

STATE OF SOUTH CAROLINA)
)
COUNTY OF OCONEE)

RESTRICTIVE COVENANTS
OAK STONE SHORES SUBDIVISION

COPY

WHEREAS, by deed dated June 17, 2002, of record in the Office of the Register of Deeds for Oconee County, South Carolina, in Book 1225 at Page 304, Crescent Resources, LLC, conveyed unto Wellington Pointe, Inc., certain property more particularly described in said conveyance; and,

WHEREAS, the above referenced deed unto Wellington Pointe, Inc., contained certain protective and restrictive covenants concerning the use of the property described in said deed; and,

WHEREAS, Wellington Pointe, Inc., thereafter conveyed a portion of the property above described unto Oak Stone, Inc., by deed dated August 8, 2002, of record in the aforesaid Register's Office in Book 1233 at Page 195, said deed being subject to the above referenced restrictive covenants originally imposed by Crescent Resources, LLC; and,

WHEREAS, the above property conveyed unto Oak Stone, Inc., has been subdivided into a residential subdivision shown as Oak Stone Shores Subdivision, on a survey by Nu-South Surveying, Inc., dated August 1, 2002, of record in the Office of the Register of Deeds for Oconee County, South Carolina, in Plat Book A-892 at Pages 1 & 2, said subdivision containing 28 lots as shown on said survey; and,

WHEREAS, said lots as subdivided are intended for residential purposes only and Oak Stone, Inc., as developer of the subdivision above referenced wishes to impose restrictions in addition to those restrictive covenants originally imposed by Crescent Resources, LLC, on the above referenced instrument of record in the aforesaid Register's Office in Book 1225 at Page 304.

NOW THEREFORE, OAK STONE, INC., herein referred to as Developer of Oak Stone Shores Subdivision as shown on a survey on a survey by Nu-South Surveying, Inc., dated August 1, 2002, of record in the Office of the Register of Deeds for Oconee County, South Carolina, hereby imposes upon said development the following restrictions, reservations, easements and covenants which are intended for the benefit of each owner of said lots and are to inure to the benefit of the lot owners and shall be binding upon the owners, their successors in interest, their heirs and assigns, to wit:

1. No improvements shall be erected, placed, altered or changed on any lot in the subdivision until and unless the building plans, specification and plot plan showing the proposed type of constructions, exterior design, and location of such improvement have been approved in writing by the Architectural Control Committee as to conformity and harmony of external design and consistence of plan with existing improvements on the other lots in the subdivision and as to the location of the structure with respect to topography and finished ground elevation. In addition,

a landscape development plan must likewise be submitted and approved by the Architectural Control Committee showing the location of all exterior lighting, proposed fences, swimming pools, energy producing devices, boundary or patio walls, hedges, shrubbery, walkways, driveways, parking areas and important trees. Application for approval as required herein shall be made to the Architectural Control Committee and at the time of making such application the building plans, specifications, plot plans and landscape plans shall be submitted in duplicate. One copy of such plans and specifications will be retained by the committee and the other copy will be returned to the applicant with approval or disapproval plainly noted thereon. In the event that the Architectural Control Committee fails to approve or disapprove such plans within thirty (30) days after they have been submitted to it, or if no suit to enjoin the erection or alteration of such building or improvement has been commenced before such erection or alteration is substantially completed, approval of the Architectural Control Committee will be conclusively presumed and this covenant will be deemed to have been fully complied with. The term "building or improvement" shall be deemed to include the erection, placement or alteration of any wall, fence, driveway or parking area. Upon the approval of the Committee of any proposed construction or alteration, the Committee shall issue to the applicant a written permit. No construction or alteration of the lot(s) shall be carried on until and unless such permit is

obtained.

2. The Architectural Control Committee of said subdivision shall initially be composed of Clifford H. Bowman and Jere duBois. In the event of a vacancy on the Architectural Control Committee, or the failure or inability of any member to act, the vacancy shall be filled by majority vote of the remaining members on said committee. Upon the sale of all lots in the subdivision, the duties of the Architectural Control Committee shall be turned over to the Oak Stone Shores Homeowners Association as set out below.

