



Meeting agenda
Monday August 2, 2021 5:00pm

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Approval of minutes July 8, 2021 and July 19, 2021
5. Public Comment for non-agenda items (4 minutes per person)
6. Commission member comment
7. Staff comments
8. Public Hearing 2021- A request by James R. Neal & Diane E. Neal, the owners of a property on Waterstone Dr. identified as TMS# 192-00-04-028, to rezone said property, which consists 4.353 acres, from CD (Conservation District) to LRD (Lake Residential District).
9. Adjourn

**Oconee County
Planning
Commission**

Council Chambers
415 South Pine Street
Walhalla, S.C. 29691

www.oconeesc.com

YouTube: "YourOconee"

Staff contact

846-638-4218
planninginfo@oconeesc.com

BOARD MEMBERS

Mike Smith, Chairman, District I
David Nix, District II
Pat Williams, At-Large

Frankie Pearson, Vice-Chairman, District IV
Alex Vassey, District III
Gary Gaulin, District V
Mike Johnson, At-Large

OCONEE COUNTY PLANNING COMMISSION

415 South Pine Street - Walhalla, SC



TEL (864) 638-4218 FAX (864) 638-4168

Minutes

5:00 pm- Thursday, July 8, 2021

Council Chambers - Oconee County Administrative Complex

Members Present

Frankie Pearson
Alex Vassey
Gary Gaulin

Mike Smith
Mike Johnson
Pat Williams

Staff Present

Vivian Kompier

Laura Zimmerman

Media Present

None

1. Call to order – Mr. Smith called the meeting to order at 5:00pm.
2. Invocation was led by Mr. Gaulin
3. Pledge of Allegiance was led by Mr. Vassey
4. Approval of minutes for June 21, 2021– Mr. Johnson made a motion to approve the June 21st minutes. Seconded by Mr. Gaulin and the vote approved unanimously 6/0.
5. Public comment for non-agenda items – None
6. Commission member comments:
 - a. Mr. Smith thanked staff for their hard work. He announced that a Code Enforcement Officer was hired, but there was no update on the Planning Director position that is open. The next Planning Commission meeting will be Monday, July 19th. Kyle Reid from Oconee County Roads and Bridges will attend to discuss Exit 4, sidewalks, and how the County, the Department of Transportation and C-Funds Groups coordinate with the Appalachian Council of Governments for input. We will also discuss the intersection at HWY 28 and HWY 188 and the traffic improvement that has been achieved. There will be a mandatory continuing education class on September 15th from 9:00 AM to noon in Council Chambers. Forms to add items to the Planning Commission agenda are available from Ms. Kompier for those who need them.
 - b. Mr. Gaulin reported that he met with a small group of citizens in Fair Play that are concerned about the construction boom, especially in industry, that is expected once the sewer line is extended to their area. They are seeking professional services to develop a master plan. Ultimately they will need financial assistance from the County to pay for these services. Mr. Gaulin announced that the Blue Ridge Community Center is holding an educational summer camp for grades K through 5, starting July 12th through August 5th. The

camp will run Monday through Thursday, 8:30 AM to 11:30 AM. This camp is a product of volunteers in the community working through a grant with an industry—Duke Energy—to provide educational opportunities for the children in the County.

- c. Mr. Williams reported that he had an impromptu meeting with a couple of representatives from the cities of Walhalla and Westminster and mentioned the CAT Bus expansion that was discussed in a previous Planning Commission meeting. There was zero interest from either city, citing financial restraints and also their belief that it would send their business profits to Seneca.

7. Staff Comments – None

8. Open Items Review

- a. Mr. Smith confirmed the open items the Commission continues to work on are impact fees, junkyards, and protecting agricultural land. Mr. Pearson suggested that the commission take a closer look at the junkyard ordinance in Pickens County as a good starting point when developing an ordinance. Ms. Kompier agreed to email a PDF version of the ordinance to all Commission members for their review. Mr. Smith noted that Greenville had a good ordinance as well. He also reminded members that the language in the ordinance will prove to be important as individuals in the junkyard arena have a negative reaction to certain words to describe their business. Car disposal will be an important part of the discussion as well. Mr. Vassey suggested that the Commission make sure those who were vocal during the initial discussion be made aware when the Commission takes up the task of addressing junkyards. Mr. Williams added that the term salvage yard might be a better alternative and added that the disposal/recycling of metals is a necessary evil and an important piece of our recycling plan. Mr. Smith and Mr. Vassey agreed that there are multiple necessary functions in the “junkyard” arena and this should be a part of the future discussions.
- b. Strategies to be reviewed:
 - i. 6.2.1.2 – it was noted that the areas around Lakes Keowee and Jocassee have funds available through Duke Energy’s fees to enhance and protect fish and wildlife habitats along the shores. There were no suggestions on how to protect the inland areas. Strategy was marked as review complete.
 - ii. 6.2.3.2 – refer to State Riparian Ordinance. Strategy was marked as review complete.
 - iii. 6.3.2.3 – Lake Keowee Source Water Protection Team has funds available to help people with needed septic tank repairs. They are currently working with people in the Cane Creek area to improve that watershed area. It was noted that Lake Hartwell’s watershed is not addressed. Strategy was marked as review complete.
 - iv. 6.3.4.2 – Refer to strategy 6.3.2.3 with the exception of Lake Hartwell, which may need to be addressed in the future. Strategy was marked as review complete.
 - v. 6.3.4.4 – Refer to strategy 6.3.2.3. Strategy was marked as review complete.
 - vi. 8.1.1.3 – Mr. Gaulin suggested that the strategy be changed to category 1 since it deals with the protection of agricultural land. Mr. Johnson asked for clarification of the meaning of **infrastructure facility maintenance**. Mr. Smith suggested sewer pump station or generator/transformer area. It was agreed to change the category to 1 and strategy was marked as review complete.
 - vii. 8.1.1.7 – strategy was changed to a category 1/3 and was marked as review complete.
 - viii. 8.1.2.1 – Mr. Williams noted that the Clemson Extension Service often takes the lead on agricultural projects. He also noted that a major issue in this area is that several groups are doing things, but no one knows what the other is doing. He suggested it

would be nice if there was a group that could bring all the information together and make it available to anyone who was interested. Mr. Smith proposed that he attend the next Agricultural Advisory Board meeting and ask them for their input on how to get this information under one roof. Mr. Johnson worried that individual organizations may view this consolidation as “giving up control.” He suggested it would be nice to have a place where the Commission could see minutes of ag-related meetings to inform them of items they may be able to assist. Mr. Smith will attend the AAB meeting and report next meeting. Strategy was marked review complete, but will remain open to discussion.

- ix. 8.1.2.2 – Refer to strategy 8.1.2.1. Strategy was marked review complete
- x. 8.1.2.3 – Mr. Johnson cautioned that changes brought about by the Commission could have unintended consequences. For example, the expansion of the lake overlays for Keowee and Jocassee could potentially touch ag land and not allow commercial enterprise on site. Strategy was marked review complete.
- xi. 8.1.2.6 – South Carolina has a Right-to-Farm-Act; no need to adopt a County act. Strategy was marked as review complete.
- xii. 8.2.1.3 – The trend of big companies buying tracks of forest land for carbon credits was discussed. Mr. Williams added that it is not just forest land, but pasture land as well. Mr. Williams believes that education of citizens is needed so they are not taken advantage of. Strategy was marked review complete.
- xiii. 9.2.1.4 – Collision data was presented to the Planning & Economic Development Committee in June 2021. Strategy was marked as review complete.
- xiv. 9.3.2.4 – Commission has not been provided with any reports of conflict or concern. Strategy was marked review complete.
- xv. 11.1.2.7 – RV Ordinance that was adopted by County Council in October 2020 addresses this strategy. Strategy was marked as review complete.
- xvi. 11.1.3.1 – Protecting ag land is an open item. Strategy was marked as review complete.
- xvii. 11.1.4.2 – Commission tried at the County Council level and failed. Strategy was marked as review complete.
- xviii. 11.1.4.3 – Strategy was marked as review complete.
- xix. 4.1.1.1 – Economic incentives are in place. Strategy was marked as review complete.
- xx. 4.2.2.2 – Career center is in place and the Oconee Economic Alliance need to continue their efforts to attract higher paying jobs. Strategy was marked as review complete.
- xxi. 4.2.2.3 – Refer to strategy 4.2.2.2. Strategy was marked as review complete.
- xxii. 7.1.2.1 – Municipalities control expansion of sewer and the County is not on the sewer board. No resolution is in sight. Strategy was marked as review complete.
- xxiii. 9.2.1.2 – Gas tax increase has resulted in some improvements. Kyle Reid can speak to this when he attends the next Commission meeting on July 19th. Strategy was marked as review complete.
- xxiv. 9.2.1.7 – Consensus that it would be helpful to the Commission to get updates on what the County is working on. Strategy was marked as review complete.

