

BOOK 1275 PAGE 018

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FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
PROTECTIVE COVENANTS
WATERSTONE SUBDIVISION
APR 16 A 11:38

WHEREAS, Waterstone Properties, LLC is the owner of 006432 Waterstone Subdivision as shown on a plat prepared by Earl B. O'Brien, RLS No. 10755, dated April 8, 2003, which is of record in the Register of Deeds for Oconee County, South Carolina, in Plat Book A-935 at Page 3 & 4, consisting of Lots 1-26, 14.97 acres common area, and 17.90 acres common area, and

WHEREAS, Lots 1 through 26, inclusive, as shown on the above mentioned plat, known as Waterstone Subdivision, are intended for development for residential purposes only, and

WHEREAS, it is the desire and intent of the undersigned to sell the above referenced real estate and enforce upon it certain mutual beneficial restrictions, conditions, easements, covenants, agreements, and charges under a general plan or scheme of improvement for the benefit of all said lots,



NOW, THEREFORE, in consideration of the foregoing and the benefits accruing to the present and future owners of the land shown upon said plat, the undersigned do hereby impose the following Protective Covenants, all of which are declared to be in furtherance of a plan for the subdivision, improvement and sale of real property and every part thereof, and all of which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the described property, or any part thereof, and all of which shall be applicable to the referenced lots as shown on the aforesaid plat known as Waterstone Subdivision.

ARTICLE I

DEFINITIONS

SECTION 1.1 ASSOCIATION shall mean and refer to Waterstone Property Owner's Association, Inc., a non-profit corporation which will, at a later time to be determined by the Declarant, be duly chartered with the South Carolina Secretary of State. (NOTE: The exact name of the Association may vary somewhat, depending upon whether or

not this exact name is already in use by another Association.)

SECTION 1.2 OWNER shall mean and refer to the owner of record, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties referred to herein, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

SECTION 1.3 PROPERTIES shall mean and refer to the real property comprising the property within the development known as Waterstone.

SECTION 1.4 COMMON AREAS shall mean all rights of ways, beautification easement areas, and the conservation easement area in Waterstone Subdivision, in addition to any other areas that might later be designated as common areas by the Declarant.

SECTION 1.5 COMMON EXPENSES shall mean and include:

- (a) all sums lawfully assessed against the lot owners by the Association;
- (b) expenses of, but not limited to, administration, operation, maintenance, repair and replacement of the Common Areas and facilities, including street lighting, water and electric charges, resurfacing and landscaping;
- (c) expenses agreed upon as common expenses by the Association; and
- (d) liability and/or other insurance premiums as required by the Association.

SECTION 1.6 LOT shall mean and refer to any numbered plat of land shown upon the plat of Waterstone Subdivision, being Lots 1 through 26, inclusive.

SECTION 1.7 DECLARANT shall mean and refer to Waterstone Properties, LLC, its successors and assigns.

SECTION 1.8 DWELLING UNIT shall mean and refer to a building situated upon a lot and intended for use and occupancy as a residence.

SECTION 1.9 MEMBER shall mean and refer to any person or entity who holds membership with voting rights in the



Association, which membership shall be derived from ownership of any lot within Waterstone Subdivision.

SECTION 1.10 BOARD shall mean and refer to the Board of Directors duly chosen by the Association or according to the provisions of this instrument.

SECTION 1.11 ARCHITECTURAL CONTROL COMMITTEE shall mean and refer to a committee to protect the investment and enjoyment of owners by interpreting and enforcing the Protective Covenants of Article VI. The Declarant shall serve as the Architectural Control Committee until ninety percent (90%) or more of the lots as shown on the aforementioned plat are sold. At such time, successors will be duly appointed by the Board, the sole discretion for the timing of this to rest exclusively with the Board.

SECTION 1.12 BYLAWS shall mean and refer to the Bylaws and Rules and governing the operation of the Association.



ARTICLE II

PROPERTY RIGHTS

SECTION 2.1 OWNER'S EASEMENTS OF ENJOYMENT: Every owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

- (a) Declarant may at any time transfer title of the roadways to Oconee County or any other governmental authority. At such time, roadways will be allowed public access in accordance with governing regulations.
- (b) The right of the Association to impose regulations for the use and enjoyment of the Common Areas and improvements thereon.
- (c) The right of the Declarant to deed all or any portion of the Common Areas, this to be determined in the sole discretion of the Declarant, for purposes of a Conservation Easement, or for purposes of a similar type of conveyance which results in the setting aside of

the common area property for conservation or similar purposes.

SECTION 2.2 COMMON AREA EXPENSES: Each lot owner, whether or not it shall be so expressed in his deed, is deemed to covenant and agree to pay to the Association 1/26 of the expenses in connection with the use and maintenance of the common areas, which shall include but not be limited to the following.

- (a) Lighting for any entry ways and for any other easement areas.
- (b) Metering costs for water.
- (c) Expenses of maintenance and upkeep for the grounds and shrub maintenance.
- (d) The cost of insurance as needed, the determination for this resting within the discretion of the Board of the Association.
- (e) The expenses of bookkeeping and bank account maintenance fees.