3. No residence shall be constructed on any lot nearer than forty feet to the front lot line, front lot line being defined as that line abutting a street within said subdivision, nor nearer than ten (10) feet to any side lot line. All residences constructed in said subdivision must face the front lot line. Any detached garage erected in said subdivision shall be no closer to the front lot line than the main residence built on said lot nor nearer than ten feet to any side lot line. Any such detached garage must contain a minimum of four hundred square feet and the plans therefor must be approved as to building materials, appearance and placement by the Architectural Control Committee.

4. Developer hereby reserves unto itself, its Successors or Assigns, drainage and utility easements ten (10) feet in width along all side and front lot lines.

5. The Purchaser of any one or more lots in Oak Stone Shores subdivision, and any future owner(s) thereof and their heirs and

assigns, by the acceptance of a deed thereto, covenant and agree that they will not now, or at any future time, without the express written consent of Architectural Control Committee (which will have the absolute discretion to determine the location of any proposed boat dock) apply for, seek, request or accept an individual boat dock permit.

6. Oak Stone Shores Homeowner's Association, Inc., will be formed and owned by the individual lot owners of the subdivision and will be controlled by the By-Laws of the association. The developer may convey unto the Association any properties that the Developer, in its sole discretion, deems to be for the best and common use of the lot owners in said subdivision, including all streets which are classified private. Purchase of a lot in the subdivision entitles the purchaser to a share in the Home Owners Association. Each lot owner's share in the association shall be non-assignable and transferable only with the conveyance of each lot from time to time. Membership is not optional and runs with the land. Upon the conveyance of any lot within the said subdivision, the grantor's interest in the Home Owners Association will automatically vest in the new owner of the lot upon recordation of the deed. Each owner of a lot shall be entitled to one (1) vote per lot in the said Home Owners Association for each lot owned, including the developer. Oak Stone Shores Membership shall be appurtenant to and may not be separated from ownership of the property. In the event of joint ownership of a lot or lots,

said joint owners will be entitled to one (1) vote per lot as determined between them and if an agreement cannot be reached by the said joint owners at the time of annual meetings of the Home Owners Association, then said vote will not be counted. There shall be an original membership fee of Two Hundred Fifty and no/100 (\$250.00) to be paid to the Home Owners Association at the time of the original purchase of a lot in the subdivision in exchange for a share in the Home Owners Association corporation; the developer, Oak Stone, Inc., shall be exempt from said original membership fee. The initial membership fee for each lot shall be paid on a one time basis and there shall be no additional membership fee at the time of a subsequent conveyance of the lot. This original membership fee shall be used to establish a reserve account for the Home Owners Association which funds will be utilized for the maintenance of any common areas, street lights, streets and for any other matters which the Home Owners Association should desire and deem expedient for the safety, comfort, welfare and enjoyment of the owners of the lots in the subdivision. The Home Owners Association shall have the right to determine the amount of funds necessary on an annual basis to maintain the common areas and to levy an annual assessment or dues on each lot owner, exclusive of the developer which shall be exempted as to lots owned by it, as more fully provided in the By-Laws of the said Home Owners Association. The charges, assessments or dues levied by the association as hereinabove provided shall be paid to it on or before the final

date fixed by resolution of the Board of Directors. Written notice of the charge and date of payment shall be sent to each owner at the address last given by the owner to the association. If any charges levied against any lot shall not be paid when due, it shall become a lien upon said lot subject only to matters of record on such due date and shall remain a lien until paid in full. The Board of Directors may direct that such action be instituted either at law or in equity for the collection of such assessments or charges including interest, costs of collection and attorney's fees as they deem appropriate. The sale or transfer of any lot shall not effect any lien for charges provided for herein. Upon request, the association shall furnish a statement certifying that the charges against a specified lot have been paid or that certain charges remain unpaid as the case may be. In any event, the association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership by any member unless and until all the assessments and charges due it are paid.

7. The roads within Oak Stone Shores subdivision shall be private roads and shall be maintained by the Homeowners Association as set out above.

8. No lot or lots in said subdivision shall be subdivided or altered without the written consent of the Architectural Control Committee; provided however, the Developer reserves the right to divide any lot shown on the subdivision plat into two (2) or more

parcels.

9. Subject to the provisions of Paragraph 6 the restrictions of record in the special warranty deed of record in the aforesaid Register's Office in Book 1225 at Page 304, any storage building or shed must be approved as to location and construction by the Architectural Control Committee prior to construction on any lot. All boats, boat trailers, travel trailers, motor homes or other recreational vehicles shall be stored so that they are not visible from the street in said subdivision.

