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DECLARATION OF COVENANTS AND RESTRICTIONS

OF

SOUTH PORT VILLAGE SUBDIVISION

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SARAH W. COOPER
CLERK OF COURT

THIS DECLARATION, executed this 8th day of March, 1994, by SOUTH PORT VILLAGE DEVELOPMENT, INC., owner of the hereinafter described real property, hereinafter referred to as "Declarant".

W I T N E S S E T H

WHEREAS, the Declarant as owner of the real property (hereinafter referred to as the "Property") described in Part One, ARTICLE II of this Declaration, desires to create thereon a planned development community known as SOUTH PORT VILLAGE (the "Development") with certain facilities, amenities and services for the use and benefit of property owners and members within such community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities and for the maintenance of common facilities, services and properties; and to this end, the Declarant does hereby subject the Property described in Part One, ARTICLE II, together with such additions as may hereafter be made, as provided in Part One, ARTICLE II, to the covenants, restrictions, easements, affirmative obligations, charges and liens, hereinafter set forth, hereinafter referred to as the "Covenants" or the "Declaration," all of which is hereby declared to be for the benefit of said Property and each and every owner of any and all parts thereof; and

WHEREAS, Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which can be delegated and assigned the power and authority of maintaining and administering the common properties and services, administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all dues and charges necessary for such maintenance, administration and enforcement; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of South Carolina, a non-profit corporation, South Port Village Property Owners' Association, Inc., for the purpose of exercising the functions aforesaid, which functions are hereinafter more fully set forth; and

WHEREAS, this Declaration will be referred to as the "South Port Village Covenants of 1994," and will be recorded in the Office of the Clerk of Court for Oconee County, South Carolina,

and may be incorporated by reference in deeds to property, by reference to the Book and Page of recording in the realty records in said office.

NOW, THEREFORE, the Declarant declares that the real property described in Part One, ARTICLE II, and such additions thereto may hereinafter be made pursuant to Part One, ARTICLE II hereof, is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth. These Covenants, the benefits of these Covenants, and the affirmative and negative burdens of these Covenants, shall touch and concern and run with the land herein referred to as the "Property." The Declarant reserves the right to add additional Covenants in respect to the property owned by the Declarant at the time of the adoption of the additional Covenants but not to property previously conveyed to others. All rights and easements reserved by the Declarant under these Covenants shall also be reserved to the assignees and successors in interest of the Declarant.

The Declarant reserves the right to amend these restrictions from time to time as it may see fit, in the best interest of the subdivision; provided, that no such revision shall adversely affect the overall subdivision plan, and no lot sold prior to such revision shall be deprived of any portion of any street on which it bounds, nor shall it be deprived of access to the streets of the subdivision.

PART ONE
GENERAL REFERENCES

ARTICLE I
DEFINITIONS

Section 1. The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

- (a) "Approval by the Declarant" shall mean written approval issued by the Declarant, signed by them.
- (b) "Approval by the Review Board or Declarant" shall mean and refer to any written approval required under these Covenants to be made by the Review Board or Declarant and which shall be sought and received or denied pursuant to the provisions of these Covenants.
- (c) "Association" shall mean and refer to the South Port Village Property Owners' Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

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- (d) "By-Laws of the Association" or "By-Laws" shall mean and refer to the By-Laws of South Port Village Property Owners' Association, Inc., the initial text of which is set forth in Exhibit "B" attached hereto and made a part hereof.
- (e) "Clerk of Court" shall mean and refer to the Clerk of Court for Oconee County, South Carolina, and the successors of that office.
- (f) "Common Properties" shall mean and refer to those tracts of land which are deeded to the Association and designated in said deed or survey as "Common Properties."
- (g) "Covenants or "Declarations" shall mean and refer to the "South Port Village Covenants of 1994," including all covenants, conditions, restrictions and obligations set forth in this Declaration, or as amended.
- (h) "Dwelling Unit" shall mean and refer to any improved property intended for use as a single-family dwelling.
- (i) "Association Member" shall mean and refer to the Owners and their heirs and assigns, employees or agents and all those Owners who are Members of the Association as provided in Part Three, ARTICLE I, hereof, including the spouse.
- (j) "Offensive or Noxious" activity or behavior shall include but not be limited to a public nuisance or nuisance per se and shall also include any behavior or activity which is inconsistent with both the reasonable pleasurable use of the Property area by a substantial number of the residents meeting, working, recreating, or enjoying sports, music, food, natural surroundings, and entertainment, free of excessively noisy behavior grossly disrespecting the rights of others, flashing or excessively bright lights, loud vehicles, significantly loud radio, hi-fi, electronic music distractions, and other unreasonable behavior curtailing the reasonable pleasure and use of the facilities within the Property.
- (k) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee title to any Lot, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court, a long-term contract of sale covering any Lot, the purchaser under said

contract of such Lot shall be the Owner and not the fee simple title holder. A long-term contract of sale shall be one where the purchaser is required to make payments for the property for a period extending beyond twelve (12) months from the date of the contract, and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(l) "Private Recreational Tract" shall mean and refer to those parcels or tracts of land located within the Property designated by the Declarant or operated by the Declarant or others as a private-member recreational facility, the membership criteria of which shall be as determined in this Declaration and the By-Laws of the Association.

(m) "Boatslips" shall mean and refer to the twelve (12) boat slips and necessary apparatus over the water of Lake Keowee, which boatslips shall be designated as boatslips 1 through 12, together with any additional boatslips as Declarant or Association may cause to be constructed.

(n) "Property" and "South Port Village" shall mean and refer to the Property described in Part One, ARTICLE II, Section 1 hereof, and additions thereto, as are subjected to this Declaration or any supplemental declaration under the provisions of Part One, ARTICLE II, Section 2 hereof and may include: (1) Residential Lots; (2) Dwelling Units; (3) Parcels owned by the Declarant or other Owners; (4) Unsubdivided Land owned by the Declarant; (5) Private Recreational Tract; (6) Common Properties; and (7) any Open Space not designated as Common Properties.

(o) "Referendum" shall mean and refer to the power of all or some specific portion of the Members to vote by ballots on certain actions by the Board of Directors of the Association or the Club more particularly set forth herein.

(p) "Lot" shall mean and refer to any residential lot, improved or unimproved, located within the Property which is intended for use as a single-family detached dwelling.

(q) "Review Board" shall mean and refer to that Board formed and operated in the manner described in Part Two, ARTICLE I hereof.

(r) "Use or Used for Residential Purposes" shall mean to be used as one's residence or normal and customary place of abode as hereinafter more fully set forth in Part Two, ARTICLE I, Section 2, and shall not include any use for business purposes. All individual lots which are platted and recorded shall be deemed to be Residential Lots to be used for

Residential Purposes unless some other use or intention is indicated on the plat or some related recorded document.

ARTICLE II
PROPERTY AND ADDITIONS THERETO

Section 1. Property. The real property (Property) which is, and shall be held, transferred, sold, conveyed, given, donated, leased, and occupied subject to these Covenants is described as follows:

All that tract or parcel of land, situate, lying and being in South Port Village Subdivision, Oconee County, South Carolina, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

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ARTICLE III
PRIVATE RECREATIONAL FACILITIES AND MEMBERSHIP
IN SOUTH PORT VILLAGE PROPERTY OWNERS
ASSOCIATION, INC.

Section 1. The recreational facilities are private. The purchase of a lot requires that the Owner shall become a member of the Association. All lot purchasers will be accepted into membership. Membership entitles the member to the use of the amenities of the Association. Members shall comply with the By-Laws, Rules, and Regulations of the Association, including the payment of dues, fees, assessments, and charges.

ARTICLE IV
FUNDS FOR COMPLETION OF
INFRASTRUCTURE, AMENITIES, AND EXPENSES

Section 1. Declarant agrees to install and pay for the infrastructure and amenities in South Port Village, and agrees to deposit seventy-five (75%) percent of the sales proceeds from each lot sale in South Port Village in an escrow account to be used exclusively for the payment of infrastructure, amenities, lot releases, and debt service until such time as such has been completely paid for and satisfied.

