

Book 598 Page 20

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S.C.

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DECLARATION OF COVENANTS AND RESTRICTIONS
CLERK OF COURT

Recorded this 22 day of Nov
A. D. 19 89 in Vol. 598
Page 20 and Certified:

William C. Smith
C.C.C.P.G.S.

BAY RIDGE SUBDIVISION

Oconee County, S.C.

THIS DECLARATION, executed this 21st day of November, 1989, by Bay Ridge Property Owners' Association, Inc., a South Carolina non-profit corporation, hereinafter called "Association", and Ingram Enterprises, Inc., a South Carolina corporation, hereinafter called "Company".

W I T N E S S E T H

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

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

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

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

Book 598 Page 21

WHEREAS, this Declaration will be referred to as the "Bay Ridge Subdivision Covenants of 1989," and will be recorded in the Office of the Clerk of Court for Oconee County, South Carolina, and may be incorporated by reference in deeds to property, by reference to the Book and Page of recording in the realty records in said office.

NOW, THEREFORE, the Company declares that the real property described in Part One, ARTICLE II, and such additions thereto may hereinafter be made pursuant to Part One, ARTICLE II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth. These Covenants, the benefits of these Covenants, and the affirmative and negative burdens of these Covenants, shall touch and concern and run with the land herein referred to as the "Property." The Company reserves the right to add additional Covenants in respect to the property owned by the Company at the time of the adoption of the additional Covenants but not to property previously conveyed to others. All rights and easements reserved by the Company under these Covenants shall also be reserved to the assignees and successors in interest of the Company.

The Company reserves the right unto itself, its successors and assigns, to relocate, open, or close streets shown upon the recorded subdivision plat and also reserves the right to revise, resubdivide, and change the size, shape, dimension, and locations of lots, and these restrictions shall be applicable to resulting lots, and the Company also reserves the right to amend these restrictions from time to time as it may see fit, in the best interest of the subdivision; provided, that no such revision shall adversely affect the overall subdivision plan, and no lot sold prior to such revision shall be deprived of any portion of any street on which it bounds, nor shall it be deprived of access to the streets of the subdivision.

PART ONE
GENERAL REFERENCES

ARTICLE I
DEFINITIONS

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

(a) "Approval by the Company" shall mean written approval issued by the Company, signed by its appropriate officers or designated representative.

(b) "Approval by the Review Board or Company" shall mean and refer to any written approval

Book 598 Page 22

required under these Covenants to be made by the Review Board or Company and which shall be sought and received or denied pursuant to the provisions of these Covenants.

(c) "Association" shall mean and refer to the Bay Ridge Property Owners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

(d) "By-Laws of the Association" or "By-Laws" shall mean and refer to the By-Laws of Bay Ridge Property Owners' Association, Inc., the initial text of which is set forth in Exhibit "C" attached hereto and made a part hereof.

(e) "Clerk of Court" shall mean and refer to the Clerk of Court for Oconee County, South Carolina, and the successors of that office.

(f) "Common Properties" shall mean and refer to those tracts of land which are deeded to the Association and designated in said deed or survey as "Common Properties."

(g) "Company" shall mean Ingram Enterprises, Inc., a South Carolina corporation, and its successors and assigns.

(h) "Covenants or "Declarations" shall mean and refer to the "Bay Ridge Subdivision Covenants of 1989," including all covenants, conditions, restrictions and obligations set forth in this Declaration, or as amended.

(i) "Dwelling Unit" shall mean and refer to any improved property intended for use as a single-family dwelling.

(j) "Association Member" shall mean and refer to the Company and its designated officers, employees or agents and all those Owners who are Members of the Association as provided in Part Three, ARTICLE I, hereof, including the spouse.

(k) "Offensive or Noxious" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior or activity which is inconsistent with both the reasonable pleasurable use of the Property area by a substantial number of the residents meeting, working, recreating, or enjoying sports, music, food, natural

Book 598 Page 23

surroundings, and entertainment, free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, loud vehicles, significantly loud radio, hi-fi, electronic music distractions, and other unreasonable behavior curtailing the reasonable pleasure and use of the facilities within the Property.

(l) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court, whether it be one or more persons, firms, associations, corporations, or other legal entities, including the Company, of fee title to any Lot, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court, a long-term contract of sale covering any Lot, the purchaser under said contract of such Lot shall be the Owner and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(m) "Private Recreational Tract" shall mean and refer to those parcels or tracts of land located within the Property designated by the Company or operated by the Company or others as a private-member recreational facility for boat launch, picnic pavillion, parking, open space, and dock facility, the membership criteria of which shall be as determined in this Declaration and the By-Laws of the Association.

