successors and assigns to whom the rights of Declarant hereunder are transferred by written instrument recorded in the Office of the Clerk of Court for Oconee County.

Section 12. “Development” shall mean and refer to The Woods at Lake Keowee, a single-family residential development proposed to be developed on the Property by Declarant.

Section 13. “Entrance Monument” shall mean and refer to the easement areas reserved and granted by Declarant in Section 8.9 of this Declaration, over portions of Lot One (1) and Seventy-five (75) as shown on the survey, and any monuments and entrance signs located on such easements together with lighting, an irrigation system, landscaping and other improvements which may be constructed on such easement area, to be used as an entry way for the Subdivision, and for the purposes set forth in Section 8.9.

Section 14. “Lot” or “Lots” shall mean and refer to the separately numbered parcels depicted on the survey, which Lots do not include the Piers, Boatslips, Amenity Area or any other Common Areas as described in this Declaration.

Section 15. “Survey” shall mean and refer to (i) the survey of The Woods at Lake Keowee Subdivision recorded in Plat Book A747, at page 4-7, in the Office of the Clerk of Court for Oconee County, South Carolina, (ii) any survey of any portions of the Additional Property which are subjected to this Declaration, and (iii) any revisions of such survey or survey recorded in the Office of the Clerk of Court for Oconee County.

Section 16. “Member” shall mean and refer to every person or entity who holds membership in the Association.

Section 17. “Mortgage” shall mean any mortgage constituting a first lien on a Lot.

Section 18. “Mortgagee” shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 19. “Non-Boatlip Lots” shall mean and refer to those Lots in the Development which do not have, as an appurtenance thereto, the right to use a Boatlip.

Section 20. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot within the Development, including the Declarant if it owns any Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 21. “Parking Area” shall mean and refer to the parking area to be constructed upon the Amenity Area, as shown on the survey, which Parking Area shall be for the common use and benefit of all Owners, their families, guests and invitees.

Section 22. “Pier” or “Piers” shall mean and refer to the pier or piers containing the Boatslips which may be constructed over the waters of Lake Keowee, including the Piers shown on the cause to be constructed in accordance with the terms of Section 2.2 of this Declaration, and which Piers are more particularly addressed in Section 4.6, Section 4.8 and Section 8.22 of this Declaration.

Section 23. “Clubhouse” shall mean and refer to that building which shall be construction upon and within any Amenity Area, made subject to the terms of this Declaration in accordance with the provisions of Article 3, Section 1 of this Declaration, for the common use and enjoyment of all the Owners, their families, guests and invitees as more particularly addressed in Section 4.12 of this Declaration.

Section 24. “Pool” shall mean and refer to that swimming pool which will be constructed by Declarant within any Amenity Area and made subject to this Declaration in accordance with the provisions of Section 3.1 of this Declaration for the common use, benefit and enjoyment of all Owners, their families, guests and invitees as more particularly addressed in Section 4.11 of this Declaration.

Section 25. “Property” shall mean and refer to the property shown on the survey, including the Lots and Common Areas, Public Roads (prior to such roads being accepted for public maintenance by the Oconee County Public works Department or other governmental entity), together with any leasehold interest or easement which the Association has or may hereafter acquire in any property adjacent to Development (including, but not limited to, any leases of any submerged land lying within the waters of Lake Keowee), and any “Additional Property” as defined in Article 1, Section 1.

Section 26. “Public Roads” shall mean and refer to all roads and cul-de-sacs in the Subdivision and shown on the survey, except for amenity areas and parking areas, all to be maintained by Association as more particularly set forth in this Declaration.

Section 27. “Street Lights” shall mean and refer to those certain street lights which may be constructed upon and over the rights of way of the Public Roads, and the Amenity Areas.

Section 28. “Subdivision” shall mean and refer to The Woods at Lake Keowee as shown on the survey.

Section 29. “Tennis Court” shall mean and refer to that tennis court to be constructed by Declarant within and upon the Amenity Area for the common use and enjoyment of all Owners, their families, guests and invitees, as more particularly addressed in Section 4.13.

## ARTICLE 2

### PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 1. Property. The real property which is and shall be held, transferred, conveyed and occupied subject to this Declaration, and which is and shall be within jurisdiction of the Association, is located in Oconee County, South Carolina, and is the Property as defined above and as more particularly described and shown on the survey.

Section 2. Additions to the Property (a) Declarant may cause Additional Property to be made subject to the terms and scheme of this Declaration by filing one or more supplemental Declarations in the Office of the Clerk of court for Oconee County, containing a description of the Additional Property and a statement by the Declarant of its intent to extend the operation and effect of this Declaration to the Additional Property. Declarant may also cause additional Common Areas and Piers and Boatslips within or adjacent to any Additional Property to be constructed and made subject to the terms and scheme of this describing the Common Areas and number of Piers and Boatslips to be added, and a statement by Declarant of its intent to extend the operation and effect of this Declaration to the additional Common Areas and Piers and Boatslips. Notwithstanding the foregoing, the covenants and restrictions established herein as applied to, or imposed upon, the Additional Property may be altered or modified by the filling of one or more Supplemental Declarations as provided in Subparagraph (b) below.

(b) Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Declarant to reflect the different character of the Additional Property. In no event, however, shall any Supplemental Declaration revoke or modify the covenants and restrictions contained herein with respect to the Property, nor revoke or modify the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for Amendment set forth in Section 12.3 of this Declaration, except as may be

otherwise specifically set forth herein.

### ARTICLE 3

#### PROPERTY RIGHTS

Section 1. Ownership of Common Areas. Declarant shall convey to the Association the Common Areas to be owned and maintained by the Association. The Declarant reserves the right to construct (i) the Clubhouse, Pool, Parking Area, Boatslips, Piers and Tennis Court upon the Amenity; (ii) the Entrance Monument to be located at the entrance to the Development; and (iii) the Boat Storage Area; and (iv) the Public Roads (prior to acceptance by the governmental authorities), for the use and enjoyment of the Owners who are entitled to the use of such Common Areas as provided in this Declaration. Notwithstanding the recordation of any survey or any other action by Declarant or the Association, all Common Areas (except for the Public Roads upon acceptance by the Oconee County Public Works Department for public maintenance) shall not be considered as dedicated to the use and benefit of the public.

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy the Common Areas, and such right shall be appurtenant to and conveyed with the title to such Owner's Lot, subject to the following:

(a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to insure the availability of the right to use the Common Areas to the Owners and the safety of all Owners on the Common Areas.

(b) the right of the Association to suspend the voting rights of an Owner in the Association and the right of the Association to suspend the right to use certain or all of the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) the right of the Declarant or the Association to grant utility, drainage and other easements across the Common Areas;

(d) the Piers and Boat slips may be used only by those Owners specifically entitled thereto under this Declaration;

(e) the right of the Declarant or the Association to restrict the use of certain Common Areas to certain designated Owners as shall be described in this Declaration or any amendments or supplements;

(f) the provisions of Section 4.8 of this Declaration;

and

(g) the provisions of Article 8 of this Declaration.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, the Owners right of enjoyment to the Common Areas and facilities located thereon to the members of the Owner's family, his guests or his invitees.

#### ARTICLE 4

##### THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be governed by the Bylaws attached as Exhibit "B" hereto.

Section 2. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

- (a) Class A Lots. Class A Lots shall be Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote for each Class A Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.
- (b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been conveyed to purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to four (4) votes

for each Class B Lot owned by it.

Section 3. Relinquishment of Control. The Class B membership shall cease and be converted to Class A membership on the happening of one of the following events, whichever occurs earlier:

(a) when the number of votes in the Class A membership held by Owners occupying full-time homes in the Subdivision equals the total number of votes outstanding in the Class B membership and the Declarant surrenders its right to annex any Additional Property upon the expiration of five (5) full years after the registration elects to convert the Class B Lots to Class A Lots at an earlier time. Any such election, to be effective, must be in writing and recorded in the Office of the Clerk of Court for Oconee County, South Carolina.

Section 4. Availability of Documents. The Association shall maintain current copies of the Declaration; the Bylaws AND other rules concerning the Decelopment as well as its own books, records, and financial statements which will be available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any Mortgagee may at its own expense, have an audited statement prepared with respect to the finances of the Association.

Section 5. Management Contracts. The Association is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation level to be established by the Board of Directors and to perform all of the powers and duties of the Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association with or without cause upon ninety (90) days prior written notice to the manager without payment of a termination fee.

Section 6. Maintenance. The Common Areas, together with all utilities, easements and amenities located within the Common Areas and not otherwise maintained by public entities or utilities, shall be maintained by Declarant until the 31<sup>st</sup> day of December, 2000, at which time the Association shall activate the collection of the initial Annual Assessment from each Owner for such maintenance of the Common Areas, with the exception of the maintenance of the Boatslips and Piers which shall be maintained by the Association from the proceeds of the boatslip Annual Assessment (in accordance from the proceeds of

the Boatslip Annual Assessment (in accordance with Article 6 of the Declaration). Provided, however, in accordance with Section 12.1 of this Declaration, Declarant hereby reserves the right and easement, but no the obligation, to go upon any portion of the Common Areas at any time in order to repair and maintain such Common Areas where needed, in Declarant's sole discretion, to bring such Common Areas within the standards required by Declarant (including the Public roads prior to acceptance for public maintenance by the Oconee County Public Works Department or other governmental authority). Should Declarant so go upon the Common Areas to perform maintenance and repairs for such purpose, the Association hereby agrees to reimburse Declarant in full for the cost of such maintenance and repairs to the Common Areas, upon receipt of a statement for such cost from Declarant.

The Common Areas shall be maintained as more particularly described below:

(a) Maintenance of the Entrance Monument shall include maintenance, repair and reconstruction, when necessary, of the monuments, signage, irrigation, planters and lighting located thereon, and providing and paying for landscaping, cleaning and utility charges for irrigation and lighting of the monuments and signage located thereon.

(b) Maintenance of the Piers and Boatslips shall include the maintenance, repair, and reconstruction, when necessary, of the Piers and Boatslips, including all structures, water lines, lighting and other fixtures, wire, railings, pathways and other facilities located thereon, and providing and paying for utility charges, and all rent and other payments to Duke Energy Corporation ( or any successor manager of Lake Keowee under authority granted by the Federal Energy Regulatory Commission {“FERC”} )..

