

INDEX

**TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
EAST SHORES**

May 8, 2020

Definitions

- I. Definitions
- II. Property Subject to this Declaration and Within the Jurisdiction of the Association
- III. Property Rights
- IV. The Association
- V. Covenant for Annual and Special Assessments
- VI. Covenant for Boatslip and Special Boatslip Assessments
- VII. Covenant for Promontory and Special Promontory Assessments
- VIII. General Assessment Provisions
- IX. Restrictions
- X. Insurance
- XI. Rights of Mortgagees
- XII. Condemnation
- XIII. General Provisions
- XIV. Architectural Controls

Exhibit "A" – Articles of Incorporation for East Shores Owners' Association, Inc.

Exhibit "B" – Bylaws for East Shores Owners' Association, Inc.

Exhibit "C" – Pier and Boatslips

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EAST SHORES

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE

FOURTH AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS
AND RESTRICTIONS – EAST SHORES

THIS FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS – EAST SHORES (“Amendment”) is made effective May 8, 2020 BY THE EAST SHORES OWNERS ASSOCIATION, INC. (“Declarants”)

STATEMENT OF PURPOSE

The Declaration of Covenants, Conditions and Restrictions dated October 22, 1990 and recorded in Book 640, Page 126, Office of the Clerk of Court for Oconee County, South Carolina (the “Declaration”), established certain covenants, conditions and restrictions and easements with respect to the Property described therein and shown on Map recorded in Plat Book A-75, Page 4, Office of the Clerk of Court for Oconee County. A Supplemental Declaration of Covenants, Conditions and Restrictions made effective the 16th day of October, 1991, added East Shores Phase II as recorded in Plat Book A-97, Page 1, Office of the Clerk of Oconee County. A second Supplemental Declaration of Covenants, Conditions and Restrictions made effective the 9th day of December, 1991 added East Shores Phase III to include four (4) boatslips within the Pier designated as Boatslips K through N and the property shown as Lots 1 through 12, inclusive, of East Shores III on map dated October 31, 1991 and recorded in Plat Book A218, Page 1, Office of the Clerk of the Court for Oconee County. A third amendment to Declaration of Covenants, Conditions and Restrictions made effective June, 2014 revised and amended the result of the three Declarations of Covenants, Conditions and Restrictions that created East Shores I consisting of twenty-two (22) lots/homes; East Shores II consisting of eighteen (18) lots/homes; East Shores III consisting of eleven (11) lots/homes as an exclusive residential community of single—family residence named East Shores.

The Declarants, as owners of these properties located in Oconee County, South Carolina, through the Third Amendment:

A. Deleted all reference in the Declaration of Covenants, Conditions and Restrictions, By-Laws and Architectural Guidelines to Crescent Resources, Inc. (formerly Crescent Land & Timber Corp.) a South Carolina corporation, who no longer own or control any properties in the above referenced locations.

B. Integrated East Shores Phase I, Phase II and Phase II Declaration of Covenants, Conditions and Restrictions, By-Laws and Architectural Guidelines into one set of documents for easier understanding and maintenance in the future, thus making all previous documents no longer relevant or enforceable. The exception to this is the Articles of Incorporation recorded in Book 640, Page 126, at the Registrar of Deeds office in Oconee County, South Carolina.

C. Amended provisions of the existing Declaration of Covenants, Conditions and Restrictions as referenced below. In particular, Declarant desires to insure the attractiveness of the Development, to prevent any future impairment thereof, to prevent nuisances and enhance the value and amenities of all properties within the Development, and to provide for the maintenance and upkeep of all common areas within the Development. As part of such common areas, Declarant desires to provide for the maintenance and upkeep of lighted entrance monuments located at the entrance to the Development and at other intersections within the development, which entrance monuments are for the common use and benefit of all property owners in the Development. Declarant also desires to provide for the maintenance of an “amenity area,” including a clubhouse, pool, tennis court and parking area for the benefit of all property owners. In addition, as part of such common areas, Declarant desires to provide for the maintenance and upkeep of a pier, boatslips and the portion of the Development adjoining them for the common use and benefit of property owners in the Development whose property does not adjoin the waters of Lake Keowee. Further, Declarant desires to provide for the maintenance and upkeep of a private road and entrance monument serving a portion of the Development, which private road and entrance monument will be for the common use and benefit of property owners in the Development whose property adjoins the private road.

The Declarants, as owners of these properties located in Oconee County, South Carolina, through this Fourth Amendment:

A: Retain all of the Declaration of Covenants, Conditions and Restrictions as established with the third amendment revisions and amendments, and add Section 4.1 Solar Panels to Article XIV, Architectural and Landscaping Control.

This final document is filed with the Registrar of Deeds of Oconee County, South Carolina.

Declarant desires to provide for a system whereby the owners of property in the Development will pay for the maintenance and upkeep of the common areas; provided, however, that maintenance and upkeep of the pier and boatslips will be paid for only by property owners in the Development who are entitled to use of a boatslip, and maintenance and upkeep of the private road and entrance monument for the private road shall be paid for only by property owners in the Development whose property adjoins the private road. Property owners in the Development who are not entitled to the use of a boatslip will pay only for the cost of maintenance and upkeep of the entrance monuments and amenity area but such property owners will not be entitled to the use and enjoyment of the pier and boatslips. Property owners in the Development whose property adjoins a public road will not pay the cost for maintenance and upkeep of the private road, but such property owners shall not be entitled to the use and enjoyment of the private road.

To these ends, Declarant desires to subject the real property described herein to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant further desires to utilize an organization which will be delegated and assigned the powers of owning, maintaining and administering the common areas, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the values and amenities in the Development, to insure the residents' enjoyment of the specific rights, privileges and easements in the common areas, and to provide for the maintenance and upkeep of the common areas and amenities.

To that end the Declarant has or will cause to be incorporated under South Carolina law, pursuant to the Articles of Incorporation, EAST SHORES OWNERS' ASSOCIATION, INC., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions, said corporation to be governed by the Bylaws attached hereto as Exhibit "B" and incorporated herein by reference.

NOW, THEREFORE, Declarant, by this Declaration, does declare that all of the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the real property described herein and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Additional Property" shall mean and refer to additional real estate lying contiguous or adjacent to the Property which may be made subject to the terms of this Declaration.

Section 2. "Amenity Area" shall mean and refer to that land designated as "Amenity Area" on the Map, together with the Clubhouse, Pool, Tennis Court, and Parking Area.

Section 3. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for the Association attached as Exhibit "A" hereto and incorporated herein by reference.

Section 4. "Association" shall mean and refer to the EAST SHORES OWNERS' ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns. Terms "Declarant", "Association" and "East Shores Owners Association, Inc." may be used interchangeably.

Section 5. "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 6. "Boatslip Lots" shall mean and refer to those Lots in the Development which do not adjoin the waters of Lake Keowee, which are Lots 1, 2, 3, 20, 21, 22 in Phase I, Lots 2, 3, 16, 17, and 18 in Phase II and Lots 11 and 12 of Phase III as shown on the Map, and any other

Lots which have, as an appurtenance to the Lot, the right to use a Boatslip, whether acquired by deed from Declarant or other conveyance.

Section 7. “Boatslips” shall mean and refer to those certain sixteen (16) boatslips located within the Pier which is constructed over the waters of Lake Keowee, which Boatslips are designated as Boatslips A through R, together with any additional Boatslips which may be constructed Declarant, and which Boatslips are more particularly addressed in Article VI of this Declaration.

Section 8. “Bylaws” shall mean and refer to the Bylaws for the Association attached as Exhibit “B” hereto and incorporated herein by reference.

Section 9. “Calendar Year” shall mean the time from January 1 through December 31 of any given year.

Section 10. “Clubhouse” shall mean that approximately 1175 square foot building within the Amenity area for the common use and enjoyment of all the Owners.

Section 11. “Common Area” or “Common Areas” shall mean and refer to the Amenity Area (including the Clubhouse, Pool and Tennis Court), Pier, Boatslips, Parking Area, Roadway, Frontage Fence, Sign Easements, Entrance Monuments and Promontory Entrance Monuments, collectively, and any other property shown and designated on the Map as “Common Area”. The Common Areas shall be owned by the Association (except for the property upon which the Entrance Monuments, Promontory Entrance Monuments, Roadway and Frontage Fence are located, over which property the Association shall own easements) for the common use, benefit and enjoyment of the Owners; provided, however, that only the Owners of Boatslip lots shall be entitled to the use, benefit and enjoyment of the Pier and Boatslips, subject to individual Boatslip Lot Owners’ exclusive rights to use specified Boatslips; and provided further, that only the Owners of Promontory Lots shall be entitled to the use, benefit, and enjoyment of the Roadway and Promontory Entrance Monuments.

Section 12. “Declarant” shall mean East Shores Owners Association, Inc., its successors and assigns. Terms “Declarant”, “Association”, and “East Shores Owners Association, Inc.” may be used interchangeably.

Section 13. “Development” shall mean and refer to EAST SHORES, a single-family residential development.

Section 14. “Entrance Monuments” and/or “Sign Easements” shall mean and refer to the easement areas reserved and granted by Declarant in Article IX, Section 10 of this Declaration, over portions of Lots 1, 22, 3, and 4 of Phase I of the Subdivision; Lots 11 and 12 of Phase III, and over a portion of the Common Area, as shown and designated as “Sign Easement” on the Map, and the stone monuments, entrance signs located on such monuments, lighting, landscaping and other improvements on such areas, to be used for entryways for the Subdivision and

individual streets within the Subdivision, and for the purposes set forth in said Article IX, Section 10.

Section 15. Fiscal Year shall mean and refer to July 1 to June 30 of any given year(s).

Section 16. “Frontage Fence” shall mean and refer to the easement areas reserved and granted over Lots 1 and 22 by Declarant in Article IX, Section 11 of this Declaration, as shown and designated as “Frontage Fence Easement” on the Map, and the fencing, landscaping and other improvements on such areas, as more particularly described in said Article IX, Section 11.

Section 17. “Lot” or “Lots” shall mean and refer to the separately numbered parcels depicted on the Map, which Lots do not include the Common Area.

Section 18. “Map” shall mean and refer to the map of EAST SHORES Subdivision recorded in Plat Book A-75, Page 4 in the Office of the Clerk of Court for Oconee County, South Carolina; the Phase II Map, the Phase III Map and any revisions or re-recordings of the “Map” recorded from time to time in the Office of the Clerk of Court for Oconee County.

Section 19. “Member” shall mean and refer to every person or entity who holds membership in the Association. Member and Owner may be used interchangeably.

Section 20. “Mortgage” shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 21. “Mortgagee” shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 22. “Non-Boatslip Lots” shall mean and refer to those Lots in the Development which adjoin the waters of Lake Keowee, which Non-boatslip Lots are Lots 4 through 19 in Phase I; Lots 1 and 4 through 15 in Phase II, Lots 1 through 10 in Phase III all as shown on the Map, provided such Lots do not have as an appurtenance thereto the right to use a Boatslip.

Section 23. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot. Declarant, Owner and Member may be used interchangeably.

Section 24. “Parking Area” shall mean and refer to the parking lot at the Amenity Area for the common use, benefit, and enjoyment of all the Owners, to provide parking for such Owners, their families, guests and invitees in connection with their use of the Amenity Area, Pier and Boatslips. The parking Area is more particularly addressed in Article IV, Section 9 of this Declaration.

Section 25. “Pier” shall mean and refer to that certain pier or piers, containing the Boatslips, constructed over the waters of Lake Keowee, which Pier adjoins the Development at the terminus of the Amenity Area and which Pier is shown on Exhibit “C” attached hereto and

incorporated herein by reference and is more particularly addressed in Article IV, Section 8 of this Declaration.

Section 26. “Pool” shall mean and refer to that swimming pool within the Amenity Area for the common use and enjoyment of all of the Owners.

Section 27. “Promontory Lots” shall mean and refer to Lots 13, 14, 15, 16, and 17 as shown on the Map.