(n) "Property" and "Bay Ridge Subdivision" shall mean and refer to the Property described in Part One, ARTICLE II, Section 1 hereof, and additions thereto, as are subjected to this Declaration or any supplemental declaration under the provisions of Part One, ARTICLE II, Section 2 hereof and may include: (1) Residential Lots; (2) Dwelling Units; (3) Parcels owned by the Company or other Owners; (4) Unsubdivided land owned by the

Book 598 Page 24

Company; (5) Private Recreational Tract; (6) Common Properties; and (7) any Open Space not designated as Common Properties.

(o) "Referendum" shall mean and refer to the power of all or some specific portion of the Members to vote by ballots on certain actions by the Board of Directors of the Association or the Club more particularly set forth herein.

(p) "Lot" shall mean and refer to any residential lot, improved or unimproved, located within the Property which is intended for use as a single-family detached dwelling.

(q) "Review Board" shall mean and refer to that Board formed and operated in the manner described in Part Two, ARTICLE I hereof.

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

ARTICLE II
PROPERTY AND ADDITIONS THERETO

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

All that tract or parcel of land, situate, lying and being in Bay Ridge Subdivision, Oconee County, South Carolina, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

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

(a) Additions. The Company, its successors, and assigns, shall have the right, to bring within the plan and operation of this Declaration: (i) all or any part of that Property described in Exhibit "B" attached hereto and made a part hereof; and (ii)

Book 598 Page 25

additional properties, in the discretion of the Company, including, but not limited to, any property shown on the Master Plan, in future stages of the development beyond those described in Exhibit "A" and Exhibit "B" so long as they are contiguous with then existing portions of Bay Ridge Subdivision. For purposes of this paragraph, contiguity shall not be defeated or denied where the only impediment to actual "touching" is a separation caused by a road, lake, stream, creek or river, right-of-way or easement, and such shall be deemed contiguous. The additions authorized under this Section shall be made by filing a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property after which it shall fall within the definition of Property as herein set forth.

The Supplementary Declaration may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Company, to reflect the different character, if any, of the added properties, but such modifications shall have not changed this Declaration as it applies to lots sold prior to such supplementary Declaration.

ARTICLE III
PRIVATE RECREATIONAL FACILITIES IN
BAY RIDGE PROPERTY OWNERS' ASSOCIATION, INC.

Section 1. The recreational facilities are private. The purchase of a lot requires that the Owner shall become a member of the Association. All lot purchasers will be accepted into membership. Membership entitles the member to the use of the amenities of the Association. Members shall comply with the By-Laws, Rules, and Regulations of the Association, including the payment of dues, fees, assessments, and charges.

PART TWO
COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE
TO DEVELOPMENT OF BAY RIDGE SUBDIVISION

ARTICLE I
GENERAL COVENANTS

Section 1. Purpose. The primary purpose of these Covenants and the foremost consideration in the origin of same has been the creation of a residential community which is aesthetically pleasing, which is functionally convenient, which is capable of maintaining itself while retaining private control, and which provides operation and maintenance, through the Company, or the Association. Implementation of these Covenants shall be through the Company or the Review Board as defined in Section 41 of this ARTICLE I.

Book 598 Page 26

Section 2. Residential Use. All lots shall be used for residential purposes exclusively. No structure or structures shall be erected, altered, placed or permitted to remain on any lot other than as provided in these Covenants and Restrictions.

(a) The use of a dwelling unit as a model or for sales or operational purposes shall be limited for such use to the Company.

(b) The use of the dwelling unit shall be limited to occupancy as a single-family dwelling.

Section 3. Siting. The Review Board or the Company reserve unto themselves, their successors and assigns, the right to control and to decide solely, the precise site and location of any building or structures on any Lot in Bay Ridge Subdivision. No dwelling shall be located nearer than fifty (50') feet from any street, ten (10') feet from the side lot line or twenty (20') feet from the rear lot line. Should these set back requirements create, in the opinion of the Review Board, a hardship, then the Review Board may grant a variance.

Section 4. Parking. Each Owner shall provide space off of streets or community roads for parking in accordance with reasonable standards established by the Review Board.

Section 5. Completion of Construction. The exterior of all dwellings, paved driveways, and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. Dwelling structures may not be temporarily or permanently occupied until they have been completed and Certificate of Occupancy has been issued. During the continuance of construction, the Owner shall require the contractor to maintain the lot in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools and construction material from the lot. Any damage to roads, Common Properties, or property owned by others, caused by the Owner's contractor or other parties providing labor or services to the Owner shall be repaired by the Owner or by the Company or Association at Owner's expense. Landscaping plans for all dwellings and other approved structures must be completely implemented within the time established by the Review Board before the issuance of the Certificate of Occupancy.

Section 6. Concealment of Garbage, Service, and Pet Areas. Each Owner shall provide a visually screened area to serve as a service yard and an area in which garbage containers, fuel tanks or similar storage receptacles, air-conditioning equipment, clothes lines, pet pens or yards, and other unsightly objects are

Book 598 Page 27

located, in order to conceal them from view from the road, and adjacent properties. Garbage containers shall be those that are specified by the Review Board.

