

AMENDED AND RESTATED BYLAWS
OF
STONELEDGE AT LAKE KEOWEE OWNERS'
ASSOCIATION, INC.

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AMENDED AND RESTATED BYLAWS
OF
STONELEDGE AT LAKE KEOWEE OWNERS'
ASSOCIATION, INC.

ARTICLE 1
ENTITY INFORMATION

SECTION 1.1. NAME

The name of the corporation is STONELEDGE AT LAKE KEOWEE OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association".

SECTION 1.2. LOCATION

The principal office of the Association shall be located in Oconee County, South Carolina.

SECTION 1.3. REGISTERED AGENT

The registered agent for the Association shall be designated by either the President of the Association or its Board Directors from time to time, unless otherwise required by law. The registered office of the Association must be located in South Carolina and may be, but need not be, identical with the principal office.

SECTION 1.4. PURPOSE

The purpose for which the Association is organized is to (i) provide maintenance services to the Owners; (ii) manage and maintain the Common Area within the Property; (iii) administer and enforce all covenants, conditions and restrictions applicable to the Property known as The Towne Homes on Keowee located in Oconee County, South Carolina; (iv) manage and maintain all sewer utility service facilities located on, under or within the boundaries of the property, including, but not limited to, all sanitary sewer mains, valves, cleanouts, pipes, lines, laterals, meters, or connections associated with such sewer utility facilities (hereinafter referred to as the "Service Facilities"); and (v) to engage in other activities allowed by law which are necessary for the Association to carry out its rights, duties and responsibilities set forth in the Declaration.

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SECTION 1.5. ENTITY

The Association is a nonprofit mutual benefit corporation organized under the South Carolina Nonprofit Corporation Act of 1994. The Articles of Incorporation were filed with the South Carolina Secretary of State on September 7, 2001, an amended Articles of Incorporation were filed with the South Carolina Secretary of State on May 31, 2005.

ARTICLE 2 DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings set forth in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee executed by IMK Development Co., LLC, and duly recorded in the Office of the Register of Deeds for Oconee County, South Carolina in Deed Book _____, at Page _____, as the same may be supplemented and amended from time to time (the "Declaration").

ARTICLE 3 MEETINGS OF MEMBERS

SECTION 3.1. MEMBERSHIP.

The Members of the Association, shall be the "Members" as defined in Article 1, Section 18 of the Declaration.

SECTION 3.2. ANNUAL MEETINGS.

The first annual meeting of the Members shall be held on such date as determined by the Board of Directors within one year from the date of incorporation of the Association or during the first calendar year that Assessments are charged to the Owners. Each subsequent annual meeting of the Members shall be held on the day of the same month of each year thereafter, at the hour of 7:00 o'clock, P.M., or on such other date and time as determined by the Board of Directors. If the day for

the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 3.3. SPECIAL MEETINGS.

Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes appurtenant to the Lots.

SECTION 3.4. PLACE OF MEETINGS.

All meetings of the Members shall be held at such place, within Oconee County, South Carolina, as shall be determined by the Board of Directors of the Association.

SECTION 3.5. NOTICE OF MEETINGS.

Unless otherwise required by the Articles of Incorporation or the Declaration, written notice of each meeting of the Members shall be given by mailing a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

SECTION 3.6. MEMBERSHIP LIST.

An alphabetical list of the names of all Members who are entitled to vote and their addresses shall be prepared by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting, at the Association's principal office or at a place identified in the meeting notice in the city where the meeting will be held. This list shall also be available at the meeting for inspection by any Member.

SECTION 3.7. VOTING RIGHTS.

The Association shall have the following two classes of voting membership:

Class A.

Class A Members shall be all owners, with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one

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person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

Class B.

The Class B Member shall be the Declarant, and it shall be entitled to eight (8) votes for each Lot in which it holds a fee or undivided fee interest, provided that the class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in Class A membership (excluding Residences owned by Builder approved by Declarant) equals the total votes outstanding in Class B membership; provided, however, that Class B membership shall be reinstated with all rights, privileges, and responsibilities, if, after conversion of the Class B membership as herein provided, additional lands are annexed to the Property by the Declarant in the manner provided in Article II of the Declaration;

(b) on January 1, 2007; or

(c) when Declarant elects, by notice to the Association in writing, to terminate its Class B membership.

SECTION 3.8. QUORUM.

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 3.9. PROXIES.

At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing dated within eleven months prior to the Meeting and filed with the Secretary. Every proxy shall be revocable by (i) appearing at the Meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, or (iii) conveyance by the Member of his Lot.

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SECTION 3.10. ACTION BY MEMBERS.

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

The Members present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

SECTION 3.11. WAIVER OF NOTICE.

Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

SECTION 3.12. INFORMAL ACTION BY MEMBERS.

Any action which may be taken at any annual, regular or special meeting of the Members may be taken without a meeting if: (i) one or more consents in writing, setting forth the action so taken, shall be signed by those Members representing at least eighty (80%) percent of the voting power and filed with the Secretary of the Association to be kept in the Association's minute book as authorized by Section 33-31-704 of the Code of Laws of South Carolina (1976) as amended; or (ii) such action is approved by written ballot using the procedures set forth in Section 33-31-708 of the Code of Laws of South Carolina (1976), as amended.

ARTICLE 4 BOARD OF DIRECTORS

SECTION 4.1. NUMBER.

The business and affairs of the Association shall be managed initially by a Board of four (4) directors, who are:

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The Association may increase the size of the Board up to seven (7) members by a majority vote of the Members.

SECTION 4.2. INITIAL DIRECTORS.

Initial directors shall serve until the first annual meeting of the association or until such time as their successors are duly elected and qualified.

SECTION 4.3. NOMINATION.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Directors need not be Members of the Association.

SECTION 4.4. ELECTION.

Directors shall be elected at the annual meeting of the Members by written ballot or by show of hands. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

SECTION 4.5. TERM OF OFFICE.

The term of directors elected by the Members shall expire at the next annual meeting of Members; provided, however, the directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death.

SECTION 4.6. REMOVAL.

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Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. The Board of Directors shall have the power, acting alone, to declare the office of the director vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

SECTION 4.7. COMPENSATION.

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

SECTION 4.8. SALARIES OF EMPLOYEES AND AGENTS.

Except as provided elsewhere in these Bylaws, the Board of Directors shall set the salaries of all employees and agents of the Association.

ARTICLE 5 MEETINGS OF DIRECTORS

SECTION 5.1. REGULAR MEETINGS.

Meetings of the Board of Directors shall be held on a regular basis as often as the Board of Directors sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 5.2. SPECIAL MEETINGS.

Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

SECTION 5.3. NOTICE OF MEETINGS.

Notice of each special meeting of the Board of Directors, stating the date, time and place of the meeting, shall be given by or at the direction of the Secretary

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of the Association by mailing the same to each director at his residence or business address not fewer than three (3) days before such meeting, or by giving the same to him personally or faxing, e-mailing or telephoning the same to him at his residence or business address not later than the day before the day on which the meeting is to be held.

Any and all requirements for notice of meetings may be waived in accordance with Section 33-31-823 of the Code of Laws of South Carolina (1976), as amended.

SECTION 5.4. QUORUM.

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

SECTION 5.5. INFORMAL ACTION BY DIRECTORS.

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

SECTION 5.6. CHAIRMAN.

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

SECTION 5.7. LIABILITY OF THE BOARD OF DIRECTORS.

The members of the Board of Directors shall not be liable to the Members or to the Association for any mistake of judgment, negligence, or otherwise except for (i) a breach of the director's duty of loyalty to the Association or Members; (ii) their own individual willful misconduct or bad faith; or (iii) for any transaction from which a director derived an improper personal benefit. The Members shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the

members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Member(s).

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 6.1. POWERS.

The Board of Directors shall have power to:

- (a) formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Residence and the Common Area, including recreational parking facilities and boat docks and boat slips;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (d) employ agents, independent contractors, or such other employees as they deem necessary, and prescribe their duties;
- (e) employ attorneys and accountants to advise, serve and represent the Association when deemed necessary;
- (f) grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property;
- (g) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient;
- (h) do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;

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

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

(k) appoint members of the Architectural Committee as described in the Declaration.

(l) suspend the voting rights of a Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed thirty (30) days for infraction of published rules of the Association; and

(m) borrow money for the purpose of improving, maintaining, repairing or replacing facilities maintained by the Association and pledge or hypothecate any or all of the Association's real or personal property including accounts receivable as security for such borrowing.