(c) All Common Areas, including, but not limited to, the Public roads (prior to governmental acceptance for operation and maintenance ), and medians, the Entrance Monument, Amenity Areas, Boat Storage Area, Piers and Boatslips (and all improvements located thereon ) shall be clean and free from debris and maintained in an orderly condition, together with the landscaping thereon ( if any ) in accordance with the highest standards for private parks, including any removal and replacement of any landscaping, utilities, or improvements located thereon.

(d) Prior to acceptance for public maintenance, the Public roads shall be maintained by the Association, provided that the Declarant, in its sole

discretion, has the right to reimburse the Association for maintenance cost until the Public Roads are accepted for maintenance by the Oconee County Public Works Department or other governmental entity. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the Public roads shall conform to the standard of maintenance (if one is ascertainable ) which would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Public Roads for maintenance.

(e) Maintenance of the Boat Storage Area shall include the maintenance , cleaning and repair, when necessary, of any improvements located on the Boat StoargeArea, including all lighting, fixtures, wire, gravel are, paving, if any, and other facilities (if any) located thereon ,and providing and paying for utility charges therefore.

(f) Maintenance of the Amenity Areas shall include the maintenance and repair of the landscaping, lighting, irrigation, pathways and other improvements, repairs and reconstruction of the pavement, and providing and paying for irrigation and utility charges (if any).

(g) Maintenance of the Clubhouse shall include all interior and exterior maintenance (including, where necessary, repair and reconstruction) of the Clubhouse building, sidewalks, walkways, landscaping and other facilities appurtenant to the Clubhouse, and the payment of all utility charges therefore.

(h) Maintenance of the Pool includes the maintenance, repair and reconstruction, where necessary, of the Pool, including all drainage, lighting, fencing, paving and other facilities appurtenant thereto, and the payment of all utility charges therefore.

(i) Maintenance of the Parking Area shall include repair, maintenance, replacement and reconstruction, when necessary, of the pavement and irrigation and landscaping (if any), and the payment of the electrical costs of lighting and irrigation (if any).

(j) The Association shall not be responsible for the maintenance of any Lot or any portion of any Lot or the improvements within the boundaries thereof, with the exception of the Entrance Monument. The Owners of such Lots shall be responsible for same.

Section 7. Reserve Fund. The Association shall establish and maintain an adequate reserve fund (the “Reserve Fund”) for the periodic maintenance,

repair, reconstruction and replacement of the Common Areas and any improvements located on such Common Areas ( including, but not limited to the Public roads prior to acceptance for public maintenance ) which the Association is obligated to maintain and in order to fund unanticipated expenses of the Association or to acquire equipment or services deemed necessary or desirable by the Board of Directors such Reserve Fund shall be collected and maintained out of Annual Assessment and Boatslip Assessment as hereinafter defined, and as set forth in Section 5.2 and Section 6.2.

Section 8. Piers and Boatslips. Subject to and contingent upon the approval of FERC, Duke Energy Corporation and any other regulatory body having jurisdiction, Declarant shall have the exclusive right to construct some or all of the Piers and Boatslips (including all improvements located thereon), in the approximate locations shown on the survey, as well as any additional Piers and Boatslips which may be added to the Development in the future pursuant to the provisions of the Declaration. Declarant shall not construct more Boatslips than are approved by Duke Energy Corporation pursuant to Declarant's boatslip permit request for the Subdivision.

(a) Following the construction of one or more Piers and Boatslips as set forth above, Boatslips shall be leased to the Owners of certain Lots and transferred among Owners as follows:

(i) Pursuant to that certain boatslip lease form provided by Declarant (the "Boatslip Lease"), Declarant shall lease one (1) Boatslip to the Owner of each Boatslip Lot, on a first come, first serve basis. Each Boatslip Lease shall be appurtenant to and may not be separated from the ownership of the applicable Boatslip Lot, except as provided below.

(ii) The Lot as to which a Boatslip Lease is entered into shall thereafter be a Boatslip Lot subject to the provisions of subparagraph 8 (a) (iii) below. Once entered into between Declarant and the Boatslip Lot Owner, the relevant Boatslip Lease shall not be separated from ownership of the Boatslip Lot to which is appurtenant, but, rather, shall run with the title to such Boatslip Lot unless and until such Boatslip Lease is assigned by the Boatslip Lot Owner to another Lot Owner in accordance with subparagraph 8 (a) (iii). In this regard, provided the applicable Boatslip Lease has not been previously assigned in accordance with subparagraph 8 (a) (iii), any conveyance by a Boatslip Lot Owner of its ownership interest in a Boatslip Lot shall automatically assign to the transferee of such ownership interest all rights and duties of said Boatslip Lot Owner under the Boatslip lease; provided, however, in such event, the Boatslip

Lot Owner and the transferee of the Boatslip Lot Owner's ownership interest in the Boatslip Lot shall immediately execute and record an instrument in the Office of the Clerk of Court for Oconee County sufficient to provide record evidence of the assignment of the Boatslip Lease (a filed copy of which instrument shall be provided to the Association following recordation). Any deed of trust, mortgage or other encumbrance of a Boatslip Lot shall also encumber the Boatslip appurtenant thereto, even if not expressly included therein. Provided, however, no mortgagee, trustee or other person claiming by, through or under any instrument creating any such encumbrance shall by virtue thereof acquire any greater rights in the relevant Boatslip than the Boatslip Lot Owner may have under the Boatslip Lease at the time of such encumbrance; and provided further, such deed of trust, mortgage or other instrument of encumbrance, and the indebtedness secured thereby, shall at all times be and remain subordinate and subject to all of the terms and conditions of the Boatslip Lease and to all of the rights of Declarant or the Association (as lessor) thereunder. Any successor to a Boatslip Lot Owner's interest in a Boatslip Lease, whether such interest is acquired by sale, assignment, foreclosure, deed in lieu of foreclosure, power of sale, execution or otherwise, shall take such interest subject to all of the terms, covenants, conditions, duties and obligations of such Boatslip Lot Owner under the Boatslip Lease, shall be deemed to have attorned to Declarant or the Association (as lessor) and shall execute an attornment agreement upon the request of Declarant or the Association (as lessor).

(iii) Any Boatslip Lease may be assigned by the relevant Boatslip Lot Owner only to another Lot Owner who shall be next on a boatslip waiting list, if any. Upon such assignment, the Boatslip Lot Owner and the assignee of such Boatslip Lot Owner's interest in the Boatslip Lease shall immediately execute and record an instrument in the Office of the Clerk of Court for Oconee County (a filed copy of which shall be provided to the Association) sufficient to provide record evidence of such assignment. Following such assignment, the assignor's Lot shall automatically cease to be a Boatslip Lot and the assignee's Lot shall thereafter be a Boatslip Lot (until further assignment of said assignee's lease rights), in which case the relevant Boatslip Lease shall then run with the title to such Boatslip Lot as forth in subparagraph 8 (a) (ii). No Boatslip Lease shall be separated from the ownership of any Lot and assigned to anyone or any entity other than another Owner in accordance with this subparagraph 8 (a) (iii) and as provided otherwise in the Declaration.

(b) Declarant shall have the right to use Boatslips not leased to another Owner and shall have the obligation to pay Boatslip Assessments, Supplemental Boatslip Assessments and Special Boatslip Assessments on any

Boatslips constructed by Declarant and not leased to another Owner. At Declarant's option, Declarant shall be entitled to assign all rights and duties of Declarant under any Boatslip Lease and/or the Duke Lease (as Defined below) to any person or entity, including, without limitation, the Association, whereupon Declarant shall have no further rights, duties, obligations or liabilities thereunder.

(c) In the event that a Pier contains a Boatslip which has not been leased as an appurtenance to a Boatslip Lot, said Boatslip may be retained by Declarant and the Association for the common use and benefit only of the Owners of Boatslip Lots, their families, guest and invitees, for the purpose of temporarily docking boats, and may not be leased or otherwise transferred by Declarant to, or used by, any other party or the public. No boat or other recreational vehicle shall be permitted to remain overnight in any unleased Boatslip.

(d) The Board of Directors, pursuant to the Bylaws attached hereto as Exhibit "B", shall adopt rules and regulations governing the use of the Piers and Boatslips and the personal conduct thereon of the Members owning Boatslip Lots and their families, guests and invitees. Should members owning Boatslip Lots desire to amend such rules and regulations, then a meeting of the members owning Boatslip Lots may be called and held, in accordance with the terms and provisions of the Bylaws, for the purpose of voting to amend such rules and regulations. If such a meeting is duly called and held, the Boatslip Lot Owners may direct the Board of Directors to make such amendments to the rules and regulations governing the use of the Piers and Boatslips, including additions to and deletions of portions of such rules and regulations as are approved by a vote of the members owning Boatslip Lots, in accordance with Article 3 of the Bylaws, and as are permitted under the Duke Lease.

(e) Piers may only be used by Boatslip Lot Owners, their families, guests and invitees. Each Boatslip may only be used by the Boatslip Lot Owner to which such Boatslip is appurtenant, their families, guests and invitees.

(f) Benefited Pier Zones. Lots Number 30, 40, 41, 44, 50, 51, 53 and 54 do hereby acknowledge that the developer has heretofore issued a letter to Duke Energy Company, Lake Management Division, allowing the hatched portion of property belonging to Duke Energy Company crossing the projected bisected line between such Lots for the benefit of a dock to be applied for the benefiting lot. That by acceptance of said deed to such Lot that the then owner together with his heirs, successors and assigns does hereby agree within said zone, if such meets the then in place policies, rules, and regulations of the Lake

Management Division of Duke Energy Company to execute whatever documents that may be required by Duke Energy for the installation of a dock benefiting such Lot pursuant to the then in effect guidelines of Lake Management Division of Duke Energy Company, its successors and assigns.