10. Any swimming pool, wading pool or other type container of water used for recreational purposes shall not be visible from any street in the subdivision, and further shall be approved as to construction and location by the Architectural Control Committee.

11. Any fuel oil tanks shall be buried underground and out of view. It shall be the responsibility of the lot owners to obtain any necessary permits for said tanks. By acceptance of his deed any lot owner hereby indemnifies and holds harmless developer from any liability for environmental liability.

12. Garbage and trash cans, woodpiles and clothes lines must be located so that they will not be visible from any street in the subdivision.

13. No signs shall be permitted on any lots except that a single sign offering property for sale or for rent may be placed on any such lot providing such sign is not more than twenty six inches wide and twenty inches high.

14. The Developers of Oak Stone Shores hereby reserve unto themselves, their heirs, successors and assigns, the right to modify or amend these restrictions in any or all particulars as they deem necessary to maintain the harmony and integrity of the subdivision.

15. After the sale of all lots in the subdivision, these covenants may be amended by a majority vote of the lot owners in said subdivision, each lot owner having one vote for each lot owned.

16. These covenants shall run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty five years from the date hereof, at which time said covenants shall automatically be extended for successive periods of ten years unless by vote of a two thirds majority of the then owners of the lots in said subdivision, it is agreed to change said covenants or revoke same in whole or in part. In such vote, each lot shall be entitled to one vote and only one vote. If the parties hereto, their heirs, successors or assigns, shall violate or attempt to violate any of the covenants contained herein, it shall be lawful for any person owning any real property situate in said development which is subject to these restrictions, to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant, and either prevent him or them from so doing, or to recover damages for such violation. No violation of any of these covenants by judgment

of court order shall any way affect any other provisions contained therein shall remain in full force and effect.

WITNESS our hands and seals this _____ day of _____, 2002.

In the Presence of:

OAK STONE, INC.

By: _____

ITS: _____

STATE OF SOUTH CAROLINA)
COUNTY OF OCONEE)

ACKNOWLEDGMENT

I, the undersigned, a Notary Public for the State of South Carolina, do hereby certify that Oak Stone Inc., by its duly qualified officer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this _____ day of August, 2002.

Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT B
RESTRICTIONS

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

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

2. **Single Family Use**. The Property shall be used only for detached, single-family residence purposes, together with the accessory buildings and structures permitted pursuant to Section 6 below. No more than one detached single-family residential dwelling may be constructed on the Property. No condominium, townhouse, duplex, apartment or other multi-family residential uses are permitted on the Property. Further, no camper, trailer, motor home, boat (including, without limitation, any boat docked adjacent to the Property), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to the Property as a place of residence. The single-family residence restrictions set forth above shall not prohibit the construction of pools, tennis courts, or other recreational facilities or amenities such as are commonly constructed and maintained for the benefit of lot owners within planned unit developments; provided that such recreational facilities or amenities shall be solely for the common use of the owners of lots subdivided from the Property and, provided further, that no such recreational facilities may be located within any Buffer Area (defined below).

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

- a. Raising, breeding, or keeping of animals, livestock or poultry of any kind, except that dogs, cats, or other usual and common household pets (which are registered, licensed and inoculated as required by law) may be permitted on the Property;
- b. Any activity which violates local, state, or federal laws or regulations;
- c. Institutional uses; including but not limited to group homes, day care centers, churches, temples or shrines, rest homes, schools, medical care facilities, lodges, inns, beds and breakfasts; and
- d. Any business or trade, except that an owner or occupant residing on the Property may conduct business activities within a dwelling on the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve regular visitation of the Property by clients, customers, suppliers, or other business invitees; (iv) the business activity does not involve any service or delivery business in which more than one vehicle used in such business would be parked overnight on the Property, or for which any parts, equipment supplies, raw materials, components or tools are stored on the

Property and (v) the business activity is consistent with the residential character of the Property and does not constitute an unreasonable disturbance to adjoining land owners or others, a nuisance, or a hazardous or offensive use. The foregoing shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities provided that such activities are not held on the Property more than once in any six-month period. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. The leasing of the Property for single-family residential use shall not be considered a business or trade within the meaning of this subsection.