9. Adjourn – Mr. Pearson made a motion to adjourn; seconded by Mr. Gaulin and unanimously approved 6/0 at 6:00 PM.

OCONEE COUNTY PLANNING COMMISSION

415 South Pine Street - Walhalla, SC



TEL (864) 638-4218 FAX (864) 638-4168

Minutes

5:00 pm- Thursday, July 19, 2021

Council Chambers - Oconee County Administrative Complex

Members Present

Frankie Pearson
Alex Vassey
David Nix

Mike Smith
Mike Johnson

Staff Present

Vivian Kompier

Media Present

None

1. Call to order – Mr. Smith called meeting order at 5:00 PM
2. Invocation was led by Mr. Nix
3. Pledge of Allegiance was led by Mr. Johnson
4. Approval of minutes for July 8, 2021– Not available at this time
5. Public comment for non-agenda items:
 - a. Debbie Sewell, Oconee County Agricultural Advisory Board (AAB) – Thanked Commission for their support of the AAB and looking forward to coordinating efforts with regards to Ag Land. Ms. Sewell outlined a couple of items the AAB is currently working on.
 - i. Local food policy – supporting sustainability and infrastructure
 - ii. Preservation and conservation of agricultural land – looking to add county level protection. She added that Development Standards, to be discussed tonight, could be have a positive impact on protecting agricultural land.Mr. Nix thanked Ms. Sewell and asked if she would share her thoughts when the Commission discusses Development Standards.
6. Commission member comments:
 - a. Mr. Smith reminded Commission of the mandatory training scheduled for September 15th from 9:00 AM to Noon. The next Commission meeting will be a public hearing. Procedures for the meeting will be discussed in detail at the beginning of the hearing.
7. Staff Comments – None
8. Kyle Reid, Assistant Director of Public Works

- a. Exit 4 – Mr. Reid stated that he had no specific knowledge of traffic issue regarding Speedway and the established truck stop off Exit 4. He added that it is his understanding that it is State roads that are impacted by the development, and therefore the onus to correct any issues would fall on the South Carolina Department of Transportation (SCDOT). If a development is off County roads, the County requires a traffic study be completed by the developer so all the impacts of the development can be considered before approval. Mr. Johnson referred to the traffic issues that the Anderson County side of the exit has experienced and wondered if Oconee County can do anything to prevent this from happening with the development of the Speedway. Mr. Reid deferred to the SCDOT. At Mr. Smith’s request, Mr. Reid will provide a contact at SCDOT that the Commission can work with to make sure that the concerns that citizens preemptively voiced are considered.
- b. Sidewalks – Mr. Reid referenced ordinance 26.3 *Public Roads (q) Sidewalks shall not be located within the road right-of-way*. Mr. Johnson explained that safety concerns guided the Commission’s questioning of the ordinance. Specifically, the safety of CATBus riders who do not have designated pick-up spots or sidewalks to walk along busy roads, like HWY 123. He also noted that there are developments/neighborhoods in the County that have sidewalks. Mr. Reid explained that the ordinance prohibiting sidewalks was adopted in December 2008, so it is possible that sidewalks were included in developments prior to that date. Cost was the driving force behind the ordinance. Mr. Johnson suggested that the Commission could set a policy that would require a developer maintain sidewalks when wanted. Mr. Pearson asked if municipalities have liability insurance to cover accidents involving sidewalks. Mr. Reid declined to speak for municipalities. Mr. Pearson asked if there have been lawsuits against the County for sidewalk trips. Mr. Reid was unaware of any such lawsuits. Mr. Smith asked for confirmation that there is latitude for the Commission to create an option for a developer to include sidewalks. Mr. Reid confirmed, provided they sidewalks meet DOT standards and there is a maintenance plan that does not involve the County.
- c. Intersection of HWY 28 and HWY 188 – Mr. Smith asked if Mr. Reid had any knowledge of changes for this intersection. Mr. Reid had no knowledge of planned changes. He believes that it would be a difficult intersection to change due to the presence of the railroad and existing buildings. Mr. Reid also confirmed that the Appalachian Council of Governments would be a helpful resource regarding such issues.
- d. Mr. Pearson asked Mr. Reid what are the County’s plans to improve county roads. Mr. Reid said the paving contract should be finalized soon. Mr. Reid added that he felt there were ample funds available to make some marked improvement to the roads. Additionally, quick fixes like pot holes can be reported on an individual basis. Mr. Pearson asked if there are any objections to added a bike lane to County roads. Mr. Reid had no objections, but explained it would come at cost considering the width of the roads and the topography of the County.
- e. Andy Whiten – farmer, represents Young Farmers Ranchers. Mr. Whiten spoke about road safety when moving farm equipment. He identified the three biggest areas of concern as mailboxes sitting too close to road and being a permanent structure, trees hanging over the road, and the absence of a shoulder. Additionally, there are weight limits on several bridges that require them to take a longer and more time consuming route to their fields. Mr. Whiten offered some suggestions.
 - i. Educating the public; need to educate for new and experienced drivers on how to negotiate farm equipment on the roads.
 - ii. Teaming up with those advocating for bike lanes, as a wider road would be beneficial
 - iii. Developing a County Ordinance that prohibits mailboxes that are a permanent structure (i.e. brick, stone).

Mr. Whiten appealed to the Commission to help the agricultural community with this issue. Mr. Reid advised that placement of mailboxes is under Federal oversight from the Postmaster General's Office. With regards to tree limbs hanging over roads, Mr. Reid asked Mr. Whiten to get him a list of roads where there are specific issues and they can mitigate where possible and then pass along to SCDOT when it is a state road. Mr. Reid also explained that the recent change in weight limits for bridges was due to a change in standards.

9. Development Standards: Lighting, Screening, and Buffering – Mr. Smith explained that this is on the agenda to provide transparency on the Commission's actions. The ordinance was approved by the Planning Commission in October 2020. It was sent to the Planning & Economic Development Committee (PED) and approved for County Council consideration in November 2020. However, it never made it to the County Council. The ordinance is going back to the PED in August 2021 for their review and consideration again. There is no action required from the Planning Commission.
10. Adjourn – Mr. Pearson made a motion to adjourn; seconded by Mr. Johnson and unanimously approved at 6:00 PM.

DRAFT

James and Diane Neal
116 Delaney Circle, Summerville, SC 29485
Ph: (843) 906-6190

Oconee County Planning Commission
415 Pine St
Walhalla, SC 29691

Dear Sirs,

We respectfully request you grant our rezoning request for our property at 258 Waterstone Drive, West Union, SC, TMS 192-00-04-028. We purchased the property in November of 2019. Our intention was to build our retirement home and become permanent residents. We even envisioned dividing the lot to provide a place for our children to build their home nearby. This winter, after weathering pandemic, we engaged a surveyor to survey the lot as our first step towards laying out our homesite and considering how we might provide from additional dwellings. We contacted the County Planning department to find out how we should proceed. The planning department head (Since departed) called us and told us that the property was zoned "Conservation" and the minimum lot size for building a home was 10 acres. Thus, as currently zoned we cannot even build a home on a lot that is listed on the county website as "Residential Vacant Land".

This, of course, was devastating. We are an official residential lot (lot 27) in the Waterstone HOA seen the revised HOA covenants (attached). We believe we should be accorded the same rights as the other members of the community. We want to make this our home and our family's home. I believe that when this lot was separated from the larger conservation lot, they did not complete the process of converting it to a residential lot.

Regardless of why it was not rezoned properly in the past, today we are asking you to approve our request change the zoning of our property from CD to LRD. This will allow us to build our home and accord us the same rights as those enjoyed by the others in our HOA and community.

Thank you

James R and Diane E. Neal



The image shows two handwritten signatures in black ink. The top signature is for James R. Neal, written in a cursive style. Below it is the signature for Diane E. Neal, also in cursive. The signatures are positioned to the left of the typed name above them.



Oconee County Planning

LAND-USE

SITE-PLAN REVIEW

CODE ENFORCEMENT

PETITION FOR REZONING

PURSUANT TO SECTION 38-8.6 (SUBSEQUENT REZONING) OF THE OCONEE COUNTY CODE OF ORDINANCES

"I hereby certify that I own the lot, parcel, or tract of land currently designated by TMS # 192 - 00 - 04 - 028 (the "Parcel"). The Parcel is currently zoned in the CD (CONSERVATION) District, and I hereby request that the Parcel be rezoned to the LRD (Lake Residential) District, and that all appropriate Oconee County records, including the Oconee County Official Zoning Map, be amended to reflect this rezoning request.

In support of my request, I state the following:

SEE ATTACHED

(Attach pages if necessary.)

I acknowledge that the Oconee County Council, Oconee County Planning Commission, and Oconee County staff must take into consideration all relevant information in evaluating this petition, that the final decision rests entirely with the Oconee County Council, and that the approval of this petition is not guaranteed.