Section 28. “Promontory Entrance Monuments” shall mean and refer to the easement areas reserved and granted in Article IX, Section 10 of this Declaration over portions of Lots 13 and 17 of the Subdivision as shown and designated on the Map as “Promontory Sign Easement”, and the stone monuments, entrance signs, lighting, landscaping, irrigation, and other improvements, to be used for an entryway for the Promontory Lots, and for the purposes set forth in Article IX, Section 10.

Section 29. “Promontory Roadway Easement” shall mean and refer to the thirty-five (35) foot wide easement adjoining the Promontory Lots and shown and designated on the Map as “Promontory Roadway Easement”, over which easement shall exist the Roadway to serve the Promontory Lots and over which easement each Promontory Lot Owner shall have an easement described in Article IX, Section 22 of this Declaration.

Section 30. “Property” shall mean and refer to the property shown on the Map, exclusive of the public rights-of-way shown on the Map, which Property includes the Lots and the Common Area.

Section 31. “Public Roads” shall mean and refer to all the roads and cul-de-sacs in the Subdivision and shown on the Map except the Roadway, all to be dedicated for public use and accepted for public maintenance by the County of Oconee Public Works Department.

Section 32. “Roadway” shall mean and refer to the private roadway of the Promontory Roadway Easement and privately maintained by the Association, to serve the Promontory Lots, all as more particularly described in Article IX, Section 22 of this Declaration.

Section 33. “Subdivision” shall mean and refer to the EAST SHORES SUBDIVISION, as the same is shown on the Map.

Section 34. “Tennis Court” shall mean and refer to that tennis court within the Amenity Area for common use and enjoyment of all the Owners.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and which is and shall be within the jurisdiction of the Association, and located in Oconee County, South Carolina and is the Property, as more particularly described and shown on the Map.

ARTICLE III

PROPERTY RIGHTS

Section 1. Ownership of Common Areas. Crescent Resources, Inc. has conveyed to the Association the Common Areas to be owned by the Association. All Common Areas shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public.

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy the Common Areas which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

(a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to insure the availability of the right to use the Common Areas to The Owners and the safety of all Owners to the Common Areas;

(b) the right of the Association to suspend the voting rights of an Owner in the Association and the right of the Association to suspend the right to use the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to grant utility, drainage and other easements across the Common Areas; and

(d) the Pier, Boatslips, and Roadway may be used only by those Owners specifically entitled thereto under this Declaration;

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Areas and facilities located thereon to the members of his family, his guests, or his tenants.

ARTICLE IV

THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot and shall be governed by the covenants and by-laws.

Section 2. Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. Each Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Development as well as its own books, records, and financial statements available for inspection by all Owners, Mortgagees and Insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours.

Section 4. Management Contracts. The Association is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation to be established by the Board of Directors and to perform all of the powers and duties of the Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association with or without cause upon ninety (90) days' prior written notice to the manager without payment of a termination fee.

Section 5. Maintenance. The Entrance Monuments, Amenity Area, and Parking Area, being of benefit to all Lots; the Pier and Boatslips, being of benefit to all Boatlip Lots; and the Roadway and Promontory Entrance Monuments, being of benefit to all Promontory Lots; shall be maintained exclusively by the Association, which maintenance shall include landscaping, lighting, irrigation and other improvements. Maintenance for the Entrance Monuments and Promontory Entrance Monument shall include repair and maintenance of the stone monuments, signage, irrigation, planters and lighting located thereon and providing and paying for electrical cost of lighting and irrigation of the stone monuments, landscaping and signage located thereon. Maintenance for the Clubhouse shall include all interior and exterior maintenance (including, where necessary, repair and reconstruction) of the Clubhouse building, sidewalks, walkways, landscaping and other facilities appurtenant to the Clubhouse, including the payment of all utility charges therefore. Maintenance for the Pool and Tennis Court shall include the maintenance, repair and reconstruction, where necessary, of the Pool and Tennis Court, including all drainage, lighting, fencing, paving and other facilities appurtenant thereto, and including the payment of all utility charges therefore. Maintenance for the Pier and Boatslips shall include the maintenance, repair and reconstruction, where necessary, of the poles,

wires, railings and other facilities located thereon and providing and paying for the electrical costs of lighting and irrigation. Maintenance for the Roadway shall include maintenance and repair to the standards set forth in Article VII, Section 2 of this Declaration. The Association shall also maintain all utilities and all storm and drainage easements located within the Common Areas, together with common amenities located within the Common Areas not maintained by public entities or utilities.

The Association shall not be responsible for the maintenance of any Lots or the improvements within the boundaries thereof. The Owners shall be responsible for the same.

Section 6. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements located on all Common Areas which the Association is obligated to maintain and in order to fund unanticipated expenses of the Association or to acquire equipment or services deemed necessary or desirable by the Board of Directors. Such reserve fund shall be collected and maintained out of the Annual, Boatslip and Promontory Assessments, as hereinafter defined, as set forth in Article V, Section 2(h), Article VI, Section 2(i) and Article VII, Section 2(g) of this Declaration.

Section 7. Pier, Boatslips and Access Easement. The Association shall own, maintain, repair and, if destroyed, replace, as a common expense of the Association, the Pier and Boatslips constructed over Lake Keowee and attached to and adjoining the Development at the Amenity Area; provided, however, that the maintenance, repair and replacement costs of the Pier and Boatslips shall be assessed against only the Owners of Boatslip Lots, as set forth in Article VI of this Declaration.

In the initial deeds of the Boatslip Lots, Declarant designated by letter designation one Boatslip as an appurtenance to each Boatslip Lot conveyed. Such deed(s) shall provide that the grantee is granted the exclusive right to use such Boatslip. Once designated in such initial deed(s), the exclusive right to use a particular Boatslip shall not be separated from ownership, but rather shall run with the title to the Boatslip Lot to which the Boatslip is designated as an appurtenance. Any deed, deed of trust, mortgage, transfer or other conveyance of such Boatslip Lot shall also transfer or convey the right to use the Boatslip appurtenant thereto, even if not expressly included therein.

In the event that the Pier contains more Boatslips than there are Boatslip Lots in the Subdivision, then any Boatslip which is not designated as an appurtenance to a Boatslip Lot shall remain property of the Association. Such an undesignated Boatslip shall be owned by the Association for the common use and enjoyment of the Owners of Boatslip Lots, their families, guests and invitees, for the purpose of temporarily docking boats, and may not be leased by the Association to, or used by, any other party or the public. No boat or recreational vehicle shall be permitted to remain overnight in any undesignated Boatslip.

The use of the Pier and Boatslips is and shall be subject to each of the following:

- (a) Rules and regulations for use promulgated by the Association;

(b) All laws, states, ordinances and regulations of all federal, state and local governmental bodies having jurisdiction thereon; and

(c) Rules and regulations for use by Duke Power Company, its successors and assigns.

Access for the Owners to and from the Pier and Boatslips shall be over and across the Amenity Area.

The Board of Directors, pursuant to the Bylaws attached hereto as exhibit "B", shall adopt rules and regulations governing the use of the Pier and Boatslips and the personal conduct thereon of the Members owning Boatslip Lots and their families, guests and invitees. Should Members owning Boatslip Lots desire to amend such rules and regulations, than a meeting of the Members owning Boatslip Lots may be called and held, in accordance with Article III of the Bylaws, for the purpose of voting to amend such rules and regulations. If such a meeting is duly called and held, the Boatslip Lot Owners may direct the Board of Directors to make such amendments to the rules and regulations governing the use of the Pier and Boatslips, including additions or deletions of portions of such rules and regulations, as are approved by a vote of the Members owning Boatslip Lots, in accordance with Article III of the Bylaws.

The Pier and Boatslips may only be used by Owners of Boatslip Lots, their families, guests and invitees. Each Boatslip may only be used by the Owner(s) of the Boatslip Lot to which such Boatslip is designated, their families, guests and invitees.

Section 8. Parking Area. The Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, the paved Parking Area on and over a portion of the Amenity Area. The Parking Area shall be maintained in order to provide parking for the Owners of Lots, and may be used by Owners of Lots, their families guests and invitees, in connection with their use of the Amenity Area, Pier Boatslips. Accordingly, the maintenance, repair and replacement costs of the Parking Area shall be assessed against all Lot Owners as set forth in Article V of this Declaration.

Section 9. Maintenance of Public Roads. The Public Roads have been accepted for public maintenance by the Oconee County Public Works Department.

Section 10. Clubhouse, Pool and Tennis Court. The Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, the Clubhouse, Pool and Tennis Court, constructed within a portion of the Amenity Area. The Clubhouse, Pool and Tennis Court may be used by all owners, their families, guests and invitees subject to rules posted at the pool, tennis and clubhouse areas. Accordingly, the maintenance, repair and replacement costs for the Clubhouse, Pool and Tennis Court shall be assessed against all Lot Owners, as set forth in Article V of this Declaration.

Section 11. Roadway. The Association shall maintain and repair the Roadway, which shall provide access to and from the Promontory Lots. Provided, however, that the maintenance and repair costs of the Roadway shall be assessed against only the Owners of

Promontory Lots, as set forth in Article VII of this Declaration. The Roadway is intended for the use of the Owners of Promontory Lots, their families, guests and invitees.

ARTICLE V

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual and Special Assessments. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Annual Assessments and Special Assessments, as hereinafter defined, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association against each Lot ("Annual Assessments") shall be used as follows:

(a) to repair and maintain the Entrance Monuments and Frontage Fence, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping on the Entrance Monuments, and to provide and pay for electrical cost of irrigation and lighting of the signage located thereon;

(b) to keep the Entrance Monuments and Frontage Fence clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;

(c) to keep all Common Areas other than the Roadway, Pier and Boatslips clean and free from debris, to maintain the same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping;

(d) to repair and maintain the Clubhouse, Pool, Tennis Court and Parking Area;

(e) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association (other than the Roadway, Pier and Boatslips, and property owned in connection therewith);

(f) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws, except for such insurance carried specifically in connection with the Roadway, Pier and Boatslips;

(g) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws, except for such fees incurred specifically in connection with the Roadway, Pier and Boatslips;

(h) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (f) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot on July 1, 2014. The Annual Assessments for the fiscal year beginning July 1, 2014 shall be Six Hundred Forty Three and 50/100 Dollars (\$643.50) per Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and payable no later than January 31, 2015. The Annual Assessments for each and every year beginning each July 1 thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article V, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any fiscal year at least thirty (30) days prior to July 1 of such fiscal year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the first installment due, to each Owner on or before July 1 of such year. In addition, the Association shall send written notice that the second Annual Assessment installment is due and the amount of each installment to each Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessments each year by a maximum amount equal to the previous year's annual Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12- month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Annual Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Annual Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such feature year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Annual Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Annual Assessment"). If the Board of Directors shall levy less than the Maximum Annual Assessment for any fiscal year and thereafter, during such fiscal year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"). In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a special assessment ("Special Assessment") applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Clubhouse, Pool, Tennis Court, Parking Area or Entrance Monuments, including fixtures and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

Section 6. Assessment Rate. Both Annual and Special Assessments must be at a uniform rate for all Lots with the exception of special individual assessments as described in Article VIII, Section 2

ARTICLE VI

COVENANT FOR BOATSLIP AND SPECIAL BOATSLIP ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Boatslip and Special Boatslip Assessments. Each Owner of any Boatslip Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association, in addition to the Annual and Special Assessments provided for herein, Boatslip Assessments and Special Boatslip Assessments, as hereinafter defined, for maintenance and repair costs of the Pier and Boatslips, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Boatslip Lot against which each such assessment or charge is made and upon the right to use the Pier and the Boatslip appurtenant to such Boatslip Lot. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Boatslip Lot effective at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Boatslip Assessments. The assessments to be levied annually by the Association against each Boatslip Lot (“Boatslip Assessments”) shall be used as follows:

- (a) to maintain, repair and reconstruct, when necessary, the Pier and Boatslips, including all lighting and other fixtures, poles, wires, railings and other facilities located thereon;
- (b) to maintain, repair and reconstruct, when necessary, any and all structures, lighting fixtures, poles, wires, railings and other facilities, located upon the Pier;
- (c) to provide and pay for lighting of the Pier and Boatslips, to the extent necessary for the safety and enjoyment of the users thereof;
- (d) to keep the Pier and Boatslips clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping surrounding the Pier in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping;
- (e) to pay all ad valorem taxes levied against the Pier and Boatslips and any other property owned by the Association in connection therewith;
- (f) to pay all lease payments, if applicable, to Duke Power company for the lease of the land on which the Pier and Boatslips are located;
- (g) to pay the premiums on all insurance carried by the Association in connection with the Pier and Boatslips pursuant hereto or pursuant to the Bylaws;
- (h) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws in connection with the Pier and Boatslips; and
- (i) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (g) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Boatslip Assessments: Due Dates. The Boatslip Assessments provided for herein shall commence as to each Boatslip Lot on July 1, 2014. The Boatslip Assessments for the fiscal year 2014 shall be Two Hundred Seventy Five and No/100 Dollars (\$275.00) per Boatslip Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and payable no later than January 31, 2015. The Boatslip Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VI, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Boatslip Assessment as to each Boatslip Lot for any fiscal year at least thirty (30) days prior to July 1 of

such fiscal year, and the Association shall send written notice of the amount of the Boatslip Assessment, as well as the amount of the first installment due, to each Boatslip Lot Owner on or before July 1 of such fiscal year. In addition, the Association shall send written notice that the second Boatslip Assessment installment is due and the amount of such installment to each Boatslip Lot Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Boatslip Assessments.