PART TWO
COVENANTS, RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS APPLICABLE
TO DEVELOPMENT OF SOUTH PORT VILLAGE

ARTICLE I
GENERAL COVENANTS

Section 1. Purpose. The primary purpose of these Covenants and the foremost consideration in the origin of same has been the

creation of a residential community which is aesthetically pleasing, which is functionally convenient, which is capable of maintaining itself while retaining private control, and which provides operation and maintenance, through the Owner, or the Association. Implementation of these Covenants shall be through the Declarant or the Review Board as defined in Section 45 of this ARTICLE I or association.

Section 2. Residential Use. All lots shall be used for residential purposes exclusively. No structure or structures shall be erected, altered, placed or permitted to remain on any lot other than as provided in these Covenants and Restrictions.

(a) The use of a dwelling unit as a model for sales or operational purposes shall be limited for such use to the Declarant.

(b) The use of the dwelling unit shall be limited to occupancy as a single-family dwelling.

Section 3. Siting. The Review Board or the Declarant reserves unto themselves, their successors and assigns, the right to control and to decide solely, the precise site and location of any building or structures on any Lot in South Port Village. No dwelling shall be located nearer than thirty (30') feet from any street, fifteen (15') feet from the side lot line or thirty (30') feet from the rear lot line. Should these set back requirements create, in the opinion of the Review Board, a hardship, then the Review Board may grant a variance.

Section 4. Parking. Each Owner shall provide space off of streets or community roads for parking in accordance with reasonable standards established by the Review Board.

Section 5. Completion of Construction. The exterior of all dwellings, paved driveways, and other structures and landscaping must be completed within nine (9) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities. Dwelling structures may not be temporarily or permanently occupied until they have been completed and Certificate of Occupancy has been issued by the Review Board. During the continuance of construction, the Owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition. The Owner and Contractor must comply with the South Carolina Surface Water Run-Off Regulation in effect at the time of construction. Contractor must provide portable toilet for workers during construction, gravel the driveway, use silt screening and drainage techniques to prevent mud or drainage on to roadways or other lots during construction. Contractor shall provide a refuse container to be located on the lot during construction, and all

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refuse must be placed in a container until removed from premises. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools and construction material from the Lot. Any damage to roads, Common Properties, or property owned by others, caused by the Owner's contractor or other parties providing labor or services to the Owner shall be repaired by the Owner or by the Declarant or Association at Owner's expense. Landscaping for all dwellings and other approved structures must be completely implemented before the issuance of the Certificate of Occupancy by the Review Board.

Section 6. Concealment of Garbage, Service, and Pet Areas.

Each Owner shall provide a visually screened area to serve as a service yard and an area in which garbage containers, fuel tanks or similar storage receptacles, air-conditioning equipment, clothes lines, pet pens or yards, and other unsightly objects are located, in order to conceal them from view from the road, and adjacent properties. Garbage containers shall be those that are specified by the Review Board.

Plans for such visually screened area delineating the size, design, texture, appearance, and location must be approved by the Review Board prior to construction.

Section 7. Automotive Maintenance. No automotive, boat, or vehicle maintenance may be done on any lot, parking area, easement, common area, boat slip, dock, or street at any time. No derelict automobiles, vehicles, boats, equipment, or machinery may be placed or kept on any lot at any time.

Section 8. Signs. No signs shall be erected or maintained on any lot other than approved by the Review Board.

Section 9. Other Buildings and Vehicles. No mobile home, trailer, residence trailer, utility trailer, manufactured home, double wide or modular home, tent, barn, or other similar building, trucks, buses, or school buses, shall be placed on any Lot or roadway. Campers and recreational vehicles, other than vans, shall only be parked in the area set aside by the Board for the parking of such vehicles or in a closed garage. Any boats, boat trailers, motorbikes kept on a lot must be kept in a closed garage. The term "truck" as used herein is intended to refer to those vehicles of various sizes and designs for transporting goods, moving heavy articles or hauling quantities of cargo and which are used in a trade or business in which the truck is used because of its commercial capabilities and not merely as a means of transportation. This is not intended to include such dual-purpose vehicles as station wagons, jeeps, "scouts", "vans", "wagoneer", "Bronco", "Blazer" or land rover type vehicles and sports trucks, vans, pickup trucks, and attractive vehicles driven and maintained primarily as a means of transportation, and do not have exposed equipment or supplies.

Section 10. Drilling and Mining. No drilling, refining, quarrying or mining operations of any kind shall be permitted on any lot.

Section 11. Ditches and Swales. Each Owner shall keep drainage ditches and swales located on his lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his lot as may be reasonably required for proper drainage, and must comply with the South Carolina Surface Water Run-Off Regulations.

Section 12. Limited Access. There shall be no access to any lot on the perimeter of the development except from designated streets within the development or roads constructed by the Declarant.

Section 13. Camping. No camping shall be permitted on any lot.

Section 14. Unsightly Conditions. It shall be the responsibility of each Owner to prevent the accumulation of litter, trash, or rubbish or the development of any unclean, unsightly or unkept or unmaintained condition of buildings and/or grounds on his property either before, during or after construction, nor to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area. Each Owner after completion of the Dwelling or as required by notice from the Review Board shall keep the grass, weeds, plants and other vegetation well groomed at all times.

Section 15. Lights. The design and location of all exterior lighting fixtures shall be subject to the approval of the Review Board. No light nor other illumination device, including but not limited to Christmas ornaments, located anywhere on any Lot shall be located, directed, or of such intensity to affect adversely the nighttime environment of any adjacent property. No exterior vapor lights will be approved.

Section 16. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured within the Property, except that a reasonable number of common household pets such as dogs and cats may be kept, provided that they are not kept, bred, or maintained for any commercial purposes. In order to preserve the aesthetic qualities of the Common Properties and Recreational Tract, and to maintain a proper respect for other Owners and users of the Common Properties and Recreational Tracts, each person who keeps a pet upon his lot shall abide by the following restrictions, conditions, and affirmative obligations:

- (1) No pets may be kept, bred or maintained for any commercial purpose.

(ii) The Owner of an animal will not allow it to roam unattended off the Owner's property, it being the responsibility of each pet owner to leash or control their animal.

(iii) Pets shall be housed in the Dwelling Unit or in pens approved by the Review Board.

(iv) Such other regulations as adapted by the Review Board or the Association from time to time.

The breach of any of these restrictions, conditions, any obligations and duties shall be a noxious and offensive activity constituting a nuisance.

Section 17. Water and Sewage. All water shall be purchased from the public water system. Individual sewer, septic disposal system shall be permitted on any lot only after such system is designed, located, and constructed in accordance with the requirements, standards and recommendations of the Oconee County Health Department or such other governmental agency or authority as may be authorized by law to approve private sewage disposal systems. Approval of such system, as installed, shall be obtained from such authority. In no event shall such systems be located so as to contaminate any stream or lake.

Section 18. Repairs and Hazards. Any building or other improvements on a lot that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the land restored to an orderly and attractive condition.

Section 19. Offensive Activity. No noxious or offensive activity shall be carried on any place within South Port Village, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the South Port Village community.

Section 20. Antennas. No antenna, dish, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any dwelling or other structure or lot within South Port Village without Review Board approval.

Section 21. Cable TV. Cable television will be provided by a licensed cable franchise holder in Oconee County, South Carolina. Service will be as provided in the cable franchise agreement of the provider.

Section 22. Sound Devices. No exterior speaker, horn, whistle, bell, or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security

purposes, shall be located, used, or placed upon property within South Port Village.

Section 23. Laundry. In order to preserve the aesthetic features of the architecture and landscaping, each Owner, his or her family, his or her guests, or his or her tenants, shall not hang laundry from any area within the public view.

Section 24. Burning Trash and Rubbish. There shall be no burning of trash or rubbish.

Section 25. Boat Docks. The Association will install a private South Port Village Association community floating boat dock consisting of 12 slips subject to the rules and policies established by the Association. The Declarant or Association may construct additional docks and slips not to exceed 43 total slips. No water craft may be equipped with a class three (3) marine toilet and no dumping of toilets shall be permitted.

Declarant may to grant to the Purchasers, rights in a boat slip at South Port Village on a first come, first serve basis as they are available. The parties acknowledge that this slip is and shall be for the use of said owners.

(a) The Dock and Slip may only be used in the connection with lot ownership in South Port Village.