6/24/2021
Date

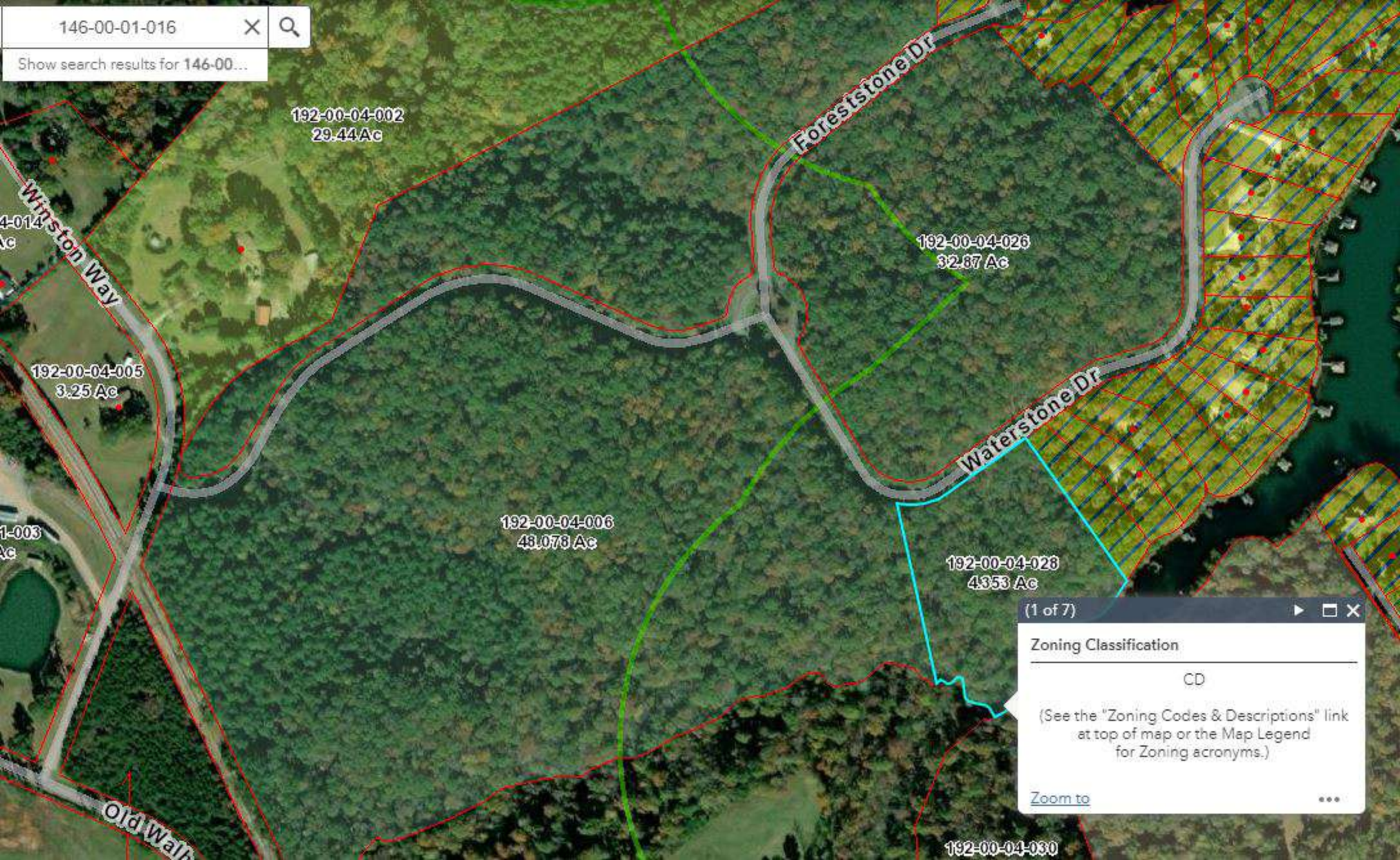
Signature Diane E. Neal

James R. Neal / DIANE E. Neal
Print Name

146-00-01-016



Show search results for 146-00...



192-00-04-002
29.44 Ac

192-00-04-026
32.87 Ac

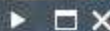
192-00-04-005
3.25 Ac

192-00-04-006
43.078 Ac

192-00-04-028
43.53 Ac

192-00-04-030

(1 of 7)



Zoning Classification

CD

(See the "Zoning Codes & Descriptions" link at top of map or the Map Legend for Zoning acronyms.)

Zoom to





Waterstone Properties LLC
DB 1243 Pg 192
PB A890 Pg 3

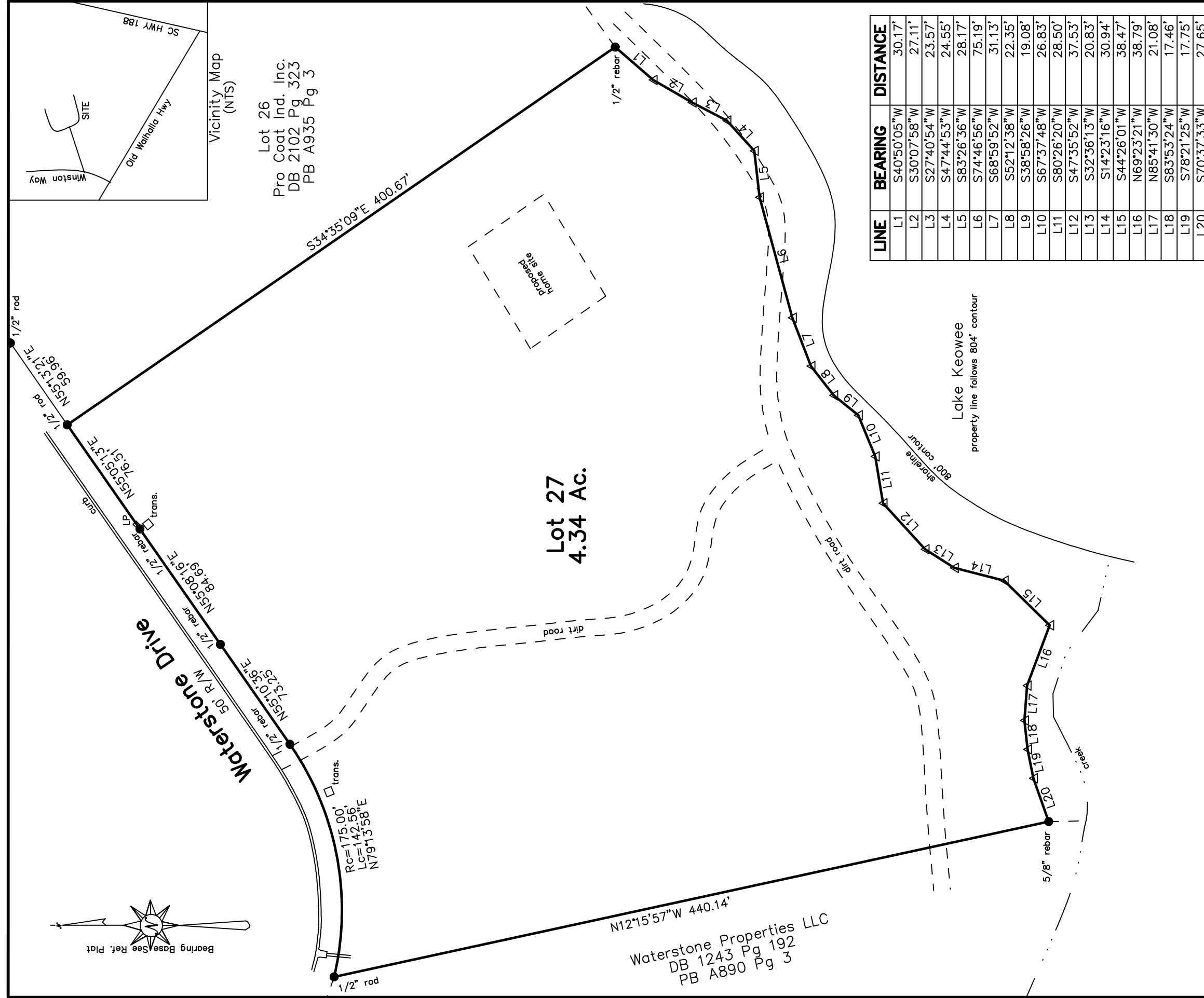
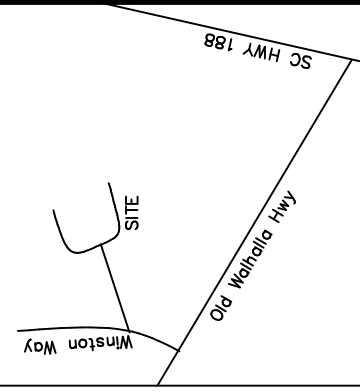
Rc=175.00'
Lc=142.56'
N79°13'58"E

Waterstone Drive
50' R/W

Lot 27
4.34 AC.

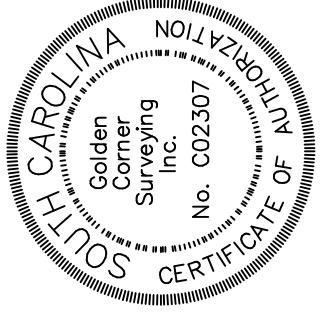
Lot 26
Pro Coat Ind. Inc.
DB 2102 Pg 323
PB A935 Pg 3

Vicinity Map
(NTS)

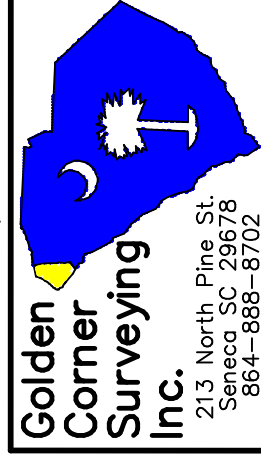


LINE	BEARING	DISTANCE
L1	S40°50'05"W	30.17'
L2	S30°07'58"W	27.11'
L3	S27°40'54"W	23.57'
L4	S47°44'53"W	24.55'
L5	S83°26'36"W	28.17'
L6	S74°46'56"W	75.19'
L7	S68°59'52"W	31.13'
L8	S52°12'38"W	22.35'
L9	S38°58'26"W	19.08'
L10	S67°37'48"W	26.83'
L11	S80°26'20"W	28.50'
L12	S47°35'52"W	37.53'
L13	S32°36'13"W	20.83'
L14	S14°23'16"W	30.94'
L15	S44°26'01"W	38.47'
L16	N69°23'21"W	38.79'
L17	N85°41'30"W	21.08'
L18	S83°53'24"W	17.46'
L19	S78°21'25"W	17.75'
L20	S70°37'33"W	27.65'

- NOTES:
1) TMS# 192-00-04-028
2) Lot 27 Waterstone
3) DB 2629 Pg 269
4) PB B466 Pg 2
5) Except as specifically stated or shown on this plat, this survey does not purport to reflect any of the following which may be applicable to the subject property: flood zones; easements, other than possible easements that were visible at the time of making of this survey; building setback lines; restrictive covenants; subdivision restrictions; zoning or other land-use regulations, and any other facts that an accurate and current title search may disclose.