Section 4. Maximum Boatslip Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Boatslip Assessments each year by a maximum amount equal to the previous year's Boatslip Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12- month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Boatslip Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Boatslip Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Boatslip Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Boatslip Lots, taken at a duly held meeting of such Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Boatslip Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Boatslip Assessment"). If the Board of Directors shall levy less than the Maximum Boatslip Assessment for any fiscal year and thereafter, during such fiscal year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Boatslip Assessment ("Supplemental Boatslip Assessment"). In no event shall the sum of the Boatslip and Supplemental Boatslip Assessments for any year exceed the applicable Maximum Boatslip Assessment for such year.

Section 5. Special Assessments for Boatslip Improvements. In addition to the Boatslip Assessments authorized above, the Association may levy, in any assessment year, a special Boatslip assessment ("Special Boatslip Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Pier and Boatslips, and any capital improvement located thereon, including lighting and other fixtures, poles, wires, railings and other facilities located thereon and personal

property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Boatslip Lots, taken at a duly held meeting of such Members in accordance with the Bylaws, and further providing that any such Special Boatslip Assessment may be levied only against the Owners of Boatslip Lots.

Section 6. Assessment Rate. Both Boatslip and Special Boatslip Assessments must be at a uniform rate for all Boatslip Lots.

ARTICLE VII

COVENANT FOR PROMONTORY AND SPECIAL PROMONTORY ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Promontory and Special Promontory Assessments. Each Owner of any Promontory Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, in addition to the Annual Assessments and Special Assessments provided for herein, Promontory Assessments and Special Promontory Assessments, as hereinafter defined, for maintenance and repair costs of the Roadway and the Promontory Entrance Monument, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Promontory Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Promontory Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Promontory Assessments. The assessments to be levied annually by the Association against each Promontory Lot ("Promontory Assessments") shall be used as follows:

(a) to maintain, repair and reconstruct, when necessary, the Roadway to the standard of maintenance (if one is ascertainable) which would be required by the Oconee County Department of Public Works before it would accept such Roadway for maintenance; provided, however, such standards shall not affect the width of the Roadway;

(b) to maintain any and all drainage pipes, inlets, basins, ditches, swales and other facilities installed within the Roadway;

(c) to keep the Roadway clean and free from debris, to maintain same in a clean and orderly condition.

(d) to repair and maintain the Promontory Entrance Monuments, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping thereon in accordance with

the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigations systems.

(e) to keep the Promontory Entrance Monuments clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;

(f) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws, except for such fees incurred specifically in connection with the Roadway; and

(g) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (e) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Promontory Assessments: Due Dates. The Promontory Assessments provided for herein shall commence as to each Promontory Lot on July 1, 2014. The Promontory Assessments for the fiscal year beginning July 1, 2014 shall be One Hundred and No/100 Dollars (\$100.00) per Promontory Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and payable no later than January 31, 2015. The Promontory Assessments for each and every fiscal year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VI, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Promontory Assessment as to each Promontory Lot for any fiscal year at least thirty (30) days prior to July 1 of such fiscal year, and the Association shall send written notice of the amount of the Promontory Assessment, as well as the amount of the first installment due, to each Promontory Lot Owner on or before July 1 of such fiscal year. In addition, the Association shall send written notice that the second Promontory Assessment installment is due and the amount of such installment to each Promontory Lot Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Promontory Assessments.

Section 4. Maximum Promontory Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Promontory Assessments each year by a maximum amount equal to the previous year's Promontory Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Promontory Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase

which is made and the maximum increase permitted for that year shall be computed and the Promontory Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such feature year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Promontory Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Promontory Lots, taken at a duly held meeting of such Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Promontory Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Promontory Assessment"). If the Board of Directors shall levy less than the Maximum Promontory Assessment for any fiscal year and thereafter, during such fiscal year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Promontory Assessment ("Supplemental Promontory Assessment"). In no event shall the sum of the Promontory and Supplemental Promontory Assessments for any year exceed the applicable Maximum Promontory Assessment for such year.

Section 5. Special Assessments for Promontory Improvements. In addition to the Promontory Assessments authorized above, the Association may levy, in any assessment year, a special Promontory assessment ("Special Promontory Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Roadway or Promontory Entrance Monuments and any capital improvement located on the Roadway or Promontory Entrance Monuments, including lighting, irrigation and other fixtures, poles, wires, railings and other facilities located thereon. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Promontory Lots, taken at a duly held meeting of such Members in accordance with the Bylaws, and further providing that any such Special Promontory Assessment may be levied only against the Owners of Promontory Lots.

Section 6. Promontory Assessment Rate. Both Promontory and Special Promontory Assessments must be at a uniform rate for all Promontory Lots.

ARTICLE VIII

GENERAL ASSESSMENT PROVISIONS

Section 1. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 2. Special Assessments Regarding Damage to Common Property. In addition to the powers for assessments set forth herein, the Board of Directors shall have the power to levy a special assessment applicable to any particular Lot Owner responsible for damage to Common Area(s) through intentional conduct or any act of omission of himself, members of his family, his agents, guests, employers or invitees.

Section 3. Effect of Nonpayment of Assessments: Remedies of the Association. Any annual, Boatslip or Promontory Assessment installment not paid by its due date as set forth in Article V, Section 3, Article VI, Section 3 Article VII, Section 3 hereof, or any other assessment not paid by its due date, shall bear interest from such due date at the rate of eighteen percent (18%) per annum or highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been therefore established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent owner or foreclose the lien against the Lot and the right to use a Boatslip, if applicable, and interest, late payment charges, costs and reasonable attorney's fees related to such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas and/or his Boatslip, if applicable, or by abandoning his Lot.

Section 4. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Article V, VI and VII of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot or any mortgage or deed of trust. Sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may in its sole discretion determine such unpaid assessments to be an Annual, Special, Boatslip, Special Boatslip, Promontory or Special Promontory Assessment, as applicable, collectable pro rata from all Owners (or from all Boatslip Lot Owners if a Boatslip or Special Boatslip Assessment, or from all Promontory Lot Owners if a Promontory or Special Promontory Assessment), including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners (for all Boatslip Lot Owners if a Boatslip or Special Boatslip Assessment, or from all Promontory Lot Owners if a Promontory or Special Promontory Assessment) notwithstanding the fact that such pro rata portions may cause the Annual Assessment, Boatslip Assessment or Promontory Assessment to be in excess of the Maximum Annual Assessment, Maximum Boatslip Assessment or Maximum Promontory Assessment permitted hereunder. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE IX
RESTRICTIONS

Section 1. Land Use and Building Type. All Lots in the Subdivision shall be known and described as residential lots and shall be used only for private residential and recreational purposes. Short term rentals of less than six months are prohibited. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for the use as a single family residential dwelling, unless otherwise provided herein, and only one single-family residential dwelling not exceeding 2 1/2 stories in height above ground shall be erected or permitted to remain upon any Lot. No mobile home, modular home, log home/cabin or shell home may be erected or permitted to remain on any lot except as provided in Article IX, Section 15. A private garage, fixed piers and floating boat dock facilities incidental to the residential use of the Lot are expressly permitted upon the condition that they are not rented, leased or otherwise used for remuneration, subject to the other covenants and restrictions contained herein. No garage shall at any time be used as a residence and no enclosed boat houses or two-story piers are permitted. Piers, docks and boathouses shall be subject to approval by Duke Power Company and/or any governmental entity having jurisdiction at the time such improvements are made. Any ownership or leasing arrangement for a Lot meeting the definition of a “vacation time sharing ownership plan” or a “vacation time sharing lease plan”, as defined in 27-32-10 S.C. Code of Laws, 1976, as amended, is hereby prohibited.

Section 2. Dwelling Size. The square footage requirements hereinafter set forth are enclosed heated floor area and are exclusive of the area in unfinished basements, unheated porches of any type, attached or detached garages, carports, and unheated storage areas, docks or patios.

(a) For All Lots: Any one story dwelling erected upon any Lot shall contain not less than 1800 square feet; any 1 1/2 story or bi-level or tri-level dwelling shall contain not less than 1800 square feet and the first floor shall contain not less than 1400 square feet in 1 1/2 story dwellings, 1400 square feet in the upper two floors of tri-level dwellings; any 2 or 2 1/2 story dwellings shall contain not less than 1800 square feet and the first floor shall contain not less than 1400 square feet.

The main level of rear walk-out dwellings shall contain not less than 1800 square feet. Rear foundation walls are to be fully exposed and finished as specified in Section 3 below.

Section 3. Building Construction and Quality. All buildings erected upon a Lot shall be constructed of new material of a good grade, quality and appearance and shall be constructed in a proper, workmanlike manner. All homes shall be single family residential dwellings. No building shall be erected unless it is completely underpinned with a solid brick, brick or stone-covered block, or stucco foundation. The exterior surface of any building shall not be of asbestos shingle siding, imitation brick or stoneroll siding, or exposed concrete or cement blocks. The exterior surface of any garage, or appurtenant structure or building erected on or located on any Lot shall be aesthetically compatible with, and of material and construction comparable in cost and design to, the exterior surface of the dwelling located on said Lot. All

buildings shall have roofs (except for dormers) of not less than 6 in 12 pitch and not less than a 12 inch overhang, covered with slate, cedar shakes, tile, architectural, asphalt or fiberglass shingles. Tin or rolled roofing material is not permitted. The exterior of all houses and other structures must be completed within one (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or national calamities. Architectural guidelines must be complied with for any remodeling or new construction.

Section 4. Temporary Structures; Structure Materials. No residence or building of a temporary nature shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic or canvas tent, barn, carport, garage, utility building, storage building or other metal, fiberglass, plastic or canvas structure shall be erected on any Lot or attached to any residence.

Section 5. Building Setback Lines. No building on any Lot (including any stoops, porches, or decks) shall be erected or permitted to remain within the front (street right-of-way) or side abutting right-of-way (for a corner lot) building setback lines as noted on the Map. Notwithstanding any rear setback restriction noted on the Map, no building, including stoops, porches or decks, shall be erected or permitted to remain nearer than fifty (50) feet to the rear (waterside) lot line of any Lot adjoining the Waters of Lake Keowee. Boathouses, piers and dock facilities are exempt from the rear setback restrictions provided they comply with the provisions set forth in Section 1 of this Article. In the event any zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of that zoning or subdivision ordinance, floodway regulations or other ordinance, law or regulation shall conform to said requirements.