Common area expense assessments shall be determined by the Association from time to time, but no less frequently than on an annual basis, and written notice shall be sent to all lot owners furnishing at least 30 days advance notice as to any balance due. The failure of a lot owner to pay his portion of the common area expenses shall result in the Association having the right to file a Declaration of Lien per the provisions of Section 4.8 of this document.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 3.1 MEMBERSHIP: Every owner of a lot shall be a member of the Association. The Association shall have one (1) class of voting membership, denominated as Class A. Class A members shall be all owners, who shall be entitled to one (1) vote for each lot owned. When more than one person holds an ownership interest in any lot, all such persons shall be members; the vote for such lot shall be exercised as the owners among themselves determine, but in no event shall more than one (1) vote be cast with respect

to any lot. If a unanimous agreement cannot be reached by joint lot owners at the time of the vote, then the vote shall not be counted. Voting of fractional interests shall not be allowed.

SECTION 3.2 VOTING PRIVILEGES: Voting privileges shall be suspended for any member having unpaid assessments (annual or special) in addition to unpaid penalties or damage assessments referenced anywhere in this instrument (and which give the Association the right to file a Declaration of Lien) in arrears in excess of thirty (30) days.

SECTION 3.3 CAPITAL CONTRIBUTION/MEMBERSHIP FEE: Membership in the Association shall begin with the purchase of a lot by the owner. There will be an initial capital contribution fee of \$100.00, and an initial common area expense contribution to be paid to the Association at the time of the purchase of each lot in the subdivision, the amount of the common area expense contribution to be determined by the Association from time to time. Upon the transfer of title of a lot to any third party purchaser, a subsequent capital contribution of \$100.00 shall be required, in addition to a common area expense contribution in an amount to be determined by the Association on an annual basis. Each subsequent transfer of title of a lot shall incur the same subsequent capital contribution of \$100.00, in addition to an amount to be determined by the Association on an annual basis for common area expenses as referenced above. Failure to pay the original or any subsequent contribution charges or fees shall result in the Association having the right to file a Declaration of Lien per the provisions of Section 4.8 of this document.



SECTION 3.4 MEMBERSHIP INDICIA: Membership is mandatory and is required of the purchaser of each lot, whether his title be acquired by deed, devise, intestate succession, or by any other method, including a person or entity acquiring title by foreclosure of a mortgage. Actual stock certificates shall not be issued; the deed or other evidence of ownership (as, for example, a Deed of Distribution through an estate) shall serve as evidence of the lot owner's ownership and his membership in the Association.

SECTION 3.5 SUBORDINATION OF ASSESSEMENTS AND/OR CHARGES AND/OR LIENS TO MORTGAGES:

- (a) The lien and permanent charge of assessments, fees, penalties, or damages (together with interest thereon and cost of collection) authorized herein with respect to any lot is hereby made subordinate to the lien of any mortgage placed on such lot if, but only if, all such assessments with respect to such lot having a due date on or prior to the date such mortgage is filed for record have been paid.
- (b) Such subordination is merely a subordination and shall not relieve the property owner of the mortgaged property of his personal obligation to pay all assessments, fees, penalties or damages coming due at a time when he is the property owner; shall not relieve such property from the lien and permanent charge provided for herein (except to the extent a subordinated lien and permanent charge is extinguished as a result of any such subordination as against a mortgage or such mortgagee's assignee or transferee by foreclosure or levy and execution); and no sale or transfer of such property to the mortgagee or to any other person pursuant to a decree of foreclosure, or pursuant to any proceeding executing upon the property shall relieve any existing or previous property owner of such property or the then and subsequent property owners for liability for any assessment provided for hereunder coming due after such sale or transfer.



SECTION 3.6 INITIAL BOARD MEMBERS: The initial Board of the Association shall be composed of Thomas Schamens, one of the members of 5-W Associates, LLP, and the owner of a lot in the subdivision who shall be chosen at the sole discretion of Thomas Schamens and 5-W Associates, LLP. These three individuals, or a successor chosen by these three individuals if one or more initial members cannot continue to serve, shall constitute the Board of the Association until such time as 90% of the lots in the subdivision have been sold to third party purchasers. The initial Board members shall have the right to resign from

the Board at an earlier date if they shall, in their sole discretion, choose to do so.

SECTION 3.7 SELECTION OF LOT OWNERS FOR BOARD MEMBERSHIP: At such time as the original Declarant (who shall control and maintain the property during the developmental phase of the subdivision) shall determine that his purposes as Declarant have been largely accomplished, he can so declare this in an instrument in writing in recordable form, and withdraw from active involvement in the management of the Association. At that time, the right to manage or control the Association will be relinquished to the Association. The selection of three board members shall be accomplished according to the Bylaws of the Association in effect at that time.

ARTICLE IV

COVENANTS FOR MAINTENANCE AND CAPITAL ASSESSMENTS

SECTION 4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: The Declarant hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (a) annual assessments or charges:
- (b) special assessments for capital improvements.

SECTION 4.2 PURPOSE OF ASSESSMENT: The assessments or charges levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties.