"I hereby state that to the best of my knowledge, information, and belief, the survey shown hereon was made in accordance with the requirements of the Minimum Standards Manual for the Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a Class A survey as specified therein; also there are no visible encroachments or projections other than shown."



Golden Corner Surveying Inc.
213 North Pine St.
Seneca SC 29678
864-888-8702

Survey for
Jim Neal

- Legend
(old) (New)
● ○ Iron Pin
■ □ Nail
▲ △ Computed Pt.

Oconee County South Carolina
Date: May 10, 2021 Scale 1" = 60'
60' 0 60' 120'

Gary L. Eades PLS#19013 PLAT # 5155

Waterstone Property Owners Association, Inc.

283 Waterstone Drive
West Union, SC 29696
Att: Scott A Morris

Invoice

Date	Invoice #
1/5/2021	454

Bill To

James & Diane Neal
258 Waterstone DR, Lot 27

Terms	Account #
Net 30	

Description	Amount
2021 Annual Property Owners Association Dues	600.00
Please submit payment by 2/15/2021 Payable to Waterstone POA Inc.	
Mail to Monty Cash/Treasurer 325 Foreststone DR West Union, SC 29696	
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	

Total	\$600.00
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STATE OF SOUTH CAROLINA

COUNTY OF AMENDED AND RESTATED
OCONEE PROTECTIVE COVENANTS
 WATERSTONE SUBDIVISION

WHEREAS, Waterstone Properties, LLC (the "Developer") developed the Waterstone Subdivision and made it subject to the Protective Covenants - Waterstone Subdivision (the "Waterstone Covenants") dated April 10, 2003, which were recorded in Deed Book 1275, Page 18-47 on April 16, 2003, with the Register of Deeds for Oconee County, South Carolina;

WHEREAS, pursuant to the Waterstone Covenants the Developer created the Waterstone Property Owners Association, Inc. (the "Association");

WHEREAS, by its terms the Waterstone Covenants can be amended after the conveyance of any common area to the Association by "an instrument executed by the holders of seventy-five (75%) percent of the votes" authority under the Waterstone Covenants;

WHEREAS, the undersigned owners of Lots in the Waterstone Subdivision represent more than 75% of the said authorized votes; and

WHEREAS, the above-described voting owners seek to amend and restate the Waterstone Covenants.

NOW THEREFORE LET IT BE RESOLVED that this Amended and Restated Protection Covenants - Waterstone Subdivision be enacted in consideration of the benefits accruing to the present and future owners of real property in the Waterstone Subdivision to enforce upon the real property and the owners thereof certain mutual beneficial restrictions, conditions, easements, covenants, agreements, and charges in furtherance of the Developer's general scheme and plan for the subdivision and for the improvement and sale of real property therein, and which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the real property therein as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 ASSOCIATION shall mean and refer to Waterstone Property Owner's Association, Inc., a South Carolina non-profit corporation.

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

SECTION 1.3 PROPERTY OR PROPERTIES shall mean and refer to the real property described on the Waterstone Plats, which consists of Lots 1-26, 14.97 acres common area, and 17.90 acres common area, and Lot Number Twenty-seven (27), containing 4.353 acres, more or less, and any real property subsequently added to the Waterstone Subdivision.

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

SECTION 1.5 COMMON EXPENSES shall mean and include:

- (a) all sums lawfully assessed against the lot owners by the Association;
- (b) expenses of, but not limited to, administration,

operation, maintenance, repair and replacement of the Common Areas and facilities, including street lighting, water and electric charges, resurfacing and landscaping;

- (c) expenses agreed upon as common expenses by the Association; and
- (d) liability and/or other insurance premiums as required by the Association.

SECTION 1.6 LOT shall mean and refer to any numbered parcel of land shown upon the Waterstone Plats, being at present, Lots 1 through 27, inclusive.

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

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

SECTION 1.9 MEMBER shall mean and refer to any person or entity who holds membership with voting rights in the Association, which membership shall be derived from ownership of any lot within Waterstone Subdivision.

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

SECTION 1.11 ARCHITECTURAL CONTROL COMMITTEE shall Mean and refer to a committee to protect the investment and enjoyment of owners by interpreting and enforcing the Protective Covenants of Article VI. The members of the Architectural Control Committee shall be duly appointed by the Board, the sole discretion for the timing of this to rest exclusively with the Board.

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

SECTION 1.13 WATERSTONE PLATS shall mean the plats of survey in Plat Book A-935, Pages 3 & 4 and Plat Book B-466, Page 2 (Lot 27), and any subsequently recorded plat of survey describing the real property of the Waterstone Subdivision; all records of the Register of Deeds for Oconee County, South Carolina.

SECTION 1.14 PROTECTIVE COVENANTS shall mean the covenants contained in the Amended and Restated Covenants and any amendments thereto.

ARTICLE II

PROPERTY RIGHTS

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

- (a) Developer transferred deeds of right of way to Oconee County for the maintenance of Waterstone roadways See Deed Book 1465, Page 282 and 283.
- (b) The right of the Association to impose regulations for the use and enjoyment of the Common Areas and improvements thereon.
- (c) The Developer transferred 76.76 acres The Community Open Land Trust by a Conservation

Easement recorded in Deed Book 1469, Pages 342-358:

- (d) The Developer transferred to the Association a 14.97 acre, more or less, parcel of common area and a 17.90 acre, more or less, parcel of common area to the Association deed recorded in Deed Book 1858, Pages 347-349 on October 3, 2011.

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

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

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 3.1 MEMBERSHIP: Every owner of a lot shall be a member of the Association. The Association shall have one {1} class of voting membership, denominated as Class A. Class A members shall be all owners, who shall be entitled to one (1) vote for each lot owned. When more than one person holds an ownership interest in any lot, all such persons shall be members; the vote for such lot shall be exercised as the owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot. If a unanimous agreement cannot be reached by joint lot owners at the time of the vote, then the vote shall not be counted. Voting of fractional interests shall not be allowed.

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

SECTION 3.3 CAPITAL CONTRIBUTION/MEMBERSHIP FEE: Membership in the Association shall begin with the purchase of a lot by the owner. There will be an initial capital contribution fee of \$100.00, and an initial common area expense contribution to be paid to the Association at the

time of the purchase of each lot in the subdivision, the amount of the common area expense contribution to be determined by the Association from time to time. Upon the transfer of title of a lot to any third party purchaser, a subsequent capital contribution of \$100.00 shall be required, in addition to a common area expense contribution in an amount to be determined by the Association on an annual basis. Each subsequent transfer of title of a lot shall incur the same subsequent capital contribution of \$100.00, in addition to an amount to be determined by the Association on an annual basis for common area expenses as referenced above. Failure to pay the original or any subsequent contribution charges or fees shall result in the Association having the right to file a Declaration of Lien per the provisions of Section 4.8 of this document.

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

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

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

SECTION 3.6 BOARD MEMBERS: The Board of Directors of the Association shall be as determined by the Bylaws.

ARTICLE IV

COVENANTS FOR MAINTENANCE AND CAPITAL ASSESSMENTS

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

deemed to covenant and agree to pay to the Association:

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

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

SECTION 4.3 SPECIAL ASSESSMENT FOR CAPITAL

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

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

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

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

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

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

ARTICLE V

ARCHITECTURAL CONTROL

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

ARTICLE VI

PROTECTIVE COVENANTS

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

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

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

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

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

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

- d. Chain-link, "chicken wire", or any such similar fences.

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

- a. One story dwellings shall not contain- less than 2,000 square feet of Heated Living Area (defined below);
- b. One and a half story dwelling shall not contain less than 2,200 square feet of Heated Living Area;
- c. Two (or more) story dwellings shall not contain less than 2,400 square feet of Heated Living Area;
- d. All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;
- e. Roofs shall have not less than a 6 inch pitch, and not less than 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terracotta tile, real or man-made slate, copper sheathing, wood shingles, or pre-painted metal roofing;
- f. The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood, composite or vinyl material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and .must be fully and properly finished; and
- g. Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy must be issued within two years after commencement of construction.
- h. Regardless of the provisions of Section 6.4(f) above, no vinyl siding shall be allowed unless same is specifically approved by the Declarant or Association and even in that event, vinyl siding may only be used in gabled areas of the dwelling or accessory structure.

As used herein, "Heated Living Area" excludes basement areas (defined as any level in which at least one perimeter wall is below, or partially below, grade), unless such basement areas have two or more perimeter walls above surrounding grade and such basement areas are fully heated and air-conditioned and constructed to a quality equal to the above-grade levels of the dwelling. In addition, Heated Living Area excludes vaulted Ceilings areas, decks and patios. The term "story" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it. The term "half story" shall mean a story which contains fifty (50%) percent or less Heated Living Area

than the story in the house containing the most Heated Living Area.

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

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

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

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

- a. No portion (or portions) of the Property greater than two thousand (2,000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated, or (iv) covered with earth or other natural or man-made fill material, unless all required

building, grading and erosion control permits have been issued by the applicable municipal authorities.

- b. All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before: (i) the thirtieth (30th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area}; or {ii) such time as construction is completed or interrupted for a period of thirty {30} continuous days. In addition to, or in the absence of local or state government regulations on such land disturbance, none of the activities described in (i) through (iv) in Section 6.6(a) above shall be allowed to commence without compliance with the following requirements:
 - i. The surveying and flagging of the Buffer Area (defined below) and any portion of the Buffer Area that may be disturbed as a result of any activities permitted hereunder;
 - ii. The flagging of all trees in the Buffer Area that equal or exceed six {6} inches in diameter, as measured four and one-half feet (4.5') from the base of each tree. The trees, Buffer Area {defined below} and disturbed areas referenced in Sections 6.6(a) and (b) shall be clearly and distinctly flagged, staked or otherwise designated in order to prevent the unintentional violation of these restrictions by parties performing work upon the Property; and
 - iii. The proper installation (in accordance with the manufacturer's instructions) of construction silt fencing on the lower perimeters of all areas within the Property to be disturbed, and any other areas which may be impacted by silt runoff from any disturbed areas located on the property.