SECTION 6.2. DUTIES.

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs in accordance with Section 33-31-1601 of the Code of Laws of South Carolina (1976), as amended, and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least one-third (1/3) of the votes appurtenant to the Residences;

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

(c) as more fully provided in the Declaration:

(1) fix the amount of the assessments;

(2) send written notice of each assessment to every Owner subject thereto before its due date; and

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

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

(e) procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association;

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

(g) cause the Common Area and the Service Facilities to be managed and maintained.

ARTICLE 7

OFFICERS AND THEIR DUTIES

SECTION 7.1. OFFICERS.

The officers of the Association shall be a President and Vice-President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution appoint. The President shall be a member of the Board of Directors.

SECTION 7.2. APPOINTMENT OF OFFICERS.

The appointment of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

SECTION 7.3. TERM.

Each officer of the Association shall be appointed annually by the Board of Directors and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is appointed and qualifies.

SECTION 7.4. SPECIAL APPOINTMENTS.

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The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

SECTION 7.5. RESIGNATION, REMOVAL AND VACANCIES.

Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7.6. MULTIPLE OFFICES.

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

SECTION 7.7. DUTIES.

The duties of the officers are as follows:

President:

(a) The President shall be the principal executive officer of the Association, and subject to the control of the Board of Directors, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, promissory notes, mortgages, deeds and other written instruments and shall have such check signing authority as may be approved by the Board of Directors.

Vice-President:

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary:

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(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, shall authenticate records of the Association, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board of Directors and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer:

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE 8 COMMITTEES

SECTION 8.1. EXECUTIVE COMMITTEE.

The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee to consist of two or more of the Directors of the Association, which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and to do all things, including actions specified by these Bylaws to be performed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Directors; but the Board of Directors shall at all times have the power to reverse an action taken by the Executive Committee, provided that the exercise of such power by the Board of Directors shall not in any way abrogate the obligations or duties owing by the Association to third parties who have acted in reliance on the action taken by such committee.

All proceedings and action taken by such committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors or special meeting called for such purpose next following such proceedings or action.

SECTION 8.2. NOMINATING COMMITTEE.

The Association shall appoint a Nominating Committee, as provided in these Bylaws.

SECTION 8.3. OTHER COMMITTEES.

The Board of Directors may create such other committees as the Board of Directors may from time to time appoint. The Board of Directors shall appoint members of the Architectural Committee as described in the Declaration.

SECTION 8.4. COMPENSATION.

Members of committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefor.

ARTICLE 9 BOOKS AND RECORDS

SECTION 9.1. ASSOCIATION RECORDS.

The Association shall:

- (a) keep as permanent records, minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors;
- (b) maintain appropriate accounting records;
- (c) maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members, in alphabetical order by class, showing the Residence number where such Members reside;
- (d) maintain its records in written form or in another form capable of conversion into written form within a reasonable time; and
- (e) keep a copy of the following records at its principal office:

- (1) its Articles of Incorporation or Restated Articles of Incorporation and all amendments to them currently in effect;
- (2) its ByLaws or Restated ByLaws and all amendments to them currently in effect;
- (3) resolutions adopted by its Board of Directors relating to characteristics, qualifications, rights, limitations, and obligations of Members or any class of the Members;
- (4) the minutes of all meetings and records of all actions approved by the Members for the past three (3) years;
- (5) all written communications to Members generally within the past three (3) years, including the financial statements furnished for the past three (3) years.
- (6) a list of the names and business or home addresses of its current Directors and Officers; and
- (7) its most recent report of each type required to be filed by it with the Secretary of State.

SECTION 9.2. INSPECTION OF RECORDS BY MEMBERS.

(a) Subject to Subsection 9.3 below, a Member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the records of the Association described in Subsection 9.1(e) above if the Member gives the Association written notice or a written demand at least five (5) business days before the date on which the Member wishes to inspect and copy.

(b) Subject to Subsection 9.3 below, a Member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the Association, any of the following records of the Association if the Member meets the requirements of Subsection 9.2(c) below and gives the Association written notice of at least five (5) business days before the date on which the Member wishes to inspect and copy:

- (1) excerpts from any records required to be maintained under Subsection 9.1(a) above to the extent not subject to inspection under Subsection 9.2(a) above;
- (2) accounting records of the Association; and

- (3) subject to Subsection 9.4 below, the Membership list.
- (c) A Member may inspect and copy the records identified in Subsection 9.2(b) above only if:
 - (1) the Member's demand is made in good faith and for a proper purpose;
 - (2) the Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and
 - (3) the records are directly connected with this purpose.
- (d) This section does not affect:
 - (1) the right of a Member to inspect records under Section 33-31-720 of the Code of Laws of South Carolina (1976), as amended (regarding Members' list for voting) or, if the Member is in litigation with the Association, to the same extent as any other litigant; or
 - (2) the power of a court to compel the production of corporate records for examination.

SECTION 9.3. SCOPE OF INSPECTION RIGHTS

- (a) A Member's agent or attorney has the same inspection and copying rights as the Member the agent or attorney represents.
- (b) The right to copy records under Section 9.2 above includes, if reasonable, the right to receive copies made by photographic, xerographic or other means.
- (c) The Association may impose a reasonable charge, covering the costs or labor and material, for copies of any documents provided to the Member. The charge may not exceed the cost of production or reproduction of the records.
- (d) The Association may comply with a Member's demand to inspect the record of Members under Subsection 9.2(b)(iii) by providing the Member with a list of its Members that was compiled no earlier than the date of the Member's demand.

SECTION 9.4

LIMITATION ON USE OF MEMBERSHIP LIST.

Without consent of the Board of Directors, a Membership list or any part of a Membership list may not be obtained or used by a person for any purpose unrelated to a Member's interest as a Member. Without limiting the generality of the foregoing, without the consent of the Board of Directors, a Membership list or any part of the list may not be:

- (a) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election to be held by the Association;
- (b) used for any commercial purpose; or
- (c) sold to or purchased by any person.

SECTION 9.5. FINANCIAL STATEMENT FOR MEMBERS.

FINANCIAL STATEMENT FOR MEMBERS.

Upon receipt of a written demand from a Member, the Association shall furnish the demanding Member its latest annual financial statements that include a balance sheet as of the end of the fiscal year and a statement of operations for that year. Such statements shall comply with the requirements of Section 33-31-1620 of the Code of Laws of South Carolina (1976), as amended.

ARTICLE 10

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual assessments and special assessments. Any assessments which are not paid when due shall be delinquent. If an assessment is not paid by its due date, as set forth in the Declaration, the assessment shall bear interest as described in the Declaration or the highest rate then permitted by law, whichever is lower. The Association may bring an action at law against the Member personally obligated to pay the same and/or foreclose the lien on the Residence in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages. The lien of the Association against such Residence must be established by, and shall be effective from the time of filing of a Notice of Lis Pendens in the Office of the Clerk of Court of Oconee County. Failure by the Association to enforce any covenant or lien herein contained shall in no event be deemed a waiver of its right to do so. The interest, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount



of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of his Residence or the Common Area.

The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents and the Property; payment of taxes on the common area and limited common area; payment of the sanitary sewer treatment fee charged by the Utility for sanitary sewer treatment services rendered to the Association; enforcing these covenants and the rules of the Association; improving and maintaining the Property, the Service Facilities and the exterior of the residences thereon, the common area, the limited common area; and providing the services, amenities and related facilities for purposes of, and related to, the use and enjoyment of the common area and limited common area. Assessments levied under the Declaration are to include each Owner's pro rata share of the sanitary sewer treatment fee charged to the Association.

ARTICLE 11

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words STONELEDGE AT LAKE KEOWEE OWNERS' ASSOCIATION, INC..

ARTICLE 12

AMENDMENTS

The Board of Directors acting unanimously shall have the power to amend or repeal these ByLaws. Additionally, these ByLaws may be amended, or repealed at a regular or special meeting of the Members or by informal action by the Members in accordance with Section 3.12 above by a vote of at least two-thirds (b) of the Lots represented at a duly held meeting of the Members at which a quorum is present in person, by proxy, by written consent or by ballot.

Notwithstanding anything in this Article to the contrary, the Declarant may at its option amend these Bylaws without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause these Bylaws to comply with the requirements of the FHA, VA, Federal National Mortgage Association or similar agency.