SECTION 4.3 SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS: In addition to the annual assessments or charges authorized above, the Association may levy, in any subsequent year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any repair or replacement, construction or reconstruction of a capital improvement upon the Common Areas, including fixtures and property related thereto, provided that such assessment shall have the assent of 2/3 of the vote of Class A members who are voting in person or by proxy at a meeting duly called for this purpose. Due



dates for payment of such assessments shall be established by the Association.

SECTION 4.4 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 4.3: Written notice of any meeting called for the purpose of taking any action authorized under Section 4.3 shall be sent to all members not less than thirty (30) days nor more than sixty(60) days in advance of the meeting. At any such meeting called, a majority of the members eligible to vote shall constitute a quorum.



SECTION 4.5 UNIFORM RATE OF ASSESSMENT: Both annual and special assessments must be fixed at a uniform rate for all lots.

SECTION 4.6 ANNUAL ASSESSMENTS: The first annual assessment shall be due at closing of each lot. All subsequent annual assessments shall be due on the same day of each year thereafter. Annual assessments against each lot shall be established by a majority vote of the Board. At least thirty (30) days written notice of such assessment shall be given to every owner subject thereto.

SECTION 4.7 REVISED ANNUAL ASSESSMENT: If at any time during the course of any fiscal year, the Board shall deem the amount of the common area expense contribution to be inadequate by reason of a revision in its estimate of either expenses or other income, the Board shall prepare and cause to be delivered to the members a revised estimated annual budget for the balance of such fiscal year and thereafter monthly common area expense contributions shall be determined and paid on the basis of such revision.

SECTION 4.8: FILING OF DECLARATION OF LIEN: Any unpaid common area expense contributions, assessments, fees, or charges shall become a lien against the property and shall run with the land. This shall also include legal and related expenses incurred by the Association to stop any construction which violates the restrictions, per the provisions of Section 5.1 of this document. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien for unpaid common area expense contributions, assessments, fees, or charges. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of

said Declaration shall be the only requirement necessary to perfect said lien.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 5.1 ARCHITECTURAL CONTROL COMMITTEE: No building, fence, wall, or other structure shall be commenced upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the same shall have been submitted to and approved in writing by the Architectural Control Committee. The Declarant shall serve in this capacity until ninety percent (90%) or more of the lots are sold, or until such time as Declarant shall withdraw from active involvement in the management of the Association according to the provisions of Section 3.7. Subsequently, three (3) or more representatives will be appointed by the Board. In the event said Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Association, its Board, Committees, agents or employees shall not be responsible for building code compliance of plans or construction. Any adverse decision may be appealed by the aggrieved party to the Association at a special meeting called for this purpose. Upon receiving approval of plans and specifications, construction shall be in conformity with such plans as have been previously approved by the said Committee. The Association shall be entitled to stop any construction which is in violation of these restrictions. In the event that legal action is brought by the Association to stop construction which is in violation of these restrictions, the Association shall have the right to file a Declaration of Lien per the provisions of Section 4.8 of this document, the total lien amount being equal to expenses paid by the Association.



ARTICLE VI

PROTECTIVE COVENANTS

SECTION 6.1 SINGLE FAMILY USE: The Property shall be used only for detached, single-family residence purposes, together with the accessory buildings and structures permitted pursuant to Section 6.5 below. No more than one detached single-family residential dwelling may be constructed on the Property. No condominium, townhouse, duplex, apartment or other multi-family residential uses are permitted on the Property. Further, no camper, trailer, motor home, boat (including, without limitation, any boat docked adjacent to the Property), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to the Property as a place of residence. The single-family residence restrictions set forth above shall not prohibit the construction of pools, tennis courts, or other recreational facilities or amenities such as are commonly constructed and maintained for the benefit of lot owners within planned unit developments; provided that such recreational facilities or amenities shall be solely for the common use of the owners of lots subdivided from the Property and, provided further, that no such recreational facilities may be located within any Buffer Area (defined below).



SECTION 6.2 RESTRICTED ACTIVITIES: The following activities are prohibited on the Property:

- a. Raising, breeding, or keeping of animals, livestock, or poultry of any kind, except that dogs, cats, or other usual and common household pets (which are registered, licensed, and inoculated as required by law) may be permitted on the Property;
- b. Any activity which violates local, state or federal laws or regulations;
- c. Institutional uses, including but not limited to group homes, day care centers, churches, temples or shrines, rest homes, schools, medical care facilities, lodges, inns, beds and breakfasts; and

- d. Any business or trade, except that an owner or occupant residing on the Property may conduct business activities within a dwelling on the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve regular visitation of the Property by clients, customers, suppliers, or other business invitees; (iv) the business activity does not involve any service or delivery business in which more than one vehicle used in such business would be parked overnight on the Property, or for which any parts, equipment supplies, raw materials, components or tools are stored on the Property and (v) the business activity is consistent with the residential character of the Property and does not constitute an unreasonable disturbance to adjoining land owners or others, a nuisance, or a hazardous or offensive use. The foregoing shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities provided that such activities are not held on the Property more than once in any six-month period. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. The leasing of the Property for single-family residential use shall not be considered a business or trade within the meaning of this subsection.