Section 6. Minor Setback Violations. In the event of the unintentional violation of any of the building setback covenants set forth above, in the amount of ten percent (10%) or less of the setback covenant in question, the Association reserves the right, but is not obligated to waive in writing such violation of the setback covenants upon agreement of the Owner of the Lot upon which the violation occurs, provided that such change is not in violation of any zoning or subdivision ordinance or other applicable law or regulation.

Section 7. Combination or Subdivision of Lots. Should the Owner of a numbered parcel on the Map combine with portions of or all of another numbered parcel, the aggregate shall be considered as one Lot for the purposes of this Article IX. The lots will be considered separate lots for the purposes of any assessments and/or voting and combination of lots for any reason will not reduce the assessments or voting rights assigned to each individual lot. No Lot shall be subdivided by sale or otherwise so as to reduce the Lot area shown on the Map.

Section 8. Utility Easements. Easement for the installation and maintenance of utilities (electricity, septic system, sewer, water, gas, telephone, cable t.v., etc.) and drainage facilities are reserved over the front and rear ten (10) feet of each Lot. A drainage and utility easement five (5) feet in width is reserved along each side lot line of each Lot. Additional drainage easements and utility easements are reserved as more particularly shown and delineated on the Map and in other recorded easement documents. Within said easements so reserved, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the

installation and maintenance of utilities or which may interfere with drainage and the flow of water within the easement areas. The Owner of each Lot shall maintain that portion of said Lot lying within the easement areas as defined herein and shall maintain such improvements as may be located thereon except those improvements installed and maintained by a public authority or utility company.

Section 9. Stormwater Drainage Easement. An easement is reserved in the Amenities Area for drainage of stormwater runoff from Lots and Roads within the Subdivision.

Section 10. Entrance Monument Easements. Non-exclusive perpetual easements for the purposes of landscaping and maintaining entryways and erecting and maintaining entrance monuments for the Subdivision and individual street entrances are hereby reserved by the Association, over the following portions of Lots and Common Area in the Subdivision, the locations of which easements are more particularly shown on the Map (collectively, the “Sign Easement Tracts”):

- (a) the northeasterly corner of Lot A1; C12;
- (b) the southeasterly corner of Lot A22; C11;
- (c) the southwesterly corner of Lot A3;
- (d) the northerly corner of Lot A4; and
- (e) the easterly portion of the Common Area between Lots A1 and A2; C11 and C12.

The Association also reserves an identical easement for the same purposes over the northeasterly corner of Lot 13 and the Southeasterly corner of Lot 17 (the “Promontory Easement Tracts”)

The Association shall have the right to landscape and maintain the Sign Easement Tracts and the Promontory Easement Tracts as entryways to the Subdivision or the individual streets. Further, the Association shall have the right to erect and maintain stone monuments with an entrance sign thereon (collectively, the “Entrance Signs”) on the Sign Easement Tracts and the Promontory Easement Tracts bearing the names of the Subdivision or the individual streets, which Entrance Signs shall meet the applicable governmental standards for signs, and to maintain lighting for the Entrance Signs, lighting, landscaping on the Sign Easement Tracts herein collectively referred to as the “Entrance Monuments”, and the Promontory Easement Tracts, the Entrance Signs, lighting, landscaping on the Promontory Easements Tracts collectively referred to as the “Promontory Entrance Monuments”. The Association shall have the right to go upon the Sign Easement Tracts and the Promontory Easement Tracts for maintenance, including the landscaping and irrigation thereof and maintenance of the Entrance Signs, lighting and planters located thereon.

Section 11. Fences and Walls; Frontage Fence Easement. No wooden fence, or brick or stone wall may be erected nearer to the front lot line of a Lot than the front face of the dwelling located on such lot. In the case of a corner Lot, no sideyard fence shall be located nearer than the side of the house facing the side street line. No wooden fences, or brick or stone walls greater than six (6) feet in height are permitted. Chain link fencing/borders are not permitted. 2"x4" metal mesh may be used with split rail fencing to contain animals or children within rear or side yards. Perimeter fencing shall not have more than fifty percent (50%) of any of its surface closed as viewed from a point on a line of sight perpendicular to the line of the fence. A wall constructed of brick or stone and used in lieu of a fence is exempt from the openness test.

Notwithstanding the foregoing, the Association reserves an easement ten (10) feet in width along northerly boundary of Lot 1 and southerly boundary of Lot 22 which abut the right of way of Wynmere Way, as more particularly shown and designated as "Frontage Fence Easement" on the Map, for the purpose of erecting and maintaining the Frontage Fence within said designated easement area (the "Frontage Fence"). The Frontage Fence shall be maintained as Common Area in accordance with the terms of this Declaration.

Section 12. No above ground propane tanks may be placed nearer to the front lot line of a lot than the front face of the dwelling located on such lot. Such tanks shall be concealed from view from the road, neighbor lots or the lake utilizing vegetation or fencing approved by the architectural committee. This does not include small, portable gas grill tanks

Section 13. Signs. No signs of any kind shall be displayed to the public view on any Lot with the following exemptions which may not exceed five square feet in size: (a) one sign (on the Lot only) advertising the property for sale or rent; and (b) one sign (on the Lot only) used by a builder to advertise the property during the construction and sales period; and (c) temporary political signs. These restrictions shall never apply to permanent entry signs.

Section 14. Antennas; Satellite Dishes or Discs. No radio or television transmission or reception towers, antenna, satellite dishes or discs shall be erected or maintained on any lot, except that on (1) dish or disc not exceeding one (1) meter in diameter or diagonal measurement for receiving direct broadcast satellite service ("dbs") or multi-point distribution services ("mds") may be erected and maintained on each lot. No roof-mounted antenna, dishes or discs shall be permitted on any lots if adequate broadcast reception can be obtained without mounting such equipment on the roof of the house; provided, however, that if such roof-mounted equipment is required. (exception: all currently roof-mounted equipment, installed in accordance with the previous article ix, section 13, are unaffected by this change.) No antenna or related structures may be mounted on masts exceeding twelve (12) feet in height above the highest roof line ridge of the house. Any dish, disc or antenna (with associated mast) shall be reasonably camouflaged and screened from view from Lake Keowee and the roadways, and shall not be located in the area between the street right-of-way line and the minimum building setback lines applicable to the lot. In cases where an antenna wire does not require the use of a mast, landscaping or some other means to reduce its visual impact must camouflage such wire.

Section 15. Lot Maintenance; Trash Disposal. Each Owner shall keep his Lot in a clean and orderly condition and shall keep the improvements thereon in a suitable state of

painting and repair, promptly repairing any damage thereto by fire or other casualty. No clothesline may be erected or maintained on any Lot other than a clothesline located directly behind and within thirty (30) feet of the residence and not within the fifty (50) foot waterfront setback. No Lot shall be used in whole or in part for storage of trash of any character whatsoever and no trash, rubbish, stored materials or similar unsightly items shall be allowed to remain on any Lot outside of an enclosed structure, except when temporarily placed in closed, sanitary containers pending collection by trash collection authorities or companies.

Section 16. Offstreet Parking. Each Lot Owner shall provide a concrete or asphalt driveway which provides space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on the Lot. No truck or commercial vehicle in excess of one-ton load capacity or any vehicle under repair, or any trailer, boat and boat trailer, jet skis, wrecked or junked motor vehicle, recreational vehicle such as all terrain vehicles, golf carts, campers, motorhomes shall be parked upon or permitted to remain on any openly visual area of a lot, street or the Parking Area. No trailer, mobile home, recreational vehicle, camper or boat shall be used as a residence, either temporarily or permanently, on any Lot or on the Parking Area for a period exceeding 24 hours. All automobiles, trucks and other vehicles must have a current license plate affixed unless parked in an enclosed garage. A variance request for short-term temporary storage of a restricted vehicle or trailer listed above may be submitted to the board secretary prior to placement of the vehicle on a lot, street or the parking area. This request is subject to approval by the secretary or other board member.

Section 17. Sewage Disposal. Every dwelling unit erected on any Lot shall be served by an approved septic system for the disposal of sewage, or connected to a private or public sewage disposal system. All septic systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction.

Section 18. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or in any residential dwelling, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No substance, thing or material shall be kept upon any Lot that will emit foul or obnoxious odors, or that will cause a noise that will disturb the peace and quiet of the occupants of surrounding property. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot or in any residential dwelling or outbuilding except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept, bred, or maintained for commercial purposes. The number of household pets kept or maintained shall not exceed three (3) in number except for newborn offspring of such household pets which are under (9) months in age.

Section 19. Diligent Construction. All construction, landscaping, or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed houses or other improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. The exterior of any building must be completed within (1) year from the date of commencement of construction. No construction materials of any kind may be stored within forty-five (45) feet of the street curb. Any damage to any street, curb or sidewalk or any part of any Common Area or any utility

system cause by the Owner or the Owner's builder shall be repaired by such responsible Owner. The Owner of each Lot shall at all times keep contiguous public and private areas free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of improvements on such Owner's Lot. The Association may provide for the cleaning of public and private areas due to the activities of the Owner or Owner's builder and may assess the Owner a reasonable charge not to exceed the actual cost for the Owner for such cleaning. Each Owner's builder shall, consistent with standard construction practices, keep all portions of the Lot free of unsightly construction debris and shall at all times during construction either provide dumpsters for the containment of garbage, trash or other debris which is occasioned by construction of improvements to a Lot, or take other measures consistent with standard construction practices necessary to keep the Lot free of such garbage, trash, or other debris. Each owner shall be responsible for erosion control protection during any earth-disturbing operation.

Section 20. Public Water System. All water mains and pipes and other equipment necessary for the operation and maintenance of the Water System shall be located within the Utility Easements described in Section 8 of this Article IX, or within the public or private road rights-of-way. The Water System and all mains, pipes, equipment and other personal property which is part thereof, is the property of the Seneca Light and Water Department, a public utility company duly licensed and operating under the authority granted by the South Carolina Department of Health and Environmental Control.

Section 21. Tree Removal. The clear cutting of trees shall not be permitted within the fifty (50) foot waterfront setback.

Section 22. Marine Toilets. All water craft shall comply with Duke and DNR regulations regarding marine toilets.

Section 23. Promontory Roadway Easement. For the common use, benefit and enjoyment of the Promontory Lot Owners a non-exclusive easement is granted over and across the Promontory Road Easement for the purposes of (1) maintenance and repair of the Roadway to serve the Promontory Lots; (2) providing ingress, egress and access over the Roadway to and from the Promontory Lots; and (3) maintenance and repair of utilities and drainage facilities. The Association shall maintain and repair the Roadway over the Promontory Roadway Easement. Any portion of the Promontory Roadway Easement which is not paved as part of the Roadway shall be maintained by the Owner of the Promontory Lot over which such unpaved portion of the Promontory Roadway Easement is located.

To the extent that the Roadway has not been dedicated to the use and enjoyment of the public sufficient to provide access to a Promontory Lot, each Promontory Lot shall be conveyed with (and each Promontory Lot Owner is hereby conveyed) a perpetual, non-exclusive easement and right to use the Roadway for the purpose of providing access to and from each Promontory Lot. In the event of dedication and acceptance of the Roadway, such easement and right shall terminate with respect thereto.

ARTICLE X

INSURANCE

Section 1. Board of Directors. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in no less the amounts set forth below:

(a) Fire. All improvements and all fixtures included in the Common Area, including the Clubhouse, Pool, Tennis Court, Pier and Boatslips, and all personal property and supplies belonging to the Association shall be insured in an amount equal to 100% of the current replacement cost up to the amount specified in the insurance policy (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire, windstorm, vandalism and malicious damage and all perils covered by a standard "all risk" insurance policy. All such policies shall provide that adjustment of loss shall be approved by the Board of Directors and the insurance company. In addition to the provisions and endorsements set forth in Section 4 of this Article, the fire and casualty insurance described herein shall contain the following provisions:

(i) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents, tenants and invitees; and

(ii) a provision that the coverage will not be prejudiced by act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association *has no control*.

The property and public liability insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association, the Owners or the Mortgagees; (2) loss payments are contingent upon action by the carriers, directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Owners or Mortgagees from collecting the proceeds.