ARTICLE 13

CONTROLLING DOCUMENTS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. The Association is a South Carolina Nonprofit Corporation. To the extent the Articles of Incorporation, the ByLaws or the Declaration do not address matters of corporate governance, or if there are any provisions of the foregoing which are prohibited by the South Carolina Nonprofit Corporation Act, as may be amended from time to time, then the relevant provisions of such Act shall control.

ARTICLE 14

MISCELLANEOUS

SECTION 14.1. FISCAL YEAR.

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

SECTION 14.2. MERGERS.

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A Membership and two-thirds (2/3) of the entire Class B Membership, if any.

SECTION 14.3. NOTICE.

(a) If any other Sections of these ByLaws prescribe notice requirements for particular meetings or circumstances, those requirements govern rather than those in Section 14.3(b) below. If the Articles of Incorporation, the Declaration or these ByLaws prescribe notice requirements which are not inconsistent with the South Carolina Nonprofit Corporation Act, those requirements govern over those set forth in such Act.

(b) Notices required, permitted or desired to be given by a Member, the Association or an agent of either shall be subject to the following:

- (1) Notice may be oral or written.
- (2) Notice may be communicated in person; by telephone, telegraphy, teletype, facsimile transmission (FAX), or other form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or other forms of public broadcast communications.
- (3) Oral notice is permissible if reasonable under the circumstances and is effective when communicated in a comprehensible manner. Oral notice also includes notice through broadcast transmission.
- (4) Written notice, if in a comprehensible form, is effective at the earliest of the following:
 - (a) when received;
 - (b) five days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed;
 - (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;
 - (d) fifteen days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered, or certified postage affixed.
- (5) Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Association's current list of Members.
- (6) A written notice or report delivered as part of a newsletter, or other publication regularly sent to Members constitutes a written notice or report if addressed or delivered to the Member's address shown in the Association's current list of Members, or in the case of Members who are residents of the same household and who have the same address in the Association's current list of Members, if addressed or delivered to one of such Members, at the address appearing on the current list of Members.
- (7) Written notice is correctly addressed to the Association, other than in its capacity as Member, if addressed to its registered agent or to its Secretary at its principal office shown in its most recent Notice of Change of Principal Office and if none has been filed, in its Articles of Incorporation or to such other address as the

Association has communicated in writing to Members for use in corresponding with the Association.

SECTION 14.4. PRONOUNS.

Whenever in these ByLaws words, including pronouns, are used in the masculine, they shall be read and construed in the feminine or neuter whenever they would so apply; and wherever in these ByLaws words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively wherever they would so apply.

ARTICLE 15

INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a director or officer was adjudged liable to the Association or in relation to a proceeding where a director or officer was adjudged liable on the basis that personal benefit was improperly received by that director or officer.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise

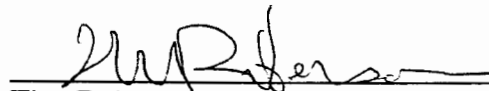
against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

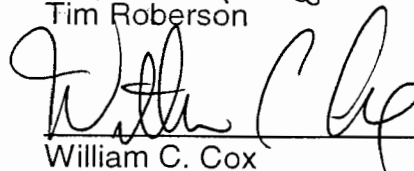
The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article 15, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

AMENDED AND RESTATED BYLAWS ADOPTED AS OF THE 1st DAY OF November, 2005.

BY DIRECTORS:

 Director
Tim Roberson

 Director
William C. Cox

 Director
Rick Thoennes

FILED FOR RECORD
OCONEE COUNTY, S.C. AMENDED AND RESTATED
REGISTER OF DEEDS DECLARATION OF COVENANTS, CONDITIONS,
COUNTY OF OCONEE AND RESTRICTIONS FOR STONELEDGE AT
LAKE KEOWEE
2005 NOV 30 A 9:11 PM

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS CONTAINS
ARBITRATION PROVISIONS PURSUANT TO SECTION 15-48-10 ET. SEQ. CODE OF
LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

THIS AMENDED AND RESTATED DECLARATION is made as of this 1st day of November, 2005, by IMK DEVELOPMENT CO., LLC, a South Carolina limited liability company, hereinafter referred to as the "Declarant," and STONELEDGE AT LAKE KEOWEE OWNERS' ASSOCIATION, INC., A South Carolina non-profit corporation, hereinafter referred to as the "Association" or "Homeowners' Association,"

WITNESSETH:

WHEREAS, the Declarant is the owner of certain property in Oconee County, South Carolina, which is more particularly described as follows:

(See EXHIBIT A attached hereto for description)

WHEREAS, Declarant's predecessor in interest, Keowee Townhouses, LLC, a South Carolina limited liability company, has previously filed an Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee Phase I, Section 1, dated August 21, 2003, and recorded August 22, 2003, in the Office of the Register of Deeds for Oconee County, South Carolina, in Deed Book 1296, at Page 325, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, dated August 29, 2003, recorded August 29, 2003, in Deed Book 1298, Page 194, and that certain Supplement to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, Phase I, Section 1, dated October 23, 2003, recorded October 24, 2003 in Book 1309, page 12, subjecting the Property (hereinafter defined) to certain protective covenants, conditions, restrictions, liens and charges as therein set forth (the "Original Declaration");

WHEREAS, Keowee Townhouses, LLC, has assigned all of its right title and interest in the Property to IMK Development Co., LLC, a South Carolina limited liability company, as evidenced by that certain Assignment of Declarant's Rights by and between Keowee Townhouses, LLC and IMK Development Co., LLC dated as of April 28, 2005, recorded April 29, 2005 in Deed Book 1415, page 30, aforesaid records;

WHEREAS, Declarant has changed the name of the subdivision to "Stoneledge at Lake Keowee" as evidenced by the certain Second Amendment to the Amended and

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126600

Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee dated June 30, 2005, recorded July 15, 2005, in Book 1432, at Page 182, in the aforementioned land records, and desires to file this Amended and Restated Declaration of Covenants Conditions; and,

WHEREAS, this Amended and Restated Declaration has been adopted by the Association at a duly called meeting on September 26, 2005, at which a quorum was present and at least seventy-five percent (75%) of the Lot Owner's were present; and,

WHEREAS, it is the intent of Declarant, the Association and Lot Owners that this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee superseded the Original Declaration;

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

ARTICLE I. DEFINITIONS

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

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

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

Section 4. "Boat slip" means the boat slips in any boat dock constructed on Lake Keowee by Declarant. In conjunction with the purchase of a unit within the Subdivision, each Owner is required to purchase a license to use a boat slip within a boat dock which license cannot be transferred except in conjunction with the sale of the unit.

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

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

Section 7. "By-laws" means the by-laws of the Association as they now or hereafter exist.

Section 8. "Common area" shall mean and refer to all tangible and intangible personal property, real property, buildings, private roads, garbage disposal facilities, if any, boat docks, if any, mailbox stations, cabana, tennis courts, pool, recreational parking facilities and other amenities, if any, within the Property owned by or to be conveyed to the Association, along with facilities and improvements erected or constructed thereon, for the exclusive use and enjoyment of the members of the Association as shown on the aforementioned recorded plat and the plats of additional properties hereafter annexed as hereinafter provided. The Common Area shall specifically exclude any areas designated as "Future Development" on a recorded plat which areas are specifically set aside for future development by the Declarant. Said common area shall be maintained by the Association at its expense, subject to any restrictions or limitations set forth in the deed of conveyance.

Section 9. "Common expenses" shall mean and include;

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses for maintenance of the units as provided in this Declaration;
- (c) Expenses of administration, maintenance, repair or replacement of the common areas;
- (d) Expenses declared to be common expenses by the provisions of this Declaration or the By-laws;
- (e) Hazard, liability or such other insurance premiums as the Declaration or By-laws may require the Association to purchase;
- (f) Expenses agreed by the members to be common expenses of the Association.

Section 10. "Common profits" shall mean and refer to the balance of all income, rents, profits, and revenues of the Association remaining after the deduction of the common expenses or reserves therefor. Common profits shall not mean or include any sums lawfully assessed against members by the Association.

Section 11. "Declarant" shall mean and refer to IMK Development Co., LLC, a South Carolina limited liability company, its successors and assigns to whom the rights of Declarant are expressly transferred, or if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development or

acquire title to the property under a deed in lieu of foreclosure or judicial foreclosure, or one otherwise denominated a "Declarant" hereby.