- (i) Pier Zone Consented to Lot 31 from Lot 30 for the benefit of Lot 31;
- (ii) Pier Zone Consented to Lot 39 from Lot 40 for the benefit of Lot 39;
- (iii) Pier Zone Consented to Lot 42 from Lot 41 for the benefit of Lot 42;
- (iv) Pier Zone Consented to Lot 43 from Lot 44 for the benefit of Lot 43;
- (v) Pier Zone Consented to Lot 51 from Lot 50 for the benefit of Lot 51;
- (vi) Pier Zone Consented to Lot 52 from Lots 51 and 53 for the benefit of Lot 52;
- (vii) Pier Zone Consented to Lot 53 from Lot 54 for the benefit of Lot 53;

(g) Purchasers of lots in The Woods at Lake Keowee Subdivision do hereby acknowledge that the placement, maintenance, installation, re-installation, repairs of docks are subject to the rules and regulations then in effect as may be changed from time to time by the Lake Management Division of Duke Energy Company, its successors and assigns.

(h) The owners of any property adjoining Lake Keowee acknowledge that the privilege to place a dock on the waters of Lake Keowee are subject to the rules and regulations of the Lake Management Division of Duke Energy Company as they are in effect now and may change from time to time and that by the purchase of said lots said parties shall bind themselves, their heirs, successors and assigns.

Section 9. Amenity Area. The Amenity Area, as reflected on the survey, shall be provided by the Declarant and maintained and repaired by the Association as a common expense for the common use of the Owners (except as otherwise provided herein as to the Pier and Boatslip), their families, guests and invitees in order to provide access for the Owners, in connection with their use of the Parking Area, Clubhouse, Pool, Tennis Court and Boatslips and Pier located thereon or adjacent thereto.

Section 10. Parking Area. Declarant shall construct, and the Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, the paved Parking Area on and over a portion of the Amenity Area. The Parking Area shall be constructed and maintained in order to provide parking for the Owners, and may be used only by Declarant and its assigns and the Owners, their families, guests and invitees in connection with their use of the Amenity Area. Accordingly, the maintenance, repair and replacement costs of the Parking Area shall be assessed against all Owners as set forth in Article 5 of the Declaration.

Section 11. Pool. Declarant shall construct and the Association shall maintain the Pool over a portion of the Amenity Area. The Pool shall be constructed and maintained for the common use and benefit of the Owners and may be used only by Declarant and its assigns and the Owners, their families, guests and invitees.

Section 12. Clubhouse. Declarant shall construct and the Association shall maintain the Clubhouse on and over a portion of the Amenity Area. The Clubhouse shall be constructed and maintained for the common use and benefit of the Owners and may be used only by Declarant and its assigns and the Owners, their families, guess and invitees in connection with their use of the Amenity Area.

Section 13. Tennis Court Declarant shall construct and the Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, the Tennis Court located on the Amenity Area, for the common use of the Owners, their families, guests and invitees.

Section 14. Boat Storage Area. Boat Storage Area. The Boat Storage Area, as shown on the survey, shall be graded and covered with gravel by the Declarant and maintained by the Association, for the use of all Owners, their families, guests and invitees on a first come first served basis, and shall be designated, upon completion, for the purpose of temporarily storing boats, boat trailers, or recreational vehicles, and may not be leased by the Association to, or used by, any other party or the public.

## ARTICLE 5

### COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual

Supplemental, Annual Special and Special Individual Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed thereto, whether or not I shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the Annual Assessments, Supplemental Annual Assessments, Special Assessments and Special Individual Assessments, as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due.

Section 2. Purpose of Annual Assessments. The assessment to be levied annually by the Association against each Lot ("Annual Assessment") shall be used as follows:

(a) to repair, maintain, reconstruct (when necessary), keep clean and free from debris, the Common Areas and any amenities and improvements located thereon, including but not limited to the Entrance Monuments, Clubhouse, Pool, Tennis Court, Parking Area, Amenity Area, Boat Storage Area and Public Roads (prior to acceptance by local governmental authorities), (but excluding the Piers and Boatslips ) and any improvements associated therewith, and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping, as more particularly set forth in Section 4.6 of this Declaration.

(b) to maintain and repair or caused to be maintained the Public Roads to the standard of the maintenance (if one is ascertainable) which would be required by the Oconee County Public Works Department or other governmental entity before it would accept such Public roads for maintenance, as more particularly set forth in Section 4.6 of this Declaration.

(c) to clean, maintain, repair and reconstruct, when necessary, the Boat Storage Area, including all improvements located thereon, including the maintenance, repair and replacement, when necessary, of any landscaping around the Boat Storage Area, all as more particularly set forth in this Declaration.

(d) to provide and pay for lighting of the Boat Storage Area (if any) to the extent necessary for the safety and enjoyment of the users thereof.

(e) to pay all costs associated with the Street Lights, including but not

limited to, utility costs.

(f) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association (other than the Piers and Boatslips and any improvements located thereon, and any other property owned in connection therewith).

(g) to pay the premiums on all insurance carried by the Association pursuant thereto or pursuant to the Bylaws, except for such insurance carried specifically in connection with the Piers and Boatslips and any improvements located thereon.

(h) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws, except for such fees incurred specifically in connection with the Piers and Boatslips.

(i) to maintain contingency reserves as to the amounts described in subsections (a) and (b) above for the purposes set forth in Section 4.7 hereof in amounts as determined by the Board of Directors.

Section 3. Payment of Annual Assessment Due Dates. The Annual Assessment provided for herein shall commence as to each Lot on January 1, 2001. The Annual Assessment for the calendar year beginning January, 2001, shall be Three Hundred and No/100 (\$300.00) Dollars per Lot, which amount shall be due and payable in full no later than January 31 of the year in which such Annual Assessment is due, and pro-rated on a calendar year basis. The Annual Assessment for each and every year beginning January 1 thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 5.4, and shall be due and payable in one (1) annual installment, such installment being due and payable no later than January 31 of each such year. The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any calendar year at least thirty (30) days prior to January 1 of such calendar year, and the amount of the installment due, to each Owner on or before January 1 of such calendar year. The Association shall send written notice of the amount of the Annual Assessment, the failure of the Association to send, or of an Owner to received, such notice shall not relieved any Owner of its obligation to pay the Annual Assessment. Notwithstanding the foregoing, the Board of Directors may alter the dates of the fiscal year for setting the Annual Assessment and may increase or decrease the frequency of collection of Annual Assessment installments in any reasonable manner.

Section 4. Maximum Annual Assessment.

(a) For years following the first year of the Annual Assessment and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessment each year by a maximum amount equal to the previous year's Annual Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the Consumer Price Index, MI Urban Consumers, United States, MI Items (1982-84 = 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Annual Assessment is not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessment may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of Board of Directors, without a vote of the Members.

(b) From and after the first year of the Annual Assessment, the maximum annual assessment may be increased above the maximum amount set forth in subparagraph (a) of this Section 5.4 by a vote of no less than two-thirds (2/3) of the eligible members who are voting in person or by proxy, or at the annual meeting or at a meeting duly called for this purpose, in accordance with the Bylaws.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum set forth in subparagraph (a) of this Section 5.4 (the "Maximum Annual Assessment" ). If the Board of Directors shall levy less than the Maximum Annual Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board of Directors may, without a vote of the members, but in accordance with the Bylaws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"). In no event shall the sum of the Annual Assessment and Supplemental Annual Assessment for any year exceed the applicable Maximum Annual Assessment for

such year other than as set forth In Section 7.3 hereof.

Section 5. Special Assessment for Capital Improvements. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a special assessment (“Special Assessment”) applicable to that year only for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Area improvements which are not originally constructed by Declarant; or (ii) the reconstruction, repair or replacement of the Common Areas, including but not limited to the Public roads (prior to acceptance for public maintenance), Entrance Monuments, Amenity Areas, Parking Area, and Street Lights (but excluding the Boatslips and Piers) including all improvements located thereon, and including fixtures and personal property related thereto provided, however, that any such assessment must be approved by a vote of no less than two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Special Individual Assessment. In addition to the Annual Assessments, Supplemental Assessments, and Special Assessments authorized above, the Board of Directors shall have the power to levy a special assessments applicable to any particular Lot Owner (“Special Individual Assessment”) (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including the Public Roads, Entrance Monument, Amenity Area, Parking Area, Boatslips and Piers, and all improvements located thereon, whether occasioned by any act or omission of such Owner(s), members of such Owner’s family, or such Owner’s agents, guests, employees or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Owner relative to such Owner’s failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws. Provided, however, that Declarant shall not be obligated to pay any Special Individual Assessment except with Declarant’s prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 5.6 shall be fixed in the Board of Directors resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 7. Assessment Rate.

(a) Subject to the exception set forth in subsection (b) below, the Annual, Supplemental Annual and Special Assessments must be fixed at a uniform rate for all Lots; and

(b) The Declarant shall not be required to pay Annual, Supplemental Annual and Special Assessments for each Lot owned by Declarant and unoccupied as a residence.

## ARTICLE 6

### COVENANT FOR BOATSLIP, SUPPLEMENTAL BOATSLIP AND SPECIAL BOATSLIPASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Boatslip Supplemental Boatslip Assessments. The Declarant, for each Boatslip Lot owned within the Property, hereby covenants, and each Owner of any Boatslip Lot by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, and by entering into a Boatslip Lease (or an assignment thereof) for a Boatslip as an appurtenance to such Owner's Lot as more particularly set forth in Section 4.8 of this Declaration, is deemed to covenant and agree to pay to the Association, in addition to the Annual, Supplemental Annual, Special and Special Individual Assessments provided for herein, Boatslip, Supplemental Boatslip, and Special Boatslip Assessments, as hereinafter defined, for maintenance and repair costs of the Piers and Boatslips (including all improvements thereon), and established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Boatslip Lot against which each such assessment or charge is made and upon the right to use the Piers and Boatslip appurtenant to such Boatslip Lot. Each such assessment or charge, together with interest, costs and reasonable attorney' fees, shall also be the personal obligation of the Boatslip Lot Owner effective at the time when the assessment falls due.

Section 2. Purpose of Boatslip Assessment. The assessment to be levied annually by the Association against each Boatslip Lot ("Boatslip Assessment") shall be used as follows:

(a) to clean, maintain, repair and reconstruct, when necessary, the Piers and Boatslips, including all lighting and other fixtures, wires, railings and other facilities located thereon (if any), all as more particularly set forth in Section 4.6 of this Declaration;

(b) to provide and pay for lighting of; and water service to, the Piers and

Boatslips (if any) to the extent necessary for the safety and benefit of the users thereof;

(c) to pay all ad valorem taxes levied against the Piers and Boatslips and any other property owned by the Association in connection therewith;

(d) to pay all lease payments; if applicable, to Duke Energy Corporation of any successor manager of Lake Keowee under authority of FERC for the lease of the lake bed on which the Piers and Boatslips are located;

(e) to pay the premiums on all insurance carried by the Association in connection with the Piers and Boatslips (including all improvements located thereon) pursuant hereto or pursuant to the Bylaws;

(f) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws in connection with the Piers and Boatslips (including all improvements located thereon); and

(g) to maintain contingency reserves as to the amounts described in for subsections (a) and (b) above for the purposes set forth in Section 4.7 hereof in amounts as determined by the Board of Directors.