(b) Public Liability. The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may, from time to time, determine to be customary for the projects similar in construction, location and use as the Development, covering each member of the Board of Directors, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common Areas; provided, however, that in no event shall the amounts of such public liability insurance ever be less than \$1,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property, including

loss of use thereof, occurring upon, in or about, or arising from or relating to, the property of any portion thereof. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single owner. The Board of Directors shall review such limits annually. Such public liability insurance shall be in amounts of not less than \$1,000,000 per occurrence for claims for bodily injury and property damage.

(c) Fidelity Coverage. The Board of Directors shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds belonging to or administered by the Association. The fidelity insurance policy shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Association's appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Other. Such other insurance coverages, including flood insurance and worker's compensation, as the Board of Directors shall determine from time to time desirable.

Section 2. Premium Expense. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a common expense to be collected from the Owners pursuant to Articles V, VI, and VII hereof.

Section 3. Special Endorsements. The Board of Directors shall make diligent effort to secure insurance policies that will provide the following:

- (a) recognition of any insurance trust agreement entered into by the Association;
- (b) coverage that may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least forty-five (45) days' prior written notice to the named insured, any Insurance Trustee and all Mortgagees; and
- (c) coverage that cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Owner or Mortgagee.

Section 4. General Guidelines. All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of South Carolina and holding a rating of "A-10" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

Section 5. Owner's Personal Property. The Association shall not be liable in any manner for the safekeeping or conditions of any boat or other personal property belonging to or used by Owner or his family, guests or invitees, located on or used at the Pier, Boatslips, Amenity Area or other Common Areas. Further the Association shall not be responsible or liable for any damage or loss to or of said boat, its tackle, gear, equipment or other property located thereon, or any other personal property of any Owner, his family, guests or invitees located on or used at the Pier, Boatslips or other Common Areas. Each Owner shall be solely responsible for all such boats and other personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase of, at such Owner's sole cost and expense, any liability or other insurance for damage to or loss of such property. Every member of the Association is required to submit to the Association a Certificate of Insurance showing proof of boat liability insurance coverage at the time of initiating the use of the Piers and Boatslips.

ARTICLE XI

RIGHTS OF OWNERS AND MORTGAGEES

Section 1. Approval of Owners and Mortgagees. Unless at least seventy-five percent (75%) of the Owners and Mortgagees holding Mortgages on lots located within the Development then subject to the full application of this Declaration, have given their prior written approval, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) fail to maintain fire and extended coverage insurance on insurable improvements in the Common Area on a current replacement cost basis in an amount not less than 100% of the insurable value as set forth in Article X; or

(d) use of proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged Common area or other common amenities.

Section 2. Additional Rights. Any Owner or Mortgagee shall have the following rights, to wit:

(a) to be furnished at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year;

(b) to be given notice by the Association of the call of any meeting of the Association's membership, and to designate a representative to attend all such meetings;

(c) to be given prompt written notice of default under the Declaration, the Bylaws or any rules and regulations promulgated by the Association by any Owner owning a Lot encumbered by a Mortgage held by the Mortgagee or the place which it may designate in writing;

(d) to be given prompt written notice of any casualty loss or loss by eminent domain or other taking of the Common Areas or any Lot encumbered by a Mortgage held by the Mortgagee.

(e) to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(f) to be given prompt written notice of any eminent domain or condemnation proceeding affecting the Property; and

(g) to be given prompt written notice of any action which requires the consent of all or any portion of the Owners and Mortgagees as specified herein.

Whenever any Owner or Mortgagee desires the provisions of this Section to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by Certified Mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Lot or Lots upon which any such Owner or Mortgagee holds any Mortgage or identifying any Lot owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Association to such Mortgagee.

Section 3. Books and Records. Any Owner or Mortgagee will have the right to examine the books and records of the Association during any reasonable business hours.

Section 4. Payment of Taxes and Insurance Premiums. The Owners or Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Areas and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE XII

CONDEMNATION

Section 1. Partial Taking Without Direct Effect on Lots. If part of the Property shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Area, exclusive of

compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors in trust for all Owners and their Mortgagees according to the loss or damages to their respective interests in such Common Area; provided, however, that all compensation and damages for and on account of the taking of the Pier and Boatslips shall be held in trust by the Board of Directors for all Boatslip Lot Owners and their Mortgagees according to the loss or damages to their respective interests in the Pier and Boatslips; and provided further, that all compensation and damages for and on account of the taking of the Roadway shall be held in trust by the Board of Directors for all Promontory Lot Owners and their Mortgagees according to the loss or damages to their respective interests in the Roadway. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Area, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Area. Such proceeds shall be used to restore the Common Area with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board of Directors, in its sole discretion. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots, or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Area. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Board of Directors, as their interests may appear, by the Board of Directors in its sole discretion.

Section 2. Partial or Total Taking Directly Affecting Lots. If part or all of the Property shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 1 of this Article XII and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of any one or more of the Lots, or improvements, fixtures or personal property thereon, shall be paid to the Owners of the affected Lots and their Mortgagees, as their interests may appear. If all of the Property shall be taken such that the Association no longer has reason to exist and shall thereafter be dissolved and/or liquidated, all compensation and damages for and on account of the taking of the Common Area shall be distributed with the other assets of the Association in accordance with the Articles of Incorporation.

Section 3. Notice to Mortgagees. A notice of any eminent domain or condemnation proceeding shall be sent to all Mortgagees who have served written notice upon the Association in accordance with Article XI, Section 2 hereof.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner or Owners, shall have the right to enforce all restrictions, conditions, covenants, provisions, of this Declaration by proceeding at law or in equity against any person or persons violating or attempting to violate any such restriction, covenant, reservation, lien or charge, either to restrain violation thereof or to recover damages therefore. Each Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this Declaration and the Bylaws and any duly authorized rules and regulations governing the Association.

The Association hereby covenants and agrees that it shall exercise its power of enforcement hereunder in order to maintain a first class subdivision in appearance and quality, and that it shall enforce any restriction, condition, covenant or reservation contained in this Declaration deemed in its sole discretion, to have been violated, using all remedies available to the Association at law or in equity. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition to the remedies available to it at law, in equity, or pursuant to the other terms of this declaration, the association shall have the power to impose reasonable fines for violation of this declaration, the by-laws, or the rules and regulations promulgated by the association. Prior to the imposition of any such fine, a hearing shall be held before the board, or before an adjudicatory panel appointed by the board, to determine if the fine should be imposed. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred and fifty dollars (\$150.00) may be imposed for the violation and, without further hearing, for each day after the decision that the violation occurs until the violation ceases. Such fines shall be special individual assessments.

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

Section 3. Amendment. The covenants and restrictions of this Declaration may be amended at any time and from time to time by an agreement signed by Owners holding a majority of votes appurtenant to the Lots which are then subject to this Declaration. It is further provided that any amendment affecting the Boatslip Lots, Pier and Boatslips must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by members owning Boatslip Lots, and any amendment affecting the Promontory Lots or the Roadway must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by members owning Promontory Lots. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Notwithstanding the foregoing, the consent of the Owners holding two-thirds (2/3) of the votes in the Association shall be required to terminate the legal status of the Association, to contract the land in the Development, to convey any portion of the Common Area to any other party, or to withdraw any portion of the Property from the requirements of this

Declaration. The consent of the Owners having at least two-thirds (2/3) of the votes in the Association shall be required to add or amend any material provision of this Declaration which establish, provide for, govern or regulate any of the following:

- (a) voting;
- (b) assessments, assessment liens or subordinations of such liens;
- (c) reserves for maintenance, repair and replacement of the Common Areas;
- (d) insurance or fidelity bonds;
- (e) rights to use of the Common Areas;
- (f) responsibility for maintenance and repair of the Common Areas;
- (g) boundaries of any Lot;
- (h) the interest in the Common Areas;
- (i) convertibility of Lots into Common Areas or of Common Areas into Lots;
- (j) leasing of Lots;
- (k) imposition of any right of first refusal or similar restriction on the right of any Lot Owner to sell, transfer, or otherwise convey his or her Lot;
- (l) any provisions which are for the express benefit of Mortgagees or insurers or guarantors of Mortgages.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. An Owner who receives a request to approve non material additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 4. Term. The covenants and restrictions of this Declaration are to run with the land and shall be binding upon all parties and all persons claiming under them for a period of 25 years from the date this Declaration is recorded; after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by two-thirds (2/3) of the then Owners of the Lots has been recorded, agreeing to terminate said covenants and restrictions in whole or in part. Provided, however, that the residential use restrictions set forth in Article IX, Section 1 of this Declaration shall run with the land and shall be binding upon all parties and all persons claiming under them in perpetuity.

ARTICLE XIV

ARCHITECTURAL AND LANDSCAPING CONTROL

Section 1. General. Notwithstanding anything to the contrary contained in this Declaration and any Supplemental Declarations of Covenants, Conditions and Restrictions for East Shores, no Improvements (as defined in Section 4) shall be commenced, erected or maintained on any Lot, subject to the provisions of Section 7 hereof, until: (a) the Architectural Control Committee (herein called the “Architectural Control Committee”), appointed as hereinafter provided, has approved the plans and specifications therefore and the location of such Improvements and has given its written approval for commencement of construction; and (b) the fees set forth in this Article XIV have been paid. In addition to any standards established pursuant to this Declaration, Declarant may establish, by Additional or Supplemental Declarations, architectural and landscaping control standards, guidelines and restrictions in regard to various Phases of the Property.

The Board of Directors may delegate to the Architectural Control Committee any powers or authority reserved or granted to the Board of Directors under this Article XIV.

Section 1a. Any minor changes/clarifications to these architectural and landscape controls must be reviewed and approved by the Board of Directors. Any major changes shall use the process and voting of owners as required for all covenants changes.

Section 2. Composition of Architectural Control Committee. Members of the Architectural Control Committee shall be appointed by the Board of Directors. The members of the Architectural Control Committee shall be appointed annually and will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the body then having the authority to appoint a majority of such members. The members of the Architectural Control Committee need not be Owners of property in the Development. In the event of the death or resignation of any member of the Architectural Control Committee, the body then having the authority to appoint such member to the Architectural Control Committee shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the body then having the authority to appoint such members. Notwithstanding anything contained herein to the contrary, the Architectural Control Committee shall have the right, power and authority to employ and/or use the services of any architects, engineers or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the Architectural Control Committee as described in this Article XIV.

Section 3. Architectural and Landscape Guidelines.

- (a) The Architectural Control Committee shall, from time to time, publish and promulgate architectural and design guidelines. Such architectural and design guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural

Control Committee in reviewing plans and specifications for Improvements. Such architectural and design guidelines shall also set out, among other things, the procedures for submission, review and approval of plans and specifications to the Architectural Control Committee and the fees to be imposed by the Architectural Control Committee, as more specifically described in Section 8 hereof. In any event, such architectural and design guidelines shall not be binding upon the Architectural Control Committee, may be revised and amended at any time by the Architectural Control Committee, with the approval of the Board of Directors, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials submitted to the Architectural Control Committee for approval.

- (b) The Architectural Control Committee shall promulgate and amend from time to time landscape guidelines which shall establish approved standards, methods and procedures for landscaping, landscape management and landscape maintenance in the Property, including the removal of trees. Such authorized standards, methods and procedures shall be utilized by Owners, and their contractors and sub-contractors. The approval by the Architectural Control Committee of any landscaping plan or other Improvement in connection with landscaping on a Lot, Tract or other portion of the Property shall be based upon the conformity of such plan or Improvement with such landscape guidelines. In any event, such landscape guidelines shall not be binding upon the Architectural Control Committee, may be revised or amended at any time by the Architectural Control Committee, with the approval of the Board of Directors, and shall not constitute, in every event, the basis for approval or disapproval of landscaping plans, specifications and other materials submitted to the Architectural Control Committee for approval.
- (c) The Architectural Control Committee is also hereby authorized to publish and promulgate from time to time, and revise and amend at any time, construction rules to be followed by all Owners and builders performing work or constructing Improvements on the Property.
- (d) The architectural and design guidelines described in (a) above, the landscape guidelines described in (b) above and the construction rules described in (c) above shall herein collectively be referred to as the “Architectural and Landscape Guidelines”. The Architectural Control Committee may publish and promulgate different Architectural and Landscape Guidelines for different Phases, sections or portions of the Property.