(b) Lot owners, for themselves, their heirs, successors and assigns, agree to assume all risk, loss and/or damage to person or property, and agrees to indemnify and hold harmless and release Declarant and the South Port Village Property Owners' Association, or agents, employees, customers, invitees, or assigns, against any claim of liability, damage, or loss by reason of injury to person or property to the lot owners, their guests, invitees or third persons whomsoever caused or alleged to be caused, directly or indirectly, by or on the boat dock premise, and agrees to protect and save harmless and indemnify the said Declarant and South Port Village Property Owners' Association, their agents, employees, customers, invitees, successors or assigns, against claim of any party whatsoever arising out of personal injury or damage to property in any manner whatsoever.

(c) Use of the Dock and Slip shall be limited to the owner and their guests and all dock slip owners must abide by the rules, regulations or policies established by the Association, Duke Power Company, the Declarant, their successors, assigns and subsidiaries, and any local, state, or federal governmental agency having rights or authority in the regulation of boat docks and boat slips. No over night camping, sleeping, fishing or other human activity shall be allowed on the dock, boats located in slips or attached to the dock, recreational tracts, or common properties.

Section 26. Amenities. All amenities and recreational facilities may only be used by the Lot Owners or their guests when accompanied by the owner.

Section 27. Trespass. Whenever the Association or the Declarant are permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

Section 28. Subdivision. No Lot shall be subdivided, or its boundary lines changed, except with the written consent of the Review Board. However, the Declarant hereby expressly reserve to themselves, their heirs and assigns, the right to replat any Lot and to take such other steps as are reasonably necessary to make such replatted Lot suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, rights-of-way, private roads, bridges, parks, recreational facilities, and other lots.

The provisions of this Section shall not prohibit the combining of two (2) or more contiguous Lots into one (1) larger Lot or dividing a lot between adjacent property so long as the effect of subdividing does not create an additional lot for building purposes. Following the combining of two (2) or more Lots into one (1) larger Lot, or dividing adjacent lots, only the exterior boundary lines of the resulting larger Lot shall be considered in the interpretation of these Covenants. Consolidation of Lots, as described above, must be approved by the Review Board and shall be subject to one Association Membership.

Section 29. Sight Distances at Intersections. No fence, wall, hedge, or other shrub planting which obstructs sight lines of roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street-side property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

Section 30. Building Height. No residential dwelling shall exceed two and half (2 1/2) stories in height excluding basement.

Section 31. Driveway Surfaces. All driveways shall have a surface of concrete, asphalt, or brick.

Section 32. Mail Boxes. The Declarant shall cause to be designed a mail box which must be used by all residents who desire residential delivery.

Section 33. Minimum Square Footage. One-story residential dwellings shall have the minimum square footage of enclosed

dwelling area of 1800 square feet, excluding basement. Dwellings that have more than one level, shall have the minimum square footage of enclosed dwelling area of 2000 square feet, with a minimum of 1400 square feet being on the first level, excluding basement. All dwellings shall have an attached two (2) car garage which shall not be a basement garage or underneath garage. The term "enclosed dwelling area" as used in these minimum size requirements shall mean that total enclosed heated and cooled area within a dwelling. It shall not include garages, basements, terraces, decks, open porches, screen porches, or the like, provided, however, that enclosed porches such as sun porches which are heated and cooled and which have a roof line that forms an integral part of the roof line of the main dwelling, shall be included in the term "enclosed dwelling area."

Section 34. Roof Pitch. The roof pitch for all dwellings and attached garages must be 6-12 or greater.

Section 35. Review and Approval of Plans for Original Construction, Additions, Alterations or Changes to Structures and Landscaping: No building, dwelling, driveway, wall, fence, sign, mail box, trash containers, swimming pool, tennis court, roof, siding and other exterior materials and finishes, exterior lighting, landscaping, or other structure or improvement of any kind shall be commenced, erected, or maintained upon any Lot, or upon the exterior of any Dwelling, or upon the Common Properties, nor shall any addition to any existing building or structure, or alteration or change, or landscaping be done until the proposed building plans, specifications (including height, shape, type, nature, color and composition of roof, siding or other exterior materials and finish), plot plan (showing the proposed location of such building or structure, drives and parking area), landscape plan, and construction schedule shall have been submitted to and approved by the Review Board. All grass on any residential lot must be sodded. In the event of noncompliance additional inspection fees may be required by the Review Board.

Section 36. Changes in Plans and Specifications. Any alteration of the plans and specifications, changes or deviations from the approved plans and specifications must also be submitted to the Review Board for approval.

Section 37. Garages. All garages must have garage doors and be enclosed garages, no carports may be approved. No garage may be a basement garage or underneath garage.

Section 38. Time Share or Similar Ownership Prohibited. No Lot may be sold under or utilized for or pursuant to any timesharing, time interval or similar right-to-use, lease or license programs as those terms are currently generally utilized in the real estate industry or as those or similar terms are expressed, used or defined in the Vacation Time Share Plan Act,

Section 27-32-10 et seq., Code of Laws of South Carolina, 1976, as amended, or any similar successor or supplementary laws or regulations. All ownership shall be single family, no two (2) family ownership.

Section 39. Ingress and Egress; Roadways. The Owner, in accepting title to property conveyed subject to the covenants and restrictions of this Declaration, waives all rights of uncontrolled and unlimited egress and ingress to such property (and waives such rights for any person claiming entry rights by virtue of any relationship or permission of such Owners and successors-in-title) and agrees that such ingress and egress to its property shall be limited to roads built by the Declarant.

In order to provide for safe and effective regulation of traffic, the Declarant reserves the right to file with the Clerk of Court the appropriate documents making the Uniform Act Regulating Traffic on Highways of South Carolina (Chapter V, Title 56 of the Code of Laws of South Carolina, 1976) applicable to all of the private streets and roadways within South Port Village. Moreover, the Declarant may promulgate from time to time additional parking and traffic regulations which shall supplement the above-mentioned State regulations as it relates to conduct on, over and about the private streets and roadways in South Port Village.

Section 40. Controlled Access. The Declarant reserves the right to themselves, their heirs and assigns, to maintain carded or remote control gates controlling access to such roads; and reserves the right to limit access to the Property. When the roadways and streets are conveyed to the Association as hereinafter provided the aforesaid rights shall be assigned to the Association by the Declarant.

Section 41. Motorized Vehicles. All motorized vehicles, except golf carts, must be licensed by the State of South Carolina, and operated only by licensed operators.

(a) The Declarant, or the Association after title to the streets and roadways has passed to it from the Declarant, may post "no parking" signs along the streets and roadways within South Port Village where it, in its sole discretion, determines appropriate to do so. Violators of said "no parking" signs are subject to having their vehicles towed away and shall be required to pay the cost of such towing and storage before their vehicle may be recovered. The act of towing said vehicle shall not be deemed a trespass or a violation of the Owners' property rights, because the Owner shall be deemed to have consented to such action by accepting the right to use the roads and streets within South Port Village.

Section 42. Golf Cart Policy. Ownership and use of private golf carts at South Port Village is both a privilege and a

responsibility of resident members of South Port Village. The following rules, procedures, policies, and requirements of the use of private golf carts at South Port Village, which may be amended by the Association or by the Declarant.

Definitions:

(a) **Declarant.** Pete K. Dimopoulos and George Giannopoulos, their heirs and assigns.

(b) **Association.** South Port Village Property Owners' Association, Inc., its successors and assigns.

(c) **Covenants and Restrictions.** Declaration of Covenants and Restrictions of South Port Village dated February __, 1994 including all existing and future amendments thereto.

(d) **Resident Members.** A lot owner who also occupies a residential dwelling at South Port Village.

(e) **Board.** Board of Directors of South Port Village Property Owners' Association, Inc.

1. Resident members only may own and use golf carts at South Port Village.

2. All golf carts must be equipped with four wheels, and must be gas-powered. All golf carts must be kept in good repair as approved by the Association. Such approval shall in no way imply or impart any liability upon the Declarant or Association, their officers, principals or owners.

3. All carts must be equipped with properly working headlights, taillights and brakelights. All South Carolina traffic laws must be strictly obeyed while using carts upon the streets and roads of South Port Village.

4. For a privately owned golf cart such member must have a residence at South Port Village.

5. There shall be no trailering of golf carts to and from South Port Village other than for initial delivery, maintenance or repair requirements, and redelivery. Privately owned golf carts must be stored within a resident member's garage and subject to the same rules as other vehicles permitted at the member's residence and pursuant to the covenants and restrictions of South Port Village.