Section 12. "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee.

Section 13. "Design Guidelines" shall mean and refer to the exterior plans and specifications and exterior color and finish requirements approved by the Architectural Committee from time to time.

Section 14. "Garbage disposal station" shall mean and refer to the area(s), if any are constructed, within the subdivision which is designated by the Declarant or the Association, as the case may be, as a garbage disposal station.

Section 15. "Limited common area" shall mean and refer to those common elements maintained by the Association in common with the common areas which are reserved for the use of a certain number of units or owners to the exclusion of other units or owners such as the boat slips, recreational parking facilities, and mail boxes in the mailbox station which the Association shall maintain in common with the common areas.

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

Section 17. "Mailbox station" shall mean and refer to the area(s) within the common area of the subdivision which are designated by the Declarant or the Association, as the case may be, as a mailbox station.

Section 18. "Member" shall mean and refer to every person who is a member of the Association.

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

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

Section 21. "Property" shall mean and refer to that certain real property hereinbefore described in **Exhibit A** and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation.

Section 22. "Recreational parking facilities" shall mean and refer to those parking facilities, if any, constructed within the subdivision by Declarant dedicated solely for the parking and storage of recreational vehicles. Licenses for the use of the parking spaces within the recreational parking facilities can be sold by Declarant to owners separate and apart from a unit on a first come first serve basis which license cannot be transferred except to another owner of a unit within the subdivision. In the event of any such transfer, the owner who purchases a license to use the recreational parking facilities from another owner shall promptly notify the Association in writing of the transfer.

Section 23. "Residence", "dwelling", "town home" "town house" or "unit" shall mean and refer to a dwelling or place of residence constructed upon a lot, including the lot, within the Property and constituting all or part of a building.

Section 24. "Subdivision", "project", "development", or "PUD" shall mean and refer to the Property.

ARTICLE II. ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. The Declarant may unilaterally annex additional properties to the Property herein described for the purpose of subjecting the annexed property to the provisions of this Declaration and the jurisdiction of the Homeowners' Association. Additional properties so annexed shall be merged with the Property herein described and any other previously annexed property, and shall be subject to the provisions of this Declaration and to the Articles of Incorporation and By-laws of the Association. All properties annexed shall be contiguous (i) to the Property herein described or (ii) to property previously annexed.

Section 2. Such annexation shall be accomplished by recording a supplemental Declaration annexing such property in the Register of Deeds Office for Oconee County, South Carolina. Such supplemental Declaration shall not require the consent of the Homeowners' Association or any Owner, but shall require the consent of the owner of the annexed property, if other than the Declarant. Said annexation shall be effective upon the filing of the supplemental Declaration unless otherwise provided therein.

Section 3. The Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an option to annex property pursuant to this Article, without the prior notice or consent of the Homeowners' Association or any Owner, for the purpose of removing certain portions of the property subject to this Declaration then owned by Declarant, or one of its affiliates, including any portion of the property now or hereinafter designated as part of the sewer facilities, from the provisions of this Declaration.

ARTICLE III. PROPERTY RIGHTS

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

- (a) The right of the Association to limit the number of guests of members.
- (b) The right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving the common area.
- (c) The right of the Association to suspend the voting rights (and right to use of any recreational facilities located upon the common area) of a member, or any person to whom he has delegated his voting right, for any period during which any assessment against his unit remains unpaid and for a period as determined by the Board of Directors for any infraction of the Association's published rules and regulations.
- (d) The right of the Association to formulate, publish, and enforce rules and regulations as provided in Article X.
- (e) The right of the Association to levy assessments in accordance with Article VI hereof.
- (f) The right of the Association to suspend the right of a member to use the recreational facilities or boat docks and boat slips for any period during which any assessment against his unit remains unpaid and for a period as determined by the Board of Directors for any infraction of the Association's published rules and regulations.

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

Section 3. Title to Common Area and Limited Common Area. At such time as Class A Members shall take control of the Association, the Declarant hereby covenants for itself, its successors and assigns, that it will convey to the Association fee simple title to the common areas and limited common areas shown upon the recorded plat free and clear of all liens and encumbrances, except utility and drainage easements and easements to governmental authorities, upon condition that such common area shall be for the sole and exclusive use and benefit of members, as long as such area is maintained in conformity with the requirements of this Declaration, the By-laws, and the Articles of Incorporation of the Association at the sole expense of the Owners. Similarly, the Declarant will convey to

the Association, upon the same conditions and for the same uses and purposes, common areas and limited common areas which are part of any additional properties that are annexed by it in the future. The Association shall be bound to accept the conveyance by Declarant and shall own and maintain such common areas and limited common areas at its expense, subject to any restrictions or limitations set forth in the deed of conveyance.

Section 4. Parking and Access Rights. Subject to the provisions of these covenants and the rules and regulations of the Association, the owners of each unit shall park their automobile(s) in the spaces, driveways or garages reserved by the Declarant or the Association, as the case may be, to serve each unit. All unit owners are hereby granted the right of ingress and egress from their respective units to the roads located on the property which are to be private roads, as well as an easement from all private roads to Morgan Road. No recreational vehicles may be stored within the property or common area; except in a licensed recreational parking space designated for such use, or in a garage of a residence containing a garage, provided the garage door is closed and said vehicles or accessories are not visible to persons from the outside. No automobiles or trucks shall be parked or maintained on the property unless they have a current license plate affixed thereto.

Section 5. Sanitary Sewer Service. Sanitary sewer treatment service will be provided to the Property by United Utility Companies, Inc., a private utility company (hereinafter referred to as the "Utility") pursuant to an Operation and Maintenance Agreement by and between the Association and the Utility whereby the Utility will own the Treatment Facilities and will provide sanitary sewer treatment to the Property pursuant to the terms of the Operation and Maintenance Agreement and the regulations of appropriate regulatory agencies and governmental authorities. All sewer utility service facilities located on, under or within the boundaries of the Property shall be the property of the Association, who shall have and bear sole responsibility for the maintenance, repair and replacement of such sewer utility service facilities, including, but not limited to, all sanitary sewer mains, valves, cleanouts, pipes, lines, laterals, meters, or connections associated with such sewer utility facilities (hereinafter referred to as the "Service Facilities"). Such maintenance shall be the responsibility of the Association and shall be paid for as a common expense of the Association, unless it can be shown that such maintenance is being required as a result of the intentional or grossly negligent act of an Owner (in which case such Owner shall be responsible for the cost associated with the same). Several sanitary sewer service lines within the Property have been installed and are located partially under parking areas and garages. The Declarant, on behalf of each Owner, consents to such encroachment by the sanitary sewer service lines underneath such parking areas and garages and grants the Association an easement of access in, upon and to such areas within parking areas or garages under which a sanitary sewer line exists for the purpose of maintaining said sanitary sewer service line. Upon completion of any such maintenance, the Association shall, as a common expense, return those portions of the affected Residence to the condition it was in immediately preceding such maintenance. Each Owner, by taking title to a lot, hereby releases, discharges and acquits Declarant from and against all claims, demands, liabilities, costs, expenses, rights of action and/or causes of action of every kind

and nature, past, present or future, arising out of any sanitary sewer service line being located underneath a garage.

There is hereby reserved to United Utility Companies, Inc., its successors or assigns, an easement and right of way upon, across and over the property of each lot/unit owner and common areas owned by the Association for access to the sewer utility service facilities located on, under or within such properties, for the purpose of inspection in the normal course of operating the sewer utility treatment system serving the Property subject of the within restrictions. Any required repairs, maintenance or replacement of the sewer utility service facilities on the Property shall be promptly undertaken by the Association upon notification by United Utility Companies, Inc. that repair, maintenance or replacement is required to prevent a malfunctioning of the sewer treatment system serving the Property.

The rights reserved to United Utility Companies, Inc. hereby are in addition to any other rights which it may hold as a public utility under its rate schedule, or under law, rule, regulation or order of appropriate governmental authority. The foregoing restrictions and easement rights may not be altered, amended, revised, or modified except with the written consent of United Utility Companies, Inc., its successors or assigns.