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

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

(4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual handsaws. No other mechanical equipment or vehicles may be used in removing

any trees. Additionally, trees having greater diameter than that set forth above that have become diseased or damaged through natural processes may be removed in the same manner.

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

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

SECTION 6.8 NO CLAIMS: No owner of the Property or of any Benefited Property (defined below) shall have any claim

or cause of action against either Declarant, Association, or Duke Energy or its affiliates arising out of the exercise, or non-exercise, or enforcement or failure to enforce, or the amendment, release or grant of variance with respect to any covenant, condition, restriction, easement or other right reserved hereunder or referred to herein.

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

SECTION 6.10 RIGHTS OF ENFORCEMENT: The covenants, conditions, and restrictions set forth herein shall run with the title to the Property and shall benefit Declarant, Association, and Duke Energy and all property (the "Benefited Property") owned on the date hereof by either Declarant, Association or Duke Energy or its subsidiaries located within one thousand feet of any portion of the Property (other than any property located within the FERC boundaries of the Lake.) If the Property owner, its heirs, successors, tenants, or assigns shall violate or attempt to violate any of the covenants, conditions or restrictions contained herein, Declarant, Association, or Duke Energy and any subsequent owner of any portion of the Benefited Property may enforce the covenants, conditions, and restrictions set forth herein by any remedy available at law or in equity, either to prevent or remediate such violation, or recover damages for such violation, or both; provided that, with the exception of Declarant, Association, or Duke Energy, no Benefited Property owner shall have the right to enter the Property in order to monitor or enforce compliance without court order. The party bringing such action shall be entitled to recover its reasonable attorney's fees and expenses incurred in such proceedings from the person or entity violating or attempting to violate the same. Nothing herein shall be held to impose any restrictions on any other land owned by either Declarant, Association, or Duke Energy, its subsidiaries or affiliates.

SECTION 6.11 MODIFICATION, AMENDMENT, VARIANCES:

- a. The Association shall have the right for itself and its successors and assigns, to grant variances with respect to the covenants, conditions, easements, and restrictions set forth herein.
- b. In the event of a conflict between the specifically enumerated provision of these protective covenants and a provision imposed by the Declarant/Association/Architectural Control Committee in approving the building plans, site preparation, and improvements to the real property, any provisions imposed by the Declarant/Association/Architectural Committee shall govern.

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

maintenance of utility lines, drainage ditches or facilities, or any other related improvements that may be required by Declarant or its successors or assigns.

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

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

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

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

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

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

within the streets, roadways, common areas, or the rights of way in Waterstone Subdivision. This shall not prohibit the parking of vehicles on the streets, roadways, or rights of way in the event of a special gathering at a lot owner's dwelling, as, for example, birthday parties, Christmas parties, and thelike.

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

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

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

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

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

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

SECTION 6.23 WATER AND SEWAGE: Unless otherwise determined by the Association, water services shall be provided pursuant to the Contract between the Association and the City of Seneca recorded in Deed Book 1522, Page 291 and every dwelling unit shall have permanent plumbing, running water and a permanent sewage disposal system approved by the appropriate county or state agency. No temporary plumbing, water or sewage systems shall be allowed.

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

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

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

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

SECTION 6.28 DAMAGE TO COMMON AREAS: An Owner shall be responsible for any damage to common areas by any party related to the construction or maintenance of his dwelling or lot. Prior to construction, an Owner shall cause to be deposited with the Association the sum of Seven Hundred Fifty (\$750.00) Dollars to be applied to the cost of cleaning or repairing damage, including, but not limited to concrete, gutters, and asphalt. Any unused portion will be returned upon completion of construction and repair of any damage and/or cleanup as provided herein, if any. This provision in no way limits liability for damage to \$750.00. Absent an agreement by the Board, damages in excess of \$750.00 must be paid before occupancy shall be allowed. Any unpaid assessed damages shall constitute a lien upon such owner's property. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien for unpaid assessments or charges for damages pursuant to the provisions of Section 4.8 of this document. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of said Declaration shall be the only requirement necessary to perfect said lien.

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

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

maintenance work as performed.

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

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

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

SECTION 6.34 CRESCENT COVENANTS: The Waterstone Subdivision is also subject to the restrictions recorded in Deed Book 1243, Pages 192-206 by Crescent Resources, Inc.

ARTICLE VII

CONVEYANCE OF COMMON AREA TO THE ASSOCIATION

SECTION 7.1 TITLE TO COMMON AREA: Declarant Conveyed the Common Areas to the Association.

SECTION 7.2 RIGHT OF WAY AND EASEMENTS RETAINED: Said conveyance by the Declarant to the Association of the Common Areas as set forth herein subject to the following:

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

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

ARTICLE VIII

GENERAL PROVISIONS

SECTION 8.1 DURATION: The covenants and restrictions contained in this Declaration shall run with and bind the properties which are made subject hereto for a period of twenty (20) years from the date of this Declaration is

recorded in the Office of the Clerk of Court for Oconee County, South Carolina after which time such covenants and restrictions shall be automatically extended for successive periods of ten (10) years each unless amended by vote of seventy-five (75%) percent of members. The option of first refusal in Section 7.1 shall continue in full force and effect even if said covenants are amended or terminated.

SECTION 8.2 AMENDMENT: The covenants herein may be amended at any time by an instrument executed by the holders of seventy-five (75%) percent of the votes described in Article III hereof

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

SECTION 8.4 SEVERABILITY: Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way effect any other provision of this Declaration, which shall remain in full force and effect.

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

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

SECTION 8.7 AUTHORITY OF ASSOCIATION: The Association shall have the rights and authority provided in these Protective Covenants and in the Association's Bylaws. The Association shall have the authority to adopt rules and regulations related to these covenants, to provide guidelines for construction, and to enact other provisions as it deems necessary to fulfill its duties.

IN WITNESS WHEREOF, the undersigned have caused their hands and seals to be affixed this ____ day of _____ 20____.

President

Secretary

STATE of SOUTH
CAROLINA

COUNTY OF ANDERSON

PROBATE

PERSONALLY appeared before me the undersigned witness who made oath that s (he) saw the within named individuals sign, seal, and as their act and deed deliver: the foregoing Protective Covenants and that s(he), together with the other witness subscribing above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED
Before me this ____ day
Of _____2020.

Notary Public
My Commission Expires:

EXHIBIT "A"

DECLARATION OF LIEN
BY

WATERSTONE PROPERTY OWNERS ASSOCIATION, INC.

against

and

{whether one or more, hereinafter referred to
as the "Property Owner"}

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

<u>Property Description</u>	<u>Period of Delinquent Assessment</u>	<u>Amount of Assessment</u>
-----------------------------	--	---------------------------------

Lot#
 Plat Book _____
 Page
 Deed Book _____
 Page _____

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

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

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

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

IN THE PRESENCE OF:

WATERSTONE PROPERTY OWNERS ASSOCIATION, INC.

By: _____
Its:

Address: _____

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF _____

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

SWORN TO BEFORE ME THIS ____ day of _____, 20____.

Notary Public for South Carolina
My Commission Expires:

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

BOOK 1243 PAGE 192

HAROLD P. THRELKELD
ATTORNEY AT LAW
P.O. BOX 1385
ANDERSON, SC 29622-1385
PHONE (864) 226-1305

2007 SEP 28 P 4:46 Pm
466 Fox, Adams & Bernstein LLP.
Times Waveria Center
401 South Tryon St.
Suite 3000
Charlotte, NC 28202

Return to:
Crescent Resources, LLC
Attn: S. Higginson
PO Box 1003
Charlotte, NC 28201-1003

OCONEE COUNTY

STATE TAX 5174.00
COUNTY TAX 2139.00
EXEMPT

EXCISE TAX - \$7,363.00

Tract No. S-7072

Ret: 20.00
015340

STATE OF SOUTH CAROLINA)
COUNTY OF OCONEE)

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS that

CRESCENT RESOURCES, LLC, a Georgia limited liability company (successor by merger and conversion to Crescent Resources, Inc., whose name was changed from Crescent Land and Timber Corp. by Articles of Amendment filed in the office of the South Carolina Secretary of State), whose address is P.O. Box 1003, Charlotte, NC 28201-1003, hereinafter called "Grantor," in consideration of the sum of One Million Nine Hundred Ninety Thousand and No/100 Dollars (\$1,990,000.00), to it in hand paid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto WATERSTONE PROPERTIES, LLC, a South Carolina limited liability company, whose address is 1214-C North Main Street, Anderson, SC 29621, hereinafter called "Grantee," all that certain tract of land described in Exhibit A attached hereto ("Property").

The conveyance is made subject to the covenants and restrictions set forth in Exhibit B attached hereto.