4. Prohibited Conditions. None of the following structures or improvements may be located upon the Property:

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

5. Quality Craftsmanship/Dwelling Size. All buildings and outbuildings erected upon the Property shall be built on site of new materials of good grade, quality and appearance, and shall be constructed in a good, workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:

- a. One story dwellings shall not contain less than 2,000 square feet of Heated Living Area (defined below);
- b. One and a half story dwellings shall not contain less than 2,200 square feet of Heated Living Area;
- c. Two (or more) story dwellings shall not contain less than 2,400 square feet of Heated Living Area;
- d. All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;

- c. Roofs shall have not less than a 6 inch pitch, and not less than 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or man-made slate, copper sheathing or wood shingles or pre-painted metal roofing;
- f. The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood, composite or vinyl material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished; and
- g. Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy issued within two years after commencement of construction.

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

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

- a. Storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings, not exceeding fourteen (14) feet in height. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Property and shall be covered with the approved exterior materials described in Section 5(f) above. Further, no outbuildings shall be located wholly or partially within any Buffer Area (as defined below).
- b. Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1000) square feet in area. Further, no such structure shall be located wholly or partially within any Buffer Area (as defined below).
- c. To the extent permitted at the time of construction and installation by Duke Energy Corporation (or its successor, with respect to ownership and/or management authority over the Lake, if applicable) (hereinafter, "Duke Energy") and all applicable governmental authorities, waterfront structures, including fixed piers, boat slips or floats, covered docks, boat ramps, decking and sitting areas attached to piers, walkways and other similar structures. Grantee acknowledges by acceptance of this deed that policies, laws and regulations regarding its ability to construct or install such structures may change from time to time before or after Grantee's acquisition of the Property and

Grantor makes no representation or warranty as to Grantee's ability to construct or install such structures either now or in the future. Such structures may be located wholly or partially within the Buffer Area provided no more than a total of two hundred (200) square feet of such structures shall be located within the Buffer Area.

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

- a. No portion (or portions) of the Property greater than two thousand (2000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated or (iv) covered with earth or other natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.
- b. All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before: (i) the thirtieth (30th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area); or (ii) such time as construction is completed or interrupted for a period of thirty (30) continuous days. In addition to, or in the absence of local or state government regulations on such land disturbance, none of the activities described in (i) through (iv) in Section 7 (a) above shall be allowed to commence without compliance with the following requirements:
 - i. The surveying and flagging of the Buffer Area (defined below) and any portion of the Buffer Area that may be disturbed as a result of any activities permitted hereunder;
 - ii. The flagging of all trees in the Buffer Area that equal or exceed six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree. The trees, Buffer Area (defined below) and disturbed areas referenced in Sections 7 (a) and (b) shall be clearly and distinctly flagged, staked, or otherwise designated in order to prevent the unintentional violation of these restrictions by parties performing work upon the Property; and
 - iii. The proper installation (in accordance with manufacturer's instructions) of construction silt fencing on the lower perimeters of all areas within the Property to be disturbed, and any other areas which may be impacted by silt runoff from any disturbed areas located on the Property.

8. Buffer Area Restrictions. As used herein, the term "Buffer Area" shall mean any portion of the Property that is located within fifty feet (50') of any common boundary (the "Contour Line") of the Property and Lake Keowee (the "Lake"). No portion of the Buffer Area may be disturbed in any way, including any disturbance or removal of topsoil, trees and other natural growth. The Contour Lines of the Lake shall not change as a result of erosion or stabilization measures occurring following the conveyance of this Property to Grantee. Notwithstanding the second sentence in this Section 8, the following activities are permitted within the Buffer Area:

- a. Trees which are less than six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual handsaws. No other

