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STATE OF SOUTH CAROLINA
COUNTY OF OCONEE

BK **2684** PG **80-129**

AMENDED AND RESTATED PROTECTIVE COVENANTS
WATERSTONE SUBDIVISION

FILED OCONEE COUNTY, SC
ANNA K. DAVISON
REGISTER OF DEEDS

2021 MAY -6 PM 2:39

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

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

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

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

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

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

ARTICLE I DEFINITIONS

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

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

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

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

SECTION 1.5 COMMON EXPENSES shall mean and include:

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

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

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

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

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

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

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

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

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

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

ARTICLE II PROPERTY RIGHTS

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

- a. Developer transferred deeds of right of way to Oconee County for the maintenance of Waterstone roadways. See Deed Book 1465, Pages 282 and 283.
- b. The right of the Association to impose regulations for the use and enjoyment of the Common Areas and improvements thereon.
- c. The Developer transferred 76.76 acres to The Community Open Land Trust by a Conservation Easement recorded in Deed Book 1469, Pages 342-358.
- d. The Developer transferred to the Association a 14.97 acre, more or less, parcel of common area and a 17.90 acre, more or less, parcel of common area to the Association by deed recorded in Deed Book 1858, Pages 347-349 on October 3, 2011.

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

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

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

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

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

- a. The lien and permanent charge of assessments, fees, penalties, or damages (together with interest thereon and cost of collection) authorized herein with respect to any lot is hereby made subordinate to the lien of any mortgage placed on such lot if, but only if, all such assessments with respect to such lot having a due date on or prior to the date such mortgage is filed for record have been paid.

- b. Such subordination is merely a subordination and shall not relieve the property owner of the mortgaged property of his personal obligation to pay all assessments, fees, penalties or damages coming due at a time when he is the property owner; shall not relieve such property from the lien and permanent charge provided for herein (except to the extent a subordinated lien and permanent charge is extinguished as a result of any such subordination as against a mortgage or such mortgagee's assignee or transferee by foreclosure or levy and execution); and no sale or transfer of such property to the mortgagee or to any other person pursuant to a decree of foreclosure, or pursuant to any proceeding executing upon the property shall relieve any existing or previous property owner of such property or the then and subsequent property owners for liability for any assessment provided for hereunder coming due after such sale or transfer.

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

ARTICLE IV COVENANTS FOR MAINTENANCE AND CAPITAL ASSESSMENTS

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

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

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

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

SECTION 4.4 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 4.3: Written notice of any meeting called for the purpose of taking any action authorized under

Section 4.3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, a majority of the members eligible to vote shall constitute a quorum.

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

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

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

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

ARTICLE V ARCHITECTURAL CONTROL

SECTION 5.1 ARCHITECTURAL CONTROL COMMITTEE: No building, fence, wall, or other structure shall be commenced upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the same shall have been submitted to and approved in writing by the Architectural Control Committee. The Architectural Committee shall be appointed by the Board. In the event said Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Association, its Board, Committees, agents or employees shall not be responsible for building code compliance of plans or construction. Any adverse decision may be appealed by the aggrieved party to the Association at a special meeting called for this purpose. Upon receiving approval of plans and specifications,

construction shall be in conformity with such plans as have been previously approved by the said Committee. The Association shall be entitled to stop any construction which is in violation of these restrictions. In the event that legal action is brought by the Association to stop construction, which is in violation of these restrictions, the Association shall have the right to file a Declaration of Lien per the provisions of Section 4.8 of this document, the total lien amount being equal to expenses paid by the Association.

ARTICLE VI PROTECTIVE COVENANTS

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

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

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

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

- e. Leases or sub-leases to more than one individual unless those individuals are of the same immediate family.
- f. Leases or sub-leases for a term of less than one hundred twenty (120) days.
- g. Paragraphs 6.2e and 6.2f do not apply to owners who have leased or rented their property within Waterstone subdivision for a minimum of two (2) nights prior to February 27, 2021. Upon any change of Ownership of such property, this provision, Paragraph 6.2g, no longer applies to such Property.

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

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

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

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

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

in the house containing the most Heated Living Area.

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

- a. storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings, not exceeding fourteen (14) feet in height. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Property and shall be covered with the approved exterior materials described in Section 6.4(e) and 6.4(f) above. Further, no outbuildings shall be located wholly or partially within any Buffer Area (as defined below).
- b. Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1,000) square feet in area. Further, no such structure shall be located wholly or partially within any Buffer Area (as defined below).
- c. Waterfront structures, including fixed piers, boat slips or floats, covered docks, boat ramps, decking and sitting areas attached to piers, walkways and other similar structures, to the extent permitted at the time of construction and installation by Duke Energy Corporation (or its successor, with respect to ownership and/or management authority over the Lake, if applicable) (hereinafter "Duke Energy") and all applicable governmental authorities. Any Grantee of a deed conveying any of the properties covered under these covenants acknowledges that policies, laws and regulations regarding a lot owner's ability to construct or install such structures may change from time to time before or after acquisition of the Property, and Declarant and Association make no warranty or representation as to the ability of such lot owner to construct or install such structures either now or in the future. Such structures may be located wholly or partially within the Buffer Area provided no more than a total of two hundred (200) square feet of such structures shall be located within the Buffer Area.

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

- a. No portion (or portions) of the Property greater than two thousand (2,000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated, or (iv) covered with earth or other natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.

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

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

- a. Trees which are less than six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual handsaws. No other mechanical equipment or vehicles may be used in removing any trees. Additionally, trees having greater diameter than that set forth above that have become diseased or damaged through natural processes may be removed in the same manner.

- b. An access corridor may be created within the Buffer Area for the purpose of providing lake access to install shoreline stabilization or to install and use water access structures (such as docks or boat ramps) that have been approved in advance by Duke Energy and otherwise comply with Section 6.S(c) above. The access corridor may not exceed fifteen (15) feet in width. Trees with diameters equaling or exceeding six (6) inches, as measured four and one-half feet (4.5') from base, may be removed within the access corridor and grading or ground disturbance which otherwise complies with the restrictions set forth herein) may be performed if reasonably necessary to provide access to the Lake for the purposes described above in this Section 6.7(b).
- c. Underbrush (defined as nuisance shrubs, vines and similar plant growth beneath the tree canopy, and generally growing less than six feet (6') in height) may be removed.
- d. Pruning and trimming of trees is permitted, provided that pruning is limited to tree branches beginning with the lowest to the ground and extending up the tree trunk no more than one-half of the total height of the tree. Trimming may also be performed on any limbs or branches that are diseased or naturally damaged.
- e. The use of rip-rap, bulkheading or other shoreline stabilization methods or materials may be initiated with the prior written approval by Duke Energy and any shoreline stabilization shall be performed in compliance with Duke Energy's Shoreline Management Guidelines which are in effect at the time such stabilization occurs. Generally, Duke Energy allows structural stabilization to extend only to a height five feet above the Contour Line of the Lake. If Duke Energy authorizes the owner of a lot to perform certain shoreline stabilization, then at all points where shoreline stabilization occurs, the inner boundary line of the Buffer Area (i.e. the boundary line opposite the Contour Line of the Lake) shall be adjusted inward (i.e. away from the Contour Line of the Lake) by the same distance that the stabilization structures or improvements extend from the Contour Line of the Lake into the Property, provided however, that in no event shall the width of the undisturbed Buffer Area be reduced to less than fifty (50) feet between any portion of the interior edge of the stabilization structures or improvements and any residence or other structure of improvements located on the Property (other than docks, boat ramps, or other water access structures which have been approved in writing by Duke Energy).

SECTION 6.8 NO CLAIMS: No owner of the Property or of any Benefited Property (defined below) shall have any claim or cause of action against either Declarant, Association, or Duke Energy or its affiliates arising out of the exercise, or non-exercise, or enforcement or failure to enforce, or

the amendment, release or grant of variance with respect to any covenant, condition, restriction, easement or other right reserved hereunder or referred to herein.

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

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

SECTION 6.11 MODIFICATION, AMENDMENT, VARIANCES:

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

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

extending into the Property from and along any public or private road rights of way for the installation and maintenance of utility lines, drainage ditches or facilities, or any other related improvements that may be required by Declarant or its successors or assigns.

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

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

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

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

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

SECTION 6.17 PARKING: No parking of unlicensed, uninspected, or non-operable vehicles shall be allowed outside a dwelling unit. Except for emergency repairs, no person shall repair or restore any vehicle, trailer, boat, or recreational vehicle upon any portion of the properties outside a dwelling unit or garage. The Board shall have the right and authority to formulate rules governing the size and weight of vehicles which may be driven, parked, or stored within Waterstone subdivision. No vehicle may be stored outside a dwelling unit or approved structure

except such vehicles as are for the property owner's personal use. These vehicles shall be parked no closer than fifty (50) feet to the road and in such a manner as not to be an eyesore or nuisance to other owners. No vehicles shall be allowed to be parked within the streets, roadways, common areas, or the rights of way in Waterstone Subdivision. This shall not prohibit the parking of vehicles on the streets, roadways, or rights of way in the event of a special gathering at a lot owner's dwelling, as, for example, birthday parties, Christmas parties, and the like.

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

SECTION 6.19 TRASH RECEPTACLES: Storage, collection and disposal of trash shall be in compliance with rules set by the Association. All trash, rubble, or debris kept or retained in containers for disposal shall be limited to that which is generated by the dwelling located on the lot in question.

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

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

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

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

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

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

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

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

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

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

SECTION 6.30 MAINTENANCE OF LOTS: All lots and parcels, whether occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly, unsanitary or a hazard to health. If not so maintained, the

Association shall have the right, through its agents and employees, to do so, the cost of which shall be assessed to the owner and become a lien upon said lot and shall be enforceable by the Association. The Association, by and through the Board, shall have the unilateral right to file a Declaration of Lien in the deed records of Oconee County to perfect a lien for unpaid assessments or charges pursuant to the provisions of Section 4.8 of this document. No notice or service of process shall be required with reference to the lot Owner; the unilateral filing of said Declaration shall be the only requirement necessary to perfect said lien. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed.

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

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

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

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

ARTICLE VII CONVEYANCE OF COMMON AREA TO THE ASSOCIATION

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

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

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

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

ARTICLE VIII GENERAL PROVISIONS

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

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

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

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

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

SECTION 8.6 VERIFICATION BY THIRD PARTIES: In any provision of the within Declaration wherein the right to file a Declaration of Lien exists, or in any provision relating to the capital contribution or membership fee owed by a lot owner, the sale or transfer of any lot in the subdivision shall not affect any such obligation for payment which has not been complied with by the prior lot owner. Any balance due, if not paid, shall become and remain an obligation of the subsequent purchaser. Accordingly, if any owner of a lot desires to sell his lot, he may, in


order to assure a prospective purchaser that no such balances remain unpaid, request from the Association a written certification that no such charges or expenses exist, whereupon it shall be the duty of the Association to certify this immediately upon request and without charge. However, any such unpaid expenses may be enforced by the filing of a Declaration of Lien, as provided in Section 8.5 above.

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

In Witness hereof the undersigned officers of the Waterstone Property Owners Association, Inc. have set their hands and seals this 20th day of April 2021.

Witnesses as to both:





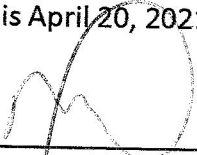
Scott A. Morris, President





Thomas M. Cash, Secretary

Sworn and subscribed before me
This April 20, 2021.



Notary Public for South Carolina
My Commission Expires: 5-15-2023

ANDREW SMITH
S.C. Notary Public
My Commission Expires
May 15th, 2023