TOGETHER WITH all and singular the rights, members, hereditaments and appurtenances to the Property belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the Property, unto the said Grantee and Grantee's heirs, successors and assigns forever, except:

- * (1) flood easements in favor of Duke Energy Corporation (formerly known as Duke Power Company) and riparian rights of others, including, but not limited to, the flood easement to flood to the 810 foot contour line and all other reservations, restrictions and conditions contained in that deed recorded in Deed Book 10-G, Page 210;
- (2) transmission line and retail electric line rights-of-way, if any, reserved by or granted to Duke Energy Corporation (formerly known as Duke Power Company);
- (3) ad valorem taxes for the year 2002 and subsequent years;
- (4) "rollback" or other deferred ad valorem property taxes;
- (5) matters affecting title to the Property as shown on the Plat or which would be shown on a current and accurate survey of the Property (including any encroachments);

CLT 1665900 this 02 day of Oct
Book 02 Page 203, 104
Fee
R. H. Williams
Auctioneer, Oconee County, S.C.

Page 1 of 11

THIS PROPERTY DESIGNATED AS
MAP 192 SUB 02 BLK 04 PARC 006
ON OCONEE COUNTY TAX MAPS
R. H. Williams
OCONEE COUNTY ASSESSOR

- (6) easements, covenants, restrictions and conditions of record, and rights-of-way of public and private streets and roads;
- (7) easements, restrictions and rights-of-way as may be apparent from an inspection of the Property;
- (8) zoning, subdivision, land use and other laws, regulations or ordinances applicable to the Property; and
- (9) the reservations and restrictions set forth herein

The Grantor covenants to warrant specially the title to the Property against the lawful claims of any person claiming from, through or under it.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed this 27th day of September, 2002.

Signed, Sealed and Delivered in the Presence of:

CRESCENT RESOURCES, LLC,
a Georgia limited liability company.

Alice A. Hunt
Print Name: Alice A Hunt
Witness #1

By: [Signature]
James M. Short, Jr.
Senior Vice President

[Signature]
Print Name: Susan Higginson
Witness #2

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

Personally appeared before me the undersigned witness who being duly sworn deposes and says that he/she saw the within named James M. Short, Jr., Senior Vice President of CRESCENT RESOURCES, LLC, a Georgia limited liability company, sign, and as its act and deed deliver the foregoing instrument for the uses and purposes therein mentioned, and that he/she, together with Susan Higginson (witness #2), the other witness subscribed above, witnessed the execution thereof.

Alice A Hunt
(Witness #1 sign here)

Sworn to and subscribed before me this the 27th day of September, 2002.

[Signature]
Notary Public

Notary Public for North Carolina

My Commission Expires: 3/27/2006

[NOTARIAL STAMP-SEAL]



Grantee's address: 1214-C North Main Street, Anderson, SC 29621

EXHIBIT A

All references to recording information shall refer to documents that were recorded in the Office of the Clerk of Court for the county in which the Property is located.

All that certain tract of land located in Wagener Township, Oconee County, South Carolina, designated as "AREA = 104.68 ACRES" on plat recorded in Plat Volume A-890, Pages 3 & 4 ("Plat"); AND BEING all or a portion of the land conveyed to Crescent Land & Timber Corp. (presently known as Crescent Resources, LLC) from Louise F. Nimmons (K-533) recorded in Deed Book 9-W, Page 204.

TMS# 192-00-04-006

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

2002 SEP 30 P 4:44

2002 SEP 30 P 4: 49

EXHIBIT B
RESTRICTIONS

THE PROPERTY SHALL BE CONVEYED SUBJECT TO THE FOLLOWING RESTRICTIONS, WHICH SHALL ENCUMBER THE PROPERTY AND SHALL RUN WITH TITLE TO THE PROPERTY.

1. Definition of "Property". As used herein, the word "Property" shall mean all of the property conveyed by Grantor to Grantee pursuant to this deed; provided that if the conveyed property consists of more than one subdivided parcel of land, or if the property conveyed is ever subdivided into more than one parcel, then the defined term "Property" shall mean each parcel of land containing all or a portion of the property conveyed hereby and the restrictions set forth herein shall apply to each such subdivided parcel.

2. Use.

a. The Property shall be used only for detached, single-family residence purposes, together with the accessory buildings and structures permitted pursuant to Section 6 below; provided, however, that if Grantee, or its successors and assigns, desire to use any portion of the Variable Use Property (as defined below) for office, commercial or industrial purposes (collectively, "Potential Uses"), then Grantee, its successors or assigns, shall (i) provide Grantor with a proposed subdivision plat ("Subdivision Plat") of the Property reflecting as a separate parcel the portion of the Variable Use Property to be used for one or more of the Potential Uses ("Potential Use Parcel"); and (ii) notify Grantor in writing of the proposed Potential Uses ("Proposed Uses") to be permitted on, and the proposed improvements to be constructed ("Proposed Improvements") on, the Potential Use Parcel and the location of such improvements, such writing shall include a specific and detailed description of the Proposed Uses and Proposed Improvements, including the dimensions and exterior surface of the Proposed Improvements, and any other information requested by Grantor. Within sixty (60) days after its receipt of the Subdivision Plat, and description of the Proposed Uses and Proposed Improvements, Grantor shall, in its sole discretion, approve or reject such Subdivision Plat, Proposed Uses and/or Proposed Improvements and notify Grantee, or its successors or assigns, thereof. If Grantor rejects the Subdivision Plat, Proposed Uses and/or Proposed Improvements, then Grantor's notification shall include the reasons for such rejection. If Grantor approves the Subdivision Plat, Proposed Uses and Proposed Improvements, then Grantor shall amend these restrictions to allow for the Proposed Uses and Proposed Improvements on the Potential Use Parcel and shall record, at Grantee's (or its successors' or assigns') expense, a document reflecting such amendment in the Office of the Clerk of Court of Oconee County, South Carolina. For the purposes of this paragraph, "Variable Use Property" shall mean the portion of the Property shown as "Exhibit Area, 41.64 AC." on Exhibit C attached to this deed.

b. No more than one detached single-family residential dwelling may be constructed on the Property. No condominium, townhouse, duplex, apartment or other multi-family residential uses are permitted on the Property. Further, no camper, trailer, motor home,

boat (including, without limitation, any boat docked adjacent to the Property), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to the Property as a place of residence. The single-family residence restrictions set forth above shall not prohibit the construction of pools, tennis courts, or other recreational facilities or amenities, such as are commonly constructed and maintained for the benefit of lot owners within planned unit developments; provided that such recreational facilities or amenities shall be solely for the common use of the owners of lots subdivided from the Property and, provided further, that no such recreational facilities may be located within any Buffer Area (defined below).

3. **Restricted Activities.** The following activities are prohibited on the Property:

- a. Raising, breeding, or keeping of animals, livestock or poultry of any kind, except that dogs, cats, or other usual and common household pets (which are registered, licensed and inoculated as required by law) may be permitted on the Property;
- b. Any activity which violates local, state, or federal laws or regulations;
- c. Institutional uses, including but not limited to group homes, day care centers, churches, temples or shrines, rest homes, schools, medical care facilities, lodges, inns, beds and breakfasts; and
- d. Any business or trade, except that an owner or occupant residing on the Property may conduct business activities within a dwelling on the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve regular visitation of the Property by clients, customers, suppliers, or other business invitees; (iv) the business activity does not involve any service or delivery business in which more than one vehicle used in such business would be parked overnight on the Property, or for which any parts, equipment supplies, raw materials, components or tools are stored on the Property and (v) the business activity is consistent with the residential character of the Property and does not constitute an unreasonable disturbance to adjoining land owners or others, a nuisance, or a hazardous or offensive use. The foregoing shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities provided that such activities are not held on the Property more than once in any six-month period. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. The leasing of the Property for single-family residential use shall not be considered a business or trade within the meaning of this subsection.

4. **Prohibited Conditions.** None of the following structures or improvements may be located upon the Property:
- a. Structures, equipment or other items which are visible from any road or adjacent property which have become rusty, dilapidated, or otherwise fallen into disrepair;
 - b. Towers, antennas, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind which are located outside of the dwelling on the Property other than (i) a customary antenna, which shall not extend more than ten (10) feet above the top roof ridge of the dwelling; and (ii) a satellite disc or dish no larger than eighteen inches (18") in diameter;
 - c. Any freestanding transmission or receiving towers or any non-standard television antennae; and
 - d. Chain-link fences.
5. **Quality Craftsmanship/Dwelling Size.** All buildings and outbuildings erected upon the Property shall be built on site of new materials of good grade, quality and appearance, and shall be constructed in a good, workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:
- a. One story dwellings shall not contain less than 2,000 square feet of Heated Living Area (defined below);
 - b. One and a half story dwellings shall not contain less than 2,200 square feet of Heated Living Area;
 - c. Two (or more) story dwellings shall not contain less than 2,400 square feet of Heated Living Area;
 - d. All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;
 - e. Roofs shall have not less than a 6 inch pitch, and not less than 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or man-made slate, copper sheathing or wood shingles or pre-painted metal roofings;
 - f. The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood, composite or vinyl material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished; and
 - g. Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy issued within two years after commencement of construction.

As used herein, "Heated Living Area" excludes basement areas (defined as any level in which at least one perimeter wall is below, or partially below, grade), unless such basement areas have two or more perimeter walls above surrounding grade, and such basement areas are fully heated and air-conditioned and constructed to a quality equal to the above grade levels of the dwelling. In addition, Heated Living Area excludes vaulted ceilings areas, attics, unheated porches, attached or detached garages, porticoes and unheated storage areas, decks and patios. The term "story" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it. The term "half story" shall mean a story which contains fifty percent (50%) or less Heated Living Area than the story in the house containing the most Heated Living Area.