Section 4. Definition of “Improvements”. The term “Improvement” or “Improvements” shall mean and include any and all man-made changes or additions to a Lot, including but not limited to the location, materials, size and design of all buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, antennae, satellite dishes, clothes lines, etc.), storage sheds or areas, piers, docks, boathouses, roofed structures, parking areas, fences, “invisible” pet fencing, pet “runs”, lines and similar tethers or enclosures, walls, landscaping (including cutting of trees), hedges,

mass plantings, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, swimming pools, hot tubs, jacuzzis, tennis courts, tree houses, basketball goals, skateboard ramps, and other sports or play apparatus, signs, exterior illumination and changes in any exterior color or shape; and also including site preparation on any Lot, change in grade or slope of any Lot, or erection of buildings or exterior additions or alterations to any building situated upon any Lot, erection of or changes or additions in fences, hedges, walls and other structures, any landscaping, or any cutting of live trees of greater than 4" in diameter on any Lot. The definition of Improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Control Committee, provided that such replacement or repair does not change exterior colors, materials, designs or appearances from that which were previously approved by the Architectural Control Committee.

Section 4.1 Solar Panels.

Solar panels defined as panels constructed with Photovoltaic material shall be addressed as an exterior device by the Architectural Control Committee taking into consideration that the solar panels must be homeowner owned, i.e. no third-party ownership. Solar panels must be installed on, attached to, or integrated with the roof of the residence, and cannot be installed on any other structure or installed in any other manner on the lot. The Architectural Control Committee review will include, but not be limited to, aesthetics, orientation, visibility of the installation of the panels and associated system components from any public or private road in East Shores when approaching and passing the residence from either direction, and visibility from neighbors and the Lake.

Solar panels shall only be installed in accordance with a building permit issued by Oconee County.

Section 5. Enforcement. It is the Association's intent that the architectural control provisions of this Declaration are to permit control of the architectural design and landscaping and to establish quality standards for construction and construction activity in the Property and to help preserve values of properties in the Property. All Owners by purchasing property subject to this Declaration acknowledge that a violation of any such provisions could result in irreparable harm and damage to Owners of property in the Property, and to the values of their properties, a monetary measure of which harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but no obligation) to enforce and/or to prevent any violation of the provisions contained in this Article XIV by fines and/or proceedings at law or in equity against the person or persons violating or attempting to violate any such provisions. Any such fines may be leveled as a Special Individual Assessment against the Lot upon which the violation or attempted violation occurred.

All Owners shall be deemed to hereby specifically reserve and grant unto the Architectural Control Committee, the Board of Directors and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determination by the Architectural Control Committee or the Board of Directors whether there exists any construction of any Improvement which violates the terms of any approval by the Architectural Control

Committee, the terms of the Architectural and Landscape Guidelines, the terms of this Declaration or any Supplemental Declaration, or any amendments hereto or thereto.

As to nonconforming or unapproved Improvements, the Board of Directors may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved Improvement) if such Improvements were commenced or constructed in violation of this Article XIV. In addition, the Board of Directors may, but has no obligation to cause such restoration, demolition and removal and levy the amount of the cost thereof as a Special Individual Assessment against the Lot or portion of the Property upon which such Improvements were commenced or constructed.

In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to prevent or remedy a violation of the Architectural and Landscape Guidelines, the Board of Directors shall be entitled to the recovery of court costs, attorneys' fees and expenses incurred by the Board of Directors and/or the Architectural Control Committee in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the Lot or other portion of the Property upon which such Improvement was commenced or constructed.

Any Owner shall have the right, at its sole cost and expense, to enforce the provisions of this Declaration.

An owner may request a review of the architectural control committee decisions by contacting the Board President. A written document outlining the question or concern should be provided to both the Board President and the ACC Chairperson. Review and decision will be made within a reasonable time by the Board of Directors in conjunction with the owner and the ACC.

Section 6. Failure of the Architectural Control Committee to Act. If the Architectural Control Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within thirty (30) business days after receipt thereof, and provided such submittal was a full and complete submittal, in accordance with the Architectural and Landscape Guidelines, of all items that were to have been submitted to the Architectural Control Committee, and provided the Architectural Control Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within ten (10) days after additional written request to act on such items is delivered to the Architectural Control Committee following the passage of such first above-described thirty (30) business day period, it shall be conclusively presumed that the Architectural Control Committee has approved such confirming plans and specifications and other submittals, EXCEPT that the Architectural Control Committee shall not be presumed by any failure to act to have waived any requirements specified in this Declaration or any Additional Declaration, nor to have granted its discretionary approval as to any matter for which the Committee's discretionary approval is required, nor to have waived any of the requirements set forth in Sections 8 and 9 below. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance. The

Architectural Control Committee is authorized to request the submission of samples of proposed construction materials.

Section 7. Variances Upon submission of a written request for same, the Architectural Control Committee may, from time to time permit Owners to construct, erect or install Improvements which are at variance with restrictions, requirements or provisions of this Declaration or any Supplemental Declaration, but only as to those matters for which there has specifically been reserved rights to grant variances or waive requirements. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the Development and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Control Committee has not expressly and in writing, approved such request within thirty (30) business days of the submission of such request. No member of the Architectural Control Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder or under any Supplemental Declaration, against any other Owner.

Section 8. Fees Required by Architectural Control Committee. The Architectural Control Committee may require that each Owner submitting plans and specifications for Improvements to the Architectural Control Committee pay one or more fees to the Architectural Control Committee or to Declarant as a condition to commencement or construction of such Improvements. Such fee(s), including the amount(s), payee and purpose(s) thereof, shall be established and set forth in the Architectural and Landscape Guidelines.

Section 9. No Construction Without Payment of Fees. Notwithstanding anything contained in this Article XIV to the contrary, plans and specifications for Improvements to be constructed on a Lot or other portion of the Property shall not be deemed to have been properly submitted unless and until any and all fees required by the Architectural Control Committee to be paid in connection with such Improvements, as provided in Section 8 above, shall have been paid to the Architectural Control Committee or Declarant as required.

Section 10. Notices and Submittals. Notices and submittals to the Architectural Control Committee shall be in accordance with the notice provisions set forth from time to time in the Architectural and Landscape Guidelines

Section 11. Limitation of Liability. No member of the Architectural Control Committee shall be liable for claims, causes or action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article XIV. Neither the Architectural Control Committee, nor the members thereof, nor the Board of Directors, , nor any officers, directors, members, employees, agents or affiliates of any of them, shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or

nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Every person who submits plans or specifications, and every Owner, agrees that he will not bring any action or suit against the Board of Directors, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, demises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Section 12. Miscellaneous. Members of the Architectural Control Committee, in the sole discretion of the body appointing such Members may be compensated for their services. The Master Association shall reimburse members of the Architectural Control Committee for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the Architectural Control Committee, including those incurred in connection with their enforcement or other powers as provided herein, shall be borne by the Association; provided however, that nothing herein shall be deemed to negate the Board of Directors' right to an award of court costs, attorneys' fees and expenses in accordance with Section 5 hereof.

*IN WITNESS WHEREOF, the Association has caused this instrument to be executed by its officers thereunto duly authorized on this month, day and year*_____.

Signatures as Required of the 2014 East Shores Owners Association Board of Directors:

James C. Hudson, President _____

Roger Ellison, Vice President _____

Mark Torres, Treasurer _____

Megan Andrew, Secretary _____

Danielle Dahl, At-Large _____

Witness: _____ *Date:* _____

Notary:

EXHIBIT "A"
TO
DECLARATION
FOR EAST SHORES

TRUE COPY OF ARTICLES OF INCORPORATION FOR
EAST SHORES OWNERS' ASSOCIATION INC.

On file at the Oconee County, South Carolina Registrar of Deeds, Book 640, Page 126,
originally filed October 22, 1990.

On file at the Oconee County, South Carolina Registrar of Deeds, Book 640, Page 126

.....

EXHIBIT "B"
TO
DECLARATION
FOR EAST SHORES

TRUE COPY OF ARTICLES OF BY LAWS FOR
EAST SHORES OWNERS' ASSOCIATION INC.

EXHIBIT "B" TO
DECLARATION

BYLAWS
OF
EAST SHORES OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the corporation is EAST SHORES OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 2. Location. The principal offices of the Association shall be located in Oconee County, South Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

Section 3. Purpose. The purpose for which the Association is organized are to further social activities of property owners of Lots in East Shores Subdivision located in Oconee County and in connection therewith to provide services to such property owners, manage and maintain their common properties and administer and enforce all covenants and restrictions dealing with their common properties located in East Shores, and any other purposes allowed by law.

ARTICLE II

DEFINITIONS

Section 1. "Additional Property" shall mean and refer to additional real estate lying contiguous or adjacent to the Property which may be made subject to the terms of this Declaration.

Section 2. "Amenity Area" shall mean and refer to that land designated as "Amenity Area" on the Map, together with the Clubhouse, Pool, Tennis Court, and Parking Area.

Section 3. “Articles of Incorporation” shall mean and refer to the Articles of Incorporation for the Association attached as Exhibit “A” hereto and incorporated herein by reference.

Section 4. “Association” shall mean and refer to the EAST SHORES OWNERS’ ASSOCIATION, INC., a South Carolina non-profit corporation, its successors and assigns. Declarant, Association and East Shores Owners Association, Inc. may be used interchangeably.

Section 5. “Board of Directors” shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 6. “Boatslip Lots” shall mean and refer to those Lots in the Development which do not adjoin the waters of Lake Keowee, which are Lots 1, 2, 3, 20, 21, and 22 in Phase I, Lots 2, 3, 16, 17, and 18 in Phase II and Lots 11 and 12 of Phase III as shown on the Map, and any other Lots which have, as an appurtenance to the Lot, the right to use a Boatslip, acquired by deed.

Section 7. “Boatslips” shall mean and refer to those certain sixteen (16) boatslips located within the Pier which is constructed over the waters of Lake Keowee, which Boatslips are designated as Boatslips A through R on Exhibit “C” to the Declaration, together with any additional Boatslips which may be constructed, and which Boatslips are more particularly addressed in Article VI of the Declaration.

Section 8. “Calendar Year” shall mean the time from January 1 through December 31 of any given year.

Section 9. “Clubhouse” shall mean that approximately 1175 square foot building within the Amenity area for the common use and enjoyment of all the Owners.

Section 10. “Common Area” or “Common Areas” shall mean and refer to the Amenity Area (including the Clubhouse, Pool and Tennis Court), Pier, Boatslips, Parking Area, Roadway, Frontage Fence, Entrance Monuments and Promontory Entrance Monuments, collectively, and any other property shown and designated on the Map as “Common Area”. The Common Areas shall be owned by the Association (except for the property upon which the Entrance Monuments, Promontory Entrance Monuments, Roadway and Frontage Fence are located, over which property the Association shall own easements) for the common use, benefit and enjoyment of the Owners; provided, however, that only the Owners of Boatslip lots shall be entitled to the use, benefit and enjoyment of the Pier and Boatslips, subject to individual Boatslip Lot Owners’ exclusive rights to use specified Boatslips; and provided further, that only the Owners of Promontory Lots shall be entitled to the use, benefit, and enjoyment of the Roadway and Promontory Entrance Monuments.

Section 11: “Declarant” shall mean East Shores Owners Association, Inc., its successors and assigns. Terms “Declarant”, “Association”, and “East Shores Owners Association, Inc.” may be used interchangeably.

Section 12. “Declaration” shall mean the Declaration of Covenants, Conditions, and Restrictions for EAST SHORES Subdivision, recorded contemporaneously herewith in the office of the Clerk of Court for Oconee County, South Carolina.