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

- b. An access corridor may be created within the Buffer Area for the purpose of providing lake access to install shoreline stabilization or to install and use water access structures (such as docks or boat ramps) that have been approved in advance by Duke Energy and otherwise comply with Section 6(c) above. The access corridor may not exceed fifteen (15) feet in width. Trees with diameters equaling or exceeding six (6) inches, as measured four and one-half feet (4.5') from base, may be removed within the access corridor and grading or ground disturbance (which otherwise complies with the restrictions set forth herein) may be performed if reasonably necessary to provide access to the Lake for the purposes described above in this Section 8(b).
- c. Underbrush (defined as nuisance shrubs, vines and similar plant growth beneath the tree canopy, and generally growing less than six feet (6') in height) may be removed.
- d. Pruning and trimming of trees is permitted, provided that pruning is limited to tree branches beginning with the lowest to the ground and extending up the tree trunk no more than one-half of the total height of the tree. Trimming may also be performed on any limbs or branches that are diseased or naturally damaged.
- e. The use of rip-rap, bulkheading or other shoreline stabilization methods or materials may be initiated with the prior written approval by Duke Energy and any shoreline stabilization shall be performed in compliance with Duke Energy's Shoreline Management Guidelines which are in effect at the time such stabilization occurs. Generally, Duke Energy allows structural stabilization to extend only to a height five feet above the Contour Line of the Lake. If Duke Energy authorizes Grantee to perform certain shoreline stabilization, then at all points where shoreline stabilization occurs, the inner boundary line of the Buffer Area (i.e. the boundary line opposite the Contour Line of the Lake) shall be adjusted inward (i.e. away from the Contour Line of the Lake) by the same distance that the stabilization structures or improvements extend from the Contour Line of the Lake into the Property, provided however, that in no event shall the width of the undisturbed Buffer Area be reduced to less than fifty (50) feet between any portion of the interior edge of the stabilization structures or improvements and any residence or other structure or improvement located on the Property (other than docks, boat ramps, or other water access structures which have been approved in writing by Duke Energy).

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

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

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

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

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

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

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

EXHIBIT "C"

BY-LAWS of Oak Stone Shores Road Maintenance Association, Inc.

Article I: NAME AND PURPOSE:

Section 1. The name of the Association is "Oak Stone Shores Road Maintenance Association, Inc.", hereinafter referred to as "The Association".

Section 2. The purpose of The Association is to establish a non-profit entity, chartered by the State of South Carolina, to receive the title to the common area from the Developer and to establish rules for the use of the land and to maintain control over said properties, and to maintain the private road within the development.

ARTICLE II: MEMBERSHIP

Section 1. Charter Members: The initial members of The Association shall be the owners of the Lots 1 through 28, Oak Stone Shores as shown on a plat by Nu-South Surveying, Inc., dated August 1, 2002 and recorded in Oconee County, South Carolina in Plat Book A-891, page 9 & 10.

Section 2. A membership refers to a person or persons owning a lot in Oak Stone Shores.

Section 3. A member of The Association may assign their voting membership to a tenant for the period of the tenant's residence.

Section 4. Persons owning more than one lot shall have one vote per lot. A responsible adult of at least 21 years of age and a member of The Association shall cast the vote of each membership.

Section 5. All memberships are required to pay annual dues and special assessments at such time and in such amount as specified in these by-laws

in order to be a member in good standing, to be able to vote and to exercise the privileges of membership.

ARTICLE III: MEETINGS

Section 1. There will be an annual, and such other regular, special or called general membership meetings as are necessary and/or required to elect directors and conduct the business of The Association.

Section 2. An annual membership meeting to conduct association business and annual elections shall be called by the board of directors with the majority of the directors agreeing on a date which falls just prior to the beginning of a new fiscal year and the term of office for elected officials. The most convenient date, time and place for the meeting will be chosen and notification by U.S. Mail will be given to each member at least twenty (20) days prior to the meeting.

Section 3. The fiscal year of The Association shall begin on the first day of November and end on the last day of October.

Section 4. At all meetings of the membership, each member may vote in person, by absentee ballot, or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting.

Section 5. Other meetings of the general membership may be called by the Board of Directors as outlined for the annual meeting in Article III Section 2. A petition signed by 25% of the membership, addressed to the President of the Board of Directors and stating specific business related to The Association, will be sufficient and cause a meeting of the general membership to be called. At a special meeting, no business shall be conducted except that stated in the notice of said special meeting. Other meetings will be called and conducted as determined by the general membership during the Annual, or other general membership meetings.

Section 6. A quorum at either a special meeting, or the Annual meeting shall be 25% of the members, entitled and eligible to vote at such a meeting. A majority of the vote entitled to be cast by a quorum of the members at any meeting shall be necessary for the adoption of any matter voted upon by the members, except that "Specific Directives", Article VI and "Changes and Amendments to the by-laws," Article VII, require a majority of the membership.