6. **Permitted Accessory Structures.** No buildings, structures or improvements of any kind may be located on the Property other than one detached, single-family residential home, and the following permitted accessory structures:

a. Storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings, not exceeding fourteen (14) feet in height. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Property and shall be covered with the approved exterior materials described in Section 5(f) above. Further, no outbuildings shall be located wholly or partially within any Buffer Area (as defined below).

b. Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1000) square feet in area. Further, no such structure shall be located wholly or partially within any Buffer Area (as defined below).

c. To the extent permitted at the time of construction and installation by Duke Energy Corporation (or its successor, with respect to ownership and/or management authority over the Lake, if applicable) (hereinafter, "Duke Energy") and all applicable governmental authorities, waterfront structures, including fixed piers, boat slips or floats, covered docks, boat ramps, decking and sitting areas attached to piers, walkways and other similar structures. Grantee acknowledges by acceptance of this deed that policies, laws and regulations regarding its ability to construct or install such structures may change from time to time before or after Grantee's acquisition of the Property and Grantor makes no representation or warranty as to Grantee's ability to construct or install such structures either now or in the future. Such structures may be located wholly or partially within the Buffer Area provided no more than a total of two hundred (200) square feet of such structures shall be located within the Buffer Area.

7. **Site Development Requirements.** The Property shall be subject to the following specific development requirements.

- a. No portion (or portions) of the Property greater than two thousand (2000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated or (iv) covered with earth or other natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.
- b. All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before: (i) the thirtieth (30th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area); or (ii) such time as construction is completed or interrupted for a period of thirty (30) continuous days. In addition to, or in the absence of local or state government regulations on such land disturbance, none of the activities described in (i) through (iv) in Section 7(a) above shall be allowed to commence without compliance with the following requirements:
- i. The surveying and flagging of the Buffer Area (defined below) and any portion of the Buffer Area that may be disturbed as a result of any activities permitted hereunder;
 - ii. The flagging of all trees in the Buffer Area that equal or exceed six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree. The trees, Buffer Area (defined below) and disturbed areas referenced in Sections 7(a) and (b) shall be clearly and distinctly flagged, staked, or otherwise designated in order to prevent the unintentional violation of these restrictions by parties performing work upon the Property; and
 - iii. The proper installation (in accordance with manufacturer's instructions) of construction silt fencing on the lower perimeters of all areas within the Property to be disturbed, and any other areas which may be impacted by silt runoff from any disturbed areas located on the Property.
8. **Buffer Area Restrictions.** As used herein, the term "Buffer Area" shall mean any portion of the Property that is located within fifty feet (50') of any common boundary (the "Contour Line") of the Property and Lake Keowee (the "Lake"). No portion of the Buffer Area may be disturbed in any way, including any disturbance or removal of topsoil, trees and other natural growth. The Contour Line of Lake shall not change as a result of erosion or stabilization measures occurring following the conveyance of this Property to Grantee. Notwithstanding the second sentence in this Section 8, the following activities are permitted within the Buffer Area:
- a. Trees which are less than six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual hand saws. No other mechanical equipment or vehicles may be used in removing any trees. Additionally, trees having a greater diameter than that set forth above that have become diseased or damaged through natural processes may be removed in the same manner.
 - b. An access corridor may be created within the Buffer Area for the purpose of providing lake access to install shoreline stabilization or to install and use water access structures

(such as docks or boat ramps) that have been approved in advance by Duke Energy and otherwise comply with Section 6(c) above. The access corridor may not exceed fifteen (15) feet in width. Trees with diameters equaling or exceeding six (6) inches, as measured four and one-half feet (4.5') from base, may be removed within the access corridor and grading or ground disturbance (which otherwise complies with the restrictions set forth herein) may be performed if reasonably necessary to provide access to the Lake for the purposes described above in this Section 8(b).

c. Underbrush (defined as nuisance shrubs, vines and similar plant growth beneath the tree canopy, and generally growing less than six feet (6') in height) may be removed.

d. Pruning and trimming of trees is permitted, provided that pruning is limited to tree branches beginning with the lowest to the ground and extending up the tree trunk no more than one-half of the total height of the tree. Trimming may also be performed on any limbs or branches that are diseased or naturally damaged.

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

9. **No Claims.** No owner of the Property or of any Benefited Property (defined below) shall have any claim or cause of action against Grantor or its affiliates arising out of the exercise, or non-exercise, or enforcement, or failure to enforce, or the amendment, release or grant of variance with respect to any covenant, condition, restriction, easement or other right reserved hereunder or referred to herein.

10 **No Delay.** No delay or failure on the part of Grantor to invoke an available remedy with respect to a violation of any restriction contained herein shall be held to be a waiver by Grantor of any right available to it upon the recurrence or continuance of said violation or the occurrence of a different violation.

11. **Rights of Enforcement.** The covenants, conditions and restrictions set forth herein shall run with the title to the Property and shall benefit Grantor and all property (the "Benefited Property") owned on the date hereof by Grantor or its subsidiaries located within one thousand feet of any portion of the Property (other than any property located within the FERC boundaries of the Lake. If the Property owner, its heirs, successors, tenants, or assigns shall violate or attempt to violate any of the covenants,

conditions or restrictions contained herein, Grantor and any subsequent owner of any portion of the Benefited Property may enforce the covenants, conditions and restrictions set forth herein by any remedy available at law or in equity, either to prevent or remediate such violation, or recover damages for such violation, or both; provided that, with the exception of Grantor, no Benefited Property owner shall have the right to enter the Property in order to monitor or enforce compliance without court order. The party bringing such action shall be entitled to recover its reasonable attorney's fees and expenses incurred in such proceedings from the person or entity violating or attempting to violate the same. Nothing herein shall be held to impose any restriction on any other land owned by Grantor, its subsidiaries or affiliates.

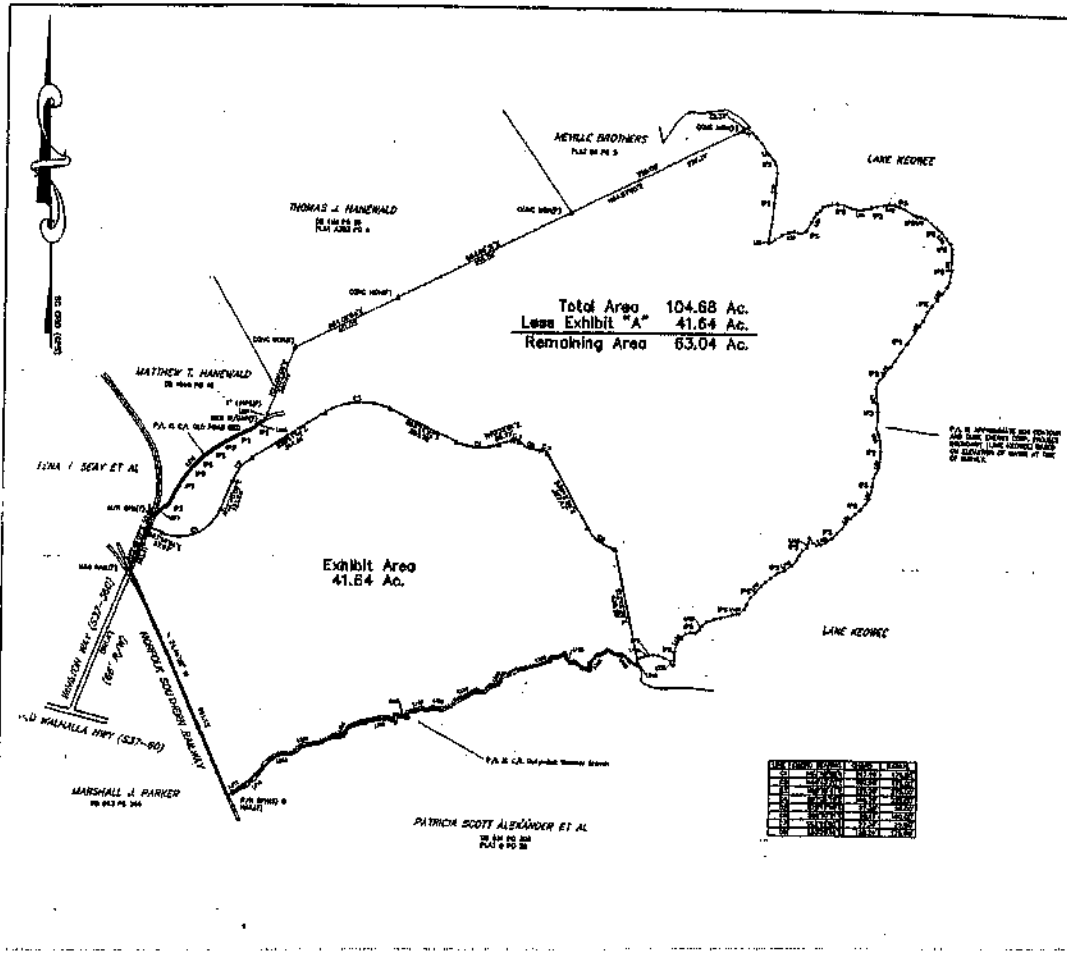
12. Modification, Amendment, Variance. Grantor hereby reserves the right for itself and its successors or assigns, to amend or modify, release, or grant variances with respect to the covenants, conditions, easements and restrictions set forth herein. As used in this Section 12, the term "successors or assigns" shall be limited to Grantor's successors or assigns by merger or consolidation or by written assignment.

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

14. Minimum Lot Size. The Property may not be subdivided in a manner that will result in any lot or parcel being created which is less than 25,000 square feet.

15. No Modular or Mobile Homes. No mobile, manufactured or modular home or structure having the characteristics or appearance of a mobile, modular or manufactured home, including, without limitation, any mobile, modular or manufactured home as defined by the building codes or other applicable laws of the state in which the Property is located, shall be located upon the Property.