Section 6. No Dedication of Roadways or Entranceways. Declarant does not intend to dedicate the areas designated as a "Roadway," "Drive Way," "Avenue," "Boulevard," "Court," "Drive," "Road," "Lane," "Place," or "Street" on the Plat to any public agency or authority, it being the Declarant's intent that the roads remain private. Prior to the conveyance of the first Lot to an Owner, Declarant shall convey the areas designated as "Avenue," "Boulevard," "Court," "Drive," "Road," "Lane," "Place," or "Street" on the Plat to the Association to be maintained as provided herein. Notwithstanding the foregoing and for so long as Declarant owns real property within the Subdivision, Declarant specifically reserves the right to dedicate or convey any street, road or driveway to any governmental entity at any time following the date hereof without the consent or approval of any Owner or the Association. In such event, the Association shall cooperate with Declarant to accomplish such dedication.

ARTICLE IV. HOMEOWNERS' ASSOCIATION

Section 1. Nonprofit Corporation. Stoneledge at Lake Keowee Owners' Association, Inc., is a nonprofit corporation organized under the laws of the State of South Carolina. The Association shall be managed by a Board of four (4) Directors who need not be members of the Association. The Association may increase the size of the Board up to seven (7) members by a majority vote of the members. Said Board shall be responsible for preparing the By-laws of the Association, and the rules and regulations governing the use of the Common Areas and distributing the same to the members thereof.

Section 2. Membership. Every record owner of a fee or undivided share in any unit which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the

performance of any obligations, shall be a member of Association. Ownership of such interest shall be the sole qualification for such membership. No owner shall have more than one membership per unit in the Association and there shall be only one vote for each unit in the development. Membership shall be appurtenant to, and may not be separated from, ownership of any unit which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

Section 3. Mergers. To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds of the entire Class A Membership and two-thirds of the entire Class B Membership, if any.

ARTICLE V. VOTING RIGHTS

Section 1. Classes. The Association shall have the following two classes of voting membership:

- (a) **Class A.** Class A Members shall be all owners, with the exception of the Declarant. Class A members shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit all such persons shall be members. The vote for such unit shall be exercised as the owners thereof determine, but in no event shall more than one vote be cast with respect to any unit, and no fractional vote may be cast with respect to any unit.
- (b) **Class B.** The Class B member shall be the Declarant, and it shall be entitled to eight (8) votes for each unit in which it holds a fee or undivided fee interest, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:
 - (1) When the total votes outstanding in Class A membership (excluding units owned by builders approved by Declarant) equals the total votes outstanding in Class B membership; or,
 - (2) On January 1, 2008; or,
 - (3) When Declarant elects by notice to the Association in writing to terminate its Class B membership.

Notwithstanding the foregoing provisions of this sub-paragraph (b), Class A membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership as herein provided,

additional lands are annexed to the Property by the Declarant in the manner provided in Article II of this Declaration.

ARTICLE VI. COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each unit owned within the Property, hereby covenants, and every other owner of any unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements, and
- (c) Special assessments for purchase and reconstruction of residences as hereinafter provided, and
- (d) As to the licensees of recreational parking facilities only, special assessments against such licensees for the re-construction of the recreational parking facilities.

Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

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

subject of the lien are satisfied in full at which time the lien shall be removed of record by the Homeowners' Association by filing a notice of cancellation of lien in the land records for the County of Oconee, South Carolina. All assessments shall be shared equally by the owners of each unit.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents and the Property; payment of taxes on the common area and limited common area; payment of the sanitary sewer treatment fee charged by the Utility for sanitary sewer treatment services rendered to the Association; enforcing these covenants and the rules of the Association; improving and maintaining the Property, the Service Facilities and the exterior of the residences thereon, the common area, the limited common area; and providing the services, amenities and related facilities for purposes of, and related to, the use and enjoyment of the common area and limited common area. It is expressly understood that the intent of the Declarant is for any assessments levied under this Declaration to include each Owner's pro rata share of the sanitary sewer treatment fee charged to the Association by the Utility.

Section 3. Amount of Assessment.

(a) **Initial Assessment.** The initial Board of Directors of the Association shall establish a budget for recurring expenses and reserve funds and shall further establish the initial assessment per unit. Said budget and initial assessment shall be furnished to purchasers of units prior to the execution of any Contract of Sale for the purchase of any unit in this development.

(b) **Increase by Association.** Annual assessment effective from any year may be increased from and after January 1st of the succeeding year by the Board of Directors, without a vote of the membership, by an amount which may not exceed ten percent (10%) of the previous year's annual assessment.

(Explanatory Note. It is the objective of this paragraph (b) to enable the Board of Directors to increase dues sufficiently to assure the adequate maintenance to which every member is entitled. On the other hand, the Board of Directors should not have unlimited authority to raise dues without the consent of at least two-thirds of the members. The Declarant has provided that the Board of Directors may raise dues from year to year in order to assure property maintenance and thereby protect property values of the members. On the other hand, the Declarant feels that the members must be protected against any excessive increases in dues by the Board of Directors without the consent of the members.)

The Board must obtain the consent of a majority of the members as provided in paragraph (c) of this Section 3 in order to increase dues to an amount greater than is permitted hereunder.

(c) Increase by Members. Annual assessment may be increased by an amount greater than ten percent (10%) of the previous year's annual assessment by an affirmative vote of a majority of the members who are voting in person or by proxy at a meeting duly called for such purpose. Written notice of said meeting, setting forth the purpose of the meeting, shall be sent to all members not less than thirty (30) days, or more than sixty (60) days, in advance of the meeting. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation. Notwithstanding the above, the Board of Directors at all times is authorized to increase assessments to the extent necessary to pay insurance premiums, real estate taxes, and exterior maintenance of units as affect the Property.

(d) Establishment of Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of ten percent (10%) of the previous year's annual assessment.

All sums collected from assessments shall be divided into two parts with one part being used for current operations or recurring expenses and the other part being used as a reserve fund. Said reserve funds shall be maintained by the Association for the periodic maintenance, repair, and replacement of the Common Area and Service Facilities, improvements to the common area, and improvements to any applicable limited common area which the Association may be obligated to repair and maintain.

Two months assessment for each unit shall be required as a working capital fund for the initial months of the project's operation. Each unit's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each unit and maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Association Board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advanced payment of regular assessments.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of said meeting, setting forth the purpose of the meeting, shall be sent to all members not less than thirty (30) days, or more than sixty (60) days, in advance of the meeting.

Section 5. Special Assessments for Recreational Parking Facilities. In addition to the annual assessments and special assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment against the licensees of recreational parking facilities applicable to that year for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of a described improvement upon the recreational parking facilities, including the necessary fixtures and personal property related thereto.

Section 5A. Special Assessments for Service Facilities. In addition to the annual assessments and special assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment against the Owners applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of the Service Facilities, including the necessary fixtures and personal property related thereto.

Section 5B. Special Assessments for Boat Docks. In addition to the annual assessments and special assessments authorized above, the Association may levy, in any assessment year, a special assessment against the licensees of boat slips within the boat docks applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction, reconstruction, unexpected repair or replacement of the boat docks or boat slips, including the necessary fixtures and personal property related thereto.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3, 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, 4 or 5, if required, shall be sent to all members not less than thirty (30) days, or more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Rate of Assessment. Both annual and special assessments shall be determined and collected by the Association on the following basis: All unit owners' assessment liability shall be equal, regardless of the square footage of any individual residence located on the property. The Association may collect separate assessments from the licensees of the Recreational Parking Facilities and Boat Docks and Boat Slips on a monthly basis for the annual maintenance of the Recreational Parking Facilities and the Boat Docks and Boat slips as determined by the Board of Directors on the following basis: All licensees' assessment liability shall be equal.

Section 8. Date of Commencement of Annual Assessments; ~~Start Date.~~ The annual assessments provided for herein shall be paid in equal monthly installments and the payment of such shall commence as to each unit on the first day of the month following the

conveyance of the unit to the owner. The first annual assessment shall be adjusted according to the number of remaining months in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified unit have been paid. A properly executed certificate of the Association as to the status of assessments on a unit is binding upon the Association as of the date of its issuance. Neither the Declarant nor Approved Builder will be responsible for the payment of assessments on units it owns until such time as the Declarant converts to Class A Membership; however, in order to insure that the Association has sufficient funds to meet its operating budget, the Declarant shall loan the Association an amount equal to the annual costs and assessments required of other members in the Association until the time of such conversion wherein Declarant shall be repaid any such amounts loaned to the Association, together with interest accrued thereon calculated at eight (8%) percent per annum.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment or portion thereof which is not paid when it falls due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the average prime lending rate in effect for Branch Banking and Trust, its successor or assign. The Association may bring an action against the owner personally obligated to pay the same, or foreclose the lien against the property, and, in either event, interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common area or abandonment of this unit.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein on any unit shall be subordinate to the lien of any first mortgage on such unit. Sale or transfer of any unit shall not affect the assessment lien; however, the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. Any portion of the Property owned by Declarant or Builder, or dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of South Carolina shall be exempt from the assessments created herein. Owners of exempt property shall be responsible for maintaining the same and keeping it neat and clean.