SECTION 6.3 PROHIBITED CONDITIONS: None of the following structures or improvements may be located upon the Property:

- a. Structures, equipment, or other items which are visible from any road or adjacent property which have become rusty, dilapidated, or otherwise fallen into disrepair;
- b. Towers, antennas, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind which are located outside of the dwelling on the Property other than (i) a customary antenna, which shall not extend more than ten (10) feet above the top roof ridge of the dwelling; and (ii) a satellite disc or dish no larger than eighteen inches (18") in diameter;
- c. Any freestanding transmission or receiving towers or any non-standard television antennae; and
- d. Chain-link, "chicken wire", or any such similar fences.



SECTION 6.4 QUALITY CRAFTSMANSHIP/DWELLING SIZE: All buildings and outbuildings erected upon the Property shall be built on the site of new materials of good grade, quality and appearance, and shall be constructed in a good, workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:

- a. One story dwellings shall not contain less than 2,000 square feet of Heated Living Area (defined below);
- b. One and a half story dwelling shall not contain less than 2,200 square feet of Heated Living Area;

- c. Two (or more) story dwellings shall not contain less than 2,400 square feet of Heated Living Area;
- d. All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;
- e. Roofs shall have not less than a 6 inch pitch, and not less than 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or man-made slate, copper sheathing, wood shingles, or pre-painted metal roofing;
- f. The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood, composite or vinyl material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished; and
- g. Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy must be issued within two years after commencement of construction.
- h. Regardless of the provisions of Section 6.4(f) above, no vinyl siding shall be allowed unless same is specifically approved by the Declarant, and even in that event, vinyl siding may only be used in gabled areas of the dwelling or accessory structure.

As used herein, "Heated Living Area" excludes basement areas (defined as any level in which at least one perimeter wall is below, or partially below, grade), unless such basement areas have two or more perimeter walls above surrounding grade and such basement areas are fully heated and air-conditioned and constructed to a quality equal to the above-grade levels of the dwelling. In addition, Heated



Living Area excludes vaulted ceilings areas, decks and patios. The term "story" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it. The term "half story" shall mean a story which contains fifty (50%) percent or less Heated Living Area than the story in the house containing the most Heated Living Area.

SECTION 6.5 PERMITTED ACCESSORY STRUCTURES: No buildings, structures or improvements of any kind may be located on the Property other than one detached, single-family residential home, and the following permitted accessory structures:

- a. storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings, not exceeding fourteen (14) feet in height. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Property and shall be covered with the approved exterior materials described in Section 6.4(e) and 6.4(f) above. Further, no outbuildings shall be located wholly or partially within any Buffer Area (as defined below).
- b. Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1,000) square feet in area. Further, no such structure shall be located wholly or partially within any Buffer Area (as defined below).
- c. Waterfront structures, including fixed piers, boat slips or floats, covered docks, boat ramps, decking and sitting areas attached to piers, walkways and other similar structures, to the extent permitted at the time of construction and installation by Duke Energy Corporation (or its successor, with respect to ownership and/or management authority over



the Lake, if applicable) (hereinafter "Duke Energy") and all applicable governmental authorities. Any Grantee of a deed conveying any of the properties covered under these covenants acknowledges that policies, laws and regulations regarding a lot owner's ability to construct or install such structures may change from time to time before or after acquisition of the Property, and Declarant makes no warranty or representation as to the ability of such lot owner to construct or install such structures either now or in the future. Such structures may be located wholly or partially within the Buffer Area provided no more than a total of two hundred (200) square feet of such structures shall be located within the Buffer Area.



SECTION 6.6 SITE DEVELOPMENT REQUIREMENTS: The Property shall be subject to the following specific development requirements.

- a. No portion (or portions) of the Property greater than two thousand (2,000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated, or (iv) covered with earth or other natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.
- b. All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before: (i) the thirtieth (30th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area); or (ii) such time as construction is completed or interrupted for a period of thirty (30) continuous days. In addition to, or in the absence of local or state government regulations on such land disturbance, none of the activities described in (i) through (iv)

in Section 6.6(a) above shall be allowed to commence without compliance with the following requirements:

- i. The surveying and flagging of the Buffer Area (defined below) and any portion of the Buffer Area that may be disturbed as a result of any activities permitted hereunder;
- ii. The flagging of all trees in the Buffer Area that equal or exceed six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree. The trees, Buffer Area (defined below) and disturbed areas referenced in Sections 6.6(a) and (b) shall be clearly and distinctly flagged, staked or otherwise designated in order to prevent the unintentional violation of these restrictions by parties performing work upon the Property; and
- iii. The proper installation (in accordance with the manufacturer's instructions) of construction silt fencing on the lower perimeters of all areas within the Property to be disturbed, and any other areas which may be impacted by silt runoff from any disturbed areas located on the property.