Section 7. Meetings will be called by the President of the Board of Directors, or, when unavailable, and there is urgent business vital to The Association, by the Vice-President.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. A Board of Directors knowledgeable to the desires and wishes of the general membership will be elected and conduct the business of The Association.

Section 2. The Board of Directors shall consist of Five (5) members elected from the general membership. They will serve without pay or compensation of any kind and will hold office and carry out their duties gratuitously.

Section 3. Directors will serve for two years on the Board except that of the initial (first) Board three (3) directors shall be elected for two years and the remaining two (2) shall be elected for one year. Thereafter, directors will be elected to two (2) year terms and will fill positions that come open on the Board each year. Retiring board members may be re-elected. A vacancy on the board can be by appointment of the Board of Directors to serve the unexpired term of the vacancy.

Section 4. To serve as a director, a candidate must be a member in good standing and at least 21 years of age.

Section 5. The Board of Directors shall appoint a Nominating Committee of three members, prior to each annual meeting. The nominating committee shall consist of a chairman, who is a member of the Board of Directors, and two members of The Association. The nominating committee shall determine the number of nominations to be made, but the number should be at least as many as there are vacancies to be filled. Nominations may also be made from the floor of the annual meeting.

Section 6. Candidates for the Board will be elected from the slate by secret ballot by the general membership.

Section 7. The Board of Directors will meet immediately following the annual meeting and election and reconstitute itself. The Board, from its members will elect a President, Vice-President, Secretary and Treasurer and one Director. These officers and director shall perform such duties as are incident to their office.

Section 8. A majority of the Board of directors shall constitute a quorum for the transaction of business. Every act done, or a decision made by a majority of the

ARTICLE IV, Cont..

directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 9. The Treasurer of The Association will have the power and authority issue checks for the disbursement of funds incident to orderly functions of The Association, such checks shall require only one signature, that being of the current Treasurer. In the Treasurers absence, the President may sign checks.

Section 10. Committees and individuals from the membership may be appointed by the Board to advise or serve the Board in specific areas or assist with specific projects. They will serve without pay or compensation.

ARTICLE V: ANNUAL DUES AND ASSESSMENTS

Section 1. Annual dues are set at the rate of \$250.00 per lot.

Section 2. All memberships are required to pay annual dues as specified in these by-laws in order to good standing and exercise the vote, rights and privileges of membership in The Association. The annual dues are payable November 1. The treasurer shall notify those members who are 30 days delinquent. Those not paid by January 1 will not be considered members and automatically be dropped from membership in The Association.

Section 3. Special assessments may be levied against each membership to defray the costs of special projects and capital improvements as approved by the membership in accordance with these by-laws, when the costs are beyond the financial capability of the income from normal dues. Payments within 60 days of notice of these assessments is required to be in good standing and exercise the vote, rights, and privileges of membership.

ARTICLE VI: SPECIFIC DIRECTIVES

Section 1. The Board of Directors will conduct such general business as is necessary for the good and benefit of the members and to achieve the purposes of the charter. Such business programs to include the acquisition, or sale, of real estate or other property, through gift or expenditure of association funds will not be initiated without first revealing the entire nature of such business, project or special program to the general membership and securing, by a proper resolution, the consent of the majority of the membership.

ARTICLE VI , Cont.

Section 2. The Board of Directors will cause an annual budget, containing a year-end financial statement, to be prepared and presented to all the membership for its consideration and approval by a majority of the membership voting at the annual meeting. To aid in the preparation of these reports, the President will appoint two members of The Association to make a joint inventory of all property of The Association, if any, and audit all fund books and records, as part of the annual budget report.

Section 3. The Board will periodically publish a newsletter to be sent to each member containing important information necessary to keep the general membership informed. This newsletter, when sent by mail, will be considered a proper channel and means of notification of meetings.

ARTICLE VII : CHANGES AND AMENDMENTS TO BY-LAWS

Section 1. These by-laws can be changed or amended after a majority-approving vote for the change or amendment by the general membership in person, absentee ballot, or by proxy.

These are the by-laws of: **Oak Stone Shores Road Maintenance Association, Inc.**

These are complete and there are no others.