6. A resident member desiring to own and use a personal golf cart, shall deliver to the Association, maintain, and keep in full force and effect, a liability insurance policy naming the Declarant and Association as loss payee insuring against damage to

property of the Declarant and Association, and injury to persons or property resulting from the operation of said cart. The resident member shall also sign a waiver and hold harmless agreement prepared by the Association, agreeing that the Declarant and Association, their officers, principals, owners, heirs, successors and assigns shall not be held responsible for any damage or injury to person or property as a result of the use of the member's private cart at South Port Village.

7. No one under the age of fifteen (15) may operate a privately owned golf cart anywhere within the premises of South Port Village as defined by the Master Plan of South Port Village.

8. No privately owned golf cart may be driven on any walking path within South Port Village unless designated for golf carts.

9. The Declarant and Association shall not be responsible for theft, fire, damage or any other loss to any privately owned cart. The Declarant and Association expressly does not assume any responsibility for any private cart.

10. Proper golf cart etiquette as determined by the Association, and all traffic laws shall be adhered to at all times.

11. Any deviation from these policies, procedures, regulations, or any failure to comply with requirements of the Association concerning private golf cart use will result in the loss of the member's privilege to operate privately owned golf carts at South Port Village as determined by the Board either temporarily or permanently. Such member, shall agree to release the Declarant and Association, their heirs, successors and assigns from any responsibility or payment for loss of use of said cart, and specifically shall agree to abide by the opinion of the Board of Directors of the Association as to the enforcement of this golf cart policy.

Section 43. Topography and Vegetation. Topographic and vegetation characteristics of a Lot shall not be altered by removal, reduction, cutting, excavation or any other means, except as hereinafter provided, without the prior written approval of the Review Board. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of this Declaration. No trees, over six (6) inches in diameter, may be removed without the written approval of the Review Board. Pine trees may be removed without Review Board approval, and all dead trees must be removed by lot owner.

Section 44. Hunting Prohibited. The property within South Port Village shall be a wildlife sanctuary and any hunting of wildlife is hereby prohibited.

Section 45. Certain Easements. The Declarant reserves unto themselves, their heirs and assigns, a perpetual, alienable easement and right on, over and under the ground of the Property to erect, repair, replace, maintain, and use electric, cable television, and telephone, wires, cables, conduits, drainage ways, sewers, wells, irrigation lines and systems, pumping stations, tanks, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, irrigation, cable television, drainage or other public conveniences or utilities on, in or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these Covenants by the Declarant; or (b) such portion of the Property as may be designated as the site for a building on a plot plan or for erection of a building which has been filed with the Review Board and which has been approved in writing by said Review Board.

The Declarant further reserves unto themselves, their heirs and assigns, a perpetual, alienable easement and right on, over, and under the ground to erect, maintain, repair, wires, cables, conduits, sewers, irrigation lines and systems, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable equipment, telephone equipment, gas, sewer, water, irrigation, drainage way or other public convenience or utilities, on, in or over the road or street side and the rear side ten (10) feet of each lot, and ten (10) feet along each side of each lot, and such other areas as are shown on the applicable plats. Moreover, drainways for surface water wherever and whenever such action may appear to the Declarant or Review Board to be necessary in order to maintain reasonable standards of health, safety and appearance and an easement for such purpose ten (10) feet in width along each side lot line and ten (10) feet along each front and rear lot line and such other areas as are shown on the applicable plats.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance.

The Declarant further reserves to themselves, their heirs and assigns, the right to locate pumping stations, siltation basins and tanks within the Property, on any Common Properties, on the appropriate open areas of any Recreational Tract, or on any property designated for such use on the applicable plat of the property, or to locate same upon any property with the permission of the respective Owner.

The Declarant shall not be liable for damage caused by erosion, washing or other actions of the water of Lake Keowee, nor as to the water level of Lake Keowee or actions by Duke Power Declarant.

The Declarant advise that there is a flowage easement in favor of Duke Power Company to an elevation of 810 feet mean sea level.

The Association reserves the right to trim underbrush and clean the unimproved and unmanicured portion of any lot.

Section 46. Architectural and Design Review.

(a) PURPOSE: In order to preserve the natural beauty of South Port Village and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of property, no building, fence, wall, sign, swimming pool, mail box, tennis court, roof, exterior, or other structure shall be erected, placed, added to, or altered until the proposed building plans, specifications (including height, color and composition of roof, siding, or other exterior materials and finish), plot plan (showing the proposed location of such building or structure, drives and parking areas), landscape plan and construction schedule shall have been submitted and approved in writing as hereinafter provided.

(b) Review Board.

(i) The Declarant shall establish a Review Board (such board hereinafter referred to as the "Review Board") which shall consist of five (5) members. The five (5) members shall be appointed by the Declarant until such time as the Declarant, in their sole discretion, transfers control of the Review Board functions to the Association. The regular term of office for each member shall be one (1) year. Any member appointed by the Declarant may be removed with or without cause by the Declarant at any time by written notice to such appointee. A successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former members. When control of the Review Board functions is transferred to the Association, members of the Review Board shall be elected by the Board of Directors of the Association and any member so elected may resign or be removed by the Board in the same manner as provided in the By-Laws of the Association for the resignation and removal of officers of the Board.

(ii) The Review Board shall select its own Chairman and he, or in his absence, the Vice-Chairman, shall be the presiding officer of its meetings. All meetings shall be held upon call of the Chairman; all meetings shall be held at the offices of the Association in Oconee County, South Carolina or at such other

places in Oconee County as may be designated by the Chairman. Three (3) members shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members of the Review Board present at the meeting at which there is a quorum shall constitute the action of the Review Board on any matter before it. The Review Board shall operate in accordance with its own rules of procedure and guidelines which shall be filed with the Association and maintained in the records of the Association. The Review Board may split itself into panels of two (2) or more members which shall act in its behalf and perform duties delegated to it by the Review Board.

(iii) The Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, and/or attorneys, and other professional consultants as it determines necessary to advise and assist the Review Board in performing the design review functions herein prescribed.

(iv) The Review Board may adopt, promulgate, amend, revoke and enforce guidelines, hereafter referred to as the Development Guidelines, for the purposes of:

(a) Governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions hereof;

(b) governing the procedure for such submission of plans and specifications;

(c) establishing policies with respect to the approval and disapproval of all proposed uses and all construction or alteration of any Structure on any Lot or Common Property; and

(d) the Review Board shall make a published copy of its current Development Guidelines readily available to members and prospective members of the Association.

(c) Submission, Approval and Refusal of Architecture, Siting, Landscaping and Other Building Plans: Two (2) copies of all plans and related data shall be furnished the Review Board. One (1) copy shall be retained in the records of the Review Board. The other copy shall be returned to the Property Owner marked "approved" or "disapproved." The Review Board may establish a fee from time to time sufficient to cover the expense of reviewing plans and related data at the time they are submitted for review and to compensate any consulting architects, landscape architects, urban designers or attorney's retained in accordance with subparagraph (b) (iii) above. Approvals shall be dated and shall not be effective for construction commenced more than twelve (12)

months after such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related data shall be accompanied by a reasonable statement of items found unacceptable. In the event approval of such plans is neither granted nor denied within thirty (30) days following receipt by Review Board of all of the required documents with written request for approval, such approval shall be deemed granted. Refusal of approval of plans, location or specification may be based by Review Board upon any ground which is consistent with the objectives of these Covenants, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious.

(d) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship: No approval of plans, location or specifications, and no publication or architectural standards or bulletins shall ever be construed as representing or implying that such plans, standards or specifications, will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence or improvement thereto will be built in a good and workmanlike manner. Neither the Declarant nor the Review Board shall be responsible or liable for any defects in any plans or specifications submitted, revised or approved under these Covenants nor for any defects in construction pursuant to such plans and specifications. The Owner shall have sole responsibility for compliance with approved plans and does hereby, by acceptance of title to property subject to these Covenants, agree to hold the Review Board and the Declarant harmless for any liability or responsibility for any construction. The Declarant or the Review Board reserves the right to prohibit the Owner's builder and/or contractor from going to or upon the site in the event it is determined that failure to comply with approved plans is intentional or due to gross negligence under the above-mentioned circumstances. The Owner hereby agrees that the exercise of these rights shall not constitute a denial of Owner's property rights and shall not give rise to a cause of action for damages by the Owner, and/or his builder or contractor.

