

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
STONEHAVEN

THIS DECLARATION, made on the date hereinafter set forth by Magnolia Corporation, a South Carolina corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the Owner of certain property on the shores of Lake Hartwell in Oconee County, hereinafter called "Properties", which Properties are more particularly shown and delineated on a plat, hereinafter referred to as "Plat", prepared by Landmark Surveys, Inc. dated March 18, 1982, and recorded in the Office of the Clerk of Court for Oconee County in Plat Book P-45 at page 132.

NOW, THEREFORE, Declarant hereby declares that the Properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Properties and be binding on all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

1. "Association" shall mean and refer to Stonehaven Association, Inc., its successors and assigns.
2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners, which real property is shown and delineated in the Plat.
3. "Declarant" shall mean and refer to Magnolia Corporation, a South Carolina Corporation, its successors or assigns.
4. "Lot" shall mean and refer to any plot of land and the improvements thereon shown upon the Plat and other recorded subdivision map of adjacent properties, with the exception of the Common Area.
5. "Lake Hartwell" shall mean and refer to the Lake and all lands under the control and jurisdiction of the U. S. Army Corps of Engineers which are adjacent to the Properties.
6. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Each Owner shall be a member of the Association.
7. "Plat" shall mean that Plat prepared by Landmark Surveys, Inc., dated March 19, 1982, and recorded in the Office of the Clerk of Court for Oconee County in Plat Book P-45 at page 132.
8. "Properties, shall mean and refer to the certain real property hereinbefore described in the Plat, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. 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 Lot, subject to the following provisions:

- (a) no Owner shall have access over or through the Common Area to Lake Hartwell for the purpose of constructing a dock except as provided in Article VII, Section 2(g); and the use of any docking facility shall be subject to such rules and regulations as may be promulgated by the Association and any governmental agencies which have jurisdiction over such dock;
- (b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area;
- (c) the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for a period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (d) the right of the Association to annex additional Common Area and/or to share the Common Area with Owners of property in adjacent areas pursuant to Article IX, Section 4;

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership, or
- (b) On July 1, 1987.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot acquired by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property 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 Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and for the preservation, improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be One Hundred and No/100 (\$100.00) Dollars per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five (5%) percent above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five (5%) percent provided that any such assessment shall have the assent 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.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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 cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent to two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members being all Owners, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast sixty (60%) percent of all 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 preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot 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 shall upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V ARCHITECTURAL CONTROL

No house, building, fence, wall, driveway parking area, swimming pool, statue, tennis court or any other structure or improvement shall be commenced, erected or maintained upon any Lot or the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color scheme, and location of the same shall have been submitted to and approved in writing by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board, said approval to insure conformity with design guidelines, if any, promulgated by the Association, as well as to insure the harmony of external design and location in relation to surrounding structures and topography of the Properties. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been received by it, approval will not be required and this Article will be deemed to have been fully complied with. Notwithstanding the covenants, conditions and restrictions herein contained, nothing shall be construed to permit interference with the development and marketing of the Properties by the Declarant, including, but not limited to the provision of a sales office and sales information signs on the Properties.

ARTICLE VI EXTERIOR MAINTENANCE

Each Owner of a Lot in the Properties shall have the affirmative duty to maintain the improvements thereon and to repair or reconstruct said improvements in the event of damage or destruction thereto. In the event an Owner shall fail to maintain the improvements situated thereon in a manner satisfactory to the Board of Directors, or in the event any improvements are damaged or destroyed and the Owner does not repair or reconstruct said improvements to their original specifications within a reasonable period of time, as determined by the Board of Directors, the Association, after approval by a two-thirds (2/3) vote of the Board of Directors shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the home or any other improvements erected on said Lot. The cost of such reconstruction and/or maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VII RESERVATIONS, RESTRICTIONS, COVENANTS AND CONDITIONS

Section 1. Declarant's Reservation of Rights and Easements. In order to preserve the character of StoneHaven as a planned community, Declarant reserves unto itself, its successors, licensees, and assigns the right to protect the Properties from erosion, but Declarant shall not be responsible to any Owner for any damages caused by erosion. Declarant further reserves unto itself, its successors, licensees and assigns to go on, over and under the

ground on said Properties to construct, erect, maintain and use roads, streets, drainage ditches, electric and telephone wires and cable TV wires, cables, conduits, sewers, water mains and other suitable equipment for transit over and through the Properties and for the conveyance and use of electricity, telephone equipment, cable TV, gas, sewer, water or other public conveniences or utilities in said Properties. These rights include the right to cut or plant any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary to achieve the purposes stated. Specifically, Declarant reserves a perpetual easement over and through each Lot, being five (5') feet in width along the side Lot lines and five (5') feet in width on the rear Lot lines for the purposes set forth herein. All such easements, including any easements designated on the Plat, are and shall remain private easements and the sole and exclusive property of Declarant, its successors and assigns, unless conveyed and/or alienated to third parties for the purpose of providing utility services. In the event that a Lot is re-subdivided or replatted, its side and rear easements as above provided shall thereafter apply only to a Lot as re-subdivided or replatted.