Section 3. Payment of Boatslip Assessment. Due Dates. The Boatslip Assessment provided for herein shall be payable annually, in advance, and shall commence as to each Boatslip Lot (to which a completed Boatslip is appurtenant), and shall be due and payable thirty (30) days following the lease of a completed Boatslip to a Boatslip Lot Owner as set forth in Section 4.8 of this Declaration (such assessment shall be prorated from the date of such lease through the remainder of the calendar year for which such assessment is due). Notwithstanding the foregoing, no Boatslip Assessment shall be due prior to January 1, 2001. The initial Boatslip Assessment applicable to all boatslip Lots shall be Three hundred and No/100 (\$300.00) per Boatslip Lease. The Boatslip Assessment for each and every year thereafter shall be payable no later than January 31 of such year. The Boatslip Assessment for each and every year thereafter shall be in an amount set by the Board of Directors shall fix the amount of the Boatslip Assessment as to each Boatslip Lot for any year at least thirty (30) days prior to January 1 or such year, and the Association shall send year. Failure of the Association to send, or of a Boatslip Lease Owner to receive, the notice described in this Section 6.3 shall not relieve any Boatslip Lot Owners of their obligation to pay such Boatslip Assessment. Notwithstanding the

foregoing, the Board of Directors may alter the dates of the fiscal year for setting the Boatslip collection of the Boatslip Assessment (or installments thereof) in any reasonable manner.

Section 4. Maximum Boatslip Assessment.

(a) For years following the first year of the Boatslip Assessment and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Boatslip Assessment each year by a maximum amount equal to the previous year's Boatslip Assessment times the greater of (i) ten percent (10 %) or (ii) the annual percentage increase in the Consumer Price Index, MI Urban Consumers, United States, MI Items (1982-84 = 100 ) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Boatslip Assessment is not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Boatslip Assessment may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of Board of Directors, without a vote of the Members.

(b) From and after the first year of the Boatslip Assessment, the Boatslip Assessment may be increased without limitation if such increase is approved by the Declarant (so long as Declarant owns any part of the Property) and by a majority of the votes appurtenant to the Boatslip Leases.

(c) The Board of Directors may fix the Boatslip Assessment at an amount not in excess of the maximum set forth in subparagraph (a) of this Section 6.4 (the "Maximum Boatslip Assessment"). If the Board of Directors shall levy less than the Maximum Boatslip Assessment for any calendar year and thereafter, during such year, determine that the important and essential functions of the Association as to the Piers and Boatslips (and all improvements located thereon) cannot be funded by such lesser assessment, the Board of Directors may, by a vote in accordance with the Bylaws, levy a supplemental Boatslip Assessment (Supplemental Boatslip Assessment"). In no event shall the sum of the Boatslip Assessment and Supplemental Boatslip Assessment for any year exceed the applicable Maximum Boatslip Assessment for such year other than as set forth in Section 7.3 hereof.

Section 5. Special Assessment for Boatslip Improvements. In addition to the Boatslip Assessment authorized above, the Association may levy, in any assessment year, a special Boatslip Assessment (“Special Boatslip Assessment”) applicable to that year only for the purpose of defraying, in whole or in part, the cost of any reconstruction, repair or replacement of the Piers and Boatslips, and any capital improvement located thereon, including lighting, water lines and other fixtures, poles, wires, railings and other facilities located thereon and personal property related thereto. Provided, however, that (i) any such Special Boatslip Assessment must be approved by Declarant (so long as Declarant owns any part of the Property) and by a vote of a majority of the votes appurtenant to the Boatslip Leases; and (ii) any such Special Boatslip Assessment may be levied only against the Boatslip Lease Owners.

Section 6. Special Individual Boatslip Assessment. In addition to the Annual Boatslip Assessments, Supplemental Boatslip Assessments, Special Boatslip Assessments authorized above, the Board of Directors shall have the power to levy a special assessment applicable to any applicable to any particular Boatslip Lease Holder (“Special Individual Boatslip Assessment”) (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Boatslips and Piers, and all improvements located thereon, whether occasioned by any act or omission of such Owners (s), members of such Owner’s family, or such Owner’s agents, guests, employees or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Owner relative to such Owner’s failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association of the Declarant pursuant to the Declaration or the Bylaws. Provided, however, that Declarant shall not be obligated to pay any Special Individual Boatslip Assessment except with Declarant’s prior written approval. The Due date of any Special Individual Boatslip Assessment levied pursuant to this Section 5.6 shall be fixed in the Board or Directors resolution authorizing such Special Individual Boatslip Assessment. Upon the establishment of a Special Individual Boatslip Assessment, the Board shall send written notice of the amount and due date of such Special Individual Boatslip Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Boatslip Assessment is due.

Section 7. Assessment Rate.

- (a) Except as set forth in subsection (b) below, Boatslip,

Supplement Boatslip and Special Boatslip Assessments must be fixed at a uniform rate for all Boatslip Lots;

(b) The Declarant shall not pay any Boatslip, Supplemental Boatslip and Special Boatslip Assessments for each Boatslip Lot owned by Declarant unless used by the Declarant.

## ARTICLE 7

### GENERAL ASSESSMENT PROVISIONS

Section 1. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 2. Effect of Nonpayment of Assessments; Remedies of the Association. Any Annual, Special, Special Individual, Supplemental Annual, Boatslip, Special Boatslip, Special Individual Boatslip, or Supplemental Boatslip Assessment (or installment thereof) not paid by its due date as set forth in Section 5.3, and Section 6.3 hereof; or any other assessment not paid by its due date, shall bear interest from such due date at the rate of eighteen percent (18 %) per annum or the highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner of foreclose the lien against the Lot and the right to use the Common Areas and/or the right to use the Piers and Boatslips, if applicable, and interest, late payment charges, costs and reasonable attorney's fee related to such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas and/or his Boatslip, if applicable, or by abandoning his Lot.

Section 3. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Articles 5 and 6 of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot or any mortgage to the

Declarant. Sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof; however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Provided, however, that the Board of Directors may in its sole discretion determine such unpaid assessments to be an Annual, Special, Supplemental Annual, Boatslip, Special Boatslip, or Supplemental Boatslip Assessment, as applicable, collectable pro rata from all Owners (or from all Boatslip Lot Owners if a Boatslip, Supplemental Boatslip, or Special Boatslip Assessment), including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners (or all Boatslip Lot Owners if a Boatslip, Supplemental Boatslip, or Special Boatslip Assessment), notwithstanding the fact that such pro rata portions may cause the Annual, Special, Special Individual, Supplemental Annual, Boatslip, Special Boatslip, or Supplemental Boatslip Assessment (as applicable), to be in excess of the maximum Annual Assessment or Maximum Boatslip Assessment permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof; but the lien provided for herein shall continue to be subordinate to the lien of any mortgage as above provided.

## ARTICLE 8

### RESTRICTIONS

Section 1. Land Use Building Type and Residential Restrictions. All Lots in the Subdivision shall be known and described as residential lots and shall be used only for private residential purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for the use as a single family residential dwelling, unless otherwise provided herein, and only one single family residential dwelling not exceeding 2 1/2 stories in height above ground shall be erected or permitted to remain upon any Lot. No log cabin (or structure resembling a log cabin, or having the architectural characteristics of a log cabin), mobile home, modular home or shell home may be erected or permitted to remain on any Lot. A private garage (not exceeding two (2) car capacity), outbuildings, fixed piers and floating boat dock facilities incidental to the residential use of the Lot are expressly permitted upon the condition that they are not rented, leased nor otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No detached garage or outbuildings shall at any time be used as a residence. Any ownership or leasing arrangement for a Lot having the characteristics of a vacation time sharing ownership plan, a vacation time sharing

lease plan or shared ownership is hereby prohibited. Furthermore, no boat (including a houseboat), whether existing on a Lot or docked at a fixed pier or floating boat dock which is appurtenant to any Property in the Subdivision, may at any time be used as a residence.

Section 2. Dwelling Size. The square footage requirements hereinafter set forth refer to enclosed heated floor area and are exclusive of the area in unfinished basements, unheated porches of any type, attached or detached garages, carports, and unheated storage areas, decks or patios. Any one story dwelling erected upon any Lot shall contain not less than 1,800 square feet; any multi-story dwelling shall contain not less than 2,100 square feet and the first floor shall contain not less than 1,400 square feet. All residential dwellings shall have at least an attached two (2) car garage.

Section 3. Building Construction and Quality. All buildings and outbuildings erected upon any Lot shall be constructed of a new material of good grade, quality and appearance and shall be constructed in a proper, workmanlike manner. No single family residential dwelling with a sales price of less than One Hundred Seventy Thousand and No/100 (175,000.00) Dollars (in terms of year 2000 dollar value), exclusive of the lot, shall be permitted on any Lot unless approved in advance in writing by Declarant or the Board of Directors. No building shall be erected unless it is completely underpinned with a solid brick, brick or stone-covered block or stucco foundation. The exterior surface of any building shall not be of asbestos shingle siding, imitation brick or stoneroll siding, vinyl or aluminum siding, or exposed concrete or cement blocks. Vinyl or aluminum siding may be used for window casing and soffit the color of which must be approved by Declarant or Board of Directors. The exterior surface of any garage, outbuilding or appurtenant structure or building erected on or located on any Lot shall be architecturally compatible with, and of material and construction comparable in cost and design to, the exterior surface of the dwelling located on said Lot. All garages must have garage doors which shall be kept closed except for entering and exiting. All buildings shall have roofs (except for dormers, porches and bay windows) of not less than 8 in 12 pitch and not less than 12 inch overhang, covered with slate, cedar shakes, tile or fiberglass shingles. Tin or rolled roofing material is not permitted. The exterior of all houses and other structures must be completed within one (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or natural calamities.