ARTICLE VII. EXTERIOR MAINTENANCE

Section 1. In addition to maintenance of the common area and limited common area, the Association shall provide the exterior maintenance upon each unit which is subject to assessment hereunder, as follows: Stain and/or paint the exterior of residence, repair, replace and care for roofs, gutters, down spouts, exterior building surfaces, decks, trees, shrubs, grass, landscaping, walks, and other such exterior improvements. Such exterior maintenance shall not include glass, screening, or doors, with the exception of staining or painting as stated above. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right and perpetual easement to unobstructed access over and upon each lot and the exterior of each unit at reasonable times to perform maintenance as provided in this Article.

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

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

ARTICLE VIII. PARTY WALLS

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

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

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

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

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

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

Section 7. Certification With Respect to Contribution. If any owner desires to sell his unit, he may, in order to assure a prospective purchaser that no adjoining owner has a right of contribution as provided in this Article, request of the adjoining owner or owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining owner to make such certification immediately upon request and without charge. If the adjoining owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefor.

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

ARTICLE IX. ARCHITECTURAL CONTROL

Section 1. Architectural Committee. The Board of Directors may appoint an Architectural Committee of up to seven (7) members by a majority vote of the Board. In the event of a vacancy on the Architectural Committee or the failure or inability of any member to act, the vacancy shall be filled as may be necessary by appointment by the Board of

Directors of the Homeowners' Association. The members of the Architectural Committee shall be appointed for a term of three (3) years, but may be reappointed for additional terms with no limit on the number of additional terms to which they may be reappointed. In all matters, a majority vote shall govern.

Section 2. Submission of Plans. Unless otherwise approved by the Architectural Committee, all units constructed on the Property shall be of the design, size and construction quality required by the Design Guidelines established by the Architectural Committee, as amended from time to time. No improvements of any nature shall be erected, placed, altered or changed on any unit in this development until and unless the building plans and specifications showing the proposed type of construction, the exterior design and the location of such improvement have been approved in writing by the Architectural Committee as to conformity and harmony of design and consistency of the plan with existing residences.

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

Section 4. Failure to Approve. In the event that the Architectural Committee fails to approve or disapprove such plans and other requirements within thirty (30) days after they have been submitted to it, or if no suit to enjoin the erection or alteration of such improvement has been commenced before such erection or alteration is substantially completed, approval of the Architectural Committee will be conclusively presumed and this covenant will be deemed to have been fully complied with. The term "improvement" shall be deemed to include the erection, placement or alteration of any wall, fence, deck, driveway, parking area, or recreational amenity.

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

Section 6. Minor Violations. The Architectural Committee is authorized by a unanimous vote of all its members to approve or ratify the construction or alteration of any improvement or the minor violation of the set back, location and size provisions of these restrictions, if in the opinion of all the members of the Architectural Committee such shall be necessary to prevent undue hardship. The approval or ratification by the Architectural Committee in accordance with this paragraph shall be binding on the Association and all owners and shall benefit the unit for which the minor violation was approved. Builder and owners shall be responsible for obtaining the approval of any governmental agency necessary for the construction or alteration of any unit and shall be solely responsible for

any violations of any state, federal or local law, ordinance or regulation arising out of any construction undertaken hereunder.

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

Section 8. Abandoned Work. In the event construction of the exterior of an improvement to a residence is commenced on any lot in this subdivision, and work is abandoned for a period of thirty (30) days or longer, without just cause shown, or should any exterior of an improvement to a residence remain unfinished for a period of one (1) year from the date construction began, without just cause shown, then and in either event the Architectural Committee shall have: (1) the authority to complete the improvements at the expense of the owner and shall have a lien against the lot and all improvements to the extent of any monies expended for said completion, but said lien shall at all times be subordinate to the lien of any prior recorded mortgage or mechanic's lien (but the Architectural Committee shall have the right to contest the validity and amount of such liens); or (2) the authority to remove the improvements from the property and the expense of said removal shall constitute a lien against the lot which lien shall be subordinate to the lien of any prior recorded mortgage or mechanic's lien. Said liens shall be noticed of record and foreclosed in the same manner as the foreclosure of real estate mortgage. No action shall be taken under this paragraph without giving written registered notice to the owner with a registered copy of said notice to any mortgagee or other lien holder of the proposed action to be taken and to give ten (10) days in which to allow owner to show cause, if any, why the Architectural Committee should not take action under this paragraph.

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

Section 10. Exculpation. NEITHER DECLARANT, APPROVED BUILDER, THE BOARD NOR ANY MEMBER OF THE ARCHITECTURAL COMMITTEE, WHILE ACTING IN SUCH OFFICIAL CAPACITY, SHALL BE LIABLE IN DAMAGES TO ANYONE BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, MISFEASANCE, MALFEASANCE OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS OR THE EXERCISE OF ANY OTHER POWER OR RIGHT OF THE ARCHITECTURAL COMMITTEE PROVIDED FOR IN THIS DECLARATION. EVERY PERSON WHO SUBMITS PLANS AND SPECIFICATIONS TO THE ARCHITECTURAL COMMITTEE FOR APPROVAL AGREES, BY SUBMISSION OF SUCH PLANS AND SPECIFICATIONS, AND EVERY OWNER OF ANY UNIT AGREES, THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, ASSOCIATION, ITS BOARD MEMBERS OR OFFICERS, OR ANY MEMBER OF THE ARCHITECTURAL COMMITTEE, TO RECOVER ANY SUCH DAMAGES AND HEREBY RELEASES, CLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DAMAGES, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY LAW WHICH

PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

ARTICLE X. USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each unit, the common area and the limited common areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours and with reasonable notice. Such rules and regulations adopted by the Board may include separate fees and assessments for licensees of the Recreational Parking Facilities and Boat Docks and Boat Slips privilege of using said facilities to the exclusion of other Members.

Section 2. Use of Property. Each unit, building, the residences therein, the common area, the limited common areas and facilities shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the By-laws, and the rules and regulations adopted by the Board.

- (a) All buildings, the common areas and limited common areas and facilities shall be used for residential and related common purposes. Each residence may not be subdivided and shall be used as a single-family residence and for no other purpose except that the Declarant may use one or more residences for offices and/or model residences for sales purposes.
- (b) Nothing shall be kept, and no activity shall be carried on, in any building or residence, the common area or the limited common area which will increase the rate of insurance applicable to residential use of the property or the contents thereof. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his residence, the common area or the limited common area which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the common area or the limited common area.
- (c) No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction relating to any portion of the property shall be complied with, by and at the sole expense of the owner or the Association.

whichever shall have the obligation to maintain or repair such portion of the property.

- (d) Nothing shall be done in or to any residence or in, to, or upon any of the common areas or limited common areas which will impair the structural integrity of any building, residence, or portion of the common area or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this Declaration.
- (e) No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any part of the property, except that (i) the Declarant, Builder or their agents may use any unsold residence or lease up to three (3) residences for sales or display purposes and (ii) a resident-owner may maintain a home office in his residence so long as (a) the existence of said office does not generate pedestrian or vehicular traffic on the property, (b) no signs or advertisements concerning said business are displayed anywhere on the property, and (c) the existence of said office does not in any way affect the rights of the other owners or their enjoyment of the property.
- (f) No owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any residence, building or any portion of the common area or limited common area, except as may be allowed by the Association pursuant to its by-laws, provided, however, that the Declarant and any mortgagee who may become the owner of any unit, or their respective agents, may place "For Sale" or "For Rent" signs on any unsold or unoccupied residence in the interior of the window of said residence, which sign shall be no larger than eighteen (18) inches by twenty-four (24) inches or in such other place as the Association may approve.
- (g) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the common area or limited common area except at the direction of, and with the express written consent of, the Association.
- (h) The common area and limited common area shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the residences, subject to any rules and regulations that may be adopted by the Association pursuant to its by-laws.
- (i) No detached storage buildings of any kind will be allowed upon the Property. Any attached storage facilities including storage facilities constructed as a basement to any residence constructed on a lot within the Property shall be subject to the prior written approval of the Architectural Committee. The

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

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

Section 5. Attractive Premises. Except where concrete garbage container pads are provided adjacent to a dwelling, garbage containers and trash cans must be so located that they will not be visible from the front street. The yards of each unit shall be maintained so as to be neat and clean at all times.