Plans for such visually screened area delineating the size, design, texture, appearance, and location must be approved by the Review Board prior to construction.

Section 7. Automotive Maintenance. No automotive, boat, or vehicle maintenance may be done on any lot, parking area, easement, common area, or street at any time. No derelict automobiles, vehicles, boats, equipment, or machinery may be placed or kept on any lot at any time.

Section 8. Signs. No signs shall be erected or maintained on any lot, except those of the Company or its assigns.

Section 9. Other Buildings and Vehicles. No mobile home, trailer, residence trailer, utility trailer, manufactured home, double wide or modular home, tent, barn, or other similar building, trucks, buses, or school buses, shall be placed on any lot or roadway. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used or left on any lot at any time as a residence, either temporarily or permanently; nor will it be permissible to stockpile any form of construction materials or the parking of equipment on any lot which would be unsightly to the community, except during the actual time of construction of said house. Any boats, boat trailers, motorbikes kept on a lot must be kept in a closed garage. The term "truck" as used herein is intended to refer to those vehicles of various sizes and designs for transporting goods, moving heavy articles or hauling quantities of cargo and which are used in a trade or business in which the truck is used because of its commercial capabilities and not merely as a means of transportation. This is not intended to include such dual-purpose vehicles as station wagons, jeeps, "scouts", "vans", "wagoner", "Bronco", "Blazer" or land rover type vehicles and sports trucks, vans, pickup trucks, and attractive vehicles driven and maintained primarily as a means of transportation, and do not have exposed equipment or supplies.

Section 10. Drilling and Mining. No drilling, refining, quarrying or mining operations of any kind shall be permitted on any lot.

Section 11. Ditches and Swales. Each Owner shall keep drainage ditches and swales located on his lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his lot as may be reasonably required for proper drainage.

Section 12. Limited Access. There shall be no access to any lot on the perimeter of the development except from designated streets within the development or roads constructed by the Company.

Book 598 Page 28

Section 13. Camping. No camping shall be permitted on any lot.

Section 14. Unsightly Conditions. It shall be the responsibility of each Owner to prevent the accumulation of litter, trash, or rubbish or the development of any unclean, unsightly or unkept or unmaintained condition of buildings and/or grounds on his property either before, during or after construction, nor to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area. Each Owner after completion of the Dwelling or as required by notice from the Review Board shall keep the grass, weeds, plants and other vegetation well groomed at all times.

Section 15. Lights. The design and location of all exterior lighting fixtures shall be subject to the approval of the Review Board. No light nor other illumination device, including but not limited to Christmas ornaments, located anywhere on any lot shall be located, directed, or of such intensity to affect adversely the nighttime environment of any adjacent property.

Section 16. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured within the Property, except that a reasonable number of common household pets such as dogs and cats may be kept, provided that they are not kept, bred, or maintained for any commercial purposes. In order to preserve the aesthetic qualities of the Common Properties and Recreational Tract, and to maintain a proper respect for other Owners and users of the Common Properties and Recreational Tracts, each person who keeps a pet upon his lot shall abide by the following restrictions, conditions, and affirmative obligations:

- (i) No pets may be kept, bred or maintained for any commercial purpose.
- (ii) The Owner of an animal will not allow it to roam unattended off the Owner's property, it being the responsibility of each pet owner to leash their animal.
- (iii) Pets shall be housed in the Dwelling Unit or in pens approved by the Review Board.
- (iv) Such other regulations as adapted by the Review Board or the Association from time to time.

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

Book 598 Page 29

Section 17. Water and Sewage. All household water shall be purchased from the community water system. No individual sewer disposal system shall be permitted on any lot unless such system is designed, located, and constructed in accordance with the requirements, standards, and recommendations of the Oconee County Health Department or such other governmental agency or authority as may be authorized by law to approve private sewage disposal systems. Approval of such system, as installed, shall be obtained from such authority. In no event shall such systems be located so as to contaminate any stream or lake.

Section 18. Repairs and Hazards. Any building or other improvements on a lot that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the land restored to an orderly and attractive condition.

Section 19. Offensive Activity. No noxious or offensive activity shall be carried on any place within Bay Ridge Subdivision nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the Bay Ridge Subdivision community.

Section 20. Antennas. No tower for a television antenna or any other antennae shall be erected over twenty (20) feet in height without the express written consent of the Review Committee. There shall be no satellite dishes installed in Bay Ridge.

Section 21. Sound Devices. No exterior speaker, horn, whistle, bell, or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon property within Bay Ridge Subdivision.

Section 22. Laundry. In order to preserve the aesthetic features of the architecture and landscaping, each Owner, his or her family, his or her guests, or his or her tenants, shall not hang laundry from any area within the public view.

Section 23. Burning Trash and Rubbish. There shall be no burning of trash or rubbish.

Section 24. Boat Docks. Private floating boat docks are permitted provided they are not for human habitation. Each boat dock shall be approved by the Review Committee and Duke Power.

Section 25. Trespass. Whenever the Association or the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

Book 598 Page 30

Section 26. Subdivision. No lot shall be subdivided, or its boundary lines changed, except with the written consent of the Review Board. However, the Company hereby expressly reserves to itself, its successors and assigns, the right to replat any lot and to take such other steps as are reasonably necessary to make such replatted lot suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights-of-way, private roads, bridges, parks, recreational facilities, and other lots.

The provisions of this Section shall not prohibit the combining of two (2) or more contiguous lots into one (1) larger lot or dividing a lot between adjacent property so long as the effect of subdividing does not create an additional lot for building purposes. Following the combining of two (2) or more lots into one (1) larger lot, or dividing adjacent lots, only the exterior boundary lines of the resulting larger lot shall be considered in the interpretation of these Covenants. Consolidation of lots, as described above, must be approved by the Review Board and shall be subject to one Association Membership. The Company hereby expressly reserves to itself, its successors and assigns, the right to zone reserved areas or lots for multi-family dwellings with the written consent of the Review Committee; however, the Company hereby expressly reserves to itself, its successors and assigns, the right to delete any one or more lots shown on the plat of said subdivision.

Section 27. Sight Distance at Intersections. No fence, wall, hedge, or other shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street-side property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street-side property line with the edge of a paved driveway or alley.

No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at an appropriate height to prevent obstruction of such sight lines.

Section 28. Building Height. No residential dwelling shall exceed three (3) stories in height.

Section 29. Driveway Surfaces. All driveways shall have a surface of concrete, asphalt, or brick.

Section 30. Minimum Square Footage. One-story residential dwellings shall have the minimum square footage of enclosed dwelling area of 1600 square feet, excluding basement. Dwellings

Book 598 Page 31

that have more than one level, shall have the minimum square footage of enclosed dwelling area of 2000 square feet, with a minimum of 1200 square feet being on the first level, excluding basement. The term "enclosed dwelling area" as used in these minimum size requirements shall mean that total enclosed heated and cooled area within a dwelling. It shall not include garages, basements, terraces, decks, open porches, screen porches, or the like; provided, however, that enclosed porches such as sun porches which are heated and cooled and which have a roof line that forms an integral part of the roof line of the main dwelling, shall be included in the term "enclosed dwelling area." Any garage attached or unattached shall have at least four hundred (400) square feet of area.

Section 31. Review and Approval of Plans for Original Construction, Additions, Alterations or Changes to Structures and Landscaping: No building, dwelling, driveway, wall, fence, sign, mail box, trash containers, swimming pool, tennis court, roof, siding and other exterior materials and finishes, exterior lighting, landscaping, or other structure or improvement of any kind shall be commenced, erected, or maintained upon any Lot, or upon the exterior of any Dwelling, or upon the Common Properties, nor shall any addition to any existing building or structure, or alteration or change, or landscaping be done until the proposed building plans, specifications (including height, shape, type, nature, color and composition of roof, siding or other exterior materials and finish), plot plan (showing the proposed location of such building or structure, drives and parking area), landscape plan, and construction schedule shall have been submitted to and approved by the Review Board.

Section 32. Changes in Plans and Specifications. Any alteration of the plans and specifications, changes or deviations from the approved plans and specifications must also be submitted to the Review Board for approval.

Section 33. Garages. All garages must have garage doors which shall be kept closed except for entering and exiting.

Section 34. Time Share or Similar Ownership Prohibited. No Lot may be sold under or utilized for or pursuant to any timesharing, time interval or similar right-to-use, lease or license programs as those terms are currently generally utilized in the real estate industry or as those or similar terms are expressed, used or defined in the Vacation Time Share Plan Act, Section 27-32-10 et seq., Code of Laws of South Carolina, 1976, as amended, or any similar successor or supplementary laws or regulations.

Section 35. Ingress and Egress; Roadways. The Owner, in accepting title to property conveyed subject to the covenants and restrictions of this Declaration, waives all rights of uncontrolled and unlimited egress and ingress to such property (and waives such rights for any person claiming entry rights by

Book 598 Page 32

virtue of any relationship or permission of such Owners and successors-in-title) and agrees that such ingress and egress to its property shall be limited to roads built by the Company.

In order to provide for safe and effective regulation of traffic, the Company reserves the right to file with the Clerk of Court the appropriate documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976) applicable to all of the private streets and roadways within Bay Ridge Subdivision. Moreover, the Company may promulgate from time to time additional parking and traffic regulations which shall supplement the above-mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in Bay Ridge Subdivision.

Section 36. Controlled Access. The Company reserves the right to itself, its successors and assigns, to maintain guarded or carded gates controlling access to such roads; and reserves the right to limit access to the Property. When the roadways and streets are conveyed to the Association as hereinafter provided the aforesaid rights shall be assigned to the Association by the Company.

Section 37. Motorized Vehicles. All motorized vehicles must be licensed by the State of South Carolina, and operated only by licensed operators.

- (a) The Company, or the Association after title to the streets and roadways has passed to it from the Company, may post "no parking" signs along the streets and roadways within Bay Ridge subdivision where it, in its sole discretion, determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicle shall not be deemed a trespass or a violation of the Owners' property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the roads and streets within Bay Ridge Subdivision.

Section 38. Topography and Vegetation. Topographic and vegetation characteristics of a lot shall not be altered by removal, reduction, cutting, excavation or any other means without the prior written approval of the Review Board. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of this Declaration. No trees, over six (6) inches in diameter, may be removed without the written approval of the Review Board.

Book 598 Page 33

Section 39. Hunting Prohibited. The property within Bay Ridge Subdivision, shall be a wildlife sanctuary and any hunting of wildlife is hereby prohibited.

Section 40. Certain Easements. The Company reserves unto itself, its successors and assigns, a perpetual, alienable easement and right on, over and under the ground of the Property to erect, repair, replace, maintain, and use electric, cable television, and telephone, wires, cables, conduits, drainage ways, sewers, wells, irrigation lines and systems, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, irrigation, cable television, drainage or other public conveniences or utilities on, in or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the Company; or (b) such portion of the Property as may be designated as the site for a building on a plot plan or for erection of a building which has been filed with the Review Board and which has been approved in writing by said Review Board.

The Company further reserves unto itself, its successors, and assigns, a perpetual, alienable easement and right on, over, and under the ground to erect, maintain, repair, wires, cables, conduits, sewers, irrigation lines and systems, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable equipment, telephone equipment, gas, sewer, water, irrigation, drainage way or other public convenience or utilities, on, in or over the road or street side and the rear side ten (10) feet of each lot, and ten (10) feet along each side of each lot, and such other areas as are shown on the applicable plats. Moreover, drainways for surface water wherever and whenever such action may appear to the Company or Review Board to be necessary in order to maintain reasonable standards of health, safety and appearance and an easement for such purpose ten (10) feet in width along each side lot line and ten (10) feet along each front and rear lot line and such other areas as are shown on the applicable plats.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance.

The Company further reserves to itself, its successors and assigns, the right to locate pumping stations, siltation basins and tanks within the Property, on any Common Properties, on the appropriate open areas of any Recreational Tract, or on any

Book 598 Page 34

property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Owner.

The Company shall not be liable for damage caused by erosion, washing or other actions of the water of Lake Keowee, nor as to the water level of Lake Keowee or actions by Duke Power Company.

The Company advises that there is a flowage easement in favor of Duke Power Company to an elevation of 810 feet mean sea level.

Section 41. Architectural and Design Review.

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

(b) Review Board.

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

(ii) The Review Board shall select its own Chairman and he, or in his absence, the Vice-Chairman, shall be the presiding officer of its meetings. All meetings shall be held upon call of the Chairman; all meetings shall be held at the

Book 598 Page 35

offices of the Association in Oconee County, South Carolina or at such other places in Oconee County as may be designated by the Chairman. Three (3) members shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members of the Review Board present at the meeting at which there is a quorum shall constitute the action of the Review Board on any matter before it. The Review Board shall operate in accordance with its own rules of procedure and guidelines which shall be filed with the Association and maintained in the records of the Association. The Review Board may split itself into panels of two (2) or more members which shall act in its behalf and perform duties delegated to it by the Review Board.

(iii) The Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, and/or attorneys, and other professional consultants as it determines necessary to advise and assist the Review Board in performing the design review functions herein prescribed.

(iv) The Review Board may adopt, promulgate, amend, revoke and enforce guidelines, hereafter referred to as the Development Guidelines, for the purposes of:

(a) Governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions hereof;

(b) governing the procedure for such submission of plans and specifications;

(c) establishing policies with respect to the approval and disapproval of all proposed uses and all construction or alteration of any structure on any lot or common property; and

(d) the Review Board shall make a published copy of its current Development Guidelines readily available to members and prospective members of the Association.

(c) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans: Two (2) copies of all plans and related data shall be furnished the Review Board. One (1) copy shall be retained in the records of the Review Board. The other copy shall be returned to the Property Owner marked "approved" or "disapproved." The Review Board may establish a fee from time to time sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects, landscape architects, urban designers or attorney's retained in accordance with subparagraph (b) (iii) above. Approvals shall be dated and shall not be effective for construction commenced more than

Book 598 Page 36

twelve (12) months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within thirty (30) days following receipt by Review Board of all of the required documents with written request for approval, such approval shall be deemed granted. Refusal of approval of plans, location or specification may be based by Review Board upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious.

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

(e) Transfer of Architectural Review Authority.

The Company may transfer the control of the Review Board to the Association. This Section does not obligate the Company to make such transfer at any particular time.

ARTICLE II
ENFORCEMENT

Section 1. Right of Action. In the event of a violation or breach of any Restriction contained in this Declaration, the Review Board or the Company shall give written notice to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to

BOOK 598 PAGE 37

be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within the time set in said written notice, then the Association or Company shall have the Right of Action. The Right of Action shall mean the right of the Association or Company, through its agents and employees, to levy fines against the Owner and to enter at all reasonable times upon any Lot as to which a violation, breach or other condition to be remedied exists, and take the actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation, breach or condition which may exist thereon contrary to the provisions hereof. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act. The cost thereof shall be a binding personal obligation of such Owner enforceable pursuant to the provisions of Part Three hereof.

Section 2. Specific Performance. Nothing contained herein shall be deemed to affect or limit the rights of the Company, the Association, the Members, the Residents, or the Owners of the Lots to enforce this Declaration by appropriate judicial proceedings. The Company and the Association hereby declare and the Owners agree that in addition to the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by this Declaration, shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof, including recovery of cost and reasonable attorneys fees incurred in the enforcement of this Declaration.

Section 3. Other Remedies. The rights set out in this Article shall be in addition to any rights of enforcement of the Company, the Association or any other Owner set out in this Declaration.

PART THREE
BAY RIDGE PROPERTY OWNERS' ASSOCIATION, INC.
ARTICLE I
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner shall be a member of the Association.

Section 2. Voting Rights. The Association shall have two (2) types of regular voting memberships:

TYPE "A" - Type "A" Members shall be all those Owners of Lots other than the Company. A Type "A" Member shall be entitled to one (1) vote for each Lot which he owns, but shall have no additional vote for each other Lot comprising a part of the total consolidated home or building site so long as such lot remains a part of the consolidated site.

Book 598 Page 38

UNTIL TRANSFER AS PROVIDED IN ARTICLE II, SECTION 2, ALL VOTES BY TYPE "A" MEMBERS ARE ADVISORY ONLY.

TYPE "B" - Type "B" Members shall be the Company. The Company shall be entitled to three (3) votes for each lot owned by the Company.

When any Property entitling the Owner to membership as Type "A" or "B" Member of the Association is owned and recorded in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then an instrument shall direct who shall cast the vote or votes, and a copy thereof filed with the Secretary of the Association.

Section 3. Composition of Board. The Association shall be governed by a Board of Directors consisting of five (5) members, with the number in subsequent years to be determined as provided for in the By-Laws of the Association. All members of the Board shall be Owners within the Property, or officers, employees or agents of the Company designated by the Company.

Section 4. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, or the Board shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event two-thirds (2/3), or more, of the votes of all Members of the Association shall be in favor of such action, the Referendum shall be deemed to "Pass" and the activity voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefore.

In the event of a dispute as to whether a Referendum is required or if a majority of the Board of Directors call a Referendum, the following action may be taken:

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

Book 598 Page 39

Members and the Secretary shall thereafter within thirty (30) days send out the referendum to all Members.

Section 5. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association the presence at the meeting of Members or proxies entitled to cast fifty-one percent (51%) of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be a quorum requirement of twenty-five percent (25%) of the total vote of the Members of the Association for such meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this ARTICLE I, Section 5, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Part Four, ARTICLE II, Section 2 shall govern in that instance. For the purpose of this Section 5, "proper notice" shall be deemed to be given when given to each Member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered.

Section 6. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association.

ARTICLE II
PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easement of Enjoyment in Common Properties. Subject to the provisions of these Covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Type "A" and "B" Member and guest of such Type "A" and "B" Member shall have a right of easement of enjoyment in and to the roads and Common Properties.

Section 2. Transfers to Association. The Company covenants for itself, its successors or assigns, that, upon the sale of ninety percent (90%) of the Residential Lots planned for Bay Ridge Subdivision as now constituted or as hereafter enlarged by

Book 598 Page 40

annexation as herein provided, it shall convey to the Association by limited warranty deed those properties designated on the Bay Ridge Subdivision Master Plan, or in the deeds conveying such properties as "Common Properties" and roadways. Such conveyances shall be subject to all the restrictions and limitations of the various Parts and Articles of this Declaration, and any other restrictions, reservations and limitations of record, and easements of ingress and egress as determined by the Company. Nothing shall prohibit the Company from conveying such at any time prior to the sale of ninety (90%) percent of the lots in the discretion of the Company. The properties consist of the following:

- (a) As Common Properties. (1) All community roads within the properties, subject to rights of others for egress and ingress, as determined by the Company; (2) All other property as determined by the Company to be in its best interest and in the best interest of the Association.

Section 3. Evidence of Membership and Transfers.

(1) Membership Certificates. Certificates of membership in the Association may be issued to members. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued over the signature of the president or other officer of the Association. Such certificate shall indicate the Lot ownership of which gives rise to membership and the date of membership.