SECTION 6.7 BUFFER AREA RESTRICTIONS: As used herein, the term "Buffer Area" shall mean any portion of the Property that is located within fifty feet (50') of any common boundary (the "Contour Line") of the Property and Lake Keowee (the "Lake"). No portion of the Buffer Area may be disturbed in any way, including any disturbance or removal of topsoil, trees and other natural growth. The Contour Line of the Lake shall not change as a result of erosion or stabilization measures occurring following the conveyance of this Property to Grantee. Notwithstanding the second sentence in this Section 6.7, the following activities are permitted within the Buffer Area:

- a. Trees which are less than six (6) inches in diameter, as measured four and one-half feet

(4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual handsaws. No other mechanical equipment or vehicles may be used in removing any trees. Additionally, trees having greater diameter than that set forth above that have become diseased or damaged through natural processes may be removed in the same manner.

- b. An access corridor may be created within the Buffer Area for the purpose of providing lake access to install shoreline stabilization or to install and use water access structures (such as docks or boat ramps) that have been approved in advance by Duke Energy and otherwise comply with Section 6.5(c) above. The access corridor may not exceed fifteen (15) feet in width. Trees with diameters equaling or exceeding six (6) inches, as measured four and one-half feet (4.5') from base, may be removed within the access corridor and grading or ground disturbance (which otherwise complies with the restrictions set forth herein) may be performed if reasonably necessary to provide access to the Lake for the purposes described above in this Section 6.7(b).
- c. Underbrush (defined as nuisance shrubs, vines and similar plant growth beneath the tree canopy, and generally growing less than six feet (6') in height) may be removed.
- d. Pruning and trimming of trees is permitted, provided that pruning is limited to tree branches beginning with the lowest to the ground and extending up the tree trunk no more than one-half of the total height of the tree. Trimming may also be performed on any limbs or branches that are diseased or naturally damaged.
- e. The use of rip-rap, bulkheading or other shoreline stabilization methods or materials may be initiated with the prior written approval by Duke Energy and any shoreline



stabilization shall be performed in compliance with Duke Energy's Shoreline Management Guidelines which are in effect at the time such stabilization occurs. Generally, Duke Energy allows structural stabilization to extend only to a height five feet above the Contour Line of the Lake. If Duke Energy authorizes the owner of a lot to perform certain shoreline stabilization, then at all points where shoreline stabilization occurs, the inner boundary line of the Buffer Area (i.e. the boundary line opposite the Contour Line of the Lake) shall be adjusted inward (i.e. away from the Contour Line of the Lake) by the same distance that the stabilization structures or improvements extend from the Contour Line of the Lake into the Property, provided however, that in no event shall the width of the undisturbed Buffer Area be reduced to less than fifty (50) feet between any portion of the interior edge of the stabilization structures or improvements and any residence or other structure or improvements located on the Property (other than docks, boat ramps, or other water access structures which have been approved in writing by Duke Energy).



SECTION 6.8 NO CLAIMS: No owner of the Property or of any Benefited Property (defined below) shall have any claim or cause of action against either Declarant or Duke Energy or its affiliates arising out of the exercise, or non-exercise, or enforcement or failure to enforce, or the amendment, release or grant of variance with respect to any covenant, condition, restriction, easement or other right reserved hereunder or referred to herein.

SECTION 6.9 NO DELAY: No delay or failure on the part of Declarant to invoke any available remedy with respect to a violation of any restriction contained herein shall be held to be a waiver by Declarant of any right available to it upon the recurrence or continuance of said violation or the occurrence of a different violation.

SECTION 6.10 RIGHTS OF ENFORCEMENT: The covenants, conditions, and restrictions set forth herein shall run with the title to the Property and shall benefit Declarant

and Duke Energy and all property (the "Benefited Property") owned on the date hereof by either Declarant or Duke Energy or its subsidiaries located within one thousand feet of any portion of the Property (other than any property located within the FERC boundaries of the Lake.) If the Property owner, its heirs, successors, tenants, or assigns shall violate or attempt to violate any of the covenants, conditions or restrictions contained herein, Declarant or Duke Energy and any subsequent owner of any portion of the Benefited Property may enforce the covenants, conditions, and restrictions set forth herein by any remedy available at law or in equity, either to prevent or remediate such violation, or recover damages for such violation, or both; provided that, with the exception of Declarant or Duke Energy, no Benefited Property owner shall have the right to enter the Property in order to monitor or enforce compliance without court order. The party bringing such action shall be entitled to recover its reasonable attorney's fees and expenses incurred in such proceedings from the person or entity violating or attempting to violate the same. Nothing herein shall be held to impose any restrictions on any other land owned by either Declarant or Duke Energy, its subsidiaries or affiliates.



SECTION 6.11 MODIFICATION, AMENDMENT, VARIANCES:

- a. Declarant reserves the right for itself and its successors and assigns, to amend or modify, release, or grant variances with respect to the covenants, conditions, easements, and restrictions set forth herein. As used in this Section 6.11, the term "successors or assigns" shall be limited to Declarant's successors or assigns by merger or consolidation or by written assignment.
- b. In the event of a conflict between the specifically enumerated provision of these protective covenants and a provision imposed by the Declarant/Architectural Control Committee in approving the building plans, site preparation, and improvements to the real property, any provisions imposed by the Declarant/Architectural Committee shall govern.