EXHIBIT C



Approximate 80% Contour

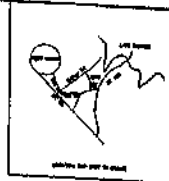
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FILED FOR RECORD
 OCHONE COUNTY, SC
 REGISTER OF DEEDS
 2011 SEP 30 P 4:49



PLAT PROVIDED BY
 CRESCENT RESOURCES
 LLC
 P.O. BOX 2001
 CHARLOTTE, NC 28220-1001



CRESCENT RESOURCES LLC
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NOTE:
 THIS SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE SURVEYING ACT OF 1968 AND THE SURVEYING REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING OF THE STATE OF SOUTH CAROLINA.
 THE SURVEY WAS CONDUCTED ON THE 28th DAY OF SEPTEMBER, 2011.
 GREAT PART OF HANSEWALD - 2011
 C/A - CRESCENT
 P/A - HANSEWALD
 S/A - PART OF DAY
 W - 2011 SURVEY

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

BOOK 1243 PAGE 204
AFFIDAVIT

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

I. Property located in Oconee County, Tax Identification Number 192-00-04-006 was transferred by Crescent Resources, LLC to Waterstone Properties, LLC on September _____, 2002.

The transaction was (Check one):

an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was \$1,990,000.00.

not an arm's length real property transaction and the fair market value of the property is \$_____*

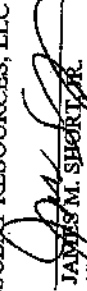
The above transaction is exempt, or partially exempt, from the recording fee as set forth in S.C. Code Ann. Section 12-24-10 et. seq. because the deed is (See back of affidavit):

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Seller.

I further understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

CRESCENT RESOURCES, LLC


By:


JAMES M. SHORTT

SENIOR VICE-PRESIDENT

Purchaser, Legal Representative of the Purchaser, or other Responsible Person Connected with the Transaction

SWORN to before me this 27th
day of September, 2002.


SUSAN HIGGINSON
NOTARY PUBLIC FOR NORTH CAROLINA
MY COMMISSION EXPIRES: March 27, 2006



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OCONEE COUNTY, S.C.
REGISTER OF DEEDS

2002 SEP 30 10 49

*The fee is based on the real property's value. Value means the realty's fair market value. In arm's length real property transactions, this value is the sales price to be paid in money or money's worth (e.g. stocks, personal property, other realty, forgiveness of debt, mortgages assumed or placed on the realty as a result of the transaction). However, a deduction is allowed from this value for the amount of any lien or encumbrance existing on land, tenement, or realty before the transfer and remaining on it after the transfer.

CLT 642773v1

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.

2. The property being transferred is located at _____
bearing _____ County Tax Map Number 192-00-04-006 _____, was transferred
by Crescent Resources, LLC _____ to
Waterstone Properties, LLC _____ ON September 27, 2002.

3. Check one of the following: The deed is

- (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
- (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
- (c) exempt from the deed recording fee because (See Information section of affidavit): _____

(If exempt, please skip items 4 - 7, and go to item 8 of this affidavit.)

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty? Check Yes _____ or No _____

4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):

- (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$1,990,000.00
- (b) The fee is computed on the fair market value of the realty which is _____
- (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is _____

5. Check Yes _____ or No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____

6. The deed recording fee is computed as follows:

- (a) Place the amount listed in item 4 above here: _____ \$1,990,000.00
- (b) Place the amount listed in item 5 above here: _____ -0-
- (c) Subtract Line 6(b) from Line 6(a) and place result here: _____ \$1,990,000.00

7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$7,363.00

8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: _____ Grantee in Deed

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Veterans Home Properties, LLC

BY: Thomas E. Schiamps

Responsible Person Connected with the Transaction

SWORN to before me this 30th day of September 2002

Thomas E. Schiamps
Notary Public for
My Commission Expires: 11/1/04

Thomas E. Schiamps
Print or Type Name Here

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OCONEE COUNTY, S.C.
REGISTER OF DEEDS

2002 SEP 30 10 49

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other intangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on the land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space as a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficial interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;
- (9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a redemption in the grantor's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
- (11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,
- (12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or is to be paid under the corrective or quitclaim deed.
- (13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed pursuant to foreclosure proceedings;
- (14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty;
- (15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.

BOOK 1275 PAGE 018

HAROLD P. THRELKELD

ATTORNEY AT LAW

P.O. BOX 1385

ANDERSON, SC 29622-1385

PHONE (864) 226-1305

Ret. 36.00 *em.*

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
2007 APR 16 A 11:38
PROTECTIVE COVENANTS
WATERSTONE SUBDIVISION

006432

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

SECTION 1.5 COMMON EXPENSES shall mean and include:

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

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

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

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

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

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

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

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

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

ARTICLE II

PROPERTY RIGHTS

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

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

the common area property for conservation or similar purposes.

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

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

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

COVENANTS FOR MAINTENANCE AND CAPITAL ASSESSMENTS

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

ARCHITECTURAL CONTROL

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

ARTICLE VI

PROTECTIVE COVENANTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6.11 MODIFICATION, AMENDMENT, VARIANCES:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

CONVEYANCE OF COMMON AREA TO THE ASSOCIATION

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

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

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

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

ARTICLE VIII

GENERAL PROVISIONS

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

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

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

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

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

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

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

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

IN THE PRESENCE OF:

WATERSTONE PROPERTIES, LLC

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

5-W ASSOCIATES, LLP

Shawn M. Grant
Shawn M. Grant

By: *S. Smith Wham*
member

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF ANDERSON)

PERSONALLY appeared before me the undersigned witness who made oath that s(he) saw the within named individuals sign, seal, and as their act and deed deliver the foregoing Protective Covenants and that s(he), together with the other witness subscribing above, witnessed the execution thereof.

SWORN TO AND SUBSCRIBED)
before me this the 10th)
day of April, 2003)
Shawn M. Grant
Notary Public for S.C.)
My Comm. Expires: 7/10/2006)

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2003 APR 16 A 11: 38

EXHIBIT "A"

DECLARATION OF LIEN

BY

WATERSTONE PROPERTY OWNER'S ASSOCIATION, INC.

against

and

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

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

<u>Property Description</u>	<u>Period of Delinquent Assessment</u>	<u>Amount of Assessment</u>
-----------------------------	--	-----------------------------

Lot # _____		
Plat Book _____		
Page _____		
Deed Book _____		
Page _____		

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

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

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

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

IN THE PRESENCE OF:

WATERSTONE PROPERTY OWNER'S
ASSOCIATION, INC.

By: _____
Its: _____

Address: _____

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF _____)

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

SWORN TO BEFORE ME THIS _____, 2003.

Notary Public for South Carolina
My Commission Expires:



Doc ID: 001261870002 Type: DEE

OK 1593 pg 53-54

[This instrument serves to amend certain terms of Protective Covenants Waterstone Subdivision filed in Record Book 1275 at Page 018 and should be indexed accordingly.]

STATE OF SOUTH CAROLINA) NOTICE OF REPLATTING OF LOTS 4
) AND 5, WATERSTONE SUBDIVISION
COUNTY OF OCONEE)

WHEREAS, Waterstone Properties, LLC placed Restrictive Covenants (and any amendments thereto) ("Declaration") on Waterstone Subdivision by instrument dated April 10, 2003, recorded in the office of the ROD for Oconee County in Record Book 1275 at Page 018; and

WHEREAS, improvements constructed on Lot 5, Waterstone Subdivision encroach onto Lot 4, Waterstone Subdivision; and

WHEREAS, the Declaration provides at Section 6.15 that Waterstone Properties, LLC reserves the right to replat any one or more lots shown on the plat of said subdivision; and

WHEREAS title to Lot 5, Waterstone Subdivision is currently owned by Pike Development of the Upstate, LLC ("Pike") and title to Lot 4 Waterstone Subdivision is owned by Francis B. Linnane and Lynn A. Linnane (collectively "Linnane"); and

WHEREAS, Pike and Linnane have resolved the problems associated with the encroachment of improvements from Lot 5 onto Lot 4, by, among other things, the exchange of parcels subdivided from their lots as shown on the Plat attached to this document as Exhibit 1, so that Tract A becomes part of Lot 5 and Tract B becomes part of Lot 4; and

WHEREAS, the described subdivision has been approved by the appropriate authorities for Oconee County, South Carolina as indicated on the attached Exhibit 1;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Waterstone

Properties, LLC, pursuant to the authority granted under Declaration, approves and adopts the

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Ret: Olson
POB x 1633
Clemson SC
29633

1001

1906 A 61 NOV 1007

CLERK OF RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS

replating of Lots 4 and 5 of Waterstone Subdivision as shown on the Plat attached to this document as Exhibit 1 so that Tract A becomes part of Lot 5 and Tract B becomes part of Lot 4.

Witness its hand(s) and seal(s) this 2nd day of May, 2007.

WITNESSES:

WATERSTONE PROPERTIES, LLC

By: S. S. Stettin

[Signature]
Witness No. 1
Shoni M. Spivey
Witness No. 2 and Notary

STATE OF SOUTH CAROLINA)
)
COUNTY OF OCONEE)

PROBATE

PERSONALLY appeared before me the undersigned witness, and made oath that (s)he saw the within named Waterstone Properties, LLC, by S. S. Stettin within its Plat sign, seal and deliver the within instrument and that (s)he with the other witness whose signature appears above witnessed the execution thereof.

[Signature]
Witness No. 1

SWORN to before me this
2nd day of May, 2007.

[Signature]
Notary Public for South Carolina
My Commission expires: 5/19/2013

FILED FOR RECORD
OCONEE COUNTY, S.C.
REGISTER OF DEEDS
2007 JUN 19 A 9 06