Section 13. “Development” shall mean and refer to EAST SHORES, a single-family residential development.

Section 14. “Entrance Monuments” and/or “Sign Easements” shall mean and refer to the easement areas reserved and granted by Declarant in Article IX, Section 10 of this Declaration, over portions of Lots 1, 22, 3, and 4 of Phase I of the Subdivision, Lots 11 and 12 of Phase II, and over a portion of the Common Area, as shown and designated as “Sign Easement” on the Map, and the stone monuments, entrance signs located on such monuments, lighting, landscaping on such areas, to be used for entryways for the Subdivision and individual streets within the Subdivision, and for the purposes set forth in said Article IX, Section 10.

Section 15. Fiscal Year shall mean and refer to July 1 to June 30 of any given year(s).

Section 16. “Frontage Fence” shall mean and refer to the easement areas reserved and granted over Lots 1 and 22 in Article IX, Section 11 of this Declaration, as shown and designated as “Frontage Fence Easement” on the Map, and the fencing, landscaping and other improvements to be constructed on such areas, as more particularly described in said Article IX, Section 11.

Section 17. “Lot” or “Lots” shall mean and refer to the separately numbered parcels depicted on the Map, which Lots do not include the Common Area.

Section 18. “Map” shall mean and refer to the map of EAST SHORES Subdivision recorded in Plat Book A-75, Page 4 in the Office of the Clerk of Court for Oconee County, South Carolina; the Phase II Map, the Phase III Map and any revisions of re-recording of the “Map” recorded from time to time in the Office of the Clerk of Court for Oconee County.

Section 19. “Member” shall mean and refer to every person or entity who holds membership in the Association. Member and Owner may be used interchangeably.

Section 20. “Mortgage” shall mean any mortgage or deed of trust constituting a first lien on a Lot.

Section 21. “Mortgagee” shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 22. “Non-Boatslip Lots” shall mean and refer to those Lots in the Development which adjoin the waters of Lake Keowee, which Non-boatslip Lots are Lots 4 through 19 in Phase I; Lots 1 and 4 through 15 in Phase II; and Lots 1 through 10 in Phase III., all as shown on the Map, provided such Lots do not have as an appurtenance thereto the right to use a Boatslip.

Section 23. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot. Member and Owner may be used interchangeably.

Section 24. “Parking Area” shall mean and refer to the parking at the Amenity Area for the common use, benefit, and enjoyment of all the Owners, to provide parking for such Owners, their families, guests and invitees in connection with their use of the Amenity Area, Pier and Boatslips. The parking Area is more particularly addressed in Article IV, Section 9 of the Declaration.

Section 25. “Pier” shall mean and refer to that certain pier or piers, containing the Boatslips, constructed over the waters of Lake Keowee, which Pier adjoins the Development at the terminus of the Amenity Area and which Pier is shown on Exhibit “C” attached hereto and incorporated herein by reference and is more particularly addressed in Article IV, Section 8 of the Declaration.

Section 26. “Pool” shall mean and refer to that swimming pool within the Amenity Area for the common use and enjoyment of all of the Owners.

Section 27. “Promontory Lots” shall mean and refer to Lots 13, 14, 15, 16, and 17 as shown on the Map.

Section 28. “Promontory Entrance Monuments” shall mean and refer to the easement areas reserved and granted in Article IX, Section 10 of this Declaration over portions of Lots 13 and 17 of the Subdivision as shown and designated on the Map as “Promontory Sign Easement”, and the stone monuments, entrance signs, lighting, landscaping, irrigation, and other improvements, to be used for an entryway for the Promontory Lots, and for the purposes set forth in Article IX, Section 10.

Section 29. “Promontory Roadway Easement” shall mean and refer to the thirty-five (35) foot wide easement adjoining the Promontory Lots and shown and designated on the Map as “Promontory Roadway Easement”, over which easement exists the Roadway to serve the Promontory Lots and over which easement each Promontory Lot Owner shall have an easement for ingress, egress and access, all as more particularly described in Article IX, Section 22 of the Declaration.

Section 30. “Property” shall mean and refer to the property shown on the Map, exclusive of the public rights-of-way shown on the Map, which Property includes the Lots and the Common Area.

Section 31. “Public Roads” shall mean and refer to all the roads and cul-de-sacs in the Subdivision and shown on the Map except the Roadway, all to be dedicated for public use and accepted for public maintenance by the County of Oconee Public Works Department.

Section 32. “Roadway” shall mean and refer to the private roadway of the Promontory Roadway Easement privately maintained by the Association, to serve the Promontory Lots, all as more particularly described in Article IX, Section 22 of the Declaration.

Section 33. “Subdivision” shall mean and refer to the EAST SHORES SUBDIVISION, as the same is shown on the Map.

Section 34. “Tennis Court” shall mean and refer to that tennis court within the Amenity Area for common use and enjoyment of all the Owners.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on the first (1st) Tuesday in March of 1991, and each subsequent regular annual meeting of the Members shall be held on the first (1st) Tuesday in March each year thereafter, at the hour of 7:00 o’clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting meeting will be held at the same hour on the first day following which is not a legal holiday. If less than three of the five board members cannot attend the annual board meeting at the date and time described in these bylaws, the board may establish an alternate date for the annual meeting but no later than March 31 of the given year. This date must be determined and communicated to all owners no later than 30 days prior to the meeting date.

Section 2. Special Meetings. Special meetings of Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Lots.

Section 3. Meetings of Boatslip Lot Owners. Meetings of the Members owning Boatslip Lots may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Boatslip Lots, for the purpose of discussing and voting on matters affecting the Boatslip Lots, the Pier or Boatslips. Such meetings may be held at the annual meeting of the Members or at a special meeting of the Members owning Boatslip Lots.

Section 4. Meetings of Promontory Lot Owners. Meetings of the Members owning Promontory Lots may be called at any time by the President of the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes appurtenant to the Promontory Lots, for the purpose of discussing and voting on matters affecting the Promontory Lots or the Roadway. Such meetings may be held at the annual meeting of the Members or at a special meeting of the Members owning Promontory Lots.

Section 5. Place of Meetings. All meetings of the Members and the Members owning Boatslip or Promontory Lots shall be held at such place, within Oconee County, South Carolina, as shall be determined by the Board of Directors of the Association.

Section 6. Notice of Meetings. Written notice of each meeting of the Members and Members owning Boatslip or Promontory Lots shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or utilizing e-mail/electronic notification, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. An owner may request a mailed copy as an exception. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 7. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots.

(a) Each Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 8. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the votes appurtenant to the Lots (or to the Boatslip or Promontory Lots, if a meeting of the Members owning Boatslip or Promontory Lots) shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

Section 9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 10. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

Section 11. Action by Members Owning Boatslip Lots. Except as otherwise provided in the Articles of Incorporation, the Declaration or the Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members owning Boatslip Lots at which a quorum is present shall be regarded as the act of such Members.

Section 12. Action by Members Owning Promontory Lots. Except as otherwise provided in the Articles of Incorporation, the Declaration or the Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members

owning Promontory Lots at which a quorum is present shall be regarded as the act of such Members.

Section 13. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members or Members owning Boatslip or Promontory Lots in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members or Members owning Boatslip or Promontory Lots shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, or if all the Members owning Boatslip or Promontory Lots are present at a meeting of such Members, no notice shall be required and any business may be transacted at such meeting.

Section 14. Informal Action by Members. Any action which may be taken at a meeting of the Members or Members owning Boatslip or Promontory Lots may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minutes book.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The business and affairs of the Association shall be managed by a Board of five directors, who must be Members of the Association.

Section 2. Nomination.

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

Section 3. Election. Except as provided in Section 5 of this Article, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Following election of the Board Members, the five

Board Members then in office will determine which of them, the Board Members, will fill each Officer position.

Section 4. Term of Office. Each director shall hold office for a three year term of which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At all annual elections, a director shall be elected by the Members to succeed that director whose term then expires. Nothing herein contained shall be construed to prevent the election of a director to succeed himself.

Section 5. Removal. Any director may be removed from the Board, with or without cause by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. President. The President shall serve as Chairman. In the event that there is a vacancy in the office of Presidency, a chairman shall be elected by the Board of Directors to serve until a new President is elected.

Section 6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, including the Pier, Boatslips, Clubhouse, Pool and Tennis Court, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use the recreational facilities of a Member, including the rights to use the Pier, Parking Area, Clubhouse, Pool, Tennis Court and Boatslips, during any period which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.
- (f) Employ attorneys to represent the Association when deemed necessary;
- (g) Grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property; and

(h) Appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.

(i) Do anything necessary or desirable to carry out the purposes of the Association as set forth herein or as permitted by law.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when each statement is requested in writing by Members entitled to at least one-third (1/3) of the votes appurtenant to the Lots;

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

(c) As more fully provided in the Declaration:

(1) Fix the amount of the Annual Assessments, Boatslip Assessments and Promontory Lot Assessments, as defined in the Declaration, against each Lot at least thirty (30) days before July 1 of each fiscal year.

(2) Send written notice of each assessment to every Owner subject thereto before its due date and before July 1 of each year;

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

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

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

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

(g) Cause the Common Areas to be maintained.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a President and Vice-President, a Secretary, a Treasurer, an At-Large member and such other officers as the Board may from time to time by resolution create.

Section 2. Assignment Of Officers. The assignment of officers shall take place following each annual meeting of the members. The assignment of officers is completed by the members of the board with officers selected from the five elected board members.

Section 3. Term. Each officer of the Association shall be elected by the members and each shall hold office for three years or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 9. Duties. The duties of the officers are as follows:

President

(a) The President shall be the principal executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes as needed. The President shall also handle special issues brought up by owners and provide interface with key committees.

Vice President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. Other duties specifically include serving as liaison with community associations; manage and oversee landscape maintenance including the provider and associated contracts.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep all appropriate current records showing the members of the Association together with their addresses, and shall perform other duties as required by the Board. Other duties specifically include collecting ballots and recording votes; maintaining Owners Association records; and handling requests for temporary covenant exemptions.

Treasurer

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

At-Large Member

(e) The At-Large board member shall perform miscellaneous duties as required by the board. Duties specifically include managing swimming pool maintenance including the contract with the pool maintenance company; maintenance of clubhouse; maintaining a master set of keys and lock codes and a log of keys provided to board members, committee members and contractors.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE X

COVENANT FOR ANNUAL AND SPECIAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Annual and Special Assessments. As provided in the Declaration, each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Annual Assessments and Special Assessments, as hereinafter defined, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association against each Lot ("Annual Assessments") shall be used as follows:

- (a) to repair and maintain the Entrance Monuments and Frontage Fence, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping on the Entrance Monuments, and to provide and pay for electrical cost of irrigation and lighting of the signage located thereon;
- (b) to keep the Entrance Monuments and Frontage Fence clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;
- (c) to keep all Common Areas other than the Roadway, Pier and Boatslips clean and free from debris, to maintain the same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal or replacement of landscaping;
- (d) to repair and maintain the Clubhouse, Pool, Tennis Court and Parking Area;

(e) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association (other than the Roadway, Pier and Boatslips, and property owned in connection therewith);

(f) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws, except for such insurance carried specifically in connection with the Roadway, Pier and Boatslips;

(g) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws, except for such fees incurred specifically in connection with the Roadway, Pier and Boatslips;

(h) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (f) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot on July 1, 2014. The Annual Assessments for the fiscal year beginning July 1, 2014 shall be Six Hundred Forty Three and 50/100 (\$643.50) per Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and payable no later than January 31, 2015. The Annual Assessments for each and every year beginning each July 1 thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article V, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Annual Assessment as to each Lot for any calendar year at least thirty (30) days prior to July 1 of such fiscal year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the first installment due, to each Owner on or before July 1 of such year. In addition, the Association shall send written notice that the second Annual Assessment installment is due and the amount of each installment to each Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Annual Assessments.

Section 4. Maximum Annual Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Annual Assessments each year by a maximum amount equal to the previous year's annual Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12- month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Annual Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum

increase permitted for that year shall be computed and the Annual Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Annual Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Annual Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Annual Assessment"). If the Board of Directors shall levy less than the Maximum Annual Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"). In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Clubhouse, Pool, Tennis Court, Parking Area or Entrance Monuments, including fixtures and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members, taken at a duly held meeting of the Members in accordance with the Bylaws.

Section 6. Assessment Rate. Both Annual and Special Assessments must be at a uniform rate for all Lots with the exception of special individual assessments as described in Article VIII, Section 2 of the Covenants.

ARTICLE XI

COVENANT FOR BOATSLIP AND SPECIAL BOATSLIP ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Boatslip and Special Boatslip Assessments. Each Owner of any Boatslip Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association, in addition to the Annual and Special Assessments provided for herein, Boatslip Assessments and Special Boatslip Assessments, as hereinafter defined, for maintenance and repair costs of the Pier and Boatslips, established and collected hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Boatslip Lot against which each such assessment or charge

is made and upon the right to use the Pier and the Boatslip appurtenant to such Boatslip Lot. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Boatslip Lot effective at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Boatslip Assessments. The assessments to be levied annually by the Association against each Boatslip Lot ("Boatslip Assessments") shall be used as follows:

- (a) to maintain, repair and reconstruct, when necessary, the Pier and Boatslips, including all lighting and other fixtures, poles, wires, railings and other facilities located thereon;
- (b) to maintain, repair and reconstruct, when necessary, any and all structures, lighting fixtures, poles, wires, railings and other facilities, located upon the Pier;
- (c) to provide and pay for lighting of the Pier and Boatslips, to the extent necessary for the safety and enjoyment of the users thereof;
- (d) to keep the Pier and Boatslips clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping surrounding the Pier in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping;
- (e) to pay all ad valorem taxes levied against the Pier and Boatslips and any other property owned by the Association in connection therewith;
- (f) to pay all lease payments, if applicable, to Duke Power company for the lease of the land on which the Pier and Boatslips are located;
- (g) to pay the premiums on all insurance carried by the Association in connection with the Pier and Boatslips pursuant hereto or pursuant to the Bylaws;
- (h) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws in connection with the Pier and Boatslips; and
- (i) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (g) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Boatslip Assessments: Due Dates. The Boatslip Assessments provided for herein shall commence as to each Boatslip Lot on July 1, 2014. The Boatslip Assessments for the fiscal year 2014 shall be Two Hundred Seventy Five and No/100 Dollars (\$275.00) per Boatslip Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and

payable no later than January 31, 2015 The Boatslip Assessments for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VI, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Boatslip Assessment as to each Boatslip Lot for any fiscal year at least thirty (30) days prior to July 1 of such calendar year, and the Association shall send written notice of the amount of the Boatslip Assessment, as well as the amount of the first installment due, to each Boatslip Lot Owner on or before July 1 of such fiscal year. In addition, the Association shall send written notice that the second Boatslip Assessment installment is due and the amount of such installment to each Boatslip Lot Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Boatslip Assessments.

Section 4. Maximum Boatslip Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Boatslip Assessments each year by a maximum amount equal to the previous year's Boatslip Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12- month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Boatslip Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Boatslip Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Boatslip Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Boatslip Lots, taken at a duly held meeting of such Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Boatslip Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the "Maximum Boatslip Assessment"). If the Board of Directors shall levy less than the Maximum Boatslip Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Boatslip Assessment ("Supplemental Boatslip Assessment"). In no event shall the sum of the Boatslip and Supplemental Boatslip Assessments for any year exceed the applicable Maximum Boatslip Assessment for such year.

Section 5. Special Assessments for Boatslip Improvements. In addition to the Boatslip Assessments authorized above, the Association may levy, in any assessment year, a special Boatslip assessment (“Special Boatslip Assessment”) applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Pier and Boatslips, and any capital improvement located thereon, including lighting and other fixtures, poles, wires, railings and other facilities located thereon and personal property related thereto. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Boatslip Lots, taken at a duly held meeting of such Members in accordance with the Bylaws, and further providing that any such Special Boatslip Assessment may be levied only against the Owners of Boatslip Lots.

Section 6. Assessment Rate. Both Boatslip and Special Boatslip Assessments must be at a uniform rate for all Boatslip Lots.

ARTICLE XII

COVENANT FOR PROMONTORY AND SPECIAL PROMONTORY ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Promontory and Special Promontory Assessments. Each Owner of any Promontory Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, in addition to the Annual Assessments and Special Assessments provided for herein, Promontory Assessments and Special Promontory Assessments, as hereinafter defined, for maintenance and repair costs of the Roadway and the Promontory Entrance Monument, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys’ fees, shall be a charge and a continuing lien upon the Promontory Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys’ fees, shall also be the personal obligation of the Owner of such Promontory Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an owner’s successors in title unless expressly assumed by them.

Section 2. Purpose of Promontory Assessments. The assessments to be levied annually by the Association against each Promontory Lot (“Promontory Assessments”) shall be used as follows:

- (a) to maintain, repair and reconstruct, when necessary, the Roadway to the standard of maintenance (if one is ascertainable) which would be required by the Oconee County Department of Public Works before it would accept such Roadway for maintenance; provided, however, such standards shall not affect the width of the Roadway;
- (b) to maintain any and all drainage pipes, inlets, basins, ditches, swales and other facilities installed within the Roadway;

(c) to keep the Roadway clean and free from debris, to maintain same in a clean and orderly condition.

(d) to repair and maintain the Promontory Entrance Monuments, including the erection and maintenance of signage, planters, irrigation, lighting and landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigations systems.

(e) to keep the Promontory Entrance Monuments clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal and replacement of landscaping and repair of irrigation systems;

(f) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws, except for such fees incurred specifically in connection with the Roadway; and

(g) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (e) above for the purposes set forth in Article IV, Section 7 hereof.

Section 3. Payment of Promontory Assessments: Due Dates. The Promontory Assessments provided for herein shall commence as to each Promontory Lot on July 1, 2014. The Promontory Assessments for the fiscal year beginning July 1, 2014 shall be One Hundred and No/100 Dollars (\$100.00) per Promontory Lot, one-half (1/2) of which amount shall be due and payable no later than July 31, 2014 and the remaining one-half (1/2) of which amount shall be due and payable no later than January 31, 2015. The Promontory Assessments for each and every fiscal year thereafter shall be in an amount as set by the Board of Directors, in accordance with Section 4 of this Article VII, and shall be due and payable in two (2) semi-annual installments of one-half (1/2) each, such installments being due and payable no later than January 31 and July 31, respectively, of each such fiscal year. The Board of Directors shall fix the amount of the Promontory Assessment as to each Promontory Lot for any fiscal year at least thirty (30) days prior to July 1 of such fiscal year, and the Association shall send written notice of the amount of the Promontory Assessment, as well as the amount of the first installment due, to each Boatslip Lot Owner on or before July 1 of such fiscal year. In addition, the Association shall send written notice that the second Promontory Assessment installment is due and the amount of such installment to each Promontory Lot Owner on or before January 1 of each fiscal year. Failure of the Association to send the notice described in this Section 3 shall not relieve the Owners of their liability for Promontory Assessments.

Section 4. Maximum Promontory Assessment.

(a) For fiscal years beginning July 1, 2014 and thereafter, the Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members, may increase the Promontory Assessments each year by a maximum amount equal to the previous year's Promontory Assessments times the greater of (1) ten percent (10%) or (2) the annual percentage

increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 =100) (hereinafter “CPI”) issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. If the Promontory Assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the Promontory Assessments may be increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members.

(b) From and after July 1, 2014, the Promontory Assessments may be increased without limitation if such increase is approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Promontory Lots, taken at a duly held meeting of such Members in accordance with the Bylaws.

(c) The Board of Directors may fix the Promontory Assessments at an amount not in excess of the maximum set forth in Subparagraph (a) above (the “Maximum Promontory Assessment”). If the Board of Directors shall levy less than the Maximum Promontory Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association as to the roadway cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Promontory Assessment (“Supplemental Promontory Assessment”). In no event shall the sum of the Promontory and Supplemental Promontory Assessments for any year exceed the applicable Maximum Promontory Assessment for such year.

Section 5. Special Assessments for Promontory Improvements. In addition to the Promontory Assessments authorized above, the Association may levy, in any assessment year, a special Promontory assessment (“Special Promontory Assessment”) applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Roadway or Promontory Entrance Monuments and any capital improvement located on the Roadway or Promontory Entrance Monuments, including lighting, irrigation and other fixtures, poles, wires, railings and other facilities located thereon. Provided that any such assessment must be approved by a vote of no less than two-thirds (2/3) of all votes entitled to be cast by Members owning Promontory Lots, taken at a duly held meeting of such Members in accordance with the Bylaws, and further providing that any such Special Promontory Assessment may be levied only against the Owners of Promontory Lots.

Section 6. Promontory Assessment Rate. Both Promontory and Special Promontory Assessments must be at a uniform rate for all Promontory Lots.

ARTICLE XII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June every year.

ARTICLE XV

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

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

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

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

such capacity, or arising out of his status as much, whether or not the Association would have the power to indemnify him against such liability.

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

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

IN WITNESS WHEREOF, the Association has caused this instrument to be executed by its officers thereunto duly authorized on this month, day and year

_____.

Signatures as Required of the 2014 East Shores Owners Association Board of Directors:

James C. Hudson, President _____

Roger Ellison, Vice President _____

Mark Torres, Treasurer _____

Megan Andrew, Secretary _____

Danielle Dahl, At-Large _____

Witness: _____ *Date:* _____

Notary:

**EXHIBIT C
BOATSLIP ASSIGNMENTS**

Shoreline	
	Pier
Deeded with Lot A-1	Deeded with Lot C -11
Deeded with Lot B-18	Deeded with Lot A-13
Deeded with Lot B-16	Deeded with Lot B-2
Deeded with Lot B-17	Deeded with Lot A-22
Deeded with Lot A-21	Deeded with Lot A-20
Deeded with Lot A-3	Deeded with Lot C-12
Deeded with Lot C-1	Deeded with Lot A-2
Deeded with Lot C-2	Deeded with Lot B-3

*For the record, those owners consisting of a majority of yea votes required in May 2020 for passage of these revised Covenants, Architectural Guidelines and By-Laws are listed below:
Total Yea Votes = 38*

<u>Last Name/Lot #</u>	<u>YEA</u>
Alex Rules LLC/B12	X
Andrew/A03	X
Banholzer/B05	X
Becker/A16	
Benson/B11	X
Bliss/A13	X
Boardman/A09	X
Brady/C12	X
Brown/C10	
Bylenga/B13	X
Clarke/B16	X
Connolly/A12	X
Dahl/C05	X
Daniel/B08	
Dolfis/B03&B04	X
Dyar/A14	
Ellison/C01	X
Estridge/B02	X
Ferguson/C07	X
Finger/A15	
Fisher/B10	X
Freeman&Peterson/B06	X
Gwinn/C09	
Hamilton/A11	X
Hawkins/A22	X
Hilley&Smith/A02	X
Holstead/A06	X
Hudson/B14	X
Kendall/A04	X
Kilgore/A05	
Knight/C08	X
Li/A18	X
Manna/C03	X
Meurlot/C11	
Millward/B17	X
Molyneaux/A07	
O'Neill/B18	X

Paterson/B07	X
Poston/B15	X
Qi/A10	
Rice/C06	X
Shields/A21	X
Shope/A08	
Thomas/B01	X
Thompson/C02	X
Tibaldi/A20	X
Torres/A19	X
Wheeler/A01&A17	
Witmer/B09	X

ACKNOWLEDGEMENT

STATE OF: _____

COUNTY OF: _____

I, _____, a Notary Public for the State of
_____ do hereby certify that _____
(grantor/mortgagor) personally appeared before me this day and acknowledged the due
execution of the foregoing instrument.

Witness my hand and official seal this _____ day of _____, 20 _____.

Notary Public
State of _____

My commission expires:

(SEAL)