(2) Transfer. When a member ceases to be an Owner, such person's membership shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the Association that such person is no longer an Owner.

ARTICLE III
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each Owner of any Lot, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (1) Annual assessments and charges; and (2) Special assessments or charges for the purposes set forth in this ARTICLE III, such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) Cost incurred by the Association in performing obligations of the Owner. The Annual and Special assessments together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of

Book 598 page 41

collection thereof as hereinafter provided, shall also be the personal obligation of the person or entity which was the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The Annual assessments levied by the Association shall be paid to the Company until such time as the Company transfers the property to the Association. After the transfer, the funds shall be used as determined by the Board of Directors of the Association.

Section 3. Annual Assessment

(a) Lots (Improved or Unimproved) \$250.00.

(b) Annual assessment may be decreased in any year by a majority vote of the Board of Directors, and may be increased by an amount not in excess of the percentage increase in the Consumer Price Index, U.S. (hereinafter C.P.I.) for the preceding year. Any increase in excess of the C.P.I. average for the preceding year shall only be done after referendum approved by two-thirds (2/3) of the Members.

The Board of Directors may, after consideration of current costs and future needs of the Association, fix the annual regular assessment for any year. The Board shall have the power by unanimous vote to make a supplemental assessment.

Section 4. Special Assessments for Improvements, Additions, Operating Deficits, and Repayment of Loans. In addition to the annual regular assessments authorized by Section 3 hereinabove, the Association may levy special assessments, for the purpose of construction or reconstruction, repair or replacement of capital improvements upon the Common Properties, roads, or to provide for the necessary facilities and equipment to offer the services authorized herein, or repay any loan made to the Association to enable it to perform the duties and functions authorized herein, to fund any deficit in operating funds necessary to pay operating expenses which exceed the budgeted assessment, provided that such assessments; shall have received the assent of two-thirds (2/3) of the votes of the Members by Referendum.

Section 5. Reserve Fund. The Association may establish a reserve fund from its regular annual assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs or replacements of improvements, and (b) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, and (c) operating deficits of the Association.

Book 598 Page 42

Section 6. Assessment Payments. Beginning with the year 1990 and thereafter, the annual assessment shall be made for the fiscal year in advance and shall become due and payable within sixty (60) days after the amount of such assessment is fixed by the Board of Directors of the Association. The Board of Directors of the Association shall have the power to change the date upon which annual assessments become due and payable and also to determine the method of payment of annual assessments, i.e., lump sum, monthly installments, quarterly, etc.; provided, however, that the annual assessment shall be due and payable at least annually.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment, and shall, at that time, direct the preparation of an index of the properties and assessments applicable thereto which shall be kept in the office of the Association and which shall be open to inspection by any Owner. Written notice of assessment shall thereupon be sent to every Owner subject thereto at the last address listed on the Association's book.

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

Section 8. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessment or cost incurred by the Association as a result of the owner's failure to abide by these covenants is not paid, then such assessment or cost shall become delinquent and shall, together with interest thereon from the due date, at the rate established by the Board of Directors from time to time, late charges as established by the Board of Directors from time to time, and cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representatives, successor-in-title and assigns.

If the assessment is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Owner personally obligated to pay and/or foreclose the lien against the property, and there shall be added to the amount of such assessment the interest hereinabove specified until judgment, late charges, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment, late charges and reasonable attorney's fees to be fixed by the court together with the costs of the action.

Book 598 Page 43

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

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage representing a lien on any lot. The sale or transfer of any lot pursuant to a decree of foreclosure, or any other proceeding or deed in lieu of foreclosure shall extinguish the lien against the lot as to payments which become due prior to such sale or transfer, but not the personal obligation of the defaulting former owner. In the event that a lender acquired any lot as a result of such mortgage, assessments shall be waived during the term that such lender is actively attempting to sell such lot.

Section 10. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

- (a) the utility easements, roads, entrance and entire sign area;
- (b) all Common Properties;
- (c) Property held in the name of the Company.

Section 11. Annual Statements. The President, Treasurer, or such other officer or agent as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. The Association may employ the services of necessary professionals such as accountants, CPA's, or attorneys, to assist in such statement preparation. Such copy may be furnished to the Member or mortgage holder upon request. Failure to furnish such copy shall not effect the validity or enforceability of the assessment.

ARTICLE IV
FUNCTIONS OF ASSOCIATION

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

Book 598 Page 44

- (a) roads or roadways;
- (b) for sidewalks, walking paths or trails, and bicycle paths, if any throughout the Property;
- (c) for private security;
- (d) for providing any of the services which the Association is authorized to offer under Section 2 of this ARTICLE IV;
- (e) for other properties and facilities in Bay Ridge Subdivision, of interest to the Association;
- (f) for insect control within the Property;
- (g) for drainage facilities serving the Property;
- (h) for any other purposes or uses reasonably necessary to carry out its functions of a Property Owners' Association.

Section 2. Authorized Services. The Association shall provide the following services:

- (a) cleanup and maintenance of all roads, roadways, and other Common Properties within the Property;
- (b) landscaping of roads or parkways, sidewalks and walking paths and any other Common Properties;
- (c) lighting of roads, sidewalks and walking paths throughout the Property, if any;
- (d) limited controlled access;
- (e) the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;
- (f) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property, including but not limited to fining owners for violating same or not properly maintaining their property;

Book 598 Page 45

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

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

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

Section 3. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions.

Section 4. Insurance Requirements. The Association shall maintain in full force and effect casualty and liability insurance, Director and Officer liability, and fidelity bond coverage as determined by the Board of Directors, however, comprehensive general liability insurance shall not be less than Five Hundred Thousand and No/100 (\$500,000.00) Dollars for a single occurrence.

PART FOUR
GENERAL PROVISIONS

ARTICLE I
DURATION

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Company or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five-year period this Declaration shall be automatically renewed and extended for successive ten-year periods. The number of ten-year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten-year renewal period for an additional ten-year period; provided, however, that there shall be no renewal or extension of

Book 598 Page 46

this Declaration if during the last year of the initial twenty-five-year period, or during the last year of any subsequent ten-year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term.

ARTICLE II
AMENDMENTS

Section 1. Procedure for Amendments by the Membership. The procedure for further amendments of this Declaration by the Membership shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast at such meeting vote in favor of such proposed amendment. Such amendments shall be recorded in the Official Real Estate Records of Oconee County, South Carolina.

Section 2. Quorum Required for Amendment by Members. The quorum required for any action authorized to be taken by the Association under this ARTICLE II shall be as follows:

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

Section 3. Amendment by Company. In addition to amendment rights reserved on page 2, the Company reserves the right to add additional restrictive covenants with respect to lands conveyed in future phases other than the real property described in Exhibit "A". The Company further reserves the right to reduce or increase the minimum square footage requirement as hereinabove set forth. Such changes, may be done without notice or vote of the Members.

Section 4. Right to Amend for Correction of Errors and to Conform to Lenders Requirements. The Company reserves the right to amend these Covenants to correct typographical and scrivener's errors and to make same conform to the requirements of FHA, VA, FNMA, FHLMC or other secondary mortgage loan markets requirements. Such amends shall be effective without vote of the members and

Book 598 Page 47

upon filing by the Company of an Amendment signed by it reciting its provision as authority. Anyone may thereafter rely on the amendment as being duly adopted without further investigation.

ARTICLE III
NOTICES

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

Section 2. Notice to Co-Owners. Notice to one (1) of two (2) or more co-owners shall constitute notice to all co-owners.

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

ARTICLE IV
ENFORCEMENT, SEVERABILITY AND INTERPRETATION

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

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

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

Part 598 Page 48

fees incurred by the Association in maintaining compliance with these Covenants in the event the Association prevails in such proceedings.

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

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

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

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

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

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

Book 598 Page 49

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

ARTICLE V
ASSIGNMENT

The Company reserves the right to assign its authority or any part thereof as hereinabove granted to the Association.

IN WITNESS WHEREOF, INGRAM ENTERPRISES, INC., and BAY RIDGE PROPERTY OWNERS' ASSOCIATION, INC., have caused this instrument to be executed the day and year first above written pursuant to a resolution duly and unanimously adopted by its Board of Directors.

WITNESSES:
Judy Adams
[Signature]

INGRAM ENTERPRISES, INC.
BY: [Signature] (SEAL)

Judy Adams
[Signature]

BAY RIDGE PROPERTY OWNERS' ASSOCIATION, INC.
BY: [Signature] (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 duly authorized officer of INGRAM ENTERPRISES, 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 21st day of November, 1989
[Signature] (L.S.) Judy Adams
Notary Public of South Carolina
My Commission Expires 5/19/92

Book 598 Page 50

STATE OF SOUTH CAROLINA)
)
COUNTY OF OCONEE) PROBATE

PERSONALLY appeared before me the undersigned witness who being duly sworn states that (s)he saw the within named duly authorized officer of BAY RIDGE PROPERTY OWNERS' 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
21st day of November, 1989

[Signature] (L.S.)
Notary Public of South Carolina
My Commission Expires 5/19/92

Judy Adams

Book 598 Page 51

EXHIBIT A

All those certain pieces, parcels or lots of land situate, lying and being in the State of South Carolina, County of Oconee, being known and designated as Lots One (1) through Sixty Nine (69) of BAY RIDGE SUBDIVISION, as shown and more fully described on a plat thereof prepared by Robert R. Spearman, BLS #3615, dated October 17, 1989 and recorded in Plat Book 446, at pages 2, records of Oconee County, SC.