(e) Transfer of Architectural Review Authority.

The Declarant may transfer the control of the Review Board to the Association. This Section does not obligate the Declarant to make such transfer at any particular time.

ARTICLE II
ENFORCEMENT

Section 1. Right of Action. In the event of a violation or breach of any Restriction contained in this Declaration, the Review Board or the Declarant shall give written notice to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be

taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within the time set in said written notice, then the Association or Declarant shall have the Right of Action. The Right of Action shall mean the right of the Association or Declarant, through its agents and employees, to levy fines against the Owner and to enter at all reasonable times upon any Lot as to which a violation, breach or other condition to be remedied exists, and take the actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation, breach or condition which may exist thereon contrary to the provision hereof. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act. The cost thereof shall be a binding personal obligation of such owner enforceable pursuant to the provisions of Part Three hereof.

Section 2. Specific Performance. Nothing contained herein shall be deemed to affect or limit the rights of the Declarant, the Association, the Members, the Residents, or the Owners of the Lots to enforce this Declaration by appropriate judicial proceedings. The Declarant and the Association hereby declare and the owners of the lots agree that in addition to the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided by this Declaration, shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof, including recovery of cost and reasonable attorneys fees incurred in the enforcement of this Declaration.

Section 3. Other Remedies. The rights set out in this Article shall be in addition to any rights of enforcement of the Declarant, the Association or any other Owner set out in this Declaration.

PART THREE
SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC.
ARTICLE I
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner shall be a member of the Association.

Section 2. Voting Rights. The Association shall have two (2) types of regular voting membership:

TYPE "A" - Type "A" Members shall be all those Owners of Lots other than the Declarant. A Type "A" Member shall be entitled to one (1) vote for each lot which he owns, but shall have not additional vote for each other lot comprising a part of the total consolidated home or building site so long as such lot remains a part of the consolidated site.

UNTIL TRANSFER AS PROVIDED IN ARTICLE II, SECTION 2, ALL VOTES BY TYPE "A" MEMBERS ARE ADVISORY ONLY.

TYPE "B" - Type "B" Members shall be the Declarant. The Declarant shall be entitled to three (3) votes for each lot owned by the Declarant.

When any Property entitling the Owner to membership as Type "A" or "B" Member of the Association is owned and recorded in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then an instrument shall direct who shall cast the vote or votes, and a copy thereof filed with the Secretary of the Association.

Section 3. Composition of Board. The Association shall be governed by a Board of Directors consisting of five (5) members, with the number in subsequent years to be determined as provided for in the By-Laws of the Association. All members of the Board shall be Owners within the Property, of officers, employees or agents of the Declarant designated by the Declarant.

Section 4. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, or the Board shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event two-thirds (2/3), or more, of the votes of all Members of the Association shall be in favor of such action, the Referendum shall be deemed to "Pass" and the activity voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefore.

In the event of a dispute as to whether a Referendum is required or if a majority of the Board of Directors call a Referendum, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five (25) percent of the total vote of the membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members and the

Secretary shall thereafter within thirty (30) days send out the referendum to all Members.

Section 5. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association the presence at the meeting of Members or proxies entitled to cast fifty-one (51) percent of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be a quorum requirement of twenty-five (25) percent of the total vote of the Members of the Association for such meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this ARTICLE I, Section 5, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Part Four, ARTICLE II, Section 2, shall govern in that instance. For the purpose of this Section 5, "proper notice" shall be deemed to be given when given to each Member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered.

Section 6. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association.

ARTICLE II
PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easement of Enjoyment in Common Properties. Subject to the provisions of these Covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Type "A" and "B" Member and guest of such Type "A" and "B" Member shall have a right of easement of enjoyment in and to the roads and Common Properties.

Section 2. Transfers to Association. The Declarant covenants for themselves, their heirs and assigns, that, upon completion, it shall convey to the Association by limited warranty deed those properties designated on the South Port Village Master Plan, or in

the deeds conveying such properties as "Common Properties", roadways and amenities. Such conveyances shall be subject to all the restrictions and limitations of the various Parts and Articles of this Declaration, and any other restrictions, reservations and limitations of record, and easements of ingress and egress as determined by the Declarant. The properties consist of the following:

- (a) As Common Properties. (1) All community roads within the properties, subject to rights of others for egress and ingress, as determined by the Declarant; (2) All other property as determined by the Declarant to be in its best interest and in the best interest of the Association; (3) Boat docks, ramp, boat slip and other dock apparatus.

Section 3. Evidence of Membership and Transfers.

(1) Membership Certificates. Certificates of membership in the Association may be issued to members. Such certificates shall be in such form as the Board shall from time to time designate and shall be issued over the signature of the president or other officer of the Association. such certificate shall indicate the Lot ownership of which gives rise to membership and the date of membership.

(2) Transfer. When a member ceases to be an Owner, such person's membership shall cease, but such person shall remain liable for all Association charges incurred prior to the giving of written notice to the association that such person is not longer an Owner.

ARTICLE III
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each Owner of any Lot, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association: (1) Annual assessments and charges; and (2) Special assessments or charges for the purposes set forth in this ARTICLE III, such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) cost incurred by the Association in performing obligations of the Owner. The Annual and Special assessments together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person or entity which was the owner of such real property at the time when the assessment first became due and payable.

Section 2. Purpose of Assessments. The Annual assessments levied by the Association shall be paid to the Declarant until such time as the Declarant transfers the property to the Association. After the transfer, the funds shall be used as determined by the Board Of Directors of the Association.

Section 3. Annual Assessment

- (a) Lots improved or Unimproved \$365.00
- (b) Dock Owners \$250.00

(c) Assessments may be decreased in any year by a majority vote of the Board of Directors, and maybe increased by an amount not in excess of the percentage increase in the Consumer Price Index, U.S. (hereinafter C.P.I.) for the preceding year. Any increase in excess of the C.P.I. average for the preceding year shall only be done after referendum approved by two-thirds (2/3) of the Members.

The Board of Directors may, after consideration of current costs and future needs of the Association, fix the annual regular assessment for any year. The Board shall have the power by unanimous vote to make a supplemental assessment.

Section 4. Special Assessments for Improvements, Additions, Operating Deficits, and Repayment of Loans. In addition to the annual regular assessments authorized by Section 3 hereinabove, the Association may levy special assessments, for the purpose of construction or reconstruction, repair or replacement of capital improvements upon the common Properties, roads, or to provide for the necessary facilities and equipment to offer the services authorized herein, or repay any loan made to the Association to enable it to perform the duties and functions authorized herein, to fund any deficit in operating funds necessary to pay operating expenses which exceed the budgeted assessment, provided that such assessments; shall have received the assent of two-thirds (2/3) of the votes of the Members by Referendum.

Section 5. Reserve Fund. The Association may establish a reserve fund from its regular annual assessments to be held in reserve in an interest drawing account or investments as a reserve for (a) major rehabilitation or major repairs or replacements of improvements, and (b) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, and (c) operating deficits of the Association.

Section 6. Assessment Payments. Beginning with the year 1995 and thereafter, the annual assessment shall be made for the fiscal year in advance and shall become due and payable within sixty (60) days after the amount of such assessment is fixed by the Board of Directors of the Association. The Board of Directors of the Association shall have the power to change the date upon which

annual assessments become due and payable and also to determine the method of payment of annual assessments, i.e., lump sum, monthly installments, quarterly, etc.; provided, however, that the annual assessment shall be due and payable at least annually.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment, and shall, at that time, direct the preparation of an index of the properties and assessments applicable thereto which shall be kept in the office of the Association and which shall be open to inspection by any Owner. Written notice of assessment shall thereupon be sent to every Owner subject thereto at the last address listed on the Association's book.

The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence against all but the Owner of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessment or cost incurred by the Association as a result of the owner's failure to abide by these covenants is not paid, then such assessment or cost shall become delinquent and shall, together with interest thereon from the due date, at the rate established by the Board of Directors from time to time, late charges as established by the Board of Directors from time to time and cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such assessment is made, in the hands of the then Owner, his heirs, devisees, personal representatives, successor-in-title and assigns.

If the assessment is not paid within thirty (30) days after the past due date, the Association may bring an action at law against the Owner personally obligated to pay and/or foreclose the lien against the property, and there shall be added to the amount of such assessment the interest hereinabove specified until judgment, late charges, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment, late charges and reasonable attorney's fees to be fixed by the court together with the costs of the action.

In addition to the rights of action set forth above, the Board of the Association may suspend the membership rights of any member during the period when the assessment or costs remains unpaid. Upon payment of such assessment interest and late charges, etc., the Owner's rights and privileges shall be automatically restored.

This provision shall not empower the Board to suspend the right to use the roads within the Property.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage representing a lien on any lot. The sale or transfer of any lot pursuant to a decree of foreclosure, or any other proceeding or deed in lieu of foreclosure shall extinguish the lien against the lot as to payments which become due prior to such sale or transfer, but not the personal obligation of the defaulting former owner. In the event that a lender acquired any lot as a result of such mortgage, assessments shall be waived during the term that such lender is actively attempting to sell such lot.

Section 10. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

- (a) the utility easements, roads, entrance and entire sign area;
- (b) all Common Properties;
- (c) Property held in the name of the Declarant.
- (d) Private Recreational Tract.

Section II. Annual Statements. The President, Treasurer, or such other officer or agent as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. The Association may employ the services of necessary professionals such as accountants, CPA's, or attorneys, to assist in such statement preparation. Such copy may be furnished to the Member or mortgage holder upon request. Failure to furnish such copy shall not effect the validity or enforceability of the assessment.

**ARTICLE IV
FUNCTIONS OF ASSOCIATION**

Section I. Ownership and Maintenance of Common Properties. The Association shall be authorized to own and maintain Common Properties, equipment, and improvements devoted to the following uses:

- (a) roads or roadways;

- (b) walking paths or trails;
- (c) golf cart paths;
- (d) for private security;
- (e) recreational tracts and amenities.
- (f) for providing any of the services which the Association is authorized to offer under Section 2 of this ARTICLE IV;
- (g) for other properties and facilities in South Port Village, of interest to the Association;
- (h) for insect control within the Property;
- (i) for drainage facilities serving the Property;
- (j) for any other purposes or uses reasonably necessary to carry out its functions of a Property Owner's Association.

Section 2. Authorized Services. The Association shall provide the following service:

- (a) cleanup and maintenance of roads, walking paths, Common Properties, recreational tracts, boat docks, under brush, and non formal private yard areas.
- (b) landscaping of roads or parkways, walking paths and any other common Properties;
- (c) lighting of roads, common properties and recreational tracts;
- (d) limited controlled access;
- (e) the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this document;
- (f) to take any and all actions necessary to enforce all covenants and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property, including but not limited to fining owners for violating same or not properly maintaining their property;
- (g) to set up and operate an architectural review board in the event that the Association is designated by the Declarant as the agent of the Declarant for such purposes;

(h) to construct improvements on Common Properties for use for any of the purposes or as may be required to provide the services as authorized in this ARTICLE,

(i) to provide administrative services including but not limited to: insurance, legal, accounting and financial; and communication services informing Members of activities, notice of meetings, referendums, etc., incident to the above-listed services, and payment of taxes and other expenses;

Section 3. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions.

Section 4. Insurance Requirements. The Association shall maintain in full force and effect casualty and liability insurance, Director and Officer liability, and fidelity bond coverage as determined by the Board of Directors, however, comprehensive general liability insurance shall not be less than Five Hundred Thousand and No/100 (\$500,000.00) Dollars for a single occurrence.

**PART FOUR
GENERAL PROVISION**

**ARTICLE I
DURATION**

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five-year period this Declaration shall be automatically renewed and extended for successive ten-year periods. The number of ten-year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten-year renewal period for an additional ten-year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial twenty-five-year period, or during the last year of any subsequent ten-year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term.

ARTICLE II
AMENDMENTS

Section 1. Procedure for Amendments by the Membership. The procedure for further amendments of this Declaration by the Membership shall be as follows: All proposed amendments shall be submitted to a vote of the Members at a duly called meeting of the Association and any such proposed amendment shall be deemed approved if three-fourths (3/4) of the votes cast at such meeting vote in favor of such proposed amendment. Such amendments shall be recorded in the Official Real Estate Records of Oconee County, South Carolina.

Section 2. Quorum Required for Amendment by Members. The quorum required for any action authorized to be taken by the Association under this ARTICLE II shall be as follows:

The first time any meeting of the Members of the Association is called to take action under this ARTICLE II, the presence at the meeting of the members of proxies entitled to cast sixty percent (60%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such subsequent meeting shall be the presence of Members of proxies entitled to cast fifty percent (50%) of the total vote of the Association.

Section 3. Amendment by Declarant. In addition to amendment rights reserved on page 2, the Declarant reserves the right to add additional restrictive covenants with respect to lands conveyed in future phases other than the real property described in Exhibit "A". The Declarant further reserves the right to reduce or increase the minimum square footage requirement as hereinabove set forth. Such changes, may be done without notice or vote of the Members.

Section 4. Right to Amend for Correction of Errors and to Conform to Lenders Requirements. The Declarant reserves the right to amend these Covenants to correct typographical and scrivener errors and to make same conform to the requirements of FHA, VA, FNMA, FHLMC or other secondary mortgage loan markets requirements. Such amendments shall be effective without vote of the members and upon filing by the Declarant of an Amendment signed by it reciting its provision as authority. Anyone may thereafter rely on the amendment as being duly adopted without further investigation.

ARTICLE III
NOTICES

Section 1. How Notice is Given. Any notice required to be sent to any Member or Owner under the provision of this Declaration shall be deemed to have been properly sent, and notice thereby

given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as Owner on the Associations books, on the first day of the calendar month in which said notice is mailed.

Section 2. Notice to Co-Owners. Notice to one (1) of two (2) or more co-owners shall constitute notice to all co-owners.

Section 3. Notice Where Address or Ownership Changed. It shall be the obligation of every member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title.

ARTICLE IV
ENFORCEMENT, SEVERABILITY AND INTERPRETATION

Section 1. Who May Enforce Generally. In the event of a violation or breach of any of the affirmative obligations or restrictions contained in this Declaration by any Owner or Member or agent of such owner or Member, the Declarant or any other Owners or Members, or any of them jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event.

Section 2. Enforcement by the Association. In addition to the foregoing and any other remedy set out in these Covenants, the Association shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event:

The Association may engage a person or persons to respond to complaints received as to violations of the covenants and shall inform the violators of such complaint. If the violation is not expeditiously terminated, the Declarant or Association may engage legal counsel to bring an appropriate injunctive action, including any appeals, to enforce these Covenants. Violators shall be obligated to reimburse the Association in full for all its direct and indirect costs, including but not limited to legal fees incurred by the Association in maintaining compliance with these covenants in the event the Association prevails in such proceedings.

Section 3. Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to legal fees incurred by the Declarant in maintaining compliance

with these covenants in the event the Declarant prevails in such proceedings.

Section 4. Against Whom May the Covenants be Enforced. The obligations and benefits prescribed by the Covenants shall run with the property and shall be enforceable by the Declarant, its successors or assigns, the Association and against any Owner or other person whose activities bear a relation to the Property when the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations or attempts to violate or circumvent the covenants and restrictions set forth in this Declaration.

Section 5. Means of Enforcement. Enforcement of these Covenants may be by any proceeding at law or in equity, whether it be to restrain violation or to recover damages or to enforce any lien created by these Covenants.

Section 6. Severability. Should any covenants and restrictions herein contained, or any Part, ARTICLE, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 7. Interpretation. In all cases, the provision of this Declaration shall be given that interpretation of construction which will best result in the consummation of the general plan of development of the Property. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning or similar ordinance which allows a less restricted use of the Property.

Section 8. Authorized Action. All action which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 9. Trespass. Whenever the Association, and/or the Declarant are permitted by the Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

ARTICLE V
ASSIGNMENT

The Declarant reserves the right to assign its authority or any part thereof is hereinabove granted to the Association.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed the day and year first above written pursuant to a resolution duly and unanimously adopted by its Board of Directors.

WITNESSES:

Judy Adams
[Signature]

SOUTH PORT VILLAGE
DEVELOPMENT, INC.

BY: [Signature]

STATE OF SOUTH CAROLINA)
COUNTY OF OCONEE)

PROBATE

PERSONALLY appeared before me the undersigned witness who being duly sworn states that (s)he saw the within named duly authorized officer of SOUTH PORT VILLAGE DEVELOPMENT, INC. sign, seal and as his act and deed, deliver the foregoing instrument and that (s)he with the other witness subscribed witnessed the execution thereof.

SWORN to before me this
8th day of March 1994

Judy Adams

Notary Public of South Carolina
My Commission Expires: 5/28/02

EXHIBIT "A"

All that certain piece, parcel or tract of land situate, lying and being in the State of South Carolina, County of Oconee, Seneca Township, containing 37.458 acres, more or less, and being the remaining 37.458 acres, more or less, from a 45.17 acre, more or less, parcel as shown and more fully described on a plat thereof prepared by Gregory B. Sosebee and Associates, RLS #14818, dated 9/8/92 and recorded in Plat Book A157, at page 2, records of Oconee County, SC, after taking therefrom and less, however, a 7.712 acres, more or less, parcel as shown and more fully described on a plat thereof prepared by Gregory Blake Sosebee, PLS #14818, dated 2/15/94 and recorded in Plat Book ~~A157~~ at page 2, records of Oconee County.

EXHIBIT "B"

BOOK 0763 PAGE 266

BY-LAWS
OF
SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I
IDENTITY

Section 1. Name. The name of the corporation is South Port Village Property Owners' Association, Inc., (hereinafter referred to the "Association") which was created and exists as a non-profit corporation under the laws of the State of South Carolina.

Section 2. Office of Association. The office of the Association shall be at South Port Village, or at such other place as may be subsequently designated by the Board of Directors.

Section 3. Seal. The Seal of the Association shall bear the words "SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC. or an appropriate abbreviation thereof.

ARTICLE II
DEFINITIONS

Section 1. General. All terms used herein and not otherwise defined shall be deemed to have the same meaning as defined in that certain DECLARATION OF COVENANTS AND RESTRICTIONS OF THE SOUTH PORT VILLAGE SUBDIVISION, dated March __, 1994, and recorded in the Office of the Clerk of Court for Oconee County, South Carolina ("Declaration").

ARTICLE III
MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Every Owner shall be a member of the Association.

Section 2. Voting Rights. The Association shall have two (2) types of regular voting memberships:

TYPE "A" - Type "A" Members shall be all those Owners of Lots other than the Declarant. A Type "A" Member shall be entitled to one (1) vote for each Lot which he owns. If a single-family residence is constructed on more than one (1) Lot, the Owner shall have (1) vote for the residence but shall have no additional vote for each other Lot comprising a part of the total consolidated home or building site so long as such lot remains a part of the consolidated site.

UNTIL TRANSFER AS PROVIDED IN ARTICLE II, SECTION, ALL VOTES BY TYPE "A" MEMBERS ARE ADVISORY ONLY.

TYPE "B" - Type "B" Members shall be the Declarant. The Declarant shall be entitled to three (3) votes for each lot owned by the Declarant.

When any Property entitling the Owner to membership as Type "A" or "B" Member of the Association is owned and recorded in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenants-in-partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same Property, then a written instrument shall direct who shall cast the vote or votes, and a copy thereof filed with the Secretary of the Association.

Section 3. Composition of Board. The Association shall be governed by a Board of Directors consisting of five (5) members, with the number in subsequent years to be determined as provided for in the By-Laws of the Association. All members of the Board shall be Owners within the Property, of officers, employees or agents of the Declarant designated by the Declarant.

Section 4. Member to Have Power of Referendum in Certain Instances. Where specifically provided for herein, the Members, or some specific portion thereof, or the Board shall have the power to approve or reject certain actions proposed to be taken by the Association by Referendum including, without limitation, whether the levy by the Association of any Special Assessment, and the addition or deletion of functions or services which the Association is authorized to perform. In the event two-thirds (2/3), or more, of the votes of all Members of the Association shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed herein, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor.

In the event of a dispute as to whether a Referendum is required or if a majority of the Board of Directors call a Referendum, the following action may be taken:

Within thirty (30) days after the adoption by the Directors of any action which is, in the opinion of the Members, subject to a Referendum, a petition signed by not less than twenty-five (25) percent of the total Membership of the Association may be filed with the Secretary of the Association requesting that any such action be either repealed or submitted to a vote of the Members, and the Secretary shall thereafter within thirty (30) days send out the referendum to all members.

Section 5. Quorum Required for any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Association is called to vote on a particular action proposed to be taken by the Association, the presence at the meeting of Members or proxies entitled to cast fifty-one percent (51%) of the total vote of the Membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be a quorum requirement of twenty-five percent (25%) of the total vote of the members of the Association for such second meeting. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum requirements established by this ARTICLE I, Section 54, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association. This provision shall not apply when the proposed action is the amendment of this Declaration and the quorum requirement established by Part Four, ARTICLE II, Section 2, shall govern in that instance. For the purpose of this Section 5, "proper notice" shall be deemed to be given when given to each member not less than ten (10) days prior to the date of the meeting at which any proposed action is to be considered.

Section 6. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing; provided, however, that proxies shall not be required for any action which is subject to a Referendum, in which case the votes of all the Members polled shall be made by specially provided ballots mailed to the Association.

ARTICLE IV
MEETING OF MEMBERSHIP

Section 1. Place. All meetings of the Association Membership shall be held at the office of the Association, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of Meeting, and shall be open to all Members.

Section 2. Membership List. At least ten (10) but not more than thirty (30) days before every meeting of the Association or election of directors, a complete list of Members of the Association shall be prepared by the Secretary. Such list shall be maintained in the office of the Association for a least ten (10) days prior to any meeting or election and ten (10) days after any meeting or election.

Section 3. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed, at least ten (10) days (but not more than thirty (30) days) before such meeting to each Member entitled to vote thereat, to the last known address of the person or entity who appears as the Owner in the Associations Records, on the first day of the calendar month in which said notice is mailed. Notice to one (1) of two (2) or more co-owners shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor-in-title. 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. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least ten (10) days prior to such meeting.

Section 4. Annual Meetings. The annual meeting shall be held at time set each year by the Board commencing in 1994 and from year to year thereafter with at least ten (10) days' notice thereof to each Member for the purpose of electing directors and transacting any other business authorized to be transacted by the Members. At the annual meeting, the Members shall elect new Members of the Board of Directors by plurality vote and in accordance with ARTICLE V of these By-Laws, and shall transact such other business as may properly be brought before the meeting.

Section 5. Special Meeting. Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President of the Association and shall be called by the President or Secretary of the Association at the request, in writing, of Members owning twenty-five percent (25%) or more of the total votes of the Members of the Association, which request shall state the purpose or purposes of the proposed meeting.

Section 6. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association,

the meeting and vote of Members may be waived if a majority of Members who would have been entitled to vote on this action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all Members unless all Members participated in the approval of such action.

ARTICLE V
DIRECTORS

Section 1. Composition of the Board of Directors. The Association shall be governed by a Board of Directors consisting of five (5) Members.

Section 2. Qualifications and Selection of Board Members. All Members of the Board shall be Owners within the Property, or officers, employees or agents of the Declarant, designated by the Declarant.

Section 3. Term of Office. The Members of the Board of Directors shall be appointed by the Declarant, until ninety (90%) of the lots planned for South Port Village have been sold. Thereafter, at the next annual meeting, the members shall elect two (2) Directors for a term of one (1) year, and two (2) Directors for a term of two (2) years and one (1) Director for a term of three (3) years; and at each annual meeting thereafter the members shall elect Directors to fill the expiring terms for a term of three (3) years.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association or by the Declarant if appointed by the Declarant. A successor may then and there be elected to fill the vacancy thus created. Should the Association fail to elect a successor, the Board of Directors may fill the vacancy in the manner provided in Section 5 below. Provided, however, that any Director removed by the Declarant shall be replaced by the Declarant.

Section 5. Vacancies on Directors. If the Office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Members of the Board of Directors, though less than a quorum, shall choose a successor or successors, at any regular or special meeting of the Board of Directors. Such replacement member of the Board of Directors shall hold office for the balance of the unexpired term. Provided, however, the Declarant can appoint a replacement director for any vacancy of a Director appointed by the Declarant.

Section 6. Disqualification and Resignation of Directors. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the

Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. No Director shall continue to serve on the Board of Directors should he be more than thirty (30) days delinquent in the payment as a Member of any assessment against his Lot, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 7. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties. The Board may waive dues of Directors.

**ARTICLE VI
NOMINATION AND ELECTION OF DIRECTORS**

Section 1. Nomination. Nomination of the Members of the initial Board of Directors shall be made by the Declarant; thereafter, nomination for election to the Board of Directors by the Members shall be made by a Nominating Committee. Nominations may also be made by a petition of not less than forty (40) members in good standing submitting such nomination in writing to any officer or Director at least twenty-four (24) hours prior to the date and time set for the meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors to serve until the close of the 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 2. Election. Subsequent to the appointment of the initial Board of Directors by the Declarant, election to the Board of Directors shall be by secret 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 By-Laws. The persons receiving the largest number of votes for each category of directorship shall be elected.

**ARTICLE VII
MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and time 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. Although not required, notice of such regular meeting may be given to each Director personally or by mail,

telephone or telegraph at least three (3) days prior to the date of such meeting. All meetings of the Board, including special meetings in accordance with Section 2 below, shall be open to all members.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two members of the Board of Directors, after not less than three (3) days' notice, in writing, to all members of the Board of Directors of the time, place and purpose of such meeting.

Section 3. Place of Meetings. Meetings of the Board of Directors shall be held in Oconee County, South Carolina, whenever practical. However, this provision is in no way intended to invalidate in any way whatsoever meetings held somewhere other than Oconee County, South Carolina.

Section 4. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 5. Quorum. At all meetings of the Board of Directors, a majority of the Members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Members of the Board of Directors present at such meetings at which a quorum is present, shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration, this Association's Articles of Incorporation, or these By-Laws, directed to be exercised and done by Owners. These powers and duties shall specifically include, but shall not be limited to, the matters hereinafter set forth.

Section 1. Powers. The powers of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) to adopt and publish rules and regulations governing the use of the Common Properties, roads and facilities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) to suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for such time as may be determined by the Board of Directors after notice to the Member and hearing before the Board of Directors for any infraction of rules and regulations;

(c) to 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 By-Laws, the Articles of Incorporation, or the Declaration;

(d) to 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) to employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) to secure Officers and Directors Liability Insurance covering the Officers and Directors of the Association at the expense of the Association; and

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(g) to borrow money to meet the financial needs of the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association the proceeds of which loans shall be used by the Association in performing its authorized functions.

Section 2. Duties. The duties of the Board of Directors shall specifically include, but shall not be limited to the following:

(a) to cause to be kept a complete record of all its acts and corporate affairs;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each property ownership form as defined in the Declaration not later than the first calendar quarter in each year;

(2) send written notice of each assessment to every Owner subject thereto as soon as practicable after the fixing hereof; and

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

(e) to procure and maintain adequate liability and hazard insurance on property owned by the Association in the form and amount required by the Declaration;

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(f) to cause all officers and employees of the Association having fiscal responsibilities to be bonded, with fidelity bonds in the form and amount required by the Association, and the premium on such bonds shall be paid by the Association;

(g) to cause the Common Properties and roads to be adequately maintained;

(h) to review and amend, if appropriate, the annual budget as prepared by the Treasurer; and

(i) to enforce the Restrictive Covenants and Rules and Regulations and if necessary, bring an action at law or in equity, against the Member to enforce same or recover damages resulting from the violations.

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ARTICLE IX
LIABILITY OF THE DIRECTORS

The Members of the Board of Directors, officers, employees, agents, managing agents or management firm (herein collectively referred to as "Agents") shall not be liable to the Owners or the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the Agents and its agents or employees against all contractual or tort liability to others arising out of contracts made, actions performed or omissions by the Agents on behalf of the Association unless any such contract, action or omission shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Agents shall have no personal liability with respect to any contract made, action performed or omission by them on behalf of the Association. It is understood and permissible and shall not be deemed to be self dealing for the Association to contract with the Declarant or with corporations of other entities owned, controlled or affiliated with the Declarant. It is also intended that the liability of any Member arising out of any contract made, action taken or omission by the Agents or out of the aforesaid indemnity in favor of the Agents shall be limited to such proportions of the total liability thereunder as his interest in the Common Properties bears to the interests of all Members in the Common Properties. Every agreement made by the Agents is made in the capacity only as an agent for the Members and shall have no personal liability thereunder (except as Members). Moreover, each Member's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Properties bears to the interests of all Members in the Common Properties.

ARTICLE X
OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the organization meeting of the Board of Directors following within ten (10) days after each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until their successors are chosen and assume office in their stead unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Appointive Officers. The Board of Directors may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance or acknowledgment of 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 of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The same person may hold multiple offices.

Section 8. Duties. The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Owners and of the Board of Directors; shall see that orders and resolutions of the Board are carried out. He shall have executive powers and

general supervision over the affairs of the Association and other contracts and other written instruments as required by resolution of the Board of Directors. He shall perform all of the duties incident to his office or which may be delegated to him from time to time by the Board of Directors.

Vice President

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 from time to time by the Board of Directors.

Secretary

The Secretary shall issue notices of all Board of Directors' meetings and all meetings of the Members and shall attend and keep the minutes of same. The Secretary shall have charge of all of the Associations' books, records and papers, except those kept by the Treasurer. The Assistant Secretary may perform duties of the Secretary when the Secretary is absent.

Treasurer

The Treasurer shall:

(a) have custody of the Association's funds and securities, except the funds payable to any management firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such insured depositories as may be designated from time to time by the Board of Directors;

(b) disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the Treasurer and of the financial condition of the Association;

(c) collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors;

(d) give status reports to potential transferees on which reports the transferees may rely;

(e) cause an annual audit of the Association to be completed in a timely fashion by a certified public accountant selected by the Board of Directors and the results of such audit shall be

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reported to the Board of Directors and the Members,

(f) in conjunction with the Association's accountant and such other persons as the Board of Directors may designate, shall prepare an annual budget for consideration, modification, if appropriate, and ultimate approval by the Board of Directors;

(g) the duties of the Treasurer may be performed by the Assistant Treasurer when the Treasurer is absent;

(h) the duties of the Treasurer or Secretary may be fulfilled by a management firm employed by the Association, in which event such management firm shall have custody of the books of the Association.

**ARTICLE XII
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 By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

**ARTICLE XIII
ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge of one and one-half percent (1 1/2%) of the delinquent payment amount per month from the due date until paid or such other amount as set by the Board of Directors from time to time, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs of collection, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of this property by which he is entitled to membership. Part Three, Article III of the Declarations is incorporated herein and a made a part hereof as fully as if repeated verbatim.

**ARTICLE XIV
COMMITTEES**

The Board of Directors shall appoint a Nominating Committee.

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as provided in these By-Laws. In addition, the Board of Directors may designate one or more committees which, to the extent provided in the resolution designating said committee, shall have such powers as determined by the Board in the management of affairs and business of the committee. Any such committee shall consist of at least three (3) Members. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

**ARTICLE XV
FISCAL YEAR**

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

**ARTICLE XVI
INDEMNIFICATIONS**

The Association and Owners shall indemnify every Director and every officer, his heirs, executors, and administrators, against all losses, costs and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

**ARTICLE XVII
PARLIAMENTARY RULES**

Roberts Rule of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration or these By-Laws.

**ARTICLE XVIII
AMENDMENTS**

Section 1. The By-Laws may be amended at a regular or special meeting of the Members by three-fourth (3/4) of the vote at a duly called meeting at which a quorum exists as provided in Section 4 of ARTICLE III hereof and provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Article shall control; and

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in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the organizing Members and Directors of SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC., have hereunto set our hands and seals this 8th day of March, 1994.

WITNESSES:

Judy Adams
[Signature]

SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC.

BY: *[Signature]*

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

PROBATE

PERSONALLY appeared before me the undersigned witness who being duly sworn states that (s)he saw the within named duly authorized officer of SOUTH PORT VILLAGE PROPERTY OWNERS' ASSOCIATION, INC., sign, seal and as his act and deed, deliver the foregoing instrument and that (s)he with the other witness subscribed witnessed the execution thereof.

SWORN to before me this 8th day of March, 1994

[Signature]

Judy Adams

Notary Public of South Carolina
My Commission Expires: 5/28/02

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