SECTION 6.12 RESERVED EASEMENT: Declarant hereby reserves unto itself and any successors in title, (i) a ten (10) foot wide easement extending into the Property from and along all side Property lines for the installation and maintenance of utility lines, drainage ditches or facilities, or any other related improvements that may be required by Declarant or its successors or assigns; and (ii) a fifteen (15) foot wide easement extending into the Property from and along any public or private road rights of way for the installation and maintenance of utility lines, drainage ditches or facilities, or any other related improvements that may be required by Declarant or its successors or assigns.

SECTION 6.12 NO MODULAR OR MOBILE HOMES: No mobile, manufactured, or modular home or structure having the characteristics or appearance of a mobile, modular or manufactured home, including, without limitation, any mobile, modular or manufactured home as defined by the building codes or other applicable laws of the state in which the Property is located, shall be located upon the Property.

SECTION 6.13 DRIVEWAYS AND PARKING AREAS: All driveways and parking areas must be paved with asphalt, concrete or other paving materials approved in advance by the Architectural Committee and shall be completed at occupancy of the dwelling or within thirty (30) days thereafter.

SECTION 6.14 NUISANCES: No noxious or offensive activities shall be conducted upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. This restriction shall be subject to enforcement and regulation by the Association.

SECTION 6.15 RESTRICTION OF FURTHER SUBDIVISION: No lot shall be further subdivided or separated into smaller lots by an owner and no portion less than all of any such lot nor an easement or other interest less than the entire fee therein shall be conveyed or transferred by an owner, except as authorized by the Architectural Committee or as may be required due to the exercise by a governmental body of the power of eminent domain. However, Waterstone Properties, LLC expressly reserves to itself (or its successors in interest) the right to replat any one or more lots shown on the plat of said subdivision.



SECTION 6.16 ANIMALS: Subject to limitations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained at an occupant's residence, provided such pets are not kept, maintained, or bred for commercial purposes. All pets must be kept under control of their owner when they are outside the occupant's premises and must not become a nuisance to other residents at any time. The Association shall have the right to set monetary penalties for violation of this regulation. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien pursuant to the provisions of Section 4.8 of this document. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of said Declaration shall be the only requirement necessary to perfect said lien. No dog runs shall be permitted.



SECTION 6.17 PARKING: No parking of unlicensed, uninspected, or non-operable vehicles shall be allowed outside a dwelling unit. Except for emergency repairs, no person shall repair or restore any vehicle, trailer, boat, or recreational vehicle upon any portion of the properties outside a dwelling unit or garage. The Board shall have the right and authority to formulate rules governing the size and weight of vehicles which may be driven, parked, or stored within Waterstone subdivision. No vehicle may be stored outside a dwelling unit or approved structure except such vehicles as are for the property owner's personal use. These vehicles shall be parked no closer than fifty (50) feet to the road and in such a manner as not to be an eyesore or nuisance to other owners. No vehicles shall be allowed to be parked within the streets, roadways, common areas, or the rights of way in Waterstone Subdivision. This shall not prohibit the parking of vehicles on the streets, roadways, or rights of way in the event of a special gathering at a lot owner's dwelling, as, for example, birthday parties, Christmas parties, and the like.

SECTION 6.18 CLOTHES LINES: No outside clothes drying lines shall be permitted.

SECTION 6.19 TRASH RECEPTACLES: Storage, collection and disposal of trash shall be in compliance with rules set by the Association. All trash, rubble, or debris kept or

retained in containers for disposal shall be limited to that which is generated by the dwelling located on the lot in question.

SECTION 6.20 TRASH BURNING: Trash, brush, leaves and other similar materials shall not be burned within Waterstone Subdivision without approval of the Board and after obtaining applicable permits from governmental authorities.

SECTION 6.21 SIGNS: No signs of any kind shall be displayed to the public view on any lot, except one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period and except as required by governmental agencies. Nothing in this paragraph shall be construed to prevent Declarant from erecting entrance display signs or signs designed to designate areas within a subdivision.

SECTION 6.22 SETBACK: No building shall be located on any lot nearer than fifty (50) feet from the front property line. No building shall be located on any lot nearer than ten (10) feet from any side or rear lot line. Provided, however, anyone who purchases two (2) contiguous lots and wishes to erect a dwelling thereon shall specifically have the right to build said dwelling on the common lot line between the two (2) said contiguous lots; however, this shall in no way waive the requirements contained herein concerning rear and side lot lines with respect to said two (2) contiguous lots. "Front Lot Line", as referred to herein, is that part of the lot which faces a paved road, located in Waterstone Subdivision. For purposes of this covenant, eaves and steps shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. The Architectural Committee reserves the right to waive unintentional violations of the setback requirements and grant variances in case of minor violations of minimum building size or location.

SECTION 6.23 SEWAGE: Every dwelling unit shall have permanent plumbing, running water and a permanent sewage disposal system approved by the appropriate county or state agency. No temporary plumbing, water or sewage systems shall be allowed.