Section 4. Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic, vinyl or canvas tent, barn, carport, garage, utility building, storage building or other metal, fiberglass, plastic, vinyl or canvas structure shall be placed or erected on any Lot or attached to any residence. Provided, however, that nothing herein shall prohibit Declarant from erecting or moving temporary buildings or trailers onto the Lots owned by Declarant, to be used for storage or for construction or sales offices.

Section 5. Building Setback Lines. No building on any Lot (including any stoops, porches, or decks) shall be erected or permitted to remain within the front (street right-of-way) or side abutting right-of-way (for a corner lot) within twenty-five (25') feet of such right-of-way. No building, including stoops, porches or decks (whether attached or unattached ) shall be erected or permitted to remain nearer than fifty (50) feet to the rear (waterside) lot line of any Lot adjoining the waters of Lake Keowee. For purposes of this restriction, the waterside lot line shall mean the contour line of Lake Keowee as noted on the survey. Boathouse, piers and dock facilities are exempt from the rear setback restrictions provided they comply with the provisions set forth in Section 8.21. The foregoing notwithstanding, gazebos or similar minor aesthetic improvements may encroach within the rear setback, including the fifty (50) foot waterside setback, provided that they: (i) are single story; (ii) contain less than one hundred fifty (150) square feet; and (iii) are not enclosed by walls or other surfaces unless such surfaces meet the openness test established for perimeter fencing in Section 8.11. Similarly, front, side or rear entryways which (i) are connected to the residence add (ii) are not covered or enclosed in any manner, may encroach within the front, side, rear or fifty-foot waterside setback. No structure may be located within ten (10') feet of any side lot line.

In the event any zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of that zoning or subdivision ordinances, floodway regulations or other ordinance, law or regulation shall conform to said requirements. All mailboxes must be approved by the Declarant or the Association. Declarant hereby reserves the right and easement, benefiting Declarant and Association and burdening the Property, to go upon any Lot or other portion of the Property in order to remove any mailboxes or other structures or improvements constructed within the right-of-way of any Public Road which will prevent such Public Road from being accepted for maintenance by the Oconee County Public Works Department or other or the Association exercise its easement rights pursuant to the terms of the Section 8.5,

the Owner of the nonconforming Lot shall reimburse the Declarant or the Association (as applicable) within five (5) business day following the submission of an invoice for any costs or expenses incurred by Declarant or the Association. The exercise or nonexercise of the easement rights contained in the Section 8.5 shall be subject to the discretion of the Declarant and the Association and neither Declarant nor the Association shall have the obligation to exercise such rights.

The Association shall have the authority but not he obligation, in its sole discretion, to assess penalties against an Owner who fails to abide by the terms of this Section 8.5. The penalties authorized by this Section 8.5 as well as the expenses to be reimbursed Declarant or the Association shall be considered a Special Individual Assessment against the respective Owner's Lot, entitling the Association to the assessment collection remedies specified in Article 7 of the Declaration.

Section 6. Setback Violations. The Declarant, and/or the Association, after conversion of Declarant's Class B membership into a Class A membership, reserve unto themselves, their successors and assigns, the right to control and decide solely the precise site and location of any building or structures on any lots in The Woods at Lake Keowee, and shall further have the right to waive in writing, any setback violation up to twenty (20 %) percent of any such violation if in the sole opinion of the Declarant and/or the Association after conversion, that such setback would create a hardship.

Section 7. Combination of Subdivision Lots. Except as otherwise set forth herein, no Lot shall be subdivided by sale or otherwise. Provided, however, a Lot Owner may combine with a portion or all of another contiguous Lot so long as by combining a lot into a larger lot or dividing a lot between adjacent property the effect of subdividing or combining does not create an additional lot for building purposes. Following the combination of two or more or portions of contiguous lots into one larger lot, or dividing adjacent lots, such combined lot, or portions of lots, such shall be considered as one lot for the purposes of Article 8, but shall continue to be considered as two Lots or portions thereof for all other purposes (including voting and assessments). For example, in the event that two or more lots are combined into one building site, then such Owner shall pay assessments and having voting rights for each of the so combined lots, or any fractional portion thereof. Such fractional portions shall be determined on a basis of the total square footage of said lot before combining and the square footage of the proportion of the lot, partial combining of a lot, as herein authorized. Furthermore, the Owner of any Lot so combined with all or a portion of a contiguous Lot shall be solely responsible for any costs which may result from

such combination, including the costs of relocating any existing easements. Notwithstanding the foregoing, Declarant reserves the right to change the boundaries or dimensions of any Lots still owned by Declarant as may be needed to meet septic system requirements or for any other reason and any Lot or Lots which result from such change by Declarant shall not be subject to any additional assessment.

Section 8. Utility Easements and Surface Water Acceptance.

(i) Utility Easements: Declarant reserves easements for the installation and maintenance of utilities (electricity, septic system, water, gas, telephone, cable T.V., etc.) and drainage facilities over the front and rear ten (10) feet of each Lot (with the exception of the Lots along the waters of Lake Keowee, which will not have a ten (10) foot easement over the rear of each such Lot {i.e., waterside} and five (5) feet in width along each side lot line of each Lot. Additional drainage easements and utility easements are reserved as more particularly shown and delineated on the survey and in other recorded easement documents. Within such easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may interfere with drainage and the flow of water within the easement areas. The Owner of each Lot shall maintain that portion of the Lot lying within the improvements installed and maintained by a public authority or utility company. Declarant reserves the right to create and impose additional easements over any unsold Lot or Lots for road drainage, utility and entry signage installation purposes by the recording of appropriate instruments, and such easements shall not be construed to invalidate any of these covenants.

(ii) Surface Water: Purchasers for themselves, their heirs, successors and assigns, do hereby agree that upon acceptance of the public roads for maintenance by Oconee County or any other governmental authority, that they will execute any and all documents required by such governmental entity for acceptance of said roads and agree to waive any claim for damages, if any, and accept the surface water from said public roads and culverts and shall be responsible for the drainage, ditches, culverts, etc. beyond the rights-of-way. This provision shall be permanent and shall run with the land and can not be altered, modified, or amended regardless of any other alterations, modifications, or amendments which may be made to this Declaration without the prior written approval of said governmental authority.

Section 9. Entrance Monument Easement. Declarant hereby grants,

establishes, creates and reserves for the benefit of Declarant and the Association, and their successors and assigns, non-exclusive perpetual easements (the "Entrance Monument Easements"), for the purpose of landscaping and maintaining the entryway and erecting and maintaining the Entrance Monument for the Subdivision over the portion of the Subdivision identified as "Sign Easement" on the survey (the "Easement Area").

Declarant or the Association shall have the right to enter, landscape and maintain the Easement Area as an entryway to the Subdivision. Further, Declarant or the Association may erect and maintain one or more monuments, with an entrance sign thereon (collectively, the "Entrance Sign") bearing the name of the Subdivision and Declarant, which Entrance Signs may be built to the applicable governmental standards for signs; and may erect and maintain lighting for the Entrance Sign, planters and other improvements typically used for an entryway ( the Easement Area, the Entrance Sign, lighting, landscaping, irrigation and other improvements to be constructed on the Easement Area and herein collectively referred to as the "Entrance Monument").

Section 10. Stormwater Drainage Easement. Declarant reserves over the Common Areas an easement for drainage of stormwater runoff from the Lots and Public Roads within the Subdivision.

Section 11. Fences and Walls. No wooden fence, or brick or stone wall may be erected nearer the front lot line of a Lot than the front face of the dwelling located on such Lot. In the case of a corner lot, no sideyard fence shall be located nearer than the side of the house facing the side street line. No wooden fences, or brick or stone walls, greater than six (6) feet in height, are permitted. Chain link or other metal fencing is not permitted. Perimeter fencing shall not have more than fifty percent (50 %) of any its surface closed as viewed from a point on a line of sight perpendicular to the line of the fence. A wall constructed of brick or stone and used in lieu of a fence is exempt from the openness test. Provided, however, that the restrictions described in this Section 11 shall not apply to any improvements originally installed by Declarant on any Common Area.

Section 12. Signs. No signs of any kind may be displayed to the public view on any Common Area other than the Entrance Monument as set forth in Section 8.9. No signs of any kind may be displayed to the public view on any Lot with the following exceptions which may not exceed five (5) square feet in size; (a) one sign (on the Lot only) advertising the Property for sale; one sign on

the Lot only used by the builder to advertise the Lot during the construction and sales period. These restrictions shall never apply to permanent Entrance Monuments or for sale signs installed by Declarant or its agents prior to the sellout of the Subdivision.

Section 13. Antennas Satellite Dishes or Discs. Nor radio or television transmission or reception towers, antenna, satellite dishes or discs shall be erected or maintained on any Lot, except that one (1) dish or disc not exceeding one (1) meter in diameter or diagonal measurement for receiving direct broadcast satellite service (“DBS”) or multi-point distribution services (“MDS”) may be erected and maintained on each Lot, if roof or chimney mounted and not visible from any street or public road within the subdivision.

Section 14. Lot Maintenance: Trash Disposal. Each Owner shall keep his Lot in a clean and orderly condition and shall keep the improvements thereon in a suitable state of painting and repair, promptly repairing any damage thereto by fire or other casualty. No clothes line may be erected or maintained on the Lot.

Section 15. Off-Road Parking: Off-Water Boat Storage. Each Lot Owner shall provide a concrete, brick or cobblestone driveway which provides space for parking two automobiles off the street. No truck or commercial vehicle in excess of one-ton load capacity, school bus, or any vehicle under repair, wrecked or junked motor vehicle shall be parked upon or permitted to remain on the Lot, Roadways, Amenity Area, Parking Area or any other Common Area. Boat or boat trailer may be parked, left or stored only in the Boat Storage Area. No recreational vehicle,, camper or boat shall be used as a residence, either temporarily or permanently, or be permitted to remain on the Lot, for a period exceeding 24 hours. All trailers, campers, motor homes and recreational vehicles must have a current license plate affixed. All automobiles must have a current license plate affixed and must be parked in a carport, enclosed garage, or on a concrete, brick or cobblestone driveway. Section 16. Sewage Disposal. Every dwelling unit erected on any Lot shall be served by an approved septic system for the disposal of sewage, or connected to a private or public sewage disposal system. All septic systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction. Declarant does not make any representations regarding the future availability of municipal sewer service.

Section 17. Public Water System: No Wells. Declarant shall construct a

water system in order to provide water supplies necessary to serve the Subdivision ( the “Water System”) All water mains and pipes and other equipment necessary for the operation and maintenance of the Water System shall be located within the utility easements described in Section 8.8, or within public road rights-of-way. Upon its completion, the Water System and all mains, pipes, equipment and other personal property which is part thereof, shall become the property of Seneca Light and Water Plant, a public utility company duly licensed and operating under the authority granted by the South Carolina Department of health and Environmental Control. The Water System shall be the sole source of potable water for the Subdivision, and no well may be dug or constructed on the Lot for the purpose of providing domestic water supply.

Section 18. Nuisances. No noxious or offensive trade or activity shall be carried on or upon the Lot or in any residential dwelling or outbuilding, no shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No substance, thing or material shall be kept upon the Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Lot or in any cats or other household pets, which may be kept or maintained provided they are not kept, bred or maintained for commercial purposes. The number of household pets kept or maintained on the Lot shall not exceed three (3) in number except for newborn offspring of such household pets which are under nine (9) months in age.

Section 19. Diligent Construction. All construction, landscaping or other work which has been commenced on the Lot must be continued with reasonable diligence to completion and no partially completed houses or other improvements shall be permitted to exist on any Lot or Common Area, except during such reasonable time period as is necessary for completion. The exterior of all houses and other structures must be completed within one (1) year from the date of commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or natural calamities. No construction materials of any kind may be stored within forty-five (45) feet of any Public Roads on any Lot. Any damage to any Public Roads, curb or sidewalk or any part of any Common Area or any utility system caused by an Owner or any builder shall be repaired by such responsible party. If such responsible party fails to repair such damage, Decalrant or the Association may make or provide for such repairs, and the responsible Owner shall immediately reimburse the repairing party for its out of pocket expenses in making such repairs. The Owner of each Lot and any builders shall at all times keep contiguous public and private areas

free from any dirt, mud, garbage, trash or other debris which is occasioned by the construction of improvements on the Lots, Public roads, and any Common Areas. Declarant or the Association may provide for the cleaning of public and private areas due to the activities of the responsible party and may assess the responsible party a reasonable charge not to exceed the actual cost for such cleaning. Declarant and each Owner or builder shall, consistent with standard construction practices, keep all portions of the Lots, Public Roads, and Common Areas free of unsightly construction debris and shall at all times during construction either provide dumpsites for the containment of garbage, trash or other debris which is occasioned by construction of improvements on a Lot or common Area, or take other measures consistent with standard construction practices necessary to keep the Lot, Public roads, and all Common Areas free of such garbage, trash or other debris. Each Owner and any Owner's builder shall be responsible for erosion control protection during any earth-disturbing operation, as described and defined in the "Erosion Control Practices" on Exhibit "C" attached hereto and incorporated herein by reference.

Section 20. Removal of Trees and Other Vegetation. All trees, shrubs and ground cover within the fifty (50) foot waterfront setback are considered to be "protected" vegetation in that cutting and clearing generally is not permitted therein without the prior written consent of Declarant or the Board of Directors. The practical exceptions to this rule are that dead or diseased trees may be removed and poisonous plants may be removed, underbrush may be selectively cleared, understory may be thinned to provide better views, individual trees may be limbed up, and grass or ground covers may be planted.

"Mature trees" inside the fifty (50) foot waterfront setback may not be cut down or otherwise removed without the specific written approval of the Declarant or the Association. "Mature trees" for purposes of this declaration shall mean all evergreen or deciduous trees with a caliper of six (6) inches or greater.

Furthermore, in the event that trees, shrubs or ground cover are completely removed (as opposed to thinned) in connection with the improvement of any Lot, such cleared portions of the Lot shall be covered with grass or shall be landscaped with plants, shrubs, trees, mulch, wood chips, pine needles and/or similar landscaping improvements.

Declarant hereby reserves the right and easement benefiting Declarant and the Association to go upon any Lot or other portion of the property to replant or order the replanting of any trees, shrubs or other vegetation removed within the Subdivision in violation of the terms of this Section 20. Should Declarant or the

Association exercise its easement rights pursuant to the terms of this Section 20, the owner of the nonconforming Lot shall reimburse Declarant or the Association ( as applicable ) within five (5) business days following the submission of an invoice for any costs or expenses incurred by Declarant or the Association. The exercise or nonexercise of the easement rights contained in this Section 20 shall be subject to the discretion of the Declarant and the Association and neither Declarant nor the Association shall have the obligation to exercise such rights.

Declarant and/or the Association shall have the authority but not the obligation, in their sole discretion, to assess penalties against an Owner who cuts, damages, or removes any trees, shrubs or other vegetation on any part of the Common Area, their Lot or any other Lot or Common Area contrary to the above provisions.

The penalties authorized by this Section 20, as well as all related expenses to be reimbursed, shall be considered a Special Individual Assessment against the respective Owner's lot, entitling the Association to the assessment collection remedies specified in Article 7 of this Declaration.

Section 21. Marine Toilets. No water craft equipped with a marine toilet having a fixed or portable holding tank, or a through hull or overboard discharge toilet, shall be permitted at any waterfront Lot Owner's docks or piers, the Piers or Boatslips are shown on the survey, or such additional Piers and Boatslips as are added pursuant to a Supplemental Declaration as set forth in Section 2.2 of this Declaration.

Section 22. Docks, Piers and Boat Houses. Duke Energy Corporation controls access to, use of and water levels in Lake Keowee. Any Owner, the Declarant and the Association must receive permission from Duke Energy Corporation (or a successor manager of Lake Keowee under authority from FERC) prior to placing or constructing any pier, structure or other improvement within or upon, or conducting any activity altering the topography of the hydroelectric project surrounding and encompassing the waters of Lake Keowee. Declarant makes no oral, express or implied representation or commitment as to the likelihood of any Owner obtaining such permission nor as to the continued existence, purity depth or levels of water in Lake Keowee, and Declarant shall have no liability with respect to these matters. Construction of any such improvements is also subject to the recorded restrictions and easements affective the Lot.

Subject to the foregoing and to the other provisions of this Declaration, the

Owner of the Lot adjoining the waters of Lake Keowee may construct one (1) pier, provided that such is approved by Duke Energy Corporation and/or any governmental entity having jurisdiction at the time such improvements are to be constructed. Any waterfront improvement shall have a low profile and open design to minimize obstruction of neighbors' views. Enclosed single-level or multi-level docks or boat houses will not be allowed either on the water or within the fifty (50) foot waterfront setback. Roof covered docks are allowed provided that such docks are one level, do not exceed more than twenty-five (25) feet in height and are not enclosed. Two-level docks are not permitted.

The placement, construction, or use of the Piers, Boatslips, and of any other pier, dock, boat slip structures or other improvements within or upon, or the conducting of any activity altering the topography of the hydroelectric project surrounding and encompassing the waters of Lake Keowee, is and shall be subject to each of the following:

- (i) easements, restrictions, rules and regulations for construction and use promulgated by the Association
- (ii) all laws, statutes, ordinances and regulations of all Federal State and local governmental bodies having jurisdiction thereof, including without limitation FERC;
- (iii) rules and regulations, privileges and easements affecting the Property and the waters and submerged land of Lake Keowee established by Duke Energy Corporation, its successors and assigns. Duke Energy Corporation is the manager of Lake Keowee under authority granted by FERC; its current management plan runs through August 31, 2016. As manager of Lake Keowee, Duke Energy Corporation controls access to, and the use and level of, the waters of Lake Keowee. All Owners, the Association, the Declarant and any builders must receive permission from Duke Energy Corporation (or a successor manager of Lake Keowee, under authority from FERC) prior to any alterations therein, including the construction and continued use and maintenance of any dock, pier, or boat slip (including the Piers and Boatslips); and
- (iv) the terms and provisions of any Lease Agreement between Duke Energy Corporation, as lessor, and Declarant, as

lessee ( the “Duke lease”). Declarant may enter into the Duke Lease, which will be assigned to the Association, for the lake bed area where the Piers and Boatslips will be located. The Duke Lease will require payment of annual rent to Duke Energy Corporation. The rent is included in the Boatslip Assessment. Duke Energy Corporation may: (I) terminate the Duke Lease if the terms of the Duke Lease or other agreement are not complied with (including payment of the rent); (II) decline the renew the lease agreement after August 31, 2016; and (III) change the amount of the rent after August 31, 2016; and (IV) terminate the Duke Lease if FERC or any governmental agency directs it to do so.

No Owner of any Lot which adjoins the waters of Lake Keowee shall construct a pier of any kind, boat mooring or any other structure without the approval of Duke Energy Corporation.

Section 23. Boat Ramps. No boat ramps of any kind shall be permitted on any Lot, and no boat shall be placed in (or removed from) the waters of Lake Keowee from any Lot, provided, however, small watercraft such as canoes, dinghies, and jet skis may be launched from any Lot if launched without a ramp. All other watercraft shall be launched at a public boat ramp outside the Subdivision.

Section 24. Mailbox Structure Standards. Each Owner must construct and install a mailbox on his or her Lot as approved by the Declarant or the Association.

Section 25. Rights of Duke Energy Corporation. Duke Energy Corporation has certain privileges and easements affecting the development which include the right, privilege and easement of backing, ponding, raising, flooding or diverting the waters of Lake Keowee and its tributaries upon and over the development, as more specifically described in the deed from Duke Energy Corporation to the Declarant or the Declarant’s predecessor in title.

Section 26. Non-waiver. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of any provision contained herein or referred to herein shall be held to be a waiver by that party of any right available to the party upon the recurrence of continuance of said violation or the occurrence of a different violation.

Which could prevent Owners or Mortgagees from collecting the proceeds.

(b) Public Liability. The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine to be customary for projects similar in construction, location and use to any Common Areas, and customary for the activities and obligations of property owners' associations for projects similar to the Development, covering each member of the board of Directors, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common Areas and out of the activities of the Association; provided, however, that in no event shall the amounts of such public liability insurance ever be less than \$1,000,000.00 per occurrence against liability for bodily injury, including death resulting therefrom, and damage to Property, including loss of use thereto, occurring upon, in or about, or arising from or relating to, the property or any portion thereof. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner. The Board of Directors shall review such limits annually. Until the first meeting of the Board of Directors following the initial meeting of the Owners, such public liability insurance shall be in amounts of not less than \$1,000,000.00 per occurrence for claims for bodily injury and property damage.

(c) Fidelity Coverage. The Board of Directors shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents and independent contractors, responsible for handling funds belonging to or administered by the Association, in an amount determined by the Board of Directors in its discretion. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Other. Such other insurance coverages, including flood insurance and worker's compensation, as the Board of Directors shall determine from time to time desirable.

Section 2. Premium Expense. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charges as a common expense to be collected from the Owners pursuant to Articles 5 and 6 hereof.

Section 3. Special Endorsements. The Board of Directors shall make diligent effort to secure insurance policies that will provide for the following:

(a) recognition of any insurance thrust agreement entered into by the Association;

(b) coverage that may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five days prior written notice to the named insured, any insurance trustee and all mortgagees; and

(c) coverage that cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or and Mortgagee.

Section 4. General Guidelines. All insurance policies purchased by the board of Directors shall be with a company or companies licensed to do business in the State of South Carolina and holding a rating of “A-10” or better by the current issue of Best’s Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issues in the name of, and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association’s authorized representatives, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

Section 5. Owner’s Personal Property. The Association of the Declarant shall not be liable in any manner for the safekeeping or conditions of any boat or other personal property belonging to or used by an Owner or his family, guests or invitees, located on or used at the Piers, Boatslips, Amenity Area, Parking Area, or other Common Areas. Further, the Association or the Declarant shall not be responsible or liable for any damage or loss to or of any boat, its tackle, gear, equipment or other property located thereon, or any other personal property of any Owner, his family, guests or invitees located on or used at the Piers, Boatslips, Amenity Area, Parking Area or other Common Areas. Each Owner shall be solely responsible for all such boats and other personal property and for any damages thereto or loss thereto, and shall be responsible for the purchase, at such Owner’s sole cost and expense, of any liability insurance or other insurance

for damage to or loss of such property. Every Boatslip Lot owner is required to submit to the Association a Certificate of Insurance showing proof of boat liability insurance coverage at the time of initiating the use of the Piers and Boatslips.

## ARTICLE 10

### RIGHTS OF MORTGAGEES

Section 1. Approval of Mortgagees. Unless at least seventy-five percent (75%) of the Mortgagees holding mortgages on Lots located within the Development then subject to the full application of this Declaration have given their prior written approval, the Association shall not:

(a) except as otherwise specifically provided herein, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for utilities or other purposes and the transfer of Boatslips pursuant to the terms of the Declaration shall not be deemed a transfer within the meaning of this clause);

(b) except as otherwise specifically provided herein, change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) fail to maintain fire and extended coverage insurance on insurable improvements in any Common Areas in the Subdivision (with the exception of Public Roads) on a current replacement cost basis in an amount not less than 100% of the insurable value as set forth in Article 9; or

(d) use the proceeds of any hazard insurance policy covering losses to any part of any Common Area for other than the repair, replacement or reconstruction of the damaged Common Areas or other common amenities.

Section 2. Additional Rights. Any Mortgagee shall have the following rights, to-wit:

(a) to be furnished at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year;

(b) to be given notice by the Association of the call of any meeting of the Association's membership, and to designate a representative to attend all such meetings;

(c) to be given prompt written notice of default under the Declaration, the Bylaws or any rules and regulations promulgated by the Association by any Owner owning a Lot encumbered by a mortgage held by the Mortgagee, such notice to be sent to the principal office of such Mortgagee or the place which it may designate in writing:

(d) to be given prompt written notice of any casualty loss to the Common Areas, or loss by eminent domain or other taking of (i) the Common Areas or (ii) any Lot encumbered by a mortgage held by the mortgagee;

(e) to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(f) to be given prompt written notice of any eminent domain or condemnation proceeding affecting the Property; and

(g) to be given prompt written notice of any action which requires the consent of all or any portion of the Mortgagees as specified herein.

Whenever any Mortgagee desires the provisions of this Section 2 to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Lot or Lots upon which any such Mortgagee holds any mortgage or identifying any Lot owned by it, together with sufficient pertinent facts to identify any mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee.

Section 3. Books and Records. Any Mortgagee will have the right to examine the books and records of the Association during any reasonable business hours.

Section 4. Payment of Taxes and Insurance Premiums. The Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Area and may pay

overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefore from the Association.

## ARTICLE 11

### CONDEMNATION

Section 1. Partial Taking Without Direct Effect on Lots. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Areas, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Areas; provided, however, that all compensation and damages for and on account of the taking of the Piers or Boatslips shall be held in trust for all applicable Boatslip lot Owners and their Mortgagees according to the loss or damages to their respective interests in such Piers and Boatslips. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Areas, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Areas. Such proceeds shall be used to restore the Common Areas with the excess if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots, or improvements, fixtures or personal property thereon exclusive of damages relating to the Common Areas. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Association, as their interests may appear, by the Board of Directors in its sole discretion.

Section 2. Partial or Total Taking Directly Affecting Lots. If part of all of the Property shall be taken or condemned by any authority having the power of

eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 1.1 and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of any one or more of the Lots or improvements, fixtures or personal property thereon, shall be paid to the Owners of the affected Lots and their Mortgagees, as their interest may appear. If all of the Property shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of taking of the Common Areas shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

Section 3. Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Section 10.2 hereof.

## ARTICLE 12

### GENERAL PROVISIONS

Section 1. Enforcement. Declarant wishes to maintain a high standard in the appearance and quality of the Subdivision. Though damages would be difficult to measure, the failure of the Owners or the Association to abide by the terms, covenants and restrictions contained in this Declaration would result in irreparable damage to Declarant and its reputation. Accordingly, Declarant, during the term of this Declaration as set forth in Section 12.4, as well as the Association or any Owner or Owners, shall have the right, but not the obligation, to enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restriction, condition, covenant, reservation, lien or charge, either to restrain violation thereof or to recover damages therefore. Each Owner and the Declarant shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration and the Bylaws and any duly authorized rules and regulations governing the Development against the Association.

In addition, the Association and the Owners hereby covenant and agree that they shall exercise their power of enforcement hereunder in order to maintain

a first class subdivision in appearance and quality, and that they shall, upon the request of Declarant, enforce any restriction, condition, covenant or reservation contained in this Declaration deemed by Declarant, in its sole discretion, to have been violated, using all remedies available to them at law or in equity. Failure by Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Declarant hereby reserves the right and easement, but not the obligation, to go upon any portion of the Common Areas at any time in order to repair and maintain such Common Areas where needed, in Declarant's sole discretion, to bring such Common Areas within the standards required by maintenance and/or repairs for such purpose, the Association hereby agrees to reimburse Declarant in full for the cost of such maintenance and/or repairs upon receipt of a statement for such cost from Declarant for maintenance and/or repair of the Common Areas, and agree to reimburse Declarant in full for such maintenance and/or repairs upon receipt of a statement of such costs by Declarant.

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

Section 3. Amendment. The covenants, conditions, and restrictions of this Declaration may be amended at any time and from time to time by an agreement signed by Owners holding a majority of votes appurtenant to the Lots which are then subject to this Declaration; provided, however, that such amendment must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development or of any Additional Property. It is further provided that any amendment affecting the Piers and Boatslips and any improvements located thereon must be approved by a majority of the votes appurtenant to the Boatslip Lease and must be consented to by Declarant so long as Declarant is the Owner of any Lot in the Development. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Notwithstanding the foregoing, the consent of a majority of the Owners of Lots, plus the written consent of the Declarant, shall be required to contract the land in the Development, to withdraw any portion of the Property from the requirements of this Declaration, or to restrict or revoke Declarant's right of enforcement as provided for in Section 12.1 of the Declaration.

Notwithstanding the foregoing, no such consent shall be required for any additional or amendment which Declarant is authorized to make under other sections of this Declaration, including without limitation Section 2.2 and Section 3.2 (d).

Notwithstanding anything in this Section 3 to the contrary, Declarant may, at Declarant's option, amend this Declaration without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause this Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other similar agency. Declarant, without obtaining the approval of any other person or entity, may also make amendments or modifications hereto which are correctional in nature only and do not involve a change which materially adversely affects the rights, duties or obligations specified herein.

Section 4. Term. The covenants and restrictions of this Declaration are to run with land (unless otherwise specified here) and shall be binding upon all parties and all persons claiming under them for a period of twenty-five (25) years from the date this Declaration is recorded; after which time said covenants and restrictions shall be automatically extended for successive periods every ten (10) years unless an instrument signed by a majority of the then Owners of the Lots, plus Declarant, has been recorded, agreeing to terminate said covenants and restrictions in whole or in part. Provided, however, that the residential use restrictions set forth in Section 8.1 of this Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

IN WITNESS WHEREOF , we, being all of the organizing Members and Directors of THE WOODS AT LAKE KEOWEE OWNER'S ASSOCIATION, INC., have hereunto set our hands and seals this 18 day of April, 2000.

WITNESSES:

THE WOODS AT LAKE KEOWEE  
OWNER'S ASSOCIATION, INC.

\_\_\_\_\_  
\_\_\_\_\_

BY: \_\_\_\_\_

STATE OF SOUTH CAROLINA )

PROBATE

COUNTY OF OCONEE )

PERSONALLY appeared before me the undersigned witness who being duly sworn states that (s) he saw the within named duly authorized officer of THE WOODS AT LAKE KEOWEE OWNER'S ASSOCIATION, INC., sign, seal and as his act and deed, deliver the foregoing instrument and that (s) he with the other witness subscribed witnessed the execution thereof.

SWORN to before me this  
18 day of April, 2000

\_\_\_\_\_  
Notary Public of South Carolina  
My Commission Expires: \_\_\_\_\_

EXHIBIT B  
BY-LAWS  
OF  
THE WOODS AT LAKE KEOWEE OWNER'S ASSOCIATION, INC.

ARTICLE 1  
NAME AND LOCATION

Section 1. Name. The name of the corporation is THE WOODS AT LAKE KEOWEE OWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association".

Section 2. Location. The principal office of the Association shall be located in Oconee County, South Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

Section 3. Purpose. The purpose for which the Association is organized is to further social activities of property owners of Lots in The Woods at Lake Keowee Subdivision located in Oconee County and in connection therewith to provide services to such property owners, manage and maintain the Common Areas and administer and enforce all covenants and restrictions dealing with the Property located in The Woods at Lake Keowee and any other purposes allowed by law.

ARTICLE 2  
DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings as set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Woods at Lake Keowee, executed by The Woods at Lake Keowee, Inc. and duly recorded in the Office of the Clerk of Court for Oconee County, South Carolina, as the same may be supplemented and amended from time to time ( the "Declaration").

ARTICLE 3  
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on January 31, 2001, or on such other date as determined by a vote of the Board of

Directors, and each subsequent regular annual meeting of the members shall be held in January each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Lots.

Section 3. Meetings of Boatslip Lot Leases. Meetings of the Members owning Boatslips may be called at any time by the President or by Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Boatslip Leases, for the purpose of discussing and voting on matters affecting the Piers and Boatslips. Such meetings may be held at the annual meeting of the Members or at a special meeting of the Members owing Boatslip Leases.

Section 4. Place of Meetings. All meeting of the Members or Members owning Boatslip Leases shall be held at such place within Oconee County, South Carolina, as shall be determined by the Board of Directors of the Association.

Section 5. Notice of Meetings. Written notice of each meeting of the Members and Members owning Boatslip Lots shall be given by, or at the direction of, the Secretary or persona authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for purpose of notice. 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.

Section 6. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote for each Class A Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class A lots shall be all Lots owned by Declarant which have not been conveyed to purchasers who are not affiliated with the Declarant. Each Class B Lot shall entitle the Owner of said Lot to four (4) votes for each Class B

Lot owned by it.

Section 7. Relinquishment of Control. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(a) when the number of votes in the Class A membership held by Owners occupying full-time homes in the Subdivisions equals the total number of votes outstanding in the Class B membership and the Declarant surrenders its right to annex any Additional Property to the Property pursuant to these Bylaws; or

(b) upon the expiration of five (5) full years after the registration of this Declarant, unless Declarant, in its sole discretion, elects to convert the Class B Lots to Class A Lots. Any such election, to be effective, must be in writing and recorded in the Office of the Clerk of Court for Oconee County, South Carolina.

Section 8. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one third (1/3) of the votes appurtenant to the Lots (or to the Boat slip Lots, if a meeting of the Members owning Boat slip Lots) shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 10. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration of these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

Section 11. Action by Members Owning Boat slip Leases. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members owning Boat slip Leases, or which a quorum is present, shall be regarded as the act of such Members.

Section 12. Waiver of Notice. Any member may, at any time, waive notice of any meeting of the Members or Members owning Boat slip Leases in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a

Member at any meeting of the Members or Members owning Boatslip Leases shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the members or if all the Members owning Boatslip Leases are present at a meeting of such Members, no notice shall be required and any business may be transacted as such meeting.

Section 13. Informal Action by Members. Any action which may be taken at a meeting of the Members or Members owning Boatslip Leases may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

#### ARTICLE 4

##### BOARD OF DIRECTORS

Section 1. Number. The business and affairs of the Association shall be managed by a board of three directors, who need not be Members of the Association. At the first annual meeting of the Members following the relinquishment of Declarant control pursuant to Section 3.7 of the Bylaws, a Board of three directors shall be elected as described in Section 4.5.

Section 2. Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve at the election of the Declarant from the date upon which the Declaration is recorded in the Office of the Clerk of Court for Oconee County until such time as their successors are duly elected and qualified.

The names of the persons who shall serve on the initial Board of Directors from the date upon which the Declaration is recorded in the Office of the Clerk of Court for Oconee County until such time as their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Gary E Wood	115 Bountyland Rd., Ste. I, Seneca, SC
R. David Land	115 Bountyland Rd., Ste. I, Seneca, SC
R. Lane Rochester	115 Bountyland Rd., Ste. I, Seneca, SC

Section 3. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the first meeting of the Members. After the first election of directors, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a

member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to 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 Nomination Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4. Election. Except as provided in Section 4.6, Directors shall be elected at the annual meeting of the Members by 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Term of Office. Each director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected or qualified. At the first annual meeting of the Members following the relinquishment of Declarant control as set forth in Section 3.7 of the Bylaws, the Members shall elect one (1) member of the Board of Directors for a term of three (3) years, who shall be the person receiving the largest number of votes, one (1) member of the Board of Directors for a term of two (2) years, who shall be the person receiving the second largest number of votes, and one (1) member of the Board of Directors for at term of one (1) year, who shall be the person receiving the third largest number of votes. At all annual elections thereafter, a director shall be elected by the Members to succeed that director whose term then expires. Nothing herein contained shall be construed to prevent the election of a director to succeed himself.

Section 6. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the 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 5

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board sees fit, but no less than annually, on such days

and 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.

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 directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

Section 6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board 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 these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

## ARTICLE 6

### POWERS AND DUTIES OF THE BOARD OF DIRECTIONS

Section 1. Powers. The Boards of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, including but not limited to the Amenity Area, the Street Lights (to be leased from Duke Power Company), Public Roads (prior to acceptance by governmental agency), Entrance Monuments, Piers, Boatslips, boat Storage Area, Clubhouse, Pool, Tennis Court, and Parking Area, and the personal conduct of the

Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member, including the rights to use the Amenity Area, Parking Area (and all improvements located thereon), Piers and Boatslips, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice of hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) 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 Bylaws, the Articles of Incorporation, or the Declaration;

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

(f) employ attorneys to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Areas without the assent of the membership when such easements are requisite for the convenient use and benefit of the Property;

(h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient;

(i) do anything necessary or desirable, including but not limited to , establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;

(j) enforce the provisions of the Declaration and any one or more Amendment or Supplementary Declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions, rules or regulations pursuant to the provisions of the Declaration; and

(k) to levy assessments as more particularly set forth in the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(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 at any special meeting when such statement is requested in writing by members entitled to at least one-third (1/3) of the votes appurtenant to the Lots;

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

(c) as more fully provided in the Declaration:

(i) fix the amount of the Annual, Supplemental Annual, Special, Special Individual, Boatslip, Special Boatslip, Special Individual Boatslip, and Supplemental Boatslip Assessments, and as defined in the Declaration, against each Lot at least thirty (30) days before January 1 of each year;

(ii) send written notice of each assessment to every Owner subject thereto before its due date and before January 1 of each year;  
and

(iii) foreclose the lien 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) 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 (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) procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association, and to divide appropriate portions of such related costs between the applicable assessments described in the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas to be maintained, and if damaged, to repaired or replaced such Common Areas (and any improvements located thereon) as they see fit.

## ARTICLE 7

### OFFICES AND THEIR DUTIES

Section 1. Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the organization meeting of the board of Directors following with ten (10) days after each annual meeting of the members.

Section 3. Term. The officers of the 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. Appointive Officers. The Board of Directors may appoint Assistant Secretaries and Assistant Treasures and such other officers as the affairs of the Association may require, each of who 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 acknowledgement 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 same person may hold multiple offices.

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 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 contracts and other written

instruments as required by resolution of the Board of Directors. He shall perform all of the 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.

#### 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 Associations' books, records and papers, except those kept by the Treasurer. The Assistant Secretary may perform 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 insured 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 audit 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 audit shall be reported to the Board of Directors and the Members;

(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 may be performed by the Assistant Treasurer when the Treasurer is absent;

(h) the duties of the Treasurer or Secretary 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.

## 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 assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is no 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 otherwise 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 III, Section 3 of the Declarations is incorporated herein and a made a part hereof as fully as if repeated verbatim.

## ARTICLE XIV COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may designate one or more committees which, to the extent provided in the resolution designating said committee, shall have such powers as determined by the board in the management of affairs and business of the committee. Any 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  
INDEMNIFICATIONS

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 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 XVII  
PARLIAMENTARY RULES

Roberts Rule 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 XVIII  
AMENDMENTS

Section 1. The By-Laws may be amended at a regular or special meeting of the Members by three fourth (3/4) of the vote at a duly called meeting at which a quorum exists as provided in Section 4 of ARTICLE III 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.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Article shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF , the Declarant has caused this instrument to be executed by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, all the day and year first above written.

IN THE PRESENCE OF: THE WOODS AT LAKE KEOWEE, INC.

\_\_\_\_\_

BY: \_\_\_\_\_(SEAL)

\_\_\_\_\_

STATE OF SOUTH CAROLINA ) PROBATE  
COUNTY OF OCONEE )

PERSONALLY appeared before me the undersigned witness who being duly sworn states that (s) he saw the within named THE WOODS AT LAKE KEOWEE, INC., by its duly authorized officer, sign, seal and as its act and deed, deliver the foregoing instrument and that (s) he with the other witness subscribed witnessed the execution thereof.

SWORN to before me this  
18 day of April, 2000

\_\_\_\_\_

\_\_\_\_\_  
Notary Public of South Carolina  
My Commission Expires: \_\_\_\_\_

EXHIBIT “C”

TO DECLARATION FOR  
THE WOODS AT LAKE KEOWEE

EROSION CONTROL  
(Page 1 of 4)

Each owner and Approved Builder shall be responsible for causing the following minimum erosion control practices to be implemented and maintained throughout the course of all earth-disturbing operations until the time of final seeding:

a. Roadway and Homesite Construction Entrance

Prior to the start of any earth-disturbing operation, a stone construction entrance shall be installed on the building site (the “Construction Entrance”). The Construction Entrance shall: (i) if possible, be installed in the same location as the proposed driveway so as to minimize the amount of disturbed area; (ii) extend a minimum of 50 feet from an existing roadway; and (iii) be installed, preserved and replaced, if necessary, in accordance with the standards more particularly set forth on page 2 of this Exhibit C.

b. Silt Control Devices

Prior to the start of any earth-disturbing operation, a diversion ditch and rock check dam shall be constructed and maintained on the building site (collectively “silt Control Devices”). The Silt Control Devices shall be located at the boundary of the estimated disturbed area as set forth more particularly on page 3 of this Exhibit C and shall be constructed, preserved and replaced, if necessary, in accordance with the standards set forth on page 4 of this Exhibit C.