Section 6. Mailboxes and Garbage Disposal. The area(s) within the common area of the subdivision which are designated by the Declarant or the Association, as the case may be, as a mailbox station and garbage disposal station, if any, are subject to the provisions of these covenants and the rules and regulations of the Association. The owner of each unit shall be assigned a mailbox in the mailbox station for the receipt of mail. All unit owners are hereby granted the right of ingress and egress from their respective units to the mailbox station and garbage disposal station located on the property. No other mailbox or garbage disposal station of any type may be maintained within the property, the common area or the limited common area; except in the areas designated for such use by Declarant or the Association, as the case may be. Once completed, all mailboxes, mailbox stations and garbage disposal stations, if any, shall be owned and maintained by and at the cost of the Association.

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

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

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

Section 10. Additional Restrictions. This Declaration supplements those certain covenants and restrictions found in Deed recorded in Deed Book 1113, at Page 70, in the office of the Register of Deeds for Oconee County, South Carolina. Reference to said Deed is directed for additional restrictions not listed herein.

Section 11. Supersedes Original Declaration. This Declaration is intended to be in substitution of, the covenants, conditions and restrictions already applicable to the Property by virtue of that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee Phase I, Section 1, dated August 21, 2003, and recorded August 22, 2003, in the Office of the Register of Deeds for Oconee County, South Carolina, in Deed Book 1296, at Page 325, as amended by that certain First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, dated August 29, 2003, recorded August 29, 2003, in Deed Book 1298, Page 194, and that certain Supplement to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, Phase I, Section 1, dated October 23, 2003, recorded October 24, 2003 in Book 1309, page 12, and that certain Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee dated June 30, 2005, recorded July 15, 2005, in Book 1432, at Page 182, in the office of the Register of Deeds for Oconee County, South Carolina (the "Original Declaration"). For purposes thereof, Declarant hereby extinguishes the Original Declaration and declares the same to be void and of no further force and effect.

ARTICLE XI EASEMENTS, RIGHTS-OF-WAY AND LICENSES

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

Section 2. Encroachments. Subject to the provisions of these covenants and the rules and regulations of the Association, all portions of lots on which no improvements are constructed, the exterior of units, common area and limited common area shall be subjected to easements for the encroachment of initial improvements constructed on adjacent units by the Declarant to the extent that such initial improvements actually

encroach, including, without limitation, such items as overhanging eaves, gutters, down spouts, exterior storage rooms, and walls. If any encroachment shall occur subsequent to subjecting the Property to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall exist a valid easement for such encroachment and for the maintenance of the same. Every unit shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a unit to an owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

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

Section 4. Lake rights, docks, etc. Subject to the provisions of these covenants and the rules and regulations as adopted by the Board and the availability of boat docks and boat slips, the Board shall have the ability, in its discretion to assign Owners within the Subdivision a license to use one boat slip in the boat docks Declarant intends to construct on Lake Keowee. Declarant hereby establishes such rights-of-way over the property and the boat docks as may be reasonably necessary for licensee to enjoy the assigned boat slip. The use of the boat slip shall be subject to reasonable rules and regulations established by the Board, which may provide for, among other things, separate fees and assessments for use of the boat slips, closed seasons or limitations on fishing and which may reasonably restrict the kind and size of boats or motors allowed to be used. Each licensee shall pay an initiation or reservation fee for the assignment of a boat slip and a separate annual assessment for the use and maintenance of its boat slip and the boat dock. No licensee shall undertake, cause or allow the construction in or upon the subdivision, except with the express written permission of the Board, any pier or boat dock other than that to be constructed on Lake Keowee. No licensee shall have the right to sell, convey or exchange boat slips. Once completed, all boat docks shall be owned and maintained by and at the cost of the Association. The Declarant and/or the Board reserve the right to relocate the boat docks and reassign the boat slips which service the Property in their sole discretion. Declarant has only been able to obtain the permits and governmental approvals necessary for the construction of a limited number of boat docks and boat slips, and assignment of licenses for the use of the boat docks and boat slips shall be on a first come first serve basis, subject to the rules and regulations of the Association as adopted by the Board of Directors from time to time.

Section 5. Recreational Parking Facilities. Subject to the provisions of these covenants and the rules and regulations of the Association as adopted by the Board of Directors, the Declarant shall have the right, but not the obligation, to assign each Area purchaser of a license to use a recreational parking space within the development one parking space in an area designated a recreational parking facility if any such areas are

developed by Declarant as part of the Subdivision. Declarant hereby establishes such rights-of-way over the property and the recreational parking facilities as may be reasonably necessary for each licensee of a recreational parking space to enjoy the assigned recreational parking space. The use of the recreational parking space shall be subject to reasonable rules and regulations established by the Association as adopted by the Board of Directors. Once completed, all recreational parking facilities shall be owned and maintained by and at the cost of the Association. The Declarant or Association, as the case may be, reserves the right to relocate the recreational parking facility and reassign the licenses to use certain designated parking spaces in their sole discretion. Each licensee shall pay a separate annual assessment for the use and maintenance of its parking space.

Section 6. Emergencies. Every lot and residence shall be subject to an easement for entry by the Association for the purpose of correcting, repairing or alleviating any emergency condition which arises upon any lot or within any residence and which endangers any building or portion of the common area or limited common area.

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

Section 1. The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent owner of a unit within the properties, and each owner of any unit within the Property, by acceptance of a deed therefor, whether or not it shall be so expressed in said deed, or be exercise of any act or ownership, is deemed to covenant:

(1) The Association shall obtain a group or blanket insurance policy equal to the full replacement value of the project. Said policy shall contain a Replacement Cost Endorsement providing for replacement of a unit from insurance loss proceeds.

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

(3) The dwelling shall be rebuilt or repaired in the event of damage thereto provided the dwelling is insured under a group or blanket hazard insurance policy which contains a replacement cost endorsement providing for replacement of a dwelling from insurance proceeds.

(4) The owner shall keep the dwelling in good repair except for repairs required of the Association.

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

manner provided for annual and special assessments.

(6) Such policies shall provide that insurance proceeds payable on account of loss of, or damage to, the real property shall be adjusted with the carrier by Homeowners' Association and shall be payable solely to the Homeowners' mortgagee, if any, and the Homeowners' Association as Insurance Trustee for the owner(s). Such insurance proceeds shall be applied to repair or restoration of the property as hereinafter provided. All such insurance policies shall provide that coverage may not be canceled by the carrier without first giving the Homeowners' Association and unit mortgagee, if any, ten (10) days written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any unit owner, member of the unit owner's family, the Homeowners' Association, its officers, agents and employees, as well as a waiver of the "pro rata" clause.

(7) The Association shall also obtain a broad form public liability policy covering all common area and all damage or injury caused by the negligence of the Association or any of its agents, officer or employees in an amount of not less than one million dollars for each occurrence and such policies shall contain a waiver of the right of subrogation against members of the Homeowners' Association, its officers, agents and employees.

(8) Contents and personal property insurance will not be covered by the insurance policy maintained by the Association. Any owner may, if (s)he wishes, at his/her own expense, carry any and all other insurance (s)he deems advisable beyond that included in the homeowners policy required by the Association.

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

(10) Also, the Association may levy in any calendar year, a special assessment for the purpose of defraying the cost of construction, reconstruction, repair or replacement of a building or buildings containing single family residential units, to the extent that insurance proceeds under a group insurance policy containing a Replacement Cost Endorsement are insufficient to pay all costs of said construction, reconstruction, repair or replacement to as good condition as existed prior to damage or destruction by fire or other casualty covered by said insurance.

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

(12) If a dwelling is not habitable by reason of damage, the obligation of the owner to pay annual assessment installments shall continue to be assessed against the unit owner. In the event a dwelling is damaged or destroyed, the owner, at his expense, shall remove all personal debris from the unit within thirty (30) days, so that it shall be placed in a neat, clean, and safe condition; and if he fails to do so, the Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the dwelling until paid by the owner, unless the dwelling is thereafter acquired by the Association.

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

(14) The Association shall maintain adequate fidelity coverage against dishonest acts by officers, directors, trustees and employees, and all others who are responsible for handling funds of the Association. Such fidelity bonds shall:

- (1) Name the Association as an obligee.
- (2) Be written in an amount equal to at least 150% of the estimated annual operation expenses of the planned unit development project, including reserves.
- (3) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

ARTICLE XIII. GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants, conditions, and restrictions of this Declaration shall run with the land and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by the owners of not less than seventy-five percent (75%) of the units; provided, however, that the Board of Directors may amend this Declaration, without the consent of owners, to correct any obvious error or inconsistency in drafting, typing or reproduction. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Office of the Register of Deeds for Oconee County, South Carolina. All amendments shall become effective upon recordation.

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

Section 5. Contracts. The Homeowners' Association, prior to passage of control to it, is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party.

Section 6. Mortgage. The constituent documents do not restrict the unit owner's right to mortgage his or her unit. In addition, they do not limit the unit owners financing options requiring the use of a specific lending institution or a particular type of lender. Lenders being referred to include Federal National Mortgage Association (FNMA).

ARTICLE XIV. RIGHTS OF FIRST MORTGAGEES

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

Section 1. This Declaration and other constituent documents create a Planned Unit Development, hereinafter referred to as "PUD."

Section 2. Any first mortgagee who obtains title to a PUD unit (residence) pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

Section 3. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) [provided they request the right and inform the Association of their addresses in writing] or owners (other than the sponsor, developer or builder) of the individual units in the PUD have given their prior written approval, the PUD Homeowners' association, corporation or trust shall not be entitled to:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned, directly or indirectly, by such Homeowners' association, corporation or trust for the benefit of the units in the PUD (the granting of easements for other public purposes consistent with the intended use of such common property by the PUD shall not be deemed a transfer within the meaning of this clause);
- (b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a PUD unit owner;
- (c) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the common property, party walls or common fences and driveways, or the upkeep of lawns and plantings in the PUD;
- (d) fail to maintain fire and extended coverage on insurable PUD common property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);
- (e) use hazard insurance proceeds for losses to any PUD common property for other than the repair, replacement or reconstruction of such common property.

Section 4. First mortgagees of PUD units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any PUD common property, may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such common property. First mortgagees making such payments shall be owed immediate reimbursement therefor from the PUD Homeowners' association, corporation or trust. Entitlement to such reimbursement is hereby reflected in this Declaration as an agreement in favor of all first mortgagees of units in said PUD duly executed by the PUD Homeowners' Association, corporation or trust, and an original or certified copy of such agreement is possessed by Seller.

Section 5. No provision of the PUD constituent documents gives a PUD unit owner, or any other party, priority over any rights of the first mortgagee of a unit in a PUD.

pursuant to its mortgage in the case of a distribution to such PUD unit owner of insurance proceeds or condemnation awards for losses to, or taking of, PUD common property.

Section 6. The Homeowners' Association is required to make available to unit owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, or other rules concerning the project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 7. Any holder of a first mortgage is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

Section 8. Upon written request to the Homeowners' Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- a. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- c. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Homeowners' Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE XV DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the By-Laws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and successor and duly recorded in the public records of Oconee County, South Carolina. Nothing in this Declaration shall be construed to require the Declarant or any successor to develop any of the property adjacent to or contiguous with the Property.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of units shall continue, it shall be expressly permissible for the Declarant and Builder to maintain and carry on upon portions of the common area such facilities and activities as, in the sole option of the Declarant, may be reasonably required,

convenient, or incidental to the construction or sale of such units, including, but not limited to business offices, signs, model units, sales offices, and rental units. The Declarant and Builders authorized by Declarant shall have easements for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to units owned by the Declarant and any common area or other facilities which may be owned by the Association, as models, sales offices, or rental units.

In addition, notwithstanding any contrary provision of this Declaration, the By-Laws, or any Association rules, the Declarant shall have the right to replat or revise the recorded plats relating to any portion of the Property without the consent of any owner other than the owner(s) of the lots in which the boundaries are altered, including revisions that change the location and configuration of the private roadways, boat docks, boat slips, recreational parking facilities and utilities that serve the subdivision.

So long as Declarant owns property within the development, Declarant may, without the express written consent of any owner, the Board, the Association or the Architectural Committee, include in any contract or deed hereafter executed covering all of any portion of the development, any additional covenants or restrictions applicable to such lands, so long as they are consistent with and do not lower the standards set forth in this Declaration and do not violate any covenants or restrictions then in effect and recorded against the development. Further, the Declarant may make any amendment necessary to the Declaration to comply with the guidelines established by, or the requirements of, any governmental authority, title insurer or institutional lender without, the express written consent of any owner, the Board, the Association or the Architectural Committee.

So long as the Declarant continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

SIGNATURES ARE ON THE FOLLOWING PAGES.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 1st day of November, 2005.

IN THE PRESENCE OF:

IMK DEVELOPMENT CO., LLC
a South Carolina limited liability company

[Signature]
Witness (1)

[Signature]
Notary Public

By: [Signature]
Print Name: Tim W Roberson
Its: Member

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE) PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s) he saw the within named IMK Development Co., LLC, by its Manager, sign, seal and as its act and deed, deliver the within written Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, and that (s) he with the other witness subscribed above witnessed the execution thereof.

[Signature]
Witness (1)

SWORN to before me this
1st day of November, 2005.

[Signature] (SEAL)
Notary Public for South Carolina
My Commission Expires: 6-8-15

IN THE PRESENCE OF:

STONELEDGE AT LAKE KEOWEE
OWNERS' ASSOCIATION, INC.,
a South Carolina non-profit corporation

Jeff Seider
Witness (1)

DJ Faulk
Notary Public

By: Tim Roberson
Tim Roberson
President

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE) PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s) he saw the within named Stoneledge at lake Keowee Owners' Association, Inc., by its President, sign, seal and as its act and deed, deliver the within written Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stoneledge at Lake Keowee, and that (s) he with the other witness subscribed above witnessed the execution thereof.

Jeff Seider
Witness (1)

SWORN to before me this
1st day of November, 2005.

DJ Faulk (SEAL)
Notary Public for South Carolina
My Commission Expires: 6-8-11

STATE OF SOUTH CAROLINA)

CONSENT AND SUBORDINATION

COUNTY OF OCONEE)

MORTGAGE BOOK 2053, PAGE 001

MORTGAGE BOOK 2053, PAGE 010

MORTGAGE BOOK 2120, PAGE 037

For and in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned, the holder of those certain Mortgages from IMK DEVELOPMENT CO, LLC (the "Mortgagor"), recorded in the land records for Oconee County, South Carolina in Mortgage Book 2053, Page 001, Mortgage Book 2053, Page 010 and Mortgage Book 2120, Page 037 (the "Mortgages"), hereby consents to the terms, covenants, conditions, easements and restrictions set forth in this Amended and Restated Declaration of Covenants, Conditions and Restrictions For Stoneledge at Lake Keowee (the "Declaration") recorded in Book 1296, at Page 325 in the aforementioned land records, and hereby subordinates the liens and security interests created by the Mortgages to the Declaration.

In Witness Whereof, this Consent and Subordination has been signed, sealed and delivered this 17 day of November, 2005.

THE PALMETTO BANK

Kirkida Goolish
Witness (1)

By: [Signature]
Print Name: EARLE HARDING
Its: EVP

Kerry A. Ruff
Notary Public

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2005 NOV 30 A 9 19

STATE OF SOUTH CAROLINA)

PROBATE

COUNTY OF GREENVILLE)

PERSONALLY APPEARED before me, the undersigned, who, first being duly sworn deposes and says that (s)he saw the within named The Palmetto Bank, by EARLE HARDING, its EVP, as its act and deed sign, seal and deliver the within Consent and Subordination and that (s)he with the other witness witnessed the execution thereof.

Sworn to before me this 17
day of November, 2005.

Kerry A. Ruff
Notary Public for South Carolina
My Commission Expires: 1.2.11

Kirkida Goolish Search Area
Witness (1) The