SECTION 6.24 STORAGE TANKS: Fuel, gas, oil, or water storage receptacles may not be exposed to view and must be installed either within the dwelling unit, buried underground, or screened with an enclosure approved by the Architectural Committee.

SECTION 6.25 FENCES: Any fencing of a decorative or utility nature must be approved in writing by the Architectural Committee.

SECTION 6.26 PLAYGROUNDS, SWIMMING POOLS, ETC.: All play or sports equipment, vegetable gardens and swimming pools shall be located only in the rear yard and shall not constitute an eyesore or nuisance to adjoining properties. All swimming pools and all other pools must be approved in writing by the Architectural Committee prior to beginning construction. No above ground pools shall be permitted on any lot. This shall not prohibit a child's wading pool or some such similar inflatable device. Any swimming pool must be properly fenced or otherwise securely enclosed by a privacy hedge so that the pool area is not readily accessible to individuals other than the owner; provided, however, that no fencing shall be installed or erected which has not been previously approved in writing by the Architectural Committee prior to installation.

SECTION 6.27 MAILBOXES: All mailboxes must be approved by the Architectural Committee.

SECTION 6.28 DAMAGE TO COMMON AREAS: An Owner shall be responsible for any damage to common areas by any party related to the construction or maintenance of his dwelling or lot. Prior to construction, an Owner shall cause to be deposited with the Association the sum of Seven Hundred Fifty (\$750.00) Dollars to be applied to the cost of cleaning or repairing damage, including, but not limited to concrete, gutters, and asphalt. Any unused portion will be returned upon completion of construction and repair of any damage and/or cleanup as provided herein, if any. This provision in no way limits liability for damage to \$750.00. Absent an agreement by the Board, damages in excess of \$750.00 must be paid before occupancy shall be allowed. Any unpaid assessed damages shall constitute a lien upon such owner's property. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien for unpaid assessments or charges for



damages pursuant to the provisions of Section 4.8 of this document. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of said Declaration shall be the only requirement necessary to perfect said lien.

SECTION 6.29 COMPLETION OF CONSTRUCTION: Once begun, construction of a dwelling shall be completed within one year. A dwelling shall not be occupied until completed. A dwelling shall be complete upon final inspection and approval by the applicable government authority. In the absence of such authority, the Architectural Control Committee shall give final approval for occupancy.

SECTION 6.30 MAINTENANCE OF LOTS: All lots and parcels, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly, unsanitary or a hazard to health. If not so maintained, the Association shall have the right, through its agents and employees, to do so, the cost of which shall be assessed to the owner and become a lien upon said lot and shall be enforceable by the Association. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien for unpaid assessments or charges pursuant to the provisions of Section 4.8 of this document. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of said Declaration shall be the only requirement necessary to perfect said lien. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed.

SECTION 6.31 EASEMENTS: The Developer reserves unto itself, its successors and assigns, the following easements over each lot or parcel and the right to ingress or egress to the extent reasonably necessary to exercise such rights:

- (a) A twenty (20) foot easement on all front lot lines for the installation of water lines, power lines, and any other utility which may be placed on the property. A twenty (20) foot easement on all side and rear lot lines ten (10) feet from each side of the line, which such easements shall be for the installation, maintenance, and



used buildings or structures, or materials intended for use as a dwelling, shall be placed on any lot.

SECTION 6.33 RECREATIONAL VEHICLES: Minibikes, Dune Buggies, Go-carts, all-terrain vehicles, motorized bikes, or any such similar recreational or other vehicles shall not be allowed to be operated on any common areas, conservations easement areas, subdivision lots, or streets or roadways in the subdivision.

ARTICLE VII

CONVEYANCE OF COMMON AREA TO THE ASSOCIATION

SECTION 7.1 TITLE TO COMMON AREA: Declarant will convey to the Association any Common Areas as might be shown on the Plat of Waterstone Subdivision at the conveyance of the first lot or when the roads are paved by the Declarant; PROVIDED, HOWEVER, that Declarant specifically reserves the right to itself and its successors in interest for the option of first refusal to re-acquire said common area or areas at a total cost of \$1.00 if the common area or areas so designated on said plat or plats are ever abandoned or offered for sale by the Association. No substitution of the Association in the place of the Declarant as called for in this instrument shall divest the Declarant of the within option of first refusal.



SECTION 7.2 RIGHT OF WAY AND EASEMENTS RETAINED: Any conveyance by the Declarant to the Property Owner's Association of the Common Areas as set forth in Section 1 of the Articles shall be made subject to the following:

- (a) Rights of way for ingress, egress and regress over and upon those certain roads located on the recorded plats for Waterstone Subdivision.
- (b) Easements and rights of way for the purpose of connecting water, gas, electric, telephone, and other utility lines running across the property of Waterstone Subdivision.
- (c) The option of first refusal as referenced in Section 7.1.