Section 2. Restrictions. In order to preserve the character of Stonehaven as a planned community, all Owners, their guests and tenants, are and shall be subject to the following restrictions, covenants and conditions:

(a) All Lots shall be utilized for single-family residential purposes only, and the following building restrictions shall apply:

- (1) No dwelling unit shall be more than two and one-half (2 1/2) stories in height
- (2) No trailer, tent, shack, barn or other outbuilding erected upon any Lot shall at any time be used as a dwelling unit either temporarily or permanently, and no structure of a temporary nature shall be used as a dwelling unit; no used structure shall be moved on any Lot without the prior written approval of the Association or its Architectural Committee.
- (3) No House trailer shall be placed on any Lot either temporarily or permanently; any camping trailer, boat, motorcycle, motor bicycle and/or similar equipment shall at all times be parked to the rear of any dwelling unit or in a garage, and such equipment shall at all times be neatly stored and in position so as to be inconspicuous.
- (4) No Lot or any part thereof shall be used for any business or commercial purpose or for any public purpose, which shall include yard sales, garage sales and the renting out of a portion of a dwelling unit or outbuilding to third parties.
- (5) All fuel oil tanks or containers shall be covered or buried underground consistent with normal safety precautions.
- (6) The design and materials for all driveways and parking areas shall be approved in writing by the Association or its Architectural Committee.
- (7) No dwelling unit or outbuilding shall be erected on any Lot closer than thirty (30') feet to the front Lot line, and any dwelling units shall face toward the front line of the Lot except that dwelling units to be constructed on corner Lots shall face the direction designated by the Association or its Architectural Committee. ~~No dwelling unit shall be closer than fifteen (15') feet to the side Lot line.~~
- * (8) Any detached garage or other outbuilding erected on a Lot shall be at least ~~seventy-five (75)~~ feet from the front lot line and no nearer than ten (10') feet to any side or rear lot line.
- (9) The property lines of all Lots shall be kept free and open and no fences, hedges or walls shall be permitted thereon without the prior written approval of the Association or its Architectural Committee, as provided herein.

(10) No Owner shall subdivide any Lots, and no Owner of any Lot shall sell, lease or otherwise permit the use of any part of any Lot as a way, street, entrance or access to any of the Properties of Lake Hartwell.

(11) The following floor space requirements shall apply to the dwelling units constructed on Lots in Stonehaven, and said minimum floor space shall include the heated area of the dwelling unit, but exclude porches, garages and breezeways: one-story dwelling unit shall have minimum of 1,700 square feet; dwelling units with more than one story shall have a minimum of 2,000 square feet, with a minimum of 1,200 square feet on the ground floor; split level dwelling units shall have a minimum of 1,700 square feet of both levels.

(12) Mail receptacles shall meet the requirements of the United States Postal Service and any design requirements of the Association or its Architectural Committee; names or numbers painted on the mail boxes and/or any other house numbers will be painted in a professional manner.

(13) Any dwelling unit constructed upon any Lot must be completed on the exterior and the Lot landscaped within six (6) months from the date footings are poured; in the event the dwelling unit is not complete within twelve (12) months after the date footings are poured, the Association may levy a fine upon the Owner in the amount of Five Hundred and No/100 (\$500.00) Dollars for each month or portion thereof after the expiration of said twelve (12) month period; provided however, that the Association may waive such fines in its sole discretion.

(b) An Owner, tenant or occupant shall not make structural modifications or alterations to any Lot or improvement thereon without the prior written approval of the Association or its Architectural Committee, as provided in Article V herein.

(c) An Owner, tenant or occupant shall not place or cause to be placed in the passages, roads or Common Areas used for transit any obstruction of any kind. Such areas shall be used for no other purpose than for normal transit through them.

(d) An Owner, tenant or occupant shall grant the right of entry to the Declarant or to an appropriate official of the Association in case of an emergency originating in or threatening his Dwelling or any other improvement on his Lot, said permission being conclusively presumed to have been granted whether or not the Owner is present at the time.

(e) No Owner, tenant or occupant shall:

- (1) Post any advertisements, posters or signs of any kind in or on the Properties.
- (2) Utilize clothes lines or hang garments, towels, rugs or similar objects in public view on the Properties.
- (3) Place or store garbage, trash or wood piles in areas visible from the street.
- (4) Act so as to interfere unreasonably with the peace and enjoyment of the residents of the other Lots on the Properties.
- (5) Maintain any animals, livestock, pets or pet enclosures on the Properties; except dogs, cats or other household pets may be kept or maintained, provided that they are not kept or maintained for commercial purposes, and that they do not otherwise constitute a nuisance. All pets must be leashed while on the Common Area, and all owners of pets hereby assume full responsibility for any damage or injury caused by said pets.
- (6) Place personal items of any kind on the Common Area, except as authorized by the Association.
- ~~(7) Install any television and/or radio antenna or similar objects on the Properties, except as authorized by the Association.~~
- (8) Make any immoral, improper, offensive or unlawful use of the Properties; or violate any laws, zoning ordinances or regulations of any governmental body having jurisdiction thereof.
- (9) Make or permit use of the Properties which will increase the rate of insurance thereon.
- (10) Make or permit the use of footpaths for any other than pedestrian traffic.
- (11) Use or install private exterior lights mounted on telephone poles or similar stands, or lights operated by photocells or similar devices. *
- (12) Permit any contractors working on any Lot to engage in any activity which will result in the burning, deposit or accumulation of trash, inoperative or junked vehicles, litter, stumps, garbage, debris or other objectional matter.
- (13) Remove any tree measuring six (6") inches in diameter or more at ground level without the prior written approval of the Association or its Architectural Committee, unless located within ten (10') feet of dwelling unit. *
- (14) Engage in or permit any drilling, refining, quarrying or mining operations on any Lot.
- (15) Hunt or trap any birds or other wildlife on the Properties, which are declared to be a wildlife sanctuary.

(f) Each Owner, tenant or occupant shall:

- (1) Keep tall shrubbery or hedges trimmed to reasonable limits as determined by the Association.
- (2) Make provision for off-street parking of cars belonging to domestic servants or long-term guests; parking off the driveway in the yard of any Lot is prohibited.
- (3) Insure that all sewage disposal shall be by a system approved by the appropriate public health authorities, including the South Carolina Department of Health and Environmental Control.
- (4) Prevent the development of any unclean, unsightly, unkept or dangerous conditions on any Lot which tend to decrease the safety, natural environmental appeal, or beauty of said Lot or the Properties.
- (5) To maintain any drainage ditches, swales and streams located on any Lot free and unobstructed and in good repair and to provide for the installation of any culverts upon each Lot as may be reasonably required for proper drainage.
- (6) To assist the Association in maintaining the Properties as a wildlife sanctuary.

(g) Docking facilities shall not be part of the Common Area and shall be prohibited except under the following conditions:

- (1) Owners of lots with private access to Lake Hartwell may construct private docking facilities located on their lot subject to the rules and regulations of those government regulatory agencies having jurisdiction over such docking facilities and subject also to written approval of the location, plans and specifications of such docking facilities by the Association or its Architectural Committee.
- (2) Owners of lots without private access to Lake Hartwell may construct community docking facilities located on Common Area subject to the rules and regulations of those governmental agencies having jurisdiction over such docking facilities and subject also to written approval of the location, plans and specifications of such docking facilities by the Association or its Architectural Committee. It is anticipated that a partnership will be created for the purpose of constructing, operating, and maintaining such docking facilities, and the use, operation and maintenance of such docking facilities shall be subject to the rules and regulations of

the Association and all governmental agencies having jurisdiction over such docking facilities.

Section 3. Association Held Harmless. Notwithstanding the duty of the Association nor its officers or directors to maintain and repair the Common Area, neither the Association nor its officers or directors shall be liable to Owners, tenants or guest for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other Owners or persons.

ARTICLE IX
GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with 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 not less than seventy-five (75%) percent of the Lot Owners, except that annexation of additional properties may be accomplished as set forth hereinafter. Any amendment must be recorded.

Section 4. Annexation and Shared Use of Common Area. Additional residential property and Common Area adjacent to the Properties may be annexed to the Properties by and with the consent of a majority of the members of the Association, voting in person or by proxy at a meeting duly called for that purpose, without regard to class. Should the Association not consent to an annexation of adjacent properties at the request of Declarant, the Association shall change its name to Stonehaven I Association, Inc. and shall allow any other Association created by Declarant whose members are owners of property in adjacent areas to share the use and benefit of any portion of the Common Area so long as any such Association pays its pro-rata share of the expense of said portion of Common Area.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 20th day of October, 1982.

WITNESSES:

MAGNOLIA CORPORATION

s/ L. F. Thompson

By: s/ Ward S. Stone, Jr., President

s/ Eugene Brown

Attest: s/ David R. Stone, Sec.

STATE OF SOUTH CAROLINA)
COUNTY OF COOKE)

PERSONALLY APPEARED before me L. F. Thompson, and made oath that s/he saw the within-named MAGNOLIA CORPORATION PARTNERSHIP, BY Ward S. Stone, Jr., its President and David R. Stone, its Secretary sign, seal and as its act and deed, deliver the within written Declaration of Covenants, Conditions and Restrictions of Stonehaven, and that s/he with Eugene Brown witnessed the execution thereof.

s/ L. F. Thompson

SWORN TO BEFORE ME
THIS 20TH DAY OF OCTOBER, 1982.

s/ Eugene Brown (L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires 1-23-90

(RECORDED OCTOBER 26, 1982, IN DEED BOOK 14-Y,)
(PAGE 404, RECORDS OF COOKE COUNTY, SOUTH CAROLINA)