SECTION 7.3 ENCUMBRANCES: The Declarant agrees that, in connection with conveyance of Common Areas as above referred to, such conveyances to the Property Owner's Association shall be free and clear to all liens and financial encumbrances, except easements and rights of way of record. Under no circumstances may any portion of the common area be used as security for a consensual lien, including, but not limited to, a mortgage lien, Uniform Commercial Code Financing Statement, or any such similar pledge or hypothecation.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 8.1 DURATION: The covenants and restrictions contained in this Declaration shall run with and bind the properties which are made subject hereto for a period of twenty (20) years from the date of this Declaration is recorded in the Office of the Clerk of Court for Oconee County, South Carolina after which time such covenants and restrictions shall be automatically extended for successive periods of ten (10) years each unless amended by vote of seventy-five (75%) percent of members. The option of first refusal in Section 7.1 shall continue in full force and effect even if said covenants are amended or terminated.

SECTION 8.2 AMENDMENT: After the conveyance of any common areas by the Declarant to the Association, this Declaration may be amended at any time by an instrument executed by the holders of seventy-five (75%) percent of the votes described in Article III hereof. The Declarant may amend this Declaration at any time to correct any obvious error or inconsistency in drafting, typing or reproduction without action or consent of the Association.

SECTION 8.3 ENFORCEMENT: The Association, any owner, or the Declarant shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provision of this Declaration. Failure to enforce any covenant shall not constitute a waiver of the right to do so thereafter.

SECTION 8.4 SEVERABILITY: Invalidation of any one of these covenants or restrictions by judgement or court order

THE
 LAKE COMPANY
LAKE KEOWEE, SC

shall in no way effect any other provision of this Declaration, which shall remain in full force and effect.

SECTION 8.5 DECLARATION OF LIEN FORMAT: In any provision of the within Declaration wherein the right to file a Declaration of Lien exists, the general format shown on Exhibit A attached hereto shall be followed in connection with the filing of said Declaration of Lien and the notice to be afforded a lot owner. In addition thereto, from the date of filing of said Declaration of Lien, interest shall accrue at the rate of 14% per annum, unless the legal rate as established by the Code of Laws of South Carolina, as amended, shall be higher, in which event the higher interest rate shall govern.

SECTION 8.6 VERIFICATION BY THIRD PARTIES: In any provision of the within Declaration wherein the right to file a Declaration of Lien exists, or in any provision relating to the capital contribution or membership fee owed by a lot owner, the sale or transfer of any lot in the subdivision shall not affect any such obligation for payment which has not been complied with by the prior lot owner. Any balance due, if not paid, shall become and remain an obligation of the subsequent purchaser. Accordingly, if any owner of a lot desires to sell his lot, he may, in order to assure a prospective purchaser that no such balances remain unpaid, request from the Association a written certification that no such charges or expenses exist, whereupon it shall be the duty of the Association to certify this immediately upon request and without charge. However, any such unpaid expenses may be enforced by the filing of a Declaration of Lien, as provided in Section 8.5 above.



IN WITNESS WHEREOF, the undersigned have caused their hands and seals to be affixed this 10th day of April, 2003.

IN THE PRESENCE OF:

WATERSTONE PROPERTIES, LLC

Dennis M. Jones
Harold P. Miller

By: *Thomas E. Schamens*
Thomas E. Schamens, Member

BOOK 1275 PAGE 046

EXHIBIT "A"

DECLARATION OF LIEN
BY
WATERSTONE PROPERTY OWNER'S ASSOCIATION, INC.

against

and

(whether one or more, hereinafter referred to
as the "Property Owner")



Pursuant to the provisions of paragraph _____ of the Protective Covenants of Waterstone Subdivision recorded in the Office of the Register of Deeds for Oconee County, South Carolina, in Record Book _____ at Page _____ the Association declares and hereby gives notice of its lien on the property hereinafter described for the payment of the balance due under the terms of Item _____ of said Protective Covenants (the "Assessments") in the amount set forth hereinafter. The property being the subject of this lien, the period covered and the amount of the lien is as follows:

<u>Property Description</u>	<u>Period of Delinquent Assessment</u>	<u>Amount of Assessment</u>
Lot # _____		
Plat Book _____		
Page _____		
Deed Book _____		
Page _____		

If the within Declaration of Lien is filed for a reason other than assessments, the reason, and the amount due, is as follows:

BOOK 1275 PAGE 047

*Assessments accrue interest at the rate that is the higher of 14% per annum or the maximum rate permitted by law.

The failure of the property owner to bring any legal action to contest the validity or amount of this lien within 30 days after notice is mailed by regular U. S. mail to the property owner at the address on record with the Association shall be deemed to be an admission that the validity and amount is correct and the amount of the Assessment together with accrued interest shall be conclusive against the property owner.

Payment of this lien shall be made to the Association and paid to the undersigned Treasurer at the address set forth below the signature of the Treasurer.

IN THE PRESENCE OF:

WATERSTONE PROPERTY OWNER'S ASSOCIATION, INC.

By: _____
Its: _____

Address: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF _____)

PROBATE



PERSONALLY appeared before me the undersigned who on oath states that (s)he saw _____ as Treasurer of WATERSTONE PROPERTY OWNER'S ASSOCIATION, INC. sign, seal and as its act and deed deliver the within Declaration of Lien and that (s)he along with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME THIS _____ day of _____, 2003.

Notary Public for South Carolina